

**CAO BANG CAST IRON AND STEEL
JOINT STOCK COMPANY**

Audited financial statements
for the fiscal year ended
December 31, 2024



CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

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CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

COMPANY INFORMATION

GENERAL INFORMATION ABOUT THE COMPANY

Cao Bang Cast Iron and Steel Joint Stock Company was established and operates under the Enterprise Registration Certificate No. 4800162247, initially issued by the Department of Planning and Investment of Cao Bang Province on October 18, 2006, and most recently amended for the 10th time on June 10, 2022.

The company was approved by the State Securities Commission to become a public company on January 23, 2017. The company's shares have been traded on the UpCom floor since September 28, 2017 with the trading code CBI.

BOARD OF DIRECTORS

| | | |
|-------------------------|----------|------------------------------------|
| - Mr. Ngo Quoc Trung | Chairman | <i>Appointed on April 24, 2024</i> |
| - Mr. Bui Tien Hai | Chairman | <i>Resigned on April 24, 2024</i> |
| - Mr. Nguyen Van Phuong | Member | |
| - Mr. Trinh Van Tuan | Member | |
| - Mr. Pham Thanh Do | Member | |
| - Mr. To Xuan Thanh | Member | |

BOARD OF MANAGEMENT

| | | |
|-------------------------|---------------|--------------------------------------|
| - Mr. Nguyen Van Phuong | Director | |
| - Mr. Hoang Minh Ngoc | Vice Director | |
| - Mr. Nguyen Hoai Nam | Vice Director | |
| - Mr. Ly The Phi | Vice Director | <i>Appointed on January 16, 2025</i> |
| - Mr. Nguyen Van Tuan | Vice Director | <i>Resigned on October 18, 2024</i> |

BOARD OF SUPERVISORS

| | |
|-----------------------|----------------|
| - Mr. Hoang Van Sang | Chief of Board |
| - Mr. Le Van Luong | Member |
| - Ms. Dao Thi Van Anh | Member |

LEGAL REPRESENTATIVE

The legal representative of the Company during the year up to the date of this report is Mr. Nguyen Van Phuong - Title: Director.

BUSINESS REGISTRATION OFFICE

The company's headquarters is at No. 52 Kim Dong Street, Hop Giang Ward, Cao Bang City, Cao Bang Province, Vietnam.

AUDITORS

BDO Audit Services Company Limited has audited the Company's financial statements for the fiscal year ended December 31, 2024.

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

REPORT OF THE BOARD OF MANAGEMENT

About the financial statements of the Company for the fiscal ended December 31, 2024

The Board of Management of Cao Bang Cast Iron and Steel Joint Stock Company (hereinafter referred to as "the Company") presents this report together with the Company's financial statements for the fiscal year ended December 31, 2024.

BOARD OF MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management is responsible for the preparation of the financial statements of the Company which give a true and fair view of the financial position of the Company as at December 31, 2024, as well as the results of its operations and cash flows for the fiscal year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Policies for Enterprises and prevailing legal regulations relating to the preparation and presentation of financial statements.

In preparing these financial statements, The Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, material misstatements (if any) that have been disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accompanying financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting Policies for Enterprises and prevailing legal regulations. We are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

APPROVAL OF FINANCIAL STATEMENTS

The Board of Management approves the accompanying financial statements for the fiscal year ended December 31, 2024 from page 06 to page 36. In our opinion, these financial statements give a true and fair view, in material respects, of the financial position of the Company as at December 31, 2024, the results of operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Policies for Enterprises and prevailing legal regulations relating to the preparation and presentation of financial statements.

For and on behalf of The Board of Management,



Mr. Nguyen Van Phuong

Director

Cao Bang, March 25, 2025

INDEPENDENT AUDITORS' REPORT

*On the financial statements of Cao Bang Cast Iron and Steel Joint Stock Company
for the fiscal year ended December 31, 2024*

**To: SHAREHOLDERS, THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT
CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY**

We have audited the accompanying financial statements of Cao Bang Cast Iron and Steel Joint Stock Company (hereinafter referred to as "the Company") issued on March 25, 2025 and set out on page 06 to page 36 which comprise the balance sheet as at December 31, 2024, income statement, cash flow statement for the fiscal year then ended, and Notes to the financial statements.

Responsibilities of The Board of Management

The Board of Management is responsible for the preparation and the fair presentation of the Company's financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Policies for Enterprises and prevailing legal regulations, and for such internal control as The Board of Management determined to be necessary to ensure the presentation of financial statements are free from material misstatements, whether due to fraud or errors.

Responsibilities of Auditors

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, plan and perform the audit to obtain reasonable assurance about whether the financial statements of the Company are free from material misstatements.

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

Audit Opinion

In our opinion, in all material respects, the accompanying Financial Statements give a true and fair view of the financial position of Cao Bang Cast Iron and Steel Joint Stock Company as at December 31, 2024, and of the result of its operations and cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting Policies for Enterprises and prevailing legal regulations relating to the preparation and presentation of the financial statements.

Emphasis matter

Without denying the above opinion, we would like to draw readers' attention to Note VII.7 - Information on the Company's going concern. In 2024, the Company lost VND 160,349,497,695, resulting in an accumulated loss of VND 152,913,156,937 as of December 31, 2024. At the same time, on the Balance Sheet as of December 31, 2024, the Current Liabilities - Code 310 indicator was VND 1,521,319,725,432, exceeding the Current Assets - Code 100 indicator of VND 944,188,411,424. However, the Board of Directors and the Board of Management of the Company have a business plan to ensure the Company's solvency and continued operations for the next 12 months. Therefore, the Financial Statements for the fiscal year ending December 31, 2024 are still prepared based on the going concern assumption.



Other matter

Comparative figures are figures on the Financial Statements for the fiscal year ending December 31, 2023 that have been audited by another entity with an unqualified opinion and have been adjusted for some indicators according to the opinion in the Audit Report of the State Audit.

BDO AUDIT SERVICES COMPANY LIMITED



Bui Van Vuong - Deputy General Director

*Audit Practicing Registration Certificate
No.0780-2023-038-1*

Nguyen Tuan Anh - Auditor

*Audit Practicing Registration Certificate No.
1906-2023-038-1*

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

BALANCE SHEET

As at December 31, 2024

B01-DN

Unit: VND

| ASSETS | Code | Note | Closing balance | Opening balance |
|---|------------|------------|--------------------------|--------------------------|
| A - CURRENT ASSETS | 100 | | 944,188,411,424 | 840,872,121,756 |
| I. Cash and cash equivalents | 110 | V.1 | 1,132,409,108 | 20,233,263,808 |
| 1. Cash | 111 | | 1,132,409,108 | 20,233,263,808 |
| 2. Cash equivalents | 112 | | - | - |
| II. Current receivables | 130 | | 7,457,221,252 | 6,233,392,849 |
| 1. Current trade receivables | 131 | | - | 1,669,586 |
| 2. Current advances to suppliers | 132 | V.2 | 3,088,701,798 | 1,829,491,798 |
| 3. Other current receivables | 136 | V.3 | 6,105,642,171 | 6,139,354,182 |
| 4. Provision for current doubtful debts | 137 | V.4 | (1,737,122,717) | (1,737,122,717) |
| III. Inventories | 140 | V.5 | 893,248,572,777 | 793,988,956,372 |
| 1. Inventories | 141 | | 903,165,045,966 | 793,988,956,372 |
| 2. Provision for devaluation of inventories | 149 | | (9,916,473,189) | - |
| IV. Other current assets | 150 | | 42,350,208,287 | 20,416,508,727 |
| 1. Current prepaid expenses | 151 | V.7 | 23,739,313,886 | 14,550,056,749 |
| 2. Value-added tax deductible | 152 | | 17,354,287,043 | 909,784,099 |
| 3. Tax and other receivables from the State | 153 | V.12.2 | 1,256,607,358 | 4,956,667,879 |
| B - NON-CURRENT ASSETS | 200 | | 1,022,074,395,559 | 1,120,878,447,198 |
| I. Non-current receivables | 210 | | 27,287,332,371 | 23,785,834,000 |
| 1. Other non-current receivables | 216 | V.3 | 27,287,332,371 | 23,785,834,000 |
| 2. Provision for non-current doubtful debts | 219 | | - | - |
| II. Fixed assets | 220 | | 936,011,573,937 | 1,059,139,455,636 |
| 1. Tangible fixed assets | 221 | V.9 | 932,964,832,026 | 1,056,903,483,093 |
| <i>Historical cost</i> | 222 | | 2,011,925,268,238 | 2,011,565,268,238 |
| <i>Accumulated depreciation</i> | 223 | | (1,078,960,436,212) | (954,661,785,145) |
| 2. Financial lease fixed assets | 224 | V.8 | 3,046,741,911 | 2,235,972,543 |
| <i>Historical cost</i> | 225 | | 4,302,047,271 | 4,302,047,271 |
| <i>Accumulated depreciation</i> | 226 | | (1,255,305,360) | (2,066,074,728) |
| III. Non-current asset-in-progress | 240 | | 34,652,068,562 | - |
| 1. Construction-in-progress | 242 | V.6 | 34,652,068,562 | - |
| IV. Other non-current assets | 260 | | 24,123,420,689 | 37,953,157,562 |
| 1. Non-current prepaid expenses | 261 | V.7 | 24,123,420,689 | 37,953,157,562 |
| TOTAL ASSETS | 270 | | 1,966,262,806,983 | 1,961,750,568,954 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

BALANCE SHEET (continued)

B01-DN

As at December 31, 2024

Unit: VND

| RESOURCES | Code | Note | Closing balance | Opening balance |
|---|------------|-------------|--------------------------|--------------------------|
| C - LIABILITIES | 300 | | 1,689,112,303,920 | 1,522,862,214,618 |
| I. Current liabilities | 310 | | 1,521,319,725,432 | 1,262,008,636,176 |
| 1. Current trade payables | 311 | V.10 | 789,429,361,237 | 392,548,168,552 |
| 2. Current advance from customers | 312 | V.11 | 50,135,555,399 | 275,199,226,240 |
| 3. Tax payables and obligations to the State | 313 | V.12.1 | 8,870,535,206 | 1,008,947,503 |
| 4. Payable to employees | 314 | | 17,068,137,199 | 13,823,878,924 |
| 5. Current accrued expenses | 315 | V.13 | 11,149,621,774 | 6,710,113,330 |
| 6. Other current payables | 319 | V.14 | 26,997,629,964 | 11,575,364,143 |
| 7. Short-term loans and finance lease liabilities | 320 | V.15 | 614,560,287,435 | 557,181,584,582 |
| 8. Provision for current payables | 321 | | - | - |
| 9. Bonus and welfare funds | 322 | | 3,108,597,218 | 3,961,352,902 |
| II. Non-current liabilities | 330 | | 167,792,578,488 | 260,853,578,442 |
| 1. Non-current trade payables | 331 | | - | - |
| 2. Non-current advance from customers | 332 | | - | - |
| 3. Long-term loans and finance lease liabilities | 338 | V.15 | 167,792,578,488 | 260,853,578,442 |
| D - OWNERS' EQUITY | 400 | V.16 | 277,150,503,063 | 438,888,354,336 |
| I. Owners' equity | 410 | | 277,150,503,063 | 438,888,354,336 |
| 1. Contributions of owners | 411 | | 430,063,660,000 | 430,063,660,000 |
| - Common shares with voting rights | 411a | | 430,063,660,000 | 430,063,660,000 |
| 2. Retained earnings | 421 | | (152,913,156,937) | 8,824,694,336 |
| - Retained earnings accumulated to the prior year | 421a | | 7,436,340,758 | 7,209,402,966 |
| - Current year retained earnings | 421b | | (160,349,497,695) | 1,615,291,370 |
| TOTAL RESOURCES | 440 | | 1,966,262,806,983 | 1,961,750,568,954 |

Cao Bang, March 25, 2025

Preparer

Chief Accountant

Director

Nguyen Thi Huong

Nguyen Van Hung



Nguyen Van Phuong

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

INCOME STATEMENT

B02-DN

For the fiscal year ended December 31, 2024

Unit: VND

| ITEMS | Code | Note | Current year | Previous year |
|---|------|-------|-------------------|-------------------|
| 1. Revenue from sales of goods and rendering of services | 01 | VI.1 | 2,188,112,421,848 | 2,616,360,392,308 |
| 2. Revenue deductions | 02 | | - | - |
| 3. Net revenue from sales of goods and rendering of services | 10 | | 2,188,112,421,848 | 2,616,360,392,308 |
| 4. Cost of goods sold | 11 | VI.2 | 2,199,558,628,636 | 2,511,692,267,293 |
| 5. Gross profit from sales of goods and rendering of services | 20 | | (11,446,206,788) | 104,668,125,015 |
| 6. Financial income | 21 | VI.3 | 34,349,859 | 1,160,542,326 |
| 7. Financial expenses | 22 | VI.4 | 59,557,799,125 | 74,721,186,571 |
| In which: Interest expenses | 23 | | 41,550,198,983 | 58,082,021,311 |
| 8. Selling expenses | 25 | VI.5 | 27,404,912,796 | 3,236,424,549 |
| 9. General and Administrative expenses | 26 | VI.6 | 56,114,932,858 | 25,752,514,389 |
| 10. Net profit from operating activities | 30 | | (154,489,501,708) | 2,118,541,832 |
| 11. Other income | 31 | VI.7 | 716,626,838 | 114,604,093 |
| 12. Other expenses | 32 | VI.8 | 6,576,622,825 | 700,000 |
| 13. Other profit | 40 | | (5,859,995,987) | 113,904,093 |
| 14. Accounting profit before tax | 50 | | (160,349,497,695) | 2,232,445,925 |
| 15. Current corporate income tax expense | 51 | VI.10 | - | 617,154,555 |
| 16. Net profit after corporate income tax | 60 | | (160,349,497,695) | 1,615,291,370 |
| 17. Basic earnings per share | 70 | VI.11 | (3,729) | (79) |

Cao Bang, March 25, 2025

Preparer

Chief Accountant

Director

Nguyen Thi Huong

Nguyen Van Hung



Nguyen Van Phuong

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

CASH FLOW STATEMENT

B03-DN

(Indirect method)

For the fiscal year ended December 31, 2024

Unit: VND

| ITEMS | Code | Note | Current year | Previous year |
|--|-----------|------|-------------------------|------------------------|
| I. Cash flows from operating activities | | | | |
| 1. Profit before tax | 01 | | (160,349,497,695) | 2,232,445,925 |
| 2. Adjusted for: | | | | |
| - Depreciation of fixed assets and investment properties | 02 | | 123,487,881,699 | 123,811,475,025 |
| - Provisions | 03 | | 9,916,473,189 | (59,400,000) |
| - Foreign exchange (gains)/losses from revaluation of monetary items denominated in foreign currencies | 04 | | 11,616,737,320 | 9,619,793,765 |
| - Gains/(losses) from investment activities | 05 | | (34,349,859) | (35,710,421) |
| - Interest expenses | 06 | | 41,550,198,983 | 58,082,021,311 |
| - Other adjustments | 07 | | - | - |
| 3. Operating profit before changes in working capital | 08 | | 26,187,443,637 | 193,650,625,605 |
| - (Increase)/decrease in receivables | 09 | | (17,469,769,197) | 14,902,146,119 |
| - (Increase)/ decrease in inventories | 10 | | (109,176,089,594) | (118,432,636,889) |
| - Increase/(decrease) in payables | 11 | | 206,351,848,467 | 101,303,310,242 |
| - (Increase)/ decrease in prepaid expenses | 12 | | 4,640,479,736 | 16,594,429,958 |
| - (Increase)/ decrease in trading securities | 13 | | - | - |
| - Interest paid | 14 | | (43,145,479,049) | (60,159,878,828) |
| - Corporate income tax paid | 15 | | (214,172,328) | - |
| - Other receipts from operating activities | 16 | | 1,103,000,000 | 6,500,000 |
| - Other payments for operating activities | 17 | | (3,344,109,262) | (1,519,260,000) |
| Net cash flows from operating activities | 20 | | 64,933,152,410 | 146,345,236,207 |
| II. Cash flows from investing activities | | | | |
| 1. Acquisition of fixed assets and other non-current assets | 21 | | (36,769,322,548) | (2,846,200,000) |
| 2. Proceed from disposal of fixed assets and other non-current assets | 22 | | - | - |
| 3. Loans to other entities and payment for purchase of debt instruments of other entities | 23 | | - | - |
| 4. Collections from loans and proceeds from sale of debt instruments of other entities | 24 | | - | - |
| 5. Payment for investments in other entities | 25 | | - | - |
| 6. Proceed from sale of investments in other entities | 26 | | - | - |
| 7. Interests, dividends and distributed profit received | 27 | | 34,349,859 | 35,710,421 |
| Net cash flows from investing activities | 30 | | (36,734,972,689) | (2,810,489,579) |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

CASH FLOW STATEMENT (continued)

B03-DN

(Indirect method)

For the fiscal year ended December 31, 2024

| ITEMS | Code | Note | Current year | Previous year |
|---|-----------|------------|-------------------------|--------------------------|
| III. Cash flows from financing activities | | | | |
| 1. Proceeds received from issuance of shares and receipt from contributions of the owners | 31 | | - | - |
| 2. Repayment of contributions to owners, repurchase of stock issued | 32 | | - | - |
| 3. Drawdown of borrowings | 33 | | 1,217,365,760,309 | 1,564,880,550,474 |
| 4. Repayment of borrowings principal | 34 | | (1,263,528,070,730) | (1,707,153,890,100) |
| 5. Repayment of finance lease principal | 35 | | (1,136,724,000) | (1,136,724,000) |
| 6. Dividend, profit distributed to shareholders | 36 | | - | - |
| Net cash flows from financing activities | 40 | | (47,299,034,421) | (143,410,063,626) |
| Net cash flows during the year | 50 | | (19,100,854,700) | 124,683,002 |
| Cash and cash equivalents at the beginning of the year | 60 | V.1 | 20,233,263,808 | 20,108,580,806 |
| Impacts of foreign exchange differences | 61 | | - | - |
| Cash and cash equivalents at the end of the year | 70 | V.1 | 1,132,409,108 | 20,233,263,808 |

Preparer



Nguyen Thi Huong

Chief Accountant



Nguyen Van Hung

Cao Bang, March 25, 2025

Director



Nguyen Van Phuong

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS

B09-DN

For the fiscal year ended December 31, 2024

I. GENERAL INFORMATION

1. Structure of ownership

Cao Bang Cast Iron and Steel Joint Stock Company was established and operates under the Enterprise Registration Certificate No. 4800162247, initially issued by the Department of Planning and Investment of Cao Bang Province on October 18, 2006, and most recently amended for the 10th time on June 10, 2022.

The company was approved by the State Securities Commission to become a public company on January 23, 2017. The company's shares have been traded on the UpCom floor since September 28, 2017 with the trading code CBI.

The company's headquarters is at No. 52 Kim Dong Street, Hop Giang Ward, Cao Bang City, Cao Bang Province, Vietnam.

2. Business areas

- Iron ore mining: Surveying, exploration, extraction, beneficiation, processing, and trading of various minerals.
- Mine design consulting, investment consulting for mining, beneficiation, and processing of various minerals.
- Consulting and technology transfer in the fields of geology, mining, and metallurgy.
- Design, manufacturing, processing, repair, and import-export of goods, materials, and equipment for mineral exploration, extraction, processing, and metallurgical operations.
- Production, trading, and import-export of various types of pig iron, steel, and construction materials.
- Transportation and freight forwarding services.

3. Business sector

The Company's main business activities during the year were the production of pig iron and steel billets.

4. Normal business production cycle

The Company's operating cycle is the period from the procurement of raw materials for the production process to their conversion into cash or cash-equivalent assets, typically not exceeding 12 months.

5. Characteristics of the Company's Operations During the Period Affecting the Financial Statements

During the year, the Company initiated procedures to cease operations and close the Southern mine while simultaneously investing in the Northern mine. This event has influenced the Company's business performance during the year. Management continues to monitor developments closely, assess the financial impact of this transition, and apply estimates and judgments to various matters based on the most reliable information available as of the date of these financial statements.

6. Employees

The Company had a total of 721 employees as of December 31, 2024 (as of December 31, 2023 had 758 employees).

7. Statement on the comparability of Financial statement information

The comparative figures presented in the financial statements are based on the audited financial statements for the fiscal year ended December 31, 2023, which were audited by another independent firm with an unqualified opinion. Certain figures have been adjusted in accordance with the conclusions stated in the audit report issued by the State Audit Office. Details of these adjustments are provided in Note VII.6 of the accompanying Notes to the Financial Statements.

II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

1. Accounting period

The accounting period starts on January 01 and ends on December 31 of calendar year.

2. Accounting currency

The accounting currency is Vietnam dong (VND).

III. APPLICABLE ACCOUNTING SYSTEM AND ACCOUNTING STANDARDS

1. Basis of preparing separate Financial Statements and accounting system

The Company applies Vietnamese Accounting Policies for Enterprises issued with Circular No.200/2014/TT-BTC dated December 22, 2014 and Circular No. 53/2016/TT-BTC dated March 21, 2016 amending some clauses of Circular No. 200/2014/TT-BTC dated December 22, 2014 by the Ministry of Finance guiding the corporate accounting system.

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

2. Declaration on compliance with Accounting Standards and Accounting System

The Board of Management has prepared and presented the Company's financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Accounting Policies for Enterprises and prevailing legal regulations guiding the preparation and presentation of financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the Company in the preparation of these financial statements. The accounting policies adopted by the Company in preparing these financial statements are consistent with the accounting policies applied in preparing the financial statements for the most recent financial year.

1. Types of exchange rates applied in accounting

- Real exchange rate at the time of transactions:

Shall be used to convert into the accounting currency for transaction recorded increase: Revenue, Other income, Operating expenses, Other expenses, Assets, Owners' equity, Receivable, Equity in cash, Advances to suppliers, Payables, Advances from customers.

In case of sale of goods or rendering of services related to unearned revenue or receipts in advance from customers: Revenue, income corresponding to the amount received in advance shall be applied at the actual transaction exchange rate at the time of advances received.

In case of asset procurement related to advance transactions to suppliers: The value of assets corresponding to the advance amount shall be applied the actual transaction exchange rates at the time of advances to the suppliers.

- Specific identification bookkeeping exchange rate:

Shall be used to convert into the accounting currency for transactions recorded decrease: Receivables, Advances from customers due to the transfer of products, goods, fixed assets, services, accepted volume, Collaterals, Prepaid expenses, Payables, Advances to suppliers for products, goods, fixed assets, services received, accepted volume.

In case in the period, the Company incurred many receivables or payables in foreign currencies with the same object, the specific identification bookkeeping rate for each object is determined on the basis of mobile weighted average for transaction with such object.

- Moving weighted average exchange rate: Shall be used to convert foreign currency payments into the accounting currency on the credit side of cash accounts when making payments in foreign currency.

- Exchange rate applied when re-evaluating at the end of the period:

For monetary items denominated in foreign currencies classified as assets: The exchange rate applied for revaluation is 25,349 VND/USD, which is the buying exchange rate of Joint stock Commercial Bank for Investment and Development of Viet Nam at the end of December 31, 2024. For foreign currency deposits at banks, the actual exchange rate when re-evaluating is the buying rate of the bank where the Company opens the foreign currency account.

For the fiscal year ended December 31, 2024

For monetary items denominated in foreign currencies classified as liabilities: The exchange rate applied for revaluation is 25,551 VND/USD, which is the selling exchange rate of Joint stock Commercial Bank for Investment and Development of Viet Nam at the end of December 31, 2024.

2. Recognition of cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits on demand, deposits (with term no more than 03 months), cash in transit and short-term investments with maturity of no more than 3 months that can be easily transferred to cash without any risks in transferring at the date of the report. The identification of cash and cash equivalents is in accordance with Vietnam Accounting Standard No. 24 "Cash flow Statements".

3. Recognition of Receivables

Receivables are amounts that can be collected from customers or other entities. Receivables are stated at carrying amount less provisions for doubtful debts.

The classification of receivables as receivables from customers and other receivables is performed by following principles:

- **Trade receivables:** Include commercial receivables generating from purchase - sale related transactions.
- **Other receivables:** Include non - commercial, non relevant to sale and purchase transaction receivable amounts (such as receivables for loans, deposits, dividends and profit distributed, payment on behalf of a third party entitled to get back, amounts collected on behalf of the entrusting party, receivables from lending the property, receivables for fines, compensations, deficient assets awaiting resolution, and etc).

Receivables shall be recorded specifically to original terms and remaining recovery terms as at the reporting date, original currencies and each object. At the financial statements' preparation date, receivables which have remaining recovery terms of no more than 12 months or a business cycle are classified as current receivables, receivables which have remaining recovery terms of over 12 months or a business cycle are classified as non-current receivables.

Provision for doubtful debts represents the amounts of outstanding receivables at the balance sheet date that the Company expected to be non-recoverable. Increases and decreases to the provision balances are charged as general and administrative expenses on the income statement. Provision for doubtful debts is made for each receivable, based on the overdue time to pay the principal according to the original commitment (other than the debt extension between the parties), or the expected loss.

4. Recognition of Inventories

Inventories are measured at the lower of cost and net realizable value, in accordance with Vietnamese Accounting Standard No. 02 – "Inventories." Specifically: The costs of inventory comprise of all costs of purchase, costs of conversion and other costs incurred bringing the inventory to their present location and condition. Net realizable value is present, as determined by the estimated selling price minus (-) the estimated cost to complete the product and the estimated costs necessary for consumption.

Inventory valuation method: Weighted average.

Method of inventory accounting: Perpetual inventory count.

Method for determining year-end work in progress:

The cost of unfinished production and business at the end of the period is all actual costs incurred related to the formation of construction items of the Company that have not been accepted by the investor at the end of the fiscal year.

Provision for devaluation of inventories is made by the Company in accordance with prevailing accounting regulations. Accordingly, the Company is allowed to make provision for devaluation of inventories due to obsolescence, damage, inferior quality and in case the cost of inventories is higher than net realizable value at the end of the year. An increase or decrease in the provision account balance is recognized in cost of goods sold during the year.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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5. Recognition of fixed assets and depreciation (TFA)

Fixed assets are stated at historical cost less accumulated depreciation.

The historical cost of tangible fixed asset comprises of its purchase price and any directly attributable costs to bring the tangible fixed assets into work condition for its intended use. The identification of the historical cost of each category of tangible fixed assets is in accordance with Vietnamese Accounting Standard No. 03 "Tangible fixed assets".

Expenditures incurred after the initial recognition (costs of upgrading, renovation, maintenance, and etc.) are recognized as operating expenses in the period. Where it can be clearly demonstrated that these expenses increase the expected future economic benefits of the use of fixed assets that exceed the standard operating level initially assessed, these expenses are capitalized as additional costs of the fixed assets.

When a tangible fixed asset is sold or disposed of, its historical cost and accumulated depreciation are removed from the balance sheet, and any gain or loss resulted from the disposal of the asset is included in the income statement.

Depreciation of tangible fixed assets is calculated on a straight-line method over their estimated useful lives.

The estimated useful lives are classified by asset class as follows:

| <u>Fixed assets</u> | <u>Useful lives</u> |
|----------------------------------|---------------------|
| Buildings, structures | 10 - 25 years |
| Machinery, equipment | 05 - 15 years |
| Means of transport, transmission | 06 - 10 years |
| Management equipment | 03 - 10 years |

6. Recognition of Financial lease fixed assets

Financial lease fixed assets are stated at historical cost less accumulated depreciation.

The cost of a finance leased asset is recorded at the present value of the minimum lease payments plus any initial direct costs incurred in connection with the finance lease. If input VAT is deductible, the present value of the minimum lease payments does not include VAT payable to the lessor.

Interest rate applicable to calculate the present value of minimum lease payments for the lease of an asset: The interest rate stated in the lease agreement.

Interest rate applicable to calculate the present value of minimum lease payments for the lease of an asset: The interest rate stated in the lease agreement.

| <u>Fixed assets</u> | <u>Useful lives</u> |
|----------------------------------|---------------------|
| Means of transport, transmission | 06 - 10 years |
| Machinery, equipment | 06 - 10 years |

7. Recognition of construction-in-progress

Construction in progress includes expenses necessary to form fixed assets (construction and installation costs, equipment, other direct costs, overhead costs, related interest expenses in compliance with applicable regulations, ect) and repair costs of unfinished fixed assets at the balance sheet date. Construction in progress will be converted to the historical cost of fixed assets at the provisional price (if no final settlement has been approved) when the assets are handed over and put into use. No depreciation is applicable for capital construction in progress during construction and installation.

8. Recognition of prepaid expenses

Prepaid expenses are expenses which have actually incurred yet they are related to operation results of several accounting periods.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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Prepaid expenses primarily include expenses for tools and equipment put into use, cost of consulting on investment in basic construction of mine, cost of using geological documents and other costs incurred during business operations of the Company and are considered likely to generate future economic benefits for the Company. These costs are amortized to the Statement of Income on a straight-line basis, over the Company's estimated useful lives or time to recovery.

Prepaid expense shall be recorded in details of maturity. As at reporting date, prepaid expenses which have maturity no more than 12 months or a business cycle since the date of prepayment are classified as current prepaid expenses, expenses which have maturity over 12 months or over a business cycle since the date of prepayment are classified as non-current prepaid expenses.

9. Recognition of liabilities

Liabilities are stated at historical cost. The classification of payables as trade payables and other payables is made according to the following principles:

- **Trade payables:** Include commercial payables arisen from the purchases of goods, services or assets.
- **Other payables:** Including non-commercial payables, not related to the purchase, sale and provision of goods and services (such as interest payable, dividends and profit payable, financial investment activities payable; payable on behalf of a third party; payable due to property borrowing, fines, compensation, excess property pending for settlement, payment of social insurance, health insurance premiums, unemployment insurance, Trade Union fee, etc.).

Payables shall be recorded specially to original terms and remaining terms as at reporting date, original currencies and each object. At financial statements' preparation date, payables that have remaining repayment terms of no more than 12 months or a business cycle are classified as current payables, the payables that have remaining repayment terms of over 12 months or a business cycle are classified as non-current payables.

10. Recognition of accrued expenses

Accrued expenses include expenses that have been recorded into the operating cost, but not actually paid at the end of the fiscal year to ensure the consistency between revenues and expenses. Accrued expenses are recorded based on the reasonable estimation of amount payable for received goods and services. Accrued expenses at the end of the period include: Interest expense, other expenses which already checked and taken over but without invoice.

Basis for determining accrued expenses

Accrued interest expenses, late payment interest: Based on the principal balance, maturity and applicable interest rate.

Other accrued expenses: Based on the volume of works already checked and accepted and the unit price according to the contract.

11. Recognition of loans and finance lease liabilities

Loans shall be specially recorded to each object, terms, original currencies. As at the financial statement's preparation date, loans that have remaining repayment terms of less than 12 months or a business cycle are classified as short-term loans, ones that have remaining repayment terms of over 12 months or a business cycle are classified as long-term loans.

Loans that satisfy the definition of monetary items denominated in foreign currencies: Revalued as at December 31, 2024 at actual exchange rates at the end of the period (Refer to Note IV.1).

12. Recognition of borrowing costs and capitalization

Borrowing costs include interest expenses and directly attributable costs related to borrowings (such as appraisal fees, audit fees, and loan application fees). These costs are recognized as finance expenses in the period they are incurred, except for cases where capitalization is required under Vietnamese Accounting Standard No. 16 – "Borrowing Costs."

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13. Recognition of owners' equity

Charter capital

Charter capital: reflects the actual contributed capital of the shareholders.

The contributed capital of the shareholders is recorded at the actual price of the issue of shares in detail of two criteria: the owner's contributed capital and the share premium.

14. Recognition of retained earnings

Retained earnings reflect the business results (profit, loss) after corporate income tax and profit sharing situation or dealing with loss of the Company. Retained earnings shall be recorded in detail to the operational results of each financial period (previous period, current period) and to each profit sharing content (funds distribution, additional investment capital of the owner, dividends, profits for shareholders and investors).

15. Recognition of revenue

Revenue from sales of goods and finished products

Revenue from selling of goods and finished products is recognized in the income statement when the significant risks and rewards of ownership of the products or goods have transferred to the buyer. Revenue is not recognized if there are material uncertainties related to the recoverability of the receivables or to the possibility of sales returns. Sales revenue is recognized at the net amount after deducting the discount amount stated on the sales invoice.

Revenue from the provision of services

Revenue from the provision of office leasing services is recognised when the outcome of the transaction can be measured reliably. Rental revenue is recognised in accordance with the lease contract and is recognised in the income statement on a straight-line basis over the lease term.

If the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Financial income

Financial incomes include: Interest from deposits, gains from exchange rate difference.

Interest on deposits: Recognized on the basis of time and actual interest rates each period, unless the recoverability of interest is uncertain.

Exchange rate gains: based on the difference between the settlement exchange rate and the book rate when settling foreign currency-denominated liabilities and gains arising from the revaluation of foreign currency monetary items at the end of the reporting period.

16. Recognition of cost of goods sold

Cost of goods sold reflects the cost of goods and services sold during the period. Cost of goods sold is recognized according to the matching principle between revenue and expenses.

To ensure the principle of prudence, costs exceeding the normal level of inventory are recognized immediately as expenses in the period (after deducting any compensation received, if applicable). These include: excessive direct material consumption, labor costs, fixed manufacturing overhead costs not allocated to the value of inventory, inventory shrinkage, losses, etc.

There was no decrease in cost of goods sold during the year.

17. Recognition of financial expenses

Financial expenses include: interest expense, exchange rate loss, and advance payment interest.

Interest expense (including accrued expenses), loss on exchange rate difference of the reporting period is fully recognized in the year.

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18. Recognition of selling and administrative expenses

Selling expenses: Are actual costs incurred in the process of selling products, goods, and providing services, including costs of tools and equipment and other cash expenses.

There was no decrease in selling expenses during the year.

General and administrative expenses: include administrative employees expenses (salaries, wages, allowances, etc.); social insurance, health insurance, trade union funds, unemployment insurance of administrative employees; expenses of office supplies, labor tools, depreciation of fixed assets used for enterprise management; land rental, excise; provision for doubtful debts; outsourced services (electricity, water, telephone, fax, asset insurance, explosion, etc.); other monetary expenses (guest reception, customer conference, etc.).

There was no decrease in general and administrative expenses during the year.

19. Recognition of Taxation

Current corporate income tax (CIT)

Current income tax expense is determined based on taxable income and the corporate income tax rate applicable for the current year.

The Company is entitled to a corporate income tax rate of 10% for 15 years on taxable income from the Cao Bang Iron and Steel Complex Investment Project. The Company is exempted from corporate income tax for 04 years from the time of taxable income (from 2017 to 2020) and a 50% reduction in tax payable for the next 09 years (from 2021 to 2029) according to the provisions of Tax Law 32/2013/QH13 dated June 19, 2013 and Decree No. 218/2013/ND-CP dated December 26, 2013, Decree 12/2015/ND-CP dated February 12, 2015 of the Government. 2024 is the 4th year the Company is entitled to a 50% reduction in tax payable.

Income from non-preferential activities The Company applies a corporate income tax rate of 20%.

Other taxes

Other taxes are applied in accordance with applicable tax laws in Vietnam.

The company is exempted from land tax for 15 years from the date of completion of construction and putting the Cao Bang Iron and Steel Complex Investment Project into operation. At the same time, the company is supported by the budget to provide vocational training for workers according to regulations.

Tax reports of the Company is subject to the examination of tax agency. Due to the various explanation of tax law and regulations application for different transactions, tax amount in the Financial Statements will be adjusted according to final decision of the tax agency.

20. Segment report

Segment reports are part of separate financial statements, which provide information about different types of products and services in different geographical areas.

Segment reports are part of separate financial statements, which provide information about different types of products and services in different geographical areas.

A geographical segment is a distinctly identifiable part that is engaged in the production or provision of a product or service within a particular economic environment and that is subject to economic risks and rewards different from business segments in other economic environments.

21. Related parties

A party is considered as related if it can control the other parties or has significant influence on the other party in making financial and operating decisions. Parties are also considered related if they are subject to common control or common significant influence. Related parties can be companies or individuals, including close members of the family of the individual considered to be related.

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

In considering related party relationships, the nature of the relationship is focused on than the legal form. Transactions and balances with related parties during the year were presented in Note VII.3.

22. Financial instruments

Initial recognition

Financial assets

At initial recognition, financial assets are recorded at cost plus transaction costs directly attributable to the issue or acquisition of the financial asset. Financial assets include cash, deposits with credit institutions, trade and other receivables, loans and other financial assets.

Financial liabilities

Financial liabilities are initially recognized at cost plus transaction costs directly attributable to the issuance of such financial liabilities. The Company's financial liabilities include trade payables, other payables, borrowings and accrued expenses.

Recorded after first time

There are no provisions for revaluation of financial instruments, therefore the value after initial recognition of financial instruments is reflected at original cost.

V. ADDITIONAL INFORMATION FOR ITEMS BALANCE SHEET

1. Cash and cash equivalents

| | Closing balance | Opening balance |
|--------------|----------------------|-----------------------|
| Cash on hand | 211,687,999 | 197,716,357 |
| Cash at bank | 920,721,109 | 20,035,547,451 |
| Total | 1,132,409,108 | 20,233,263,808 |

2. Current trade receivables

| | Closing balance | Opening balance |
|---|----------------------|----------------------|
| Trade receivables from third parties | 3,088,701,798 | 1,829,491,798 |
| Quang Thanh Dat Import Export Trading Co., Ltd | 1,282,750,317 | 1,282,750,317 |
| Cao Bang City Land Fund Development and Site Clearance Center | 869,191,481 | 369,191,481 |
| Technology and New Equipment JSC | 936,760,000 | - |
| Others | - | 177,550,000 |
| Trade receivables from related parties | - | - |
| Total | 3,088,701,798 | 1,829,491,798 |

3. Other receivables

| | Closing balance | Opening balance |
|---------------------------------------|----------------------|----------------------|
| Current | 6,105,642,171 | 6,139,354,182 |
| Advance | 554,450,362 | 729,018,930 |
| Health insurance | 95,238,180 | 59,107,155 |
| Social insurance | 507,936,960 | 315,238,160 |
| Unemployment insurance | 63,492,120 | 39,404,770 |
| Vietnam Environmental Protection Fund | 4,404,902,547 | 4,404,902,547 |
| Cao Bang Construction Development JSC | 454,372,400 | 454,372,400 |
| Others | 25,249,602 | 137,310,220 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

| | Closing balance | Opening balance |
|---|-----------------------|-----------------------|
| Non-current | 27,287,332,371 | 23,785,834,000 |
| Deposit, mortgages | 27,287,332,371 | 23,785,834,000 |
| Vietnam Environmental Protection Fund | 27,163,498,371 | 23,662,000,000 |
| Finance leasing Co., Ltd - Vietnam Joint Stock Commercial Bank for Industry and Trade | 123,834,000 | 123,834,000 |
| Total | 33,392,974,542 | 29,925,188,182 |

4. Doubtful debts

| | Closing balance | | Opening balance | |
|---|----------------------|-------------------|----------------------|------------------------|
| | Cost | Recoverable value | Giá gốc | Giá trị có thể thu hồi |
| Cao Bang Construction Development JSC | 454,372,400 | - | 454,372,400 | - |
| Quang Thanh Dat Trading Import Export Co. Ltd | 1,282,750,317 | - | 1,282,750,317 | - |
| Total | 1,737,122,717 | - | 1,737,122,717 | - |

Company's assessment of overdue debt recovery ability

The Company has assessed and made provisions for overdue and irrecoverable debts with appropriate prudence.

The Company will continue to take measures to ensure the collection of overdue debts.

Details of increase and decrease in provision for doubtful debts:

| | Current year | Previous year |
|--|----------------------|----------------------|
| Opening balance | 1,737,122,717 | 1,737,122,717 |
| Additional provisions during the year | - | - |
| Provision reversal during the year | - | - |
| Debt write-off with provision for the year | - | - |
| Closing balance | 1,737,122,717 | 1,737,122,717 |

5. Inventories

| | Closing balance | | Opening balance | |
|------------------------|------------------------|----------------------|------------------------|-----------|
| | Cost | Provision | Cost | Provision |
| Inventories in transit | - | - | 3,453,851,541 | - |
| Raw materials | 101,994,960,875 | - | 51,939,255,338 | - |
| Tools, supplies | 755,843,209 | - | 608,129,042 | - |
| Work-in-progress | 178,748,723,547 | - | 201,028,810,633 | - |
| Finished goods | 621,665,518,335 | 9,916,473,189 | 536,958,909,818 | - |
| Total | 903,165,045,966 | 9,916,473,189 | 793,988,956,372 | - |

Details increase and decrease in provision for inventory price reduction are as follows:

| | Current year | Previous year |
|--|----------------------|---------------|
| Opening balance | - | - |
| Additional provisions during the year | 9,916,473,189 | - |
| Provision reversal during the year | - | - |
| Debt write-off with provision for the year | - | - |
| Closing balance | 9,916,473,189 | - |

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

6. Construction-in-progress

| | Closing balance | Opening balance |
|--------------------------------------|-----------------------|-----------------|
| Na Rua Iron Mine Project | 34,417,396,394 | - |
| Automatic emission monitoring system | 234,672,168 | - |
| Total | 34,652,068,562 | - |

7. Prepaid expenses

| | Closing balance | Opening balance |
|---|-----------------------|-----------------------|
| Short-term | 23,739,313,886 | 14,550,056,749 |
| Major repair awaiting allocation | 19,110,222,155 | 14,463,398,007 |
| Tools and supplies awaiting allocation | 4,513,931,879 | - |
| Insurance | 115,159,852 | 86,658,742 |
| Long-term | 24,123,420,689 | 37,953,157,562 |
| Major repair awaiting allocation | 7,294,977,279 | 17,516,185,170 |
| Funds contributed to the State budget for site clearance and site clearance | - | 10,000,000,000 |
| Expenses for licensing exploitation rights | 6,693,750,000 | - |
| Expenses of using geological documents | 9,382,445,742 | 10,007,942,130 |
| Other expenses | 752,247,668 | 429,030,262 |
| Total | 47,862,734,575 | 52,503,214,311 |

8. Financial lease fixed assets

| | Machinery and equipment | Means of transport and transimission | Total |
|---------------------------------|-------------------------|--------------------------------------|----------------------|
| Cost | | | |
| Opening balance | 1,591,818,181 | 2,710,229,090 | 4,302,047,271 |
| Increase in the year | - | - | - |
| Increase in the year | - | - | - |
| Closing balance | 1,591,818,181 | 2,710,229,090 | 4,302,047,271 |
| Accumulated depreciation | | | |
| Opening balance | 293,254,610 | 1,772,820,118 | 2,066,074,728 |
| Depreciation | 159,181,824 | 587,216,304 | 746,398,128 |
| Other reduction (*) | - | (1,557,167,496) | (1,557,167,496) |
| Closing balance | 452,436,434 | 802,868,926 | 1,255,305,360 |
| Carrying amount | | | |
| Opening balance | 1,298,563,571 | 937,408,972 | 2,235,972,543 |
| Closing balance | 1,139,381,747 | 1,907,360,164 | 3,046,741,911 |

Lease contract No. 01.184/2021/TSC-CTTC dated December 28, 2021 and lease contract appendix No. 01.107/2021/TSC-CTTC dated May 17, 2022, the Company has the right to purchase the asset at the end of the lease term.

(*) Decreased adjustment due to readjustment of depreciation period of financial leased fixed assets.

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

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9. Tangible fixed assets

| | Buildings, structures | Machinery and equipment | Means of transport and transimission | Management equipment | Total |
|---------------------------------|------------------------|--------------------------|--------------------------------------|----------------------|--------------------------|
| Cost | | | | | |
| Opening balance | 564,946,579,411 | 1,437,882,343,501 | 6,936,873,429 | 1,799,471,897 | 2,011,565,268,238 |
| Increase in the year | - | - | 360,000,000 | - | 360,000,000 |
| Decrease in the year | - | - | - | - | - |
| Closing balance | 564,946,579,411 | 1,437,882,343,501 | 7,296,873,429 | 1,799,471,897 | 2,011,925,268,238 |
| Accumulated depreciation | | | | | |
| Opening balance | 191,421,651,728 | 756,771,306,626 | 5,457,593,165 | 1,011,233,626 | 954,661,785,145 |
| Depreciation | 24,873,304,991 | 98,770,690,440 | 434,782,300 | 219,873,336 | 124,298,651,067 |
| Closing balance | 216,294,956,719 | 855,541,997,066 | 5,892,375,465 | 1,231,106,962 | 1,078,960,436,212 |
| Carrying amount | | | | | |
| Opening balance | 373,524,927,683 | 681,111,036,875 | 1,479,280,264 | 788,238,271 | 1,056,903,483,093 |
| Closing balance | 348,651,622,692 | 582,340,346,435 | 1,404,497,964 | 568,364,935 | 932,964,832,026 |

The original cost of tangible fixed assets as of December 31, 2024, fully depreciated but still in use, is VND 8,211,446,680 (as of December 31, 2023 was VND 7,696,703,036).

The carrying value of tangible fixed assets as of December 31, 2024, which has been used as collateral for loans is VND 920,078,958,153 (as of December 31, 2023 was VND 1,028,296,837,944).

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

10. Current trade payables

| | Closing balance | | Opening balance | |
|--|------------------------|------------------------|------------------------|------------------------|
| | Value | Repayable value | Value | Repayable value |
| Current trade payables to third parties | 146,399,655,922 | 146,399,655,922 | 75,284,029,535 | 75,284,029,535 |
| Dai Viet Co., Ltd | 39,240,163,667 | 39,240,163,667 | 21,890,608,120 | 21,890,608,120 |
| Hop Luc Technology Development and Investment Co., Ltd | 16,612,481,806 | 16,612,481,806 | 3,357,217,369 | 3,357,217,369 |
| Quynh Anh Import-Export and Trading Investment JSC | 19,760,036,540 | 19,760,036,540 | - | - |
| Nhan JSC | 4,621,123,092 | 4,621,123,092 | 4,941,952,935 | 4,941,952,935 |
| Others | 66,165,850,817 | 66,165,850,817 | 45,094,251,111 | 45,094,251,111 |
| Current trade payables to related parties | 643,029,705,315 | 643,029,705,315 | 317,264,139,017 | 317,264,139,017 |
| <i>(Details are disclosed in Note No. VII.3)</i> | | | | |
| Total | 789,429,361,237 | 789,429,361,237 | 392,548,168,552 | 392,548,168,552 |

11. Current advance from customers

| | Closing balance | Opening balance |
|--|-----------------------|------------------------|
| Current advance from customers to third parties | 226,507,581 | 2,139,625,136 |
| VTV Trading and Investment Co., Ltd | - | 1,463,000,000 |
| Others | 226,507,581 | 676,625,136 |
| Current advance from customers to related parties | 49,909,047,818 | 273,059,601,104 |
| <i>(Details are disclosed in Note No. VII.3)</i> | | |
| Total | 50,135,555,399 | 275,199,226,240 |

12. Statutory obligations

12.1 Tax payable

| | Opening balance | Payable amount in year | Paid amount in year | Closing balance |
|-----------------------------|----------------------|------------------------|-----------------------|----------------------|
| Value - added tax payable | - | 29,006,666,981 | 29,006,666,981 | - |
| Corporate income tax | 214,172,328 | - | 214,172,328 | - |
| Value - added tax payable | - | 115,488,581 | 115,488,581 | - |
| Natural resource tax | 794,775,175 | 299,118,233 | 873,102,295 | 220,791,113 |
| Land rent, land tax | - | 5,127,787,762 | 1,912,217,056 | 3,215,570,706 |
| Other tax | - | 6,572,663,235 | 6,572,663,235 | - |
| Mineral exploitation rights | - | 6,693,750,000 | 1,259,576,613 | 5,434,173,387 |
| Total | 1,008,947,503 | 47,815,474,792 | 39,953,887,089 | 8,870,535,206 |

12.2 Tax receivable

| | Opening balance | Payable amount in year | Paid amount in year | Closing balance |
|---------------------------|----------------------|------------------------|---------------------|----------------------|
| Value - added tax payable | 2,001,128,000 | 2,001,128,000 | - | - |
| Corporate income tax | 1,256,607,358 | - | - | 1,256,607,358 |
| Land rent, land tax | 1,698,932,521 | 1,698,932,521 | - | - |
| Total | 4,956,667,879 | 3,700,060,521 | - | 1,256,607,358 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

13. Current accrued expenses

| | Closing balance | Opening balance |
|---------------------------|-----------------------|----------------------|
| Accrued interest expenses | 5,114,833,264 | 6,710,113,330 |
| December electricity bill | 6,000,036,511 | - |
| Others | 34,751,999 | - |
| Total | 11,149,621,774 | 6,710,113,330 |

14. Other current payables

| | Closing balance | Opening balance |
|---|-----------------------|-----------------------|
| Other current payables to third parties | 19,000,530,964 | 11,075,364,143 |
| Trade Union fee | 459,141,000 | 290,619,400 |
| Social insurance | 1,619,403,765 | - |
| Health insurance | 286,019,640 | - |
| Unemployment insurance | 127,012,060 | - |
| Guarantee for contract performance | 12,087,113,631 | 6,346,911,408 |
| <i>Vietnam Kiln Care JSC</i> | <i>1,319,462,534</i> | <i>2,087,700,408</i> |
| <i>Dai Viet Co., Ltd</i> | <i>4,397,435,000</i> | <i>2,553,045,000</i> |
| <i>At Tinh Co., Ltd</i> | <i>3,005,140,097</i> | <i>818,466,000</i> |
| <i>Nhan JSC</i> | <i>452,100,000</i> | <i>887,700,000</i> |
| <i>Quynh Anh Import-Export and Trading Investment JSC</i> | <i>2,912,976,000</i> | - |
| Others | 4,421,840,868 | 4,437,833,335 |
| Other current payables to related parties | 7,997,099,000 | 500,000,000 |
| <i>(Details are disclosed in Note No. VII.3)</i> | | |
| Total | 26,997,629,964 | 11,575,364,143 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

15. Loans and financial liabilities

| | | Opening balance | In the year | | Closing balance |
|--|-----|---------------------------|--------------------------|--------------------------|---------------------------|
| | | Value cum repayable value | Increase | Increase | Value cum repayable value |
| Short-term loans and finance leases | | 557,181,584,582 | 1,322,043,497,583 | 1,264,664,794,730 | 614,560,287,435 |
| <i>Short-term loans</i> | | 458,165,624,990 | 1,215,099,178,761 | 1,162,306,350,204 | 510,958,453,547 |
| Joint stock Commercial Bank for Investment and Development of Viet Nam - Cao Bang Branch | (1) | 450,000,000,000 | 1,086,099,178,761 | 1,041,584,178,761 | 494,515,000,000 |
| Vietnam Prosperity Joint stock Commercial Bank - Cao Bang Branch | | - | 79,000,000,000 | 79,000,000,000 | - |
| Military Commercial Joint Stock Bank - Hoan Kiem Branch | (2) | 8,165,624,990 | 50,000,000,000 | 41,722,171,443 | 16,443,453,547 |
| <i>Current portion of long-term loans</i> | | 99,015,959,592 | 105,807,594,822 | 101,221,720,526 | 103,601,833,888 |
| The Export-Import Bank of China | (3) | 99,015,959,592 | 105,807,594,822 | 101,221,720,526 | 103,601,833,888 |
| <i>Current portion of long-term finance leases</i> | | - | 1,136,724,000 | 1,136,724,000 | - |
| Long-term loans and finance leases | | 260,853,578,442 | 18,428,646,115 | 111,489,646,069 | 167,792,578,488 |
| <i>long-term loans</i> | | 259,470,027,807 | 18,428,646,115 | 110,352,922,069 | 167,545,751,853 |
| Joint stock Commercial Bank for Investment and Development of Viet Nam - Cao Bang Branch | (4) | 12,143,000,000 | - | - | 12,143,000,000 |
| The Export-Import Bank of China | (3) | 247,327,027,807 | 18,428,646,115 | 110,352,922,069 | 155,402,751,853 |
| <i>Finance leases</i> | | 1,383,550,635 | - | 1,136,724,000 | 246,826,635 |
| Finance Leasing Co., Ltd - Vietnam Joint Stock Commercial Bank for Industry and Trade | (5) | 1,383,550,635 | - | 1,136,724,000 | 246,826,635 |
| Total | | 818,035,163,024 | 1,340,472,143,698 | 1,376,154,440,799 | 782,352,865,923 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

Loan details are as follows:

| Creditor and contract | Maturity | Maturity | Loan purpose | Security assets | Closing balance |
|---|---------------------------|--------------------------------|--|--|------------------------|
| Short-term loans | | | | | 782,352,865,923 |
| (1) Joint stock Commercial Bank for Investment and Development of Viet Nam - Cao Bang Branch | | | | | |
| Credit contract No. 01/2024/1416719/HDTD dated July 1, 2024, credit limit of VND 500,000,000,000 | 12 months to July 1, 2025 | According to each debt receipt | Additional working capital | The loan is secured by the following assets according to the mortgage contract signed by both parties: - The land plot with an area of 174,968 m2 and the construction works on the land plot located at Na Rua Area, Tan Giang Ward, Cao Bang City, Cao Bang Province, has been granted a Land Use Right Certificate No. CB370838 by the Cao Bang Provincial People's Committee on June 2, 2016; - All houses, vehicles, and machinery were formed from the Na Rua Iron Mine Open-pit Mining Investment Project No. 1195. | 494,515,000,000 |
| (2) Military Commercial Joint Stock Bank - Hoan Kiem Branch | | | | | |
| Credit contract No. 210477.24.057.15251003.TD dated June 11, 2024 with a limit of 100 billion VND | 12 months | Floating | Additional working capital for steel billet production | No security assets | 16,443,453,547 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

| Creditor and contract | Maturity | Maturity | Loan purpose | Security assets | Closing balance |
|--|-----------|---|---|--|-----------------|
| Long-term loans | | | | | |
| (3) Long-term loans | | | | | |
| Re-lending Agreement No. 10/2011/DLUT dated November 11, 2011 with loan amount not exceeding USD 46,200,000. | 15 years | 3,5%/year | Loan capital for the construction of Cao Bang Iron and Steel Complex. | All houses, means of transport, machinery and equipment of Cao Bang Iron and Steel Complex Project No. 405 according to mortgage contracts signed by both parties. | 259,004,585,741 |
| (4) Joint stock Commercial Bank for Investment and Development of Viet Nam - Cao Bang Branch | | | | | |
| Credit contract No. 02.2022/1416719/HDTD dated August 26, 2022 with a limit of 15 billion VND | 48 months | 7.8%/year for the first 2 years, floating interest rate for the next 2 years. | Invest in machinery and equipment to improve production efficiency | The loan is secured by assets formed from the loan capital including: - Arc emission spectrometer - CRS, CRI intensity analyzer of coke bars - Wheel excavator - Automatic continuous emission monitoring system at Cao Bang Iron and Steel Complex. | 12,143,000,000 |
| Finance leases | | | | | |
| (5) Finance Leasing Co., Ltd - Vietnam Joint Stock Commercial Bank for Industry and Trade | | | | | |
| - Financial lease contract No. 01.107/2021/TSC-CTTC dated August 25, 2021 - Contract No. 01.184/2021/TSC-CTTC dated December 28, 2021 | 36 months | 8,5%/year | Invest in machinery and equipment to improve production efficiency | None | 246,826,635 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

16. Owner's equity

a. Changes in owner's equity

| | Owner's equity | Retained earnings | Total |
|--|-----------------|-------------------|-------------------|
| Opening balance of previous year | 430,063,660,000 | 12,209,402,966 | 442,273,062,966 |
| Profit/(loss) in previous year | - | 1,615,291,370 | 1,615,291,370 |
| Bonus fund distribution | - | (2,000,000,000) | (2,000,000,000) |
| Welfare fund distribution | - | (3,000,000,000) | (3,000,000,000) |
| Closing balance of previous year/ opening balance of current year | 430,063,660,000 | 8,824,694,336 | 438,888,354,336 |
| Profit/(loss) in current year | - | (160,349,497,695) | (160,349,497,695) |
| Bonus fund distribution (*) | - | (388,353,578) | (388,353,578) |
| Welfare fund distribution (*) | - | (1,000,000,000) | (1,000,000,000) |
| Closing balance of current year | 430,063,660,000 | (152,913,156,937) | 277,150,503,063 |

(*) Distribution for the Bonus and Welfare Fund for the fiscal year ending December 31, 2023 according to Resolution No. 682/NQ-DHDCD dated April 24, 2024 of the 2024 Annual General Meeting of Shareholders of Cao Bang Iron and Steel Joint Stock Company.

b. Details of owner's equity

| | Closing balance | Opening balance |
|--|-----------------|-----------------|
| Vinacomin - Minerals Holding Corporation | 225,954,200,000 | 225,954,200,000 |
| PC1 Group JSC | 107,882,260,000 | 107,882,260,000 |
| Ha Giang Mineral And Mechanics JSC | 41,669,880,000 | 41,669,880,000 |
| Others | 54,557,320,000 | 54,557,320,000 |
| Total | 430,063,660,000 | 430,063,660,000 |

c. Equity transaction with owners

| | Current year | Previous year |
|---|-----------------|-----------------|
| Contributed capital | | |
| + Equity capital at the beginning of the year | 430,063,660,000 | 430,063,660,000 |
| + Equity capital increased during the year | - | - |
| + Equity capital decreased during the year | - | - |
| + Equity capital at the end of the year | 430,063,660,000 | 430,063,660,000 |
| Dividends and profit distributed | - | - |

d. Shares

| | Closing balance | Opening balance |
|-----------------------|-----------------|-----------------|
| Authorized shares | 43,006,366 | 43,006,366 |
| Issued shares | 43,006,366 | 43,006,366 |
| - Common shares | 43,006,366 | 43,006,366 |
| - Preferred shares | - | - |
| Repurchased shares | - | - |
| - Common shares | - | - |
| - Preferred shares | - | - |
| Shares in circulation | 43,006,366 | 43,006,366 |
| - Common shares | 43,006,366 | 43,006,366 |
| - Preferred shares | - | - |

Par value of outstanding shares: VND 10,000/share.

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

1. Revenue from sale of goods and services provision

| | Current year | Previous year |
|--|--------------------------|--------------------------|
| Revenue form sale of finished goods | 2,184,560,508,179 | 2,609,795,956,226 |
| Revenue from rendering of services | 1,785,929,269 | 3,268,261,082 |
| Other revenue | 1,765,984,400 | 3,296,175,000 |
| Total | 2,188,112,421,848 | 2,616,360,392,308 |
| In which: | | |
| Revenue from sales to third parties | 22,293,709,619 | 81,410,443,562 |
| Revenue from sales to related parties (Details are disclosed at Note VII.3) | 2,165,818,712,229 | 2,534,949,948,746 |
| Total | 2,188,112,421,848 | 2,616,360,392,308 |

2. Cost of goods sold

| | Current year | Previous year |
|-----------------------------|--------------------------|--------------------------|
| Cost of finished goods sold | 2,195,012,945,225 | 2,504,636,857,935 |
| Cost of services provided | 3,717,489,885 | 4,917,753,861 |
| Other costs | 828,193,526 | 2,137,655,497 |
| Total | 2,199,558,628,636 | 2,511,692,267,293 |

3. Financial income

| | Current year | Previous year |
|---|-------------------|----------------------|
| Interest on deposits | 34,349,859 | 35,710,421 |
| Unrealized exchange rate gains | - | 385,197,222 |
| Environmental protection deposit interest | - | 739,634,683 |
| Total | 34,349,859 | 1,160,542,326 |

4. Financial expenses

| | Current year | Previous year |
|---|-----------------------|-----------------------|
| Interest expenses | 41,550,198,983 | 58,082,021,311 |
| Payment discount, interest on purchases on credit | 3,186,811,604 | 6,054,422,181 |
| Realized exchange rate loss | 2,266,581,548 | - |
| Unrealized exchange rate loss | 11,616,737,320 | 9,619,793,765 |
| Other financial expenses | 937,469,670 | 964,949,314 |
| Total | 59,557,799,125 | 74,721,186,571 |

5. Selling expenses

| | Current year | Previous year |
|-----------------------------|-----------------------|----------------------|
| Outsourced service expenses | 27,404,912,796 | 3,233,522,069 |
| Other monetary expenses | - | 2,902,480 |
| Total | 27,404,912,796 | 3,236,424,549 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

6. General and administrative expenses

| | Current year | Previous year |
|-----------------------------------|-----------------------|-----------------------|
| Administrative employee cost | 12,264,368,347 | 11,836,847,228 |
| Administrative materials | 473,945,038 | 594,651,978 |
| Office supply expenses | 496,172,140 | 486,104,960 |
| Fixed asset depreciation expenses | 135,470,116 | 135,040,006 |
| Taxes, fees and charges | 3,000,000 | 3,000,000 |
| Outsourced service expenses | 1,526,284,658 | 1,933,604,317 |
| Other monetary expenses | 41,215,692,559 | 10,763,265,900 |
| Total | 56,114,932,858 | 25,752,514,389 |

7. Other income

| | Current year | Previous year |
|---------------------------------|--------------------|--------------------|
| Fines for violation of contract | 700,263,200 | 50,000,000 |
| Other income | 16,363,638 | 64,604,093 |
| Total | 716,626,838 | 114,604,093 |

8. Other expenses

| | Current year | Previous year |
|-------------------------|----------------------|----------------|
| Late payment, penalties | 6,575,640,108 | - |
| Other expenses | 982,717 | 700,000 |
| Total | 6,576,622,825 | 700,000 |

9. Production and operating expenses

| | Current year | Previous year |
|-----------------------------------|--------------------------|--------------------------|
| Raw material expenses | 1,975,568,557,589 | 2,401,809,818,800 |
| Labor expenses | 109,527,094,875 | 111,544,229,504 |
| Fixed asset depreciation expenses | 123,487,881,699 | 123,811,475,025 |
| Outsourced services expenses | 36,646,699,499 | 24,471,032,319 |
| Other monetary expenses | 100,100,998,132 | 158,537,962,617 |
| Total | 2,345,331,231,794 | 2,820,174,518,265 |

10. Current corporate income tax

| | Current year | Previous year |
|------------------------------|--------------|--------------------|
| Current corporate income tax | - | 617,154,555 |
| Total | - | 617,154,555 |

Current corporate income tax

Current corporate income tax payables are determined based on the taxable income for the current year. The taxable income of the Corporation is different from the income reported in the income statement because taxable income does not include taxable income or deductible expenses for tax purposes for other years and items not subject to tax or deductible for tax purposes. The Corporation's current income tax payables are calculated at the tax rates enacted by the balance sheet date.

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

Details of the Company's current corporate income tax incurred during the year are as follows:

| | Closing balance | Opening balance |
|---|-------------------------|----------------------|
| Net profit/ (loss) before tax | (160,349,497,695) | 2,232,445,925 |
| <u>Adjustments to increase/(decrease) accounting profit/(loss)</u> | <u>76,741,601,601</u> | <u>5,668,230,974</u> |
| <u>Adjustments of increase</u> | <u>78,001,178,214</u> | <u>5,668,230,974</u> |
| <i>Illegible expenses</i> | 78,001,178,214 | 5,668,230,974 |
| <u>Adjustments of decrease</u> | <u>(1,259,576,613)</u> | <u>-</u> |
| Other items | (1,259,576,613) | - |
| Taxable income | (83,607,896,094) | 7,900,676,899 |
| Taxable income of activities eligible for corporate income tax incentives (Cao Bang Iron and Steel Complex) | (82,480,277,635) | 6,419,872,164 |
| Preferential tax rate | 10% | 10% |
| Corporate income tax expense for tax incentives | - | 641,987,216 |
| Taxable income of activities not entitled to corporate income tax incentives | (1,127,618,459) | 1,480,804,736 |
| Current corporate income tax rate | 20% | 20% |
| Non-preferential operating income tax expense | - | 296,160,947 |
| Current corporate income tax expense | - | 938,148,163 |
| Current corporate income tax expense is exempted | - | 320,993,608 |
| Total current corporate income tax expense | - | 617,154,555 |
| Current corporate income tax | - | 617,154,555 |

11. Basic earnings per share

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

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

| | Current year | Previous year |
|--|-------------------|-----------------|
| Accounting profit after corporate income tax | (160,349,497,695) | 1,615,291,370 |
| Adjustments to increase or decrease accounting profit to determine profit attributable to common stockholders: | - | - |
| Bonus and welfare fund deductions for the year | 1,388,353,578 | 5,000,000,000 |
| Profit attributable to common stockholders of the Company | (161,737,851,273) | (3,384,708,630) |
| Average common shares outstanding during the year (**) | 43,006,366 | 43,006,366 |
| Basic earnings per share (*) | (3,729) | (79) |

(**) Average outstanding common shares during the year are determined as follows:

| | Current year | Previous year |
|--|--------------|---------------|
| Average common shares outstanding at the beginning of the year | 43,006,366 | 43,006,366 |
| Average number of additional shares issued and outstanding during the year | - | - |
| Minus: Average number of treasury shares repurchased during the year | - | - |
| Average common shares outstanding during the year | 43,006,366 | 43,006,366 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

VII. OTHER INFORMATION

1. Subsequent events after the balance sheet date

The Board of Management of the Company affirmed that, in the opinion of the Board of Management, in material aspects, there were no unusual events that occurred after the closing date of the accounting books that would affect the financial situation and operations of the Company and require adjustments or presentation in the financial statements for the fiscal year ended December 31, 2024.

2. Contingent liabilities

Currently, there is no basis for calculating the environmental restoration costs of mines to calculate and provision the costs in advance because Vinacomin - Minerals Holding Corporation has not issued any documents guiding the calculation and allocation of land restoration costs for exploited mines. Therefore, there may be an additional potential debt arising from this event.

3. Transactions with related parties

3.1 List of related parties

Parties are considered to be related 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. Parties are also considered to be related if they are subject to common control or common significant influence. During the fiscal year ended December 31, 2024, the internal units of Vinacomin - Minerals Holding Corporation ("the Corporation"), Vietnam National Coal and Mineral Industries Holding Corporation Limited ("the Group"), internal units, subsidiaries, associates of the Group, the Corporation; the Board of Directors of the Group, the Corporation and close family members of the Board of Directors are identified as related to the Company.

3.2 Transactions with related parties

a. Income of key management members

| Related parties | Income | Transaction value | |
|-----------------------------|--------------------------------|----------------------|----------------------|
| | | Current year | Previous year |
| Board of Directors | | 378,400,000 | 424,850,000 |
| Mr. Bui Tien Hai | Remuneration, bonus | 86,400,000 | 136,850,000 |
| Mr. Ngo Quoc Trung | Remuneration, bonus | 4,000,000 | - |
| Mr. Nguyen Van Phuong | Remuneration | 72,000,000 | 72,000,000 |
| Mr. Trinh Van Tuan | Remuneration | 72,000,000 | 72,000,000 |
| Mr. Pham Thanh Do | Remuneration | 72,000,000 | 72,000,000 |
| Mr. To Xuan Thanh | Remuneration | 72,000,000 | 72,000,000 |
| Board of Management | | 1,623,591,200 | 1,882,207,000 |
| Mr. Nguyen Van Phuong | Salary, bonus and other income | 529,728,200 | 557,828,300 |
| Mr. Hoang Minh Ngoc | Salary, bonus and other income | 378,252,000 | 467,323,400 |
| Mr. Nguyen Van Tuan | Salary, bonus and other income | 341,883,000 | 470,207,400 |
| Mr. Nguyen Hoai Nam | Salary, bonus and other income | 373,728,000 | 386,847,900 |
| Board of Supervisors | | 206,400,000 | 206,400,000 |
| Mr. Hoang Van Sang | Remuneration, bonus | 72,000,000 | 72,000,000 |
| Mr. Le Van Luong | Remuneration, bonus | 67,200,000 | 67,200,000 |
| Ms. Dao Thi Van Anh | Remuneration, bonus | 67,200,000 | 67,200,000 |
| Total | | 2,208,391,200 | 2,513,457,000 |

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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b. Transactions with related parties

During the year, the Company had major transactions with related parties as follows:

| Related parties | Transactions | Transaction value | |
|---|--|-------------------|-------------------|
| | | Current year | Previous year |
| Selling | | | |
| Vinacomin - Minerals Holding Corporation | Finished goods sold | 2,165,818,712,229 | 2,534,949,948,746 |
| Purchase | | | |
| Vinacomin - Minerals Holding Corporation | Purchase of raw materials, tools, services | 1,078,923,363,037 | 1,073,599,321,861 |
| Vimico - Cao Bang Giang Travel and Trading JSC | Purchase service | 299,952,778 | 443,281,719 |
| Cao Bang Mineral and Metallurgical JSC | Purchase raw materials and tools | 2,170,565,750 | 10,646,257,050 |
| Sin Quyen Copper Mine Branch, Lao Cai | Purchase raw materials, rent equipment | 96,000,000 | 96,000,000 |
| Lao Cai Copper Smelting Branch | Purchase of raw materials | 1,321,128,000 | 150,000,000 |
| Vinacomin - Machinery JSC | Purchase of raw materials, sintered coal | 1,015,786,000 | - |
| Institute of Energy & Mining Mechanical Engineering | Quality Assurance Services | 2,365,592,165 | 1,943,003,355 |
| Vinacomin - Materials Trading JSC - Hanoi Branch | Purchase raw materials and tools | 1,115,493,610 | 1,562,609,960 |
| Bac Thai Coal Trading Company | Purchase raw materials and tools | 122,670,995,092 | 236,983,654,356 |
| Vinacomin Business School | Training Services | 3,844,000 | 31,576,000 |
| Minerals JSC N03 - Vimico | Purchase iron ore | 42,424,006,831 | - |
| Vinacomin - Informatics, Technology and Environment JSC | Purchase service | 292,229,930 | - |
| Vocational College Coal - Mineral of Vietnam | Training Services | 245,555,000 | - |
| Vinacomin - Viet Bac Geology JSC | Purchase of raw materials | 1,041,262,500 | - |
| Others | | | |
| Bac Thai Coal Trading Company | Guarantee for contract performance | 7,597,304,000 | 500,000,000 |
| Vinacomin - Minerals Holding Corporation | Interest on advance payment of goods | 3,186,811,604 | 6,054,422,181 |

c. Balance with related parties

As at December 31, 2024, the Company had the following balances with related parties:

Current trade receivables (detailed notes for item V.10)

| Related parties | Closing balance | Opening balance |
|--|-----------------|-----------------|
| Minerals JSC N03 - Vimico | 1,239,936,287 | - |
| Vimico - Cao Bang Giang Travel and Trading JSC | 42,451,000 | 131,070,000 |
| Vinacomin - Minerals Holding Corporation | 629,683,201,200 | 306,364,988,524 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

| Related parties | Closing balance | Opening balance |
|---|------------------------|------------------------|
| Cao Bang Mineral and Metallurgical JSC | 904,535,000 | 5,254,083,655 |
| Vinacomin - Informatics, Technology and Environment JSC | 315,608,324 | - |
| Vinacomin - Machinery JSC | 55,868,230 | 1,117,364,600 |
| Institute of Energy & Mining Mechanical Engineering | 1,453,960,924 | 756,612,823 |
| Vinacomin - Materials Trading JSC - Hanoi Branch | 742,921,850 | 577,929,517 |
| Vocational College Coal - Mineral of Vietnam | 245,555,000 | 57,213,000 |
| Bac Thai Coal Trading Company | 8,345,667,500 | 3,004,876,898 |
| Total | 643,029,705,315 | 317,264,139,017 |

Current advance from customers (detailed notes for item V.11)

| Related parties | Closing balance | Opening balance |
|--|-----------------------|------------------------|
| Vinacomin - Minerals Holding Corporation | 49,909,047,818 | 273,059,601,104 |
| Total | 49,909,047,818 | 273,059,601,104 |

Other current payables (detailed notes for item V.14)

| Related parties | Closing balance | Opening balance |
|--|----------------------|--------------------|
| Cao Bang Mineral and Metallurgical JSC | 399,795,000 | - |
| Bac Thai Coal Trading Company | 7,597,304,000 | 500,000,000 |
| Total | 7,997,099,000 | 500,000,000 |

4. Segment report

The Company has selected business segments as its primary reporting segments because the Company's risks and returns are affected primarily by differences in the products and services it provides. The Company's business operations are organized and managed according to the nature of the products and services it provides, with each segment being a strategic business unit providing products.

Information on revenue, profit and certain assets and liabilities of the business units by business sector of the Company as at December 31, 2024 and for the fiscal year ended on that date is as follows:

| Items | Mining, processing and trading of minerals | Providing services | Total |
|---|--|------------------------|--------------------------|
| Net revenue | 2,186,326,492,579 | 1,785,929,269 | 2,188,112,421,848 |
| Net revenue from sales to third parties | 20,507,780,350 | 1,785,929,269 | 22,293,709,619 |
| Net revenue from sales to related parties | 2,165,818,712,229 | | 2,165,818,712,229 |
| Business expenses | | | |
| Cost of goods sold and services provided | 2,195,841,138,751 | 3,717,489,885 | 2,199,558,628,636 |
| Gross profit | (9,514,646,172) | (1,931,560,616) | (11,446,206,788) |
| Selling expenses | | | 27,404,912,796 |
| General and Administrative expenses | | | 56,114,932,858 |
| Departmental business results | | | (94,966,052,442) |
| Profit/(loss) before tax | | | (160,349,497,695) |
| Corporate Income Tax | | | - |
| Profit for the year | | | (160,349,497,695) |

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NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

| Items | Mining, processing and trading of minerals | Providing services | Total |
|--------------------------------------|--|--------------------|--------------------------|
| Assets | | | |
| Direct assets of the department | 1,951,978,292,586 | 13,654,864,529 | 1,965,633,157,115 |
| Unallocated assets | | | 629,649,868 |
| Total assets | | | 1,966,262,806,983 |
| Liabilities | | | |
| Direct liabilities of the department | 1,680,888,873,438 | | 1,680,888,873,438 |
| Unallocated liabilities | | | 8,223,430,482 |
| Total liabilities | | | 1,689,112,303,920 |

5. Financial instruments

The Company's activities expose the Company to market risk, credit risk, and payment risk. The financial risk management policy focuses on anticipating unexpected market fluctuations and minimizing their negative impact on the Company's business results.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices have different types of risks: exchange rate risk, interest rate risk, currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. This risk will be managed by the Company by maintaining a reasonable level of loans and analyzing the competitive situation in the market to obtain favorable interest rates for the Company from appropriate lending sources.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company conducts a number of transactions denominated in foreign currencies, which exposes the Company to the risk of fluctuations in exchange rates. The Company maintains a reasonable balance of foreign currency-denominated cash assets to ensure that it meets its regular usage needs and ensures that it can meet its obligations in foreign currency-denominated cash when due.

Credit risk

Credit risk occurs when a customer or counterparty fails to meet its contractual obligations, resulting in financial losses for the Company. The Company has an appropriate credit policy and regularly monitors the situation to assess whether the Company is exposed to credit risk. The Company assesses credit risk at a high level. The Company assesses that credit risk comes from bank deposits, customer receivables and financial investments. The maximum risk level for each of these asset groups is equal to the carrying value of that asset on the balance sheet.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in fulfilling its financial obligations due to lack of funds. The Company's liquidity risk arises mainly from the fact that its financial assets and financial liabilities have different maturities. The Company reduces liquidity risk by maintaining the ratio of cash and cash equivalents at a level that the Board of Directors considers adequate to support the Company's business operations and to minimize the effects of changes in cash flows.

Details of the remaining contractual maturities for non-derivative financial liabilities and agreed payment terms are as follows. The table below is presented based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

| | No term | Under 1 year | From 1 - 5 years | Total |
|---|-----------------------|----------------------------|--------------------------|----------------------------|
| December 31, 2024 | | | | |
| Cash and cash equivalents | 1,132,409,108 | - | - | 1,132,409,108 |
| Trade receivables and other receivables | - | 4,368,519,454 | 27,287,332,371 | 31,655,851,825 |
| Total | 1,132,409,108 | 4,368,519,454 | 27,287,332,371 | 32,788,260,933 |
| December 31, 2024 | | | | |
| Loans | - | 614,560,287,435 | 167,792,578,488 | 782,352,865,923 |
| Trade and other payables | - | 816,426,991,201 | - | 816,426,991,201 |
| Accrued expenses | - | 11,149,621,774 | - | 11,149,621,774 |
| Total | - | 1,442,136,900,410 | 167,792,578,488 | 1,609,929,478,898 |
| Net liquidity gap | 1,132,409,108 | (1,437,768,380,956) | (140,505,246,117) | (1,577,141,217,965) |
| | No term | Under 1 year | From 1 - 5 years | Total |
| December 31, 2023 | | | | |
| Cash and cash equivalents | 20,233,263,808 | - | - | 20,233,263,808 |
| Trade receivables and other receivables | - | 4,403,901,051 | 23,785,834,000 | 28,189,735,051 |
| Total | 20,233,263,808 | 4,403,901,051 | 23,785,834,000 | 48,422,998,859 |
| December 31, 2023 | | | | |
| Loans | - | 557,181,584,582 | 260,853,578,442 | 818,035,163,024 |
| Trade and other payables | - | 404,123,532,695 | - | 404,123,532,695 |
| Accrued expenses | - | 6,710,113,330 | - | 6,710,113,330 |
| Total | - | 968,015,230,607 | 260,853,578,442 | 1,228,868,809,049 |
| Net liquidity gap | 20,233,263,808 | (963,611,329,556) | (237,067,744,442) | (1,180,445,810,190) |

6. Comparative figures

Comparative figures are figures on the Financial Statements for the fiscal year ending December 31, 2023 that have been audited by another entity with an unqualified opinion and adjusted for some indicators according to the opinion in the State Audit Minutes due to re-determination of the value of ending inventory (additional determination of the value of blast furnace slag and steel slag), recording an increase in resource tax and an increase in input VAT of services not serving production and business purposes, and adjusting down financial expenses due to re-evaluation of payables in foreign currencies. Details of the adjustments are as follows:

Impact of Adjustment on Financial Statements

| | Code | Previous year's financial statements data | Adjusted figures according to state audit | Restatement data |
|---|------------|---|---|--------------------------|
| Balance sheet | | | | |
| Current assets | 100 | 839,863,014,901 | 1,009,106,855 | 840,872,121,756 |
| Inventories | 141 | 792,946,714,982 | 1,042,241,390 | 793,988,956,372 |
| Value-added tax deductible | 152 | 942,918,634 | (33,134,535) | 909,784,099 |
| Total assets | 270 | 1,960,741,462,099 | 1,009,106,855 | 1,961,750,568,954 |
| Liabilities | 300 | 1,522,080,045,555 | 782,169,063 | 1,522,862,214,618 |
| Tax payables and obligations to the State | 313 | 13,906,290 | 995,041,213 | 1,008,947,503 |
| Long-term loans and finance lease | 338 | 261,066,450,592 | (212,872,150) | 260,853,578,442 |
| Owner's equity | 400 | 438,661,416,544 | 226,937,792 | 438,888,354,336 |
| Owner's equity | 410 | 8,597,756,544 | 226,937,792 | 8,824,694,336 |
| Retained earnings | 421 | 8,597,756,544 | 226,937,792 | 8,824,694,336 |
| Retained earnings accumulated to the prior year end | 421b | 1,388,353,578 | 226,937,792 | 1,615,291,370 |
| Total resources | 440 | 1,960,741,462,099 | 1,009,106,855 | 1,961,750,568,954 |

CAO BANG CAST IRON AND STEEL JOINT STOCK COMPANY

NOTES TO THE FINANCIAL STATEMENTS (continued)

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For the fiscal year ended December 31, 2024

| | Code | Previous year's financial statements data | Adjusted figures according to state audit | Restatement data |
|---|-----------|---|---|--------------------------|
| Income statement | | | | |
| Cost of goods sold | 11 | 2,511,920,505,263 | (228,237,970) | 2,511,692,267,293 |
| Gross profit from sales of goods and rendering of services | 20 | 104,439,887,045 | 228,237,970 | 104,668,125,015 |
| Financial expenses | 22 | 74,934,058,721 | (212,872,150) | 74,721,186,571 |
| Net profit from operating activities | 30 | 1,677,431,712 | 441,110,120 | 2,118,541,832 |
| Net profit from operating activities | 50 | 1,791,335,805 | 441,110,120 | 2,232,445,925 |
| Current corporate income tax expens | 51 | - | 617,154,555 | 617,154,555 |
| Net profit after corporate income tax | 60 | 1,388,353,578 | 226,937,792 | 1,615,291,370 |
| Cash flow statement | | | | |
| Profit before tax | 01 | 1,791,335,805 | 441,110,120 | 2,232,445,925 |
| Foreign exchange (gains)/lossess from revaluation of monetary items denominated in foreign currencies | 04 | 9,832,665,915 | (212,872,150) | 9,619,793,765 |
| Operating profit before changes in working capital | 08 | 193,422,387,635 | 228,237,970 | 193,650,625,605 |
| (Increase)/decrease in receivables | 09 | 14,869,011,584 | 33,134,535 | 14,902,146,119 |
| (Increase)/ decrease in inventories | 10 | (117,390,395,499) | (1,042,241,390) | (118,432,636,889) |
| Increase/(decrease) in payables | 11 | 100,309,569,207 | 993,741,035 | 101,303,310,242 |
| Net cash flows from operating activities | 30 | 146,132,364,057 | 212,872,150 | 146,345,236,207 |
| Drawdown of borrowings | 33 | 1,565,093,422,624 | (212,872,150) | 1,564,880,550,474 |
| Net cash flows from financing activities | 30 | (143,197,191,476) | (212,872,150) | (143,410,063,626) |

7. Information on going concern

In 2024, the Company lost VND 160,349,497,695, resulting in an accumulated loss of VND 152,913,156,937 as of December 31, 2024. At the same time, on the Balance Sheet as of December 31, 2024, the Current Liabilities - Code 310 indicator was VND 1,521,319,725,432, exceeding the Current Assets - Code 100 indicator of VND 944,188,411,424. However, the Board of Directors and the Board of Management of the Company have a business plan to ensure the Company's solvency and continued operations for the next 12 months. Therefore, the Financial Statements for the fiscal year ending December 31, 2024 are still prepared based on the going concern assumption.

Cao Bang, March 25, 2025

Preparer

Chief Accountant

Director

Nguyen Thi Hương

Nguyen Van Hung



Nguyen Van Phuong