

**MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION - JSC**

**AUDITED COMBINED FINANCIAL STATEMENTS**

**For the year ended 31 December 2024**



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## **MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION - JSC**

No. 7A Mac Thi Buoi Street, Hai Ba Trung District, Hanoi City

### **STATEMENT OF THE EXECUTIVE BOARD**

The Executive Board of Machines And Industrial Equipment Corporation - JSC presents this report together with the audited Corporation's combined financial statements for the year ended 31 December 2024.

#### **THE CORPORATION**

Machines And Industrial Equipment Corporation - JSC (hereinafter referred to as "the Corporation") was formerly a State Corporation with the name of Industrial Machinery and Equipment Corporation. Industrial Machinery and Equipment Corporation was established under Decision No. 155/HDBT dated 12 May 1990 of the Council of Ministers (now the Government) and re-established under Decision No. 1117/QĐ/TCCBĐT dated 27 October 1995 of the Minister of Heavy Industry (now the Ministry of Industry and Trade). The Corporation was converted to operate under the model of Parent Company - Subsidiary Company under Decision No. 3168/QĐ-BCT dated 15 June 2010 of the Ministry of Industry and Trade. On 16 November 2015, the Ministry of Industry and Trade decided to determine the enterprise value of the Corporation to convert it to a Joint Stock Company under Decision No. 12494/QĐ-BCT.

The Corporation officially switched to operating in the form of a Joint Stock Company with the trading name of Machines And Industrial Equipment Corporation - JSC according to the 7th change in the Certificate of Business Registration of the Joint Stock Company dated 20 January 2017, the 12th change on 17 July 2024 issued by the Department of Planning and Investment of Hanoi City.

The Charter Capital of the Corporation - according to the 12th amended Certificate of Business Registration of the Joint Stock Company dated 17 July 2024 is: VND 1,419,915,000,000 (*In words: One thousand, four hundred and nineteen billion, nine hundred and fifteen million dong*).

International transaction name: MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION.

The abbreviation is: MIE.

The Corporation's shares are currently traded on the UpCOM exchange with the trading code MIE.

The Corporation's head office is located at 7A Mac Thi Buoi Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City, Vietnam.

#### **THE BOARD OF DIRECTORS, BOARD OF SUPERVISORS AND EXECUTIVE BOARD**

The members of the Board of Directors, the Board of Supervisors and the Executive Board who have led the Corporation during the year and to the date of this Report are as follows:

##### **The Board of Directors**

Mr. Tran Quoc Toan	Chairman	
Mr. Pham Thanh Dong	Member	Resigned on 06/9/2024
Mr. Hoang Minh Viet	Member	
Mr. Cu Ngoc Phuong	Member	
Ms. Tran Thi Thu Trang	Member	Resigned on 15/3/2024
Mr. Le Huy Hai	Member	Appointed on 15/3/2024
Mr. Vu Trung Thuc	Member	Appointed on 06/9/2024

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

Mr. Dinh Quang Hoa	Head of Board of Supervisors
Ms. Nguyen Thi Khanh Ly	Member
Ms. Le Thi Minh Huyen	Member

## **MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION - JSC**

No. 7A Mac Thi Buoi Street, Hai Ba Trung District, Hanoi City

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### **STATEMENT OF THE EXECUTIVE BOARD (CONTINUED)**

#### **THE BOARD OF DIRECTORS, BOARD OF SUPERVISORS AND EXECUTIVE BOARD (CONTINUED)**

##### **The Executive Board**

Mr. Pham Thanh Dong	General Director	Resigned on 27/6/2024
Mr. Le Huy Hai	General Director	Appointed on 16/7/2024
Mr. Dau Huy Ngoc Linh	Deputy General Director	
Mr. Vu Trung Thuc	Deputy General Director	

#### **EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE**

According to the Executive Board, from a materiality perspective, there were no extraordinary events occurring after the accounting book closing date that would affect the Corporation's financial position or operations, necessitating any adjustment or disclosure in the consolidated financial statements for the fiscal year ended 31 December 2024.

#### **AUDITORS**

The accompanying combined financial statements for the year ended 31 December 2024, have been audited by CPA VIETNAM Auditing Company Limited - An independent member firm of INPACT.

#### **THE EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY**

The Executive Board of the Corporation is responsible for preparing the combined financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, current Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of combined financial statements. In preparing these combined financial statements, the Executive Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the combined financial statements;
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the combined financial statements so as to minimize material misstatements due to fraud or error;
- Prepare the combined financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Executive Board of the Corporation is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and that the combined financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to combined financial statements. The Executive Board is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION - JSC**

No. 7A Mac Thi Bui Street, Hai Ba Trung District, Hanoi City

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**STATEMENT OF THE EXECUTIVE BOARD (CONTINUED)**

**THE EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY (CONTINUED)**

The Executive Board confirms that the Corporation has complied with the above requirements in preparing these combined financial statements.

For and on behalf of the Executive Board,



**Le Huy Hai**

**General Director**

*Hanoi, 25 March 2025*

**Head Office in Hanoi:**

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**INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders**  
**The Board of Directors, the Board of Supervisors and the Executive Board**  
**Machines and Industrial Equipment Corporation - JSC**

We have audited the accompanying combined financial statements of Machines and Industrial Equipment Corporation - JSC, prepared on 25 March 2025 as set out from page 07 to page 46, which comprise the combined balance sheet as of 31 December 2024, the combined income statement and Combined cash flow statement for the year then ended, and a summary of significant accounting policies and Notes to the combined financial statements.

**Board of Executive Officers' Responsibility**

The Board of Executive Officers of the Corporation is responsible for the preparation and fair presentation of the combined financial statements of the Corporation in accordance with Vietnamese Accounting Standards, the Vietnamese enterprise accounting regime, and all applicable legal regulations relating to the preparation and presentation of such statements. In addition, the Board is responsible for establishing the internal control system that it deems necessary to ensure that the combined financial statements are free from material misstatement, whether resulting from fraud or error.

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures sAppointed depend on the auditors' professional judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the combined 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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Executive Officers, as well as evaluating the overall presentation of the combined financial statements.

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

**Basis for Qualified Audit Opinion**

As presented in Section 5.2.b, Part 5, Notes to the combined financial statements, the Corporation has investments in two subsidiaries, namely Mechanical Products Export- Import Company Limited and The Vietnam National Complete Equipment And Technics Import Export Corporation Limited, with book values as of 31 December 2024 of VND 186,946,683,204 and VND 35,893,995,830, respectively (as of 31 December 2023, the values were VND 186,946,683,204 and VND 35,893,995,830). As of the date of these combined financial statements, the Corporation has not assessed the impairment of the investments in these two subsidiaries. We have not been able to obtain sufficient appropriate audit evidence regarding the impairment of these investments and have not been able to perform alternative audit procedures to assess the value of the provisions required to be made at 31 December 2024 and 31 December 2023. Therefore, we are unable to determine whether any adjustments to these figures are necessary.

**Qualified Audit Opinion**

In our opinion, except for the effects of the matters described in the “Basis for Qualified Audit Opinion” paragraph, the combined financial statements present fairly, in all material respects, the financial position of the Corporation on 31 December 2024, as well as its Combined financial performance and its Combined cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and the relevant statutory requirements applicable to the preparation and presentation of combined financial statements.

**Issues to emphasize**

As presented in Section 4, Notes to the combined financial statements, at the date of issuance of this Report, the work related to the equitization settlement is still being carried out and the Corporation has not received a decision from the competent authority on the approval of the settlement of the value of the State capital portion at the date of official conversion into a Joint Stock Company.

As presented in Section 5.19.b, Part 5 of the Notes to the Consolidated Financial Statements, the Charter Capital registered on the Enterprise Registration Certificate of the Corporation as a Joint Stock Company is VND 1,419,915,000,000. As of December 31, 2024, the Owner’s Contributed Capital (Code 411) on the Consolidated Balance Sheet was VND 1,418,634,488,001, resulting in a difference of VND (1,280,511,999) compared to the registered Charter Capital. This discrepancy arises from the financial handling process during the official transformation of the Corporation into a Joint Stock Company in accordance with regulations. As at the date of issuance of this report, the Parent Company and four single-member limited liability companies (LLCs) in which the Corporation holds 100% ownership are still awaiting approval of the equitization finalization documents by the competent authorities. Upon official approval of these documents, the Corporation will adjust the registered Charter Capital accordingly, in compliance with regulations.

Our qualified audit opinion is not affected by the above matters.

**Nguyen Tai Dzang****Vice General Director**

Audit Practising Registration Certificate

No. 0133-2023-137-1

*According to authorization No.11/2025/UQ-CPA**VIETNAM dated 02/01/2025 of General Director*

For and on behalf of

**CPA VIETNAM AUDITING COMPANY LIMITED****An Independent member firm of INPACT***Ha Noi, 26 March 2025***Nguyen Trung Khanh****Auditor**

Audit Practising Registration Certificate

No. 1128-2023-137-1

## COMBINED BALANCE SHEET

As at 31 December 2024

ASSETS	Code Note	31/12/2024 VND	01/01/2024 VND
<b>A. SHORT-TERM ASSETS</b> (100=110+120+130+140+150)	<b>100</b>	<b>313,217,018,633</b>	<b>255,546,243,552</b>
<b>I. Cash and cash equivalents</b>	<b>110 5.1</b>	<b>26,261,064,257</b>	<b>5,917,239,579</b>
1. Cash	111	21,261,064,257	5,917,239,579
2. Cash equivalents	112	5,000,000,000	-
<b>II. Short-term financial investments</b>	<b>120 5.2</b>	<b>56,372,052,075</b>	<b>34,372,052,075</b>
1. Held to maturity investments	123	56,372,052,075	34,372,052,075
<b>III. Short-term receivables</b>	<b>130</b>	<b>194,495,907,340</b>	<b>149,222,984,412</b>
1. Short-term trade receivables	131 5.3	181,830,687,231	143,575,817,383
2. Short-term repayments to suppliers	132 5.4	15,987,543,017	3,495,906,748
3. Short-term intercompany receivables	133	637,500,000	637,500,000
4. Short-term loan receivables	135 5.5	-	3,000,000,000
5. Other short-term receivables	136 5.6	7,192,966,334	8,366,549,523
6. Allowance for short-term doubtful debts	137 5.7	(11,152,789,242)	(9,852,789,242)
<b>IV. Inventories</b>	<b>140 5.8</b>	<b>31,935,140,242</b>	<b>60,397,030,487</b>
1. Inventories	141	31,935,140,242	60,397,030,487
<b>V. Other short-term assets</b>	<b>150</b>	<b>4,152,854,719</b>	<b>5,636,936,999</b>
1. Short-term prepaid expenses	151 5.9	6,827,732	9,518,759
2. Deductible VAT	152	3,752,149,712	5,054,241,217
3. Taxes and receivables from the State Budget	153 5.15	393,877,275	573,177,023
<b>B. LONG-TERM ASSETS</b> (200=210+220+230+240+250+260)	<b>200</b>	<b>1,236,666,798,398</b>	<b>1,235,395,185,782</b>
<b>I. Long-term receivable</b>	<b>210</b>	<b>10,450,000,000</b>	<b>6,037,500,000</b>
1. Long-term loan receivables	215 5.5	10,412,500,000	6,000,000,000
2. Other long-term receivables	216 5.6	37,500,000	37,500,000
<b>II. Fixed assets</b>	<b>220</b>	<b>25,258,119,448</b>	<b>27,646,083,411</b>
1. Tangible fixed assets	221 5.10	25,258,119,448	27,646,083,411
- Cost	222	48,729,426,021	48,729,426,021
- Accumulated depreciation	223	(23,471,306,573)	(21,083,342,610)
2. Intangible fixed assets	227 5.11	-	-
- Cost	228	100,000,000	100,000,000
- Accumulated depreciation	229	(100,000,000)	(100,000,000)

**COMBINED BALANCE SHEET (CONTINUED)**

As at 31 December 2024

ASSETS	Code Note	31/12/2024 VND	01/01/2024 VND
<b>III. Investment properties</b>	<b>230 5.12</b>	<b>20,001,887,237</b>	<b>20,708,192,921</b>
- Cost	231	24,131,015,298	24,131,015,298
- Accumulated depreciation	232	(4,129,128,061)	(3,422,822,377)
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>-</b>	<b>-</b>
<b>V. Long-term financial investments</b>	<b>250 5.2</b>	<b>1,180,460,941,347</b>	<b>1,180,460,941,347</b>
1. Investment in subsidiaries	251	1,160,969,434,283	1,160,969,434,283
2. Investments in joint ventures, associates	252	1,772,952,058	1,772,952,058
3. Investments in equity of other entities	253	17,718,555,006	17,718,555,006
<b>VI. Other long-term assets</b>	<b>260</b>	<b>495,850,366</b>	<b>542,468,103</b>
1. Long-term prepaid expenses	261 5.9	495,850,366	542,468,103
<b>TOTAL ASSETS (270 = 100+200)</b>	<b>270</b>	<b>1,549,883,817,031</b>	<b>1,490,941,429,334</b>

## COMBINED BALANCE SHEET (CONTINUED)

As at 31 December 2024

RESOURCES	Code Note	31/12/2024 VND	01/01/2024 VND
<b>C. LIABILITIES (300=310+330)</b>	<b>300</b>	<b>129,315,748,662</b>	<b>71,491,871,157</b>
<b>I. Short-term liabilities</b>	<b>310</b>	<b>129,315,748,662</b>	<b>71,491,871,157</b>
1. Short-term trade payables	311 5.13	50,856,750,731	33,557,510,907
2. Short-term advances from customers	312 5.14	40,977,963,803	3,214,655,293
3. Taxes and payables to the State Budget	313 5.15	283,007,847	65,523,707
4. Payables to employees	314	3,566,610,646	3,077,505,694
5. Short-term accrued expenses	315 5.16	6,567,598,366	5,970,633,670
6. Short-term unearned revenues	318	318,522,727	780,522,727
7. Other short-term payables	319 5.17	18,834,582,102	18,718,658,394
8. Short-term borrowings and finance lease liabilities	320 5.18	5,100,003,547	5,370,003,547
9. Short-term provisions	321	1,902,607,311	-
10. Bonus and welfare fund	322	908,101,582	736,857,218
<b>II. Long-term liabilities</b>	<b>330</b>	<b>-</b>	<b>-</b>
<b>D. OWNER'S EQUITY (400=410+430)</b>	<b>400</b>	<b>1,420,568,068,369</b>	<b>1,419,449,558,177</b>
<b>I. Owner's equity</b>	<b>410 5.19</b>	<b>1,420,568,068,369</b>	<b>1,419,449,558,177</b>
1. Contributed capital	411	1,418,634,488,001	1,418,634,488,001
2. Undistributed profit after tax	421	1,933,580,368	815,070,176
- Undistributed profit after tax brought forward	421a	732,024	732,024
- Undistributed profit after tax for the current year	421b	1,932,848,344	814,338,152
<b>II. Funding sources and other funds</b>	<b>430</b>	<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>	<b>1,549,883,817,031</b>	<b>1,490,941,429,334</b>

Preparator



Nguyen Trung Kien

Responsible for accounting



Pham Minh Duc

Ha Noi, 25 March 2025

General Director



Le Huy Hai

## COMBINED INCOME STATEMENT

For the year ended 31 December 2024

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
1. Revenues from sales and services rendered	01	6.1	311,557,182,907	267,710,561,982
2. Deductible items	02	6.2	3,533,632,815	-
3. Net revenues from sales and services rendered (10=01-02)	10		308,023,550,092	267,710,561,982
4. Cost of goods sold	11	6.3	285,661,721,874	241,265,753,767
5. Gross profit from sales and services rendered (20=10-11)	20		22,361,828,218	26,444,808,215
6. Revenue from financial activities	21	6.4	2,889,857,033	3,696,540,014
7. Financial expenses	22	6.5	411,362,388	710,674,264
- In which: Interest expenses	23		411,117,948	679,495,480
8. Selling expenses	24		-	-
9. Administrative expenses	25	6.6	27,769,612,208	30,935,214,153
10. Net profit from operating activities {30 = 20+(21-22)-(25+26)}	30		(2,929,289,345)	(1,504,540,188)
11. Other income	31	6.7	5,357,964,829	3,697,971,609
12. Other expense	32		1	952,594,437
13. Other profit (40 = 31-32)	40		5,357,964,828	2,745,377,172
14. Total profit before tax(50 = 30+40)	50		2,428,675,483	1,240,836,984
15. Current corporate income tax expenses	51	6.8	495,827,139	426,498,832
16. Deferred corporate income tax expenses	52		-	-
17. Net profit after tax (60=50-51-52)	60		1,932,848,344	814,338,152

Preparator



Nguyen Trung Kien

Responsible for accounting



Pham Minh Duc

Ha Noi, 25 March 2025

General Director



Le Huy Hai

**COMBINED CASH FLOW STATEMENT***(Under Indirect method)*

For the year ended 31 December 2024

ITEMS	Code Note	Year 2024	Year 2023
		VND	VND
<b>I. Cash flows from operating activities</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>2,428,675,483</b>	<b>1,240,836,984</b>
<b>2. Adjustments:</b>			
- Depreciation of fixed assets and investment properties	02	3,094,269,647	3,114,815,620
- Provision for bad debt	03	3,202,607,311	5,913,700,541
- Unrealized foreign exchange gains or losses	04	(54,036,280)	19,144,550
- Gains or losses from investing activities	05	(2,742,074,280)	(3,543,684,043)
- Interest expenses	06	411,117,948	679,495,480
<b>3. Operating income (loss) before changes in working</b>	<b>08</b>	<b>6,340,559,829</b>	<b>7,424,309,132</b>
- (Increase) decrease in receivables	09	(31,558,745,975)	19,244,866,355
- (Increase) decrease in inventory	10	28,461,890,245	27,269,392,121
- Increase (decrease) in payables	11	37,706,680,551	(44,701,454,186)
- (Increase) decrease in prepaid expenses	12	49,308,764	(327,128,926)
- Interest paid	14	(159,817,483)	(391,763,067)
- Corporate income tax paid	15	(103,323,605)	(599,947,157)
- Other cash outflows from operating activities	17	(643,093,788)	(1,459,424,812)
<i>Net cash flows from operating activities</i>	<b>20</b>	<b>40,093,458,538</b>	<b>6,458,849,460</b>
<b>II. Cash flows from investing activities</b>			
1. Cash paid for purchasing, building fixed assets and other long-term assets	21	-	(198,900,000)
2. Proceeds from disposals of fixed assets and other long term assets	22	-	7,272,727
3. Payments for purchase of debt instruments of other entities	23	(66,922,052,075)	(51,872,052,075)
4. Cash received from loan repayments and sale of debt instruments of other entities	24	43,509,552,075	42,127,947,925
5. Interest and dividends received	27	3,914,271,110	2,322,518,866
<i>Net cash from investing activities</i>	<b>30</b>	<b>(19,498,228,890)</b>	<b>(7,613,212,557)</b>

**COMBINED CASH FLOW STATEMENT (CONTINUED)***(Under Indirect method)*

For the year ended 31 December 2024

ITEMS	Code	Note	Year 2024	Year 2023
			VND	VND
III. Cash flows from financing activities				
1. Proceeds from borrowings	33		17,026,565,141	29,503,315,758
2. Payments to settle debts (principal)	34		(17,296,565,141)	(33,303,315,758)
3. Payments of interest, dividends	36		-	-
Net cash flows from financing activities	40		(270,000,000)	(3,800,000,000)
Net cash flows in the period (50 = 20+30+40)	50		20,325,229,648	(4,954,363,097)
Cash at beginning of year	60		5,917,239,579	10,882,535,869
Effect of exchange rate fluctuations	61		18,595,030	(10,933,193)
Cash at end of year (70 = 50+60+61)	70	5.1	26,261,064,257	5,917,239,579

Preparator



Nguyen Trung Kien

Responsible for accounting



Pham Minh Duc

Ha Noi, 25 March 2025

General Director




Le Huy Hai

**NOTES TO THE COMBINED FINANCIAL STATEMENTS**

For the financial year ended as at 31 December 2024

**1. BUSINESS HIGHLIGHTS****1.1 Structure of ownership**

Machines And Industrial Equipment Corporation - JSC was formerly a State Corporation with the name of Industrial Machinery and Equipment Corporation. Industrial Machinery and Equipment Corporation was established under Decision No. 155/HDBT dated 12 May 1990 of the Council of Ministers (now the Government) and re-established under Decision No. 1117QD/TCCBDT dated 27 October 1995 of the Minister of Heavy Industry (now the Ministry of Industry and Trade). The Corporation was converted to operate under the model of Parent Company - Subsidiary Company under Decision No. 3168/QD-BCT dated 15 June 2010 of the Ministry of Industry and Trade. On 16 November 2015, the Ministry of Industry and Trade decided to determine the enterprise value of the Corporation to convert it to a Joint Stock Company under Decision No. 12494/QD-BCT.

The Corporation officially switched to operating in the form of a Joint Stock Company with the trading name of Machines And Industrial Equipment Corporation - JSC according to the 7th change in the Certificate of Business Registration of the Joint Stock Company dated 20 January 2017, the 12th change on 17 July 2024 issued by the Department of Planning and Investment of Hanoi City.

The Charter Capital of the Corporation - according to the 12th amended Certificate of Business Registration of the Joint Stock Company dated 17 July 2024 is: VND 1,419,915,000,000 (In words: One thousand, four hundred and nineteen billion, nine hundred and fifteen million dong).

International transaction name: MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION.

The abbreviation is: MIE.

The Corporation's shares are currently traded on the UpCOM exchange with the trading code MIE.

The Corporation's head office is located at 7A Mac Thi Bui Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City, Vietnam.

The total number of employees of the Parent Company as of 31 December 2024 is: 63 people (as at 31 December 2023, it is 65 people).

**1.2 Operating industries and principal activities**

- Manufacturing and manufacturing mechanical products (complete equipment, individual equipment, consumer metals, cluster details, spare parts);
- Investment, construction, manufacturing, installation, operation and transfer of independent thermal and hydroelectric power plants, and solar power plants;
- Construction of industrial and civil works, road traffic works, irrigation works, urban infrastructure works;
- Investment consulting and technological and industrial technical services; Commercial business, etc.

**1.3 Normal production and business cycle**

The corporation's normal production and business cycle of 12 months.

**1.4 The Corporation's structure**

As at 31 December 2024, the Corporation has the following subsidiaries, associates and affiliated units:

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**1.4 The Corporation's structure (Continued)**

Name	Operating industries	Ownership ratio	Voting ratio
<b>I. Subsidiary</b>			
1. Hanoi Mechanical Company Limited	Manufacturing and manufacturing machines, metal cutting, technological equipment, construction of civil and industrial works, import and export and trading of industrial equipment and materials, etc.	100%	100%
2. Quang Trung Mechanical Engineering Company Limited	Design and manufacture of pulp production lines, manufacture of steel structures, industrial spare parts and equipment, X-ray inspection of pressure equipment. Manufacturing paper products, importing equipment and materials, operating office warehouses, importing and exporting electrical and electronic equipment for civil industry.	100%	100%
3. Mechanical Products Export - Import Company Limited	Buying, selling, importing and exporting household appliances, agricultural products, machinery and equipment, manufacturing and trading mechanical products, etc.	100%	100%
4. The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	Export and import business; Entrusting and receiving entrustment for export and import of goods; Market research and public opinion polling; Trade brokerage, etc.	100%	100%
5. Duyen Hai Mechanical Joint Stock Company	Manufacturing and trading of machinery and equipment, industrial spare parts, gearboxes of all kinds of factory frames, rolled steel for construction and shaped steel. Import and export of machinery and equipment	98.189%	98.189%
6. Tools Joint Stock Company No.1	Trading in industrial products and mechanical measuring instruments.	51%	51%
<b>II. Affiliated, Joint Venture Company</b>			
Sai Gon-Ha Noi	Business of supermarkets, restaurants, hotels, investment projects		
1. Investment and Trading Joint Stock Company		20%	20%
<b>III. Dependent Units</b>			
1. Branch of Machines and Industrial Equipment Corporation - JSC (*)	Trading, buying and selling of machinery, equipment, industrial materials; Construction of industrial and civil works, urban and industrial park infrastructure works; ...	100%	100%
2. Industrial Construction Company	Site preparation; Mechanical processing, metal treatment and coating; Installation of water supply, drainage, heating and air conditioning systems; ...	100%	100%
3. Investment Consultant and Technical Industrial Service Company	Investment consulting, industrial services and technology transfer; Carry out tasks authorized by the Corporation.	100%	100%

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**1.4 The Corporation's structure (Continued)**

(\*) The Branch of Machines and Industrial Equipment Corporation - JSC (affiliated unit) temporarily suspends operations for a period of one year from 1 December 2024 to 30 November 2025 based on Decision No. 934/QĐ-MIE-TCNS dated 29 October 2024 of the General Director of Machines and Industrial Equipment Corporation - JSC and the Certificate of temporary suspension of operations of the Business Registration Office under the Department of Planning and Investment of Ho Chi Minh City dated 1 November 2024.

**1.5 Disclosure of information comparability in the combined financial statement**

The Corporation consistently applies Viet Nam Accounting System of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC, therefore, information and data are presented in the combined financial statements which is comparable.

**2. ACCOUNTING PERIOD, CURRENCY****Annual Accounting period**

The Corporation's annual accounting period is according to the calendar year, starting from January 1 and ending on December 31 of each year.

**Currency unit used in accounting**

The accompanying combined financial statements are presented in Vietnam Dong (VND).

**3. APPLICABLE ACCOUNTING SYSTEM****3.1 Applicable accounting system**

The Corporation applies the Vietnamese Enterprise Accounting System issued together with Circular No. 200/2014/TT-BTC dated December 22, 2014 by the Ministry of Finance, and Circular No. 53/2016/TT-BTC dated March 21, 2016 on the amendments and supplements to certain provisions of Circular No. 200/2014/TT-BTC.

**3.2 Statement of complying with the accounting standard and accounting policies**

The Corporation's Executive Board ensures that it has fully complied with the Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System issued and effective in preparing and presenting these combined financial statements.

**4. ACCOUNTING POLICIES**

The following are the major accounting policies adopted by the Corporation in the preparation of the combined financial statements:

**Basis for preparing combined financial statements**

The accompanying combined financial statements are presented in Vietnam Dong (VND), using the historical cost principle and in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and other relevant legal relating to the preparation and presentation of the combined financial statements.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Basis for preparing Combined financial statements (Continued)**

The combined financial statements are prepared on the basis of combining the financial statements of the affiliated units and the financial statements of the General Office. Transactions and balances between the General Office and the affiliated units and between the affiliated units and each other have been eliminated when presenting the combined financial statements.

The accompanying combined financial statements are the combined financial statements of the Corporation, therefore, do not include the financial statements of the subsidiaries. Users of the combined financial statements should read them together with the combined financial statements for the fiscal year ended 31 December 2023 to have complete information on the financial position as well as the results of business operations and cash flows of the Corporation during the year.

**Equitization settlement**

At the date of issuance of this Report, the work related to the equitization settlement is still being carried out and the Corporation has not received a decision from the competent authority on approving the settlement of the value of the State capital portion at the official date of conversion into a Joint Stock Company.

**Estimates**

The preparation of the combined financial statements in accordance with Vietnamese Accounting Standards requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements of the Corporation as well as the reported amounts of revenue and expenses during the financial year. Actual results may differ from the estimates and assumptions made.

**Principles for definition of cash and cash equivalents**

Cash includes all cash on hand, cash in bank of the Company at the time of the financial statement.

Cash equivalents are short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

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

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits at banks held to maturity to earn periodic interest. Held-to-maturity investments are deposits with a maturity period longer than 3 months.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Financial investments (Continued)***Held-to-maturity investments (Continued)*

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

*Loans*

Loans are measured at cost less allowance for doubtful debts.

Provision for doubtful debts on the Company's loans is made in accordance with current accounting regulations.

*Investments in joint ventures, associates and other investments*

Investments in subsidiaries over which the Corporation has control, investments in associates over which the Corporation has significant influence are presented using the cost method in the combined financial statements.

Distributions from the accumulated profits of the associates received by the Corporation after the date of acquisition are recognized in the Corporation's income statement for the period. Other distributions are considered as a recovery of investments and are deducted from the investment value.

Investments in Subsidiaries, Associates and other investments are presented in the balance sheet at cost less provisions for impairment (if any).

*Other investment:* These investments are stated at cost, which includes purchase prices and any directly attributable expenditures. After initial recognition, these investments are measured at cost less provision for diminution in value of the investments.

*Provision for impairment of investments*

Provision for impairment of capital contributions to joint ventures, investments in associates and investments in equity instruments of other entities is made when there is solid evidence showing a decline in the value of these investments at the end of the accounting period.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is assessed and considered for receivables that are overdue and face difficulties in debt recovery, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

**Inventories**

Inventories are valued at cost, for those which have costs higher than the net realisable value, it must be calculated according to the net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Inventories (Continued)**

The Corporation's inventory impairment provision is made when there is reliable evidence of a decline in the net realisable value compared to the cost of the inventory.

**Tangible fixed assets accounting and depreciation principles**

Tangible fixed assets are recognized at historical cost which are stated at cost less accumulated depreciation. Historical cost of a fixed asset includes all costs incurred by the Company to acquire the fixed asset up to the date it is ready for use.

Tangible fixed assets are amortized on a straight-line basis over their estimated useful lives. The specific depreciation period is as follows:

<b>Assets</b>	<b><u>Years</u></b>
Buildings and architectures	30 - 50
Machinery and equipments	05 - 06
Transportation means	03 - 06
Management tools	03 - 05

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off and any gains or losses arising from the liquidation are included in other income or other expenses during the year.

**Intangible fixed assets accounting and depreciation principles**

Intangible fixed assets of the Corporation is computer software which are stated at cost less accumulated amortization.

The cost of intangible fixed assets is all the costs that the Corporation has to spend to get it up to the time of putting the assets into the state of ready to use.

Computer software is amortized using the straight-line method over its estimated useful life of 5 years.

**Investment real estate assets accounting and depreciation principles**

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation.

The costs of investment properties comprise all the expenditures (cash and cash equivalents) paid by the Corporation or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

The costs related to investment properties incurred after initial recognition must be recognized as operating expenses unless it is certain that these costs will increase the future economic benefits from the investment property beyond its originally assessed value, in which case they are added to the cost of the investment property.

Depreciation: Investment properties for rental are depreciated using the straight-line method to allocate the cost over the estimated useful life. The Corporation does not depreciate investment properties held for appreciation. The depreciation period is as follows:

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Investment real estate assets accounting and depreciation principles (Continued)**

	<u>Years</u>
Housing	40

Disposal: Gains and losses from the disposal of investment properties are determined as the difference between the net proceeds from disposal and the carrying amount of the investment properties and are recognised as income or expense in the income statement.

**Prepaid expenses**

Prepaid expenses are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepaid expenses of the Corporation include: tools, instruments, repair expenses and other expenses.

Tools and supplies issued for consumption, repair expenses and other expenses which are amortized on a straight – line method with an allocation period not exceeding 36 months.

**Payables**

The payables are monitored in detail by maturity terms, subjects, kind of currency and other factors according to management demand of the Corporation.

The payables include payable to suppliers, loans payables and other payables which are determined almost certainly about the recorded value and duration which are not less than the obligation payable, they are classified as follows:

- Trade payables includes commercial payables arising from the purchase of goods, services and assets between the Corporation and the seller (the independent unit of the Company, including amounts payable between the Holding company and its subsidiaries, joint ventures, associates).
- Other payables include non-commercial payables, non-related transactions of purchasing and selling of goods and services.

**Principles of Unearned Revenue Recognition**

Unearned revenue includes: Revenue received in advance (advance payments received from customers over multiple accounting periods for activities such as leasing assets, infrastructure).

Unearned revenue is allocated using the straight-line method, based on the number of periods for which payment has been received in advance.

**Principles for the Recognition of Borrowings and Finance Lease Liabilities**

Includes borrowings, excluding loans in the form of bond issuance or preferred shares with clauses obligating the issuer to repurchase at a specific point in the future.

The Corporation tracks loans in detail for each debtor and classifies them into short-term and long-term categories based on the repayment timeline.

Direct costs related to the loans are recognized as financial expenses, except for costs incurred from loans specifically used for investment, construction, or production of unfinished assets, which are capitalized.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Principles of Accrued Expenses Recognition**

Accrued expenses refer to actual costs that have not yet been paid but may be allocated to production and business expenses in the current period to ensure compliance with the matching principle between revenue and expenses. When these expenses are actually incurred, any discrepancies (if any) are either additionally recorded or reversed accordingly.

**Principles for recording dividends payable**

Dividends are recorded as Liabilities when there is a dividend payment notice from the Board of Directors of the Corporation and notice of the closing date for receiving dividends from the Vietnam Securities Depository Center.

**Principle for recognition of owners' equity**

Owners' equity is recognized as the actual capital contributed to the Company.

Profit after corporate income tax is distributed to shareholders after the allocation of funds in accordance with the Corporation's Charter, legal regulations, and approval by the General Meeting of Shareholders.

**Revenue recognition*****Revenue from sale of goods***

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

***Revenue from services***

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the combined balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The percentage of completion of the transaction at the combined balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Revenue recognition (Continued)*****Construction Revenue***

When the outcome of a construction contract can be reliably estimated:

- For construction contracts where the contractor is paid based on planned progress, revenue and expenses related to the contract are recognized in proportion to the work completed, as determined by the Company at the end of the accounting period;
- For construction contracts where the contractor is paid based on the value of work performed, revenue and expenses related to the contract are recognized in proportion to the work completed, as confirmed by the customer and reflected on the issued invoice.

Adjustments to construction volume, compensation claims, and other revenues are recognized as revenue only when agreed upon with the customer.

When the Outcome of a Construction Contract Cannot Be Reliably Estimated:

- Revenue is recognized only to the extent of the contract costs incurred for which payment is relatively certain;
- Contract costs are recognized as expenses only when they are incurred.

The difference between the cumulative revenue recognized from the construction contract and the cumulative amounts invoiced based on the planned progress of the contract is recorded as a receivable or payable based on the planned progress of the construction contracts.

***Revenue from Operating Lease of Assets***

Revenue from the operating lease of assets is recognized on a straight-line basis over the lease term. Lease payments received in advance for multiple periods are allocated to revenue in accordance with the lease term.

***Financial Operating Revenue***

Revenue from interest income be recognized when these two (2) conditions are met:

- It is probable that the economic benefits associated with the transaction will flow to the enterprise;
- The amount of revenue can be measured reliably.

**Dividends and Distributed Profits**

Dividends and distributed profits are recognized when the Corporation has the right to receive dividends or profits from its capital contributions. Dividends received in shares are only recorded by the number of shares increased, the value of shares received is not recorded.

**Principle for recognition of the cost of goods sold**

Cost of goods sold is the total cost incurred of finished products, goods, services, investment real estate; production price of construction products in the period according to the principle of matching with revenue.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**4. ACCOUNTING POLICIES (CONTINUED)****Financial expenses**

The following expenses are recognized as financial expenses:

- Costs related to lending and borrowing activities;
- Losses from exchange rate fluctuations in transactions involving foreign currencies;
- Other financial expenses.

**Principles and methods of recording current income tax expenses**

Corporate income tax expense (or corporate income tax assets) is the total of current income tax expense and deferred income tax expense expected to be paid to (or recovered from) tax authorities when determining profit or loss for a period.

Current Corporate Income Tax Expense: This represents the corporate income tax payable calculated on taxable income during the period using the prevailing corporate income tax rate. The payable income tax is based on taxable income and the applicable tax rate for the reporting period. The difference between taxable income and accounting profit arises from adjustments made to reconcile differences between accounting profit and taxable income under the current tax regulations.

The company has an obligation to pay corporate income tax (CIT) for taxable income at the current tax rate of 20%.

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

**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.

In considering the relationships between related parties, the nature of the relationship is given more importance than the legal form.

**Segment Reporting**

A segment is a distinguishable component of the Corporation engaged in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that differ from those of other segments. The Board of Directors assumes that the Corporation's production and operations are concentrated in the Hanoi city area while purchasing and consumption activities occur nationwide and abroad. Therefore, the Corporation does not present segment reports by business field or geographical area in accordance with Vietnamese Accounting Standard No. 28 - Segment Reporting.

**MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION - JSC**

No. 7A Mac Thi Buo Street, Hai Ba Trung District, Hanoi City

**Form B 09 - DN**

Issued under Circular No. 200/2014/TT-BTC

December 22, 2014 of the Ministry of Finance

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5. INFORMATION SUPPLEMENT FOR ITEMS ON COMBINED BALANCE SHEET****5.1 Cash and cash equivalents**

	31/12/2024	01/01/2024
	VND	VND
Cash in hand	12,557,940	255,762,567
Cash at banks	21,248,506,317	5,661,477,012
(*) Cash equivalents	5,000,000,000	-
<b>Total</b>	<b>26,261,064,257</b>	<b>5,917,239,579</b>

(\*) Time deposits with a principal term of no more than three months at commercial banks, at an interest rate of 3.6%/year.

**5.2 Financial investments**

Unit: VND

**a) Held to maturity investments**

	31/12/2024		01/01/2024	
	Original Cost	Book value	Original Cost	Book value
<b>Short-term</b>	<b>56,372,052,075</b>	<b>56,372,052,075</b>	<b>34,372,052,075</b>	<b>34,372,052,075</b>
<i>Term deposits (from 3 months to 12 months)</i>				
(i) Joint Stock Commercial Bank For Investment and Development Of Vietnam - Hanoi Branch	47,000,000,000	47,000,000,000	25,000,000,000	25,000,000,000
(ii) Joint stock commercial Bank for foreign trade of Vietnam - Chuong Duong Branch	9,372,052,075	9,372,052,075	9,372,052,075	9,372,052,075
<b>Total</b>	<b>56,372,052,075</b>	<b>56,372,052,075</b>	<b>34,372,052,075</b>	<b>34,372,052,075</b>

(i) Term deposits with maturities ranging from 6 to 12 months, interest rate from 4.0%/year - 4.5%/year.

Of the VND 47,000,000,000 deposit at Joint Stock Commercial Bank For Investment And Development Of Vietnam - Hanoi Branch, VND 11,000,000,000 has been used by the Corporation Office as collateral for the loans of the Corporation's Office at this bank.

(ii) Term deposits with a 12-month maturity, an interest rate of 4.1%/year.

Of the VND 9,372,052,075 deposit at Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Chuong Duong Branch, VND 9,372,052,075 has been used by the Corporation Office as collateral for the loans of the Corporation's Office at this bank.

**MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION - JSC**

No. 7A Mac Thi Buoi Street, Hai Ba Trung District, Hanoi City

**Form B 09 - DN**

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December 22, 2014 of the Ministry of Finance

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.2 Financial investments (Continued)**

Unit: VND

**b) Equity investments in other entities**

	Proportion (%)		31/12/2024			01/01/2024		
	Held capital	Voting rights	Original Cost	Fair value	Provision	Original Cost	Fair value	Provision
<b>Investments in subsidiaries</b>			<b>1,160,969,434,283</b>	<b>(*)</b>	<b>-</b>	<b>1,160,969,434,283</b>	<b>(*)</b>	<b>-</b>
{1} Hanoi Mechanical Company Limited	100	100	644,670,174,361		-	644,670,174,361		-
{2} Quang Trung Mechanical Engineering Company Limited	100	100	163,327,600,924		-	163,327,600,924		-
{3} Mecanimex Products Export- Import Company Limited	100	100	186,946,683,204		-	186,946,683,204		-
{4} The Vietnam National Complete Equipment And Technics Import - Export Corporation Limited	100	100	35,893,995,830		-	35,893,995,830		-
{5} Duyen Hai Mechanical Joint Stock Company	98.189	98.189	126,294,786,164		-	126,294,786,164		-
{6} Tools Joint Stock Company No.1	51	51	3,836,193,800		-	3,836,193,800		-
<b>Investments in joint ventures and associates</b>			<b>1,772,952,058</b>	<b>(*)</b>	<b>-</b>	<b>1,772,952,058</b>	<b>(*)</b>	<b>-</b>
{7} Sai Gon-Ha Noi Investment and Trading Joint Stock Company	20	20	1,772,952,058		-	1,772,952,058		-
<b>Investments in other entities</b>			<b>17,718,555,006</b>	<b>(*)</b>	<b>-</b>	<b>17,718,555,006</b>	<b>(*)</b>	<b>-</b>
{8} Hai Duong Grinding Wheels Joint Stock Company	2.22	2.22	3,381,542,806		-	3,381,542,806		-
{9} Hai Phong Machinery Manufacturing Joint Stock Company	10	10	1,432,012,200		-	1,432,012,200		-
{10} Dong Binh Cement Joint Stock Company	10.37	10.37	12,905,000,000		-	12,905,000,000		-
Capital contribution of Machines and Industrial Equipment Corporation - JSC			-		-	-		-
Capital contributions of other shareholders			12,905,000,000		-	12,905,000,000		-
<b>Total</b>			<b>1,180,460,941,347</b>		<b>-</b>	<b>1,180,460,941,347</b>		<b>-</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.2 Financial investments (Continued)**

{1} Hanoi Mechanical Company Limited, 100% owned by the Corporation; determining the enterprise value as of 30 September 2014 to serve the equitization of the Corporation. Currently, the Company is waiting for the competent authority to approve the equitization settlement dossier with the parent company of the Corporation.

{2} Quang Trung Mechanical Engineering Company Limited, 100% owned by the Corporation; determined the enterprise value as of 30 September 2014 to serve the equitization of the Corporation. Similar to the subsidiaries with 100% charter capital owned by the Corporation, the Company is waiting for the competent authority to approve the equitization settlement dossier with the parent company of the Corporation.

The General Import - Export Business Enterprise (a subsidiary of the Company) was previously managed by Mr. Nguyen Duy Xuyen - Deputy General Director of the Company and Director of the Enterprise. Due to signs of intentional violation of State regulations on economic management causing serious consequences, the Hanoi City Police Investigation Agency issued Decision No. 142/PC44 (D2) dated 19 April 2013 to initiate a criminal case, Decision No. 572/PC44(D2) dated 05 August 2013 and temporary detention warrant No. 76/PC44(D2) on the same day to prosecute the accused against Mr. Nguyen Duy Xuyen.

According to the Appeal Judgment No. 536/2022/HS-PT dated 11 August 2022 of the High People's Court in Hanoi, it is decided to: Partially amend the decision on the penalty of the First Instance Criminal Judgment No. 50/2020/HS-ST dated 14 February 2020 of the People's Court of Hanoi City.

- (i) Force Nguyen Duy Xuyen and Than Thi Nham to jointly compensate the Vietnam Bank For Agriculture and Rural Development - South Hanoi Branch (Agribank - South Hanoi Branch) the amount of VND 24,990,000,000 and the Vietnam Joint Stock Commercial Bank For Industry and Trade - East Hanoi Branch (Vietinbank - East Hanoi Branch) the amount of VND 24,262,809,296. In total, Nguyen Duy Xuyen and Than Thi Nham are forced to compensate the Agribank - South Hanoi Branch and the Vietinbank - East Hanoi Branch with VND 49,252,809,296. Divided by shares, Nguyen Duy Xuyen must compensate VND 30,000,000,000, and Than Thi Nham must compensate VND 19,252,809,296.
- (ii) Not accepting the appeal of Quang Trung Mechanical Engineering Co. Ltd No. 96/CV-CKQT dated 24 February 2020 sent to the Hanoi People's Court requesting the appellate court to resolve and force Vietinbank to return to Quang Trung Mechanical Engineering Co. Ltd the total principal amount of VND 695,138,503 and interest according to the Bank's regulations calculated up to the date of full payment of principal and interest.

On 18 July 2023, the Board of Directors of Quang Trung Mechanical Engineering Company Limited held a meeting (Minutes of meeting) and agreed to handle the matter in accordance with the contents stated in the report No. 26.06/CKQT-TCKT dated 26 June 2023.

In addition, as stated in this Meeting Minutes, the Company still has unresolved matters. In 2024, the Company has been carrying out legal procedures to file lawsuits against Mr. Nguyen Duy Xuyen and Ms. Than Thi Nham. However, at present, the Company has not yet determined the damages that these individuals may have directly or indirectly caused to the General Import-Export Trading Enterprise, nor the necessary remedial measures. Upon determining the extent of the losses, the Company will implement appropriate financial treatments accordingly.

As of the date of preparation of these financial statements, the Company has not yet assessed potential losses related to receivables, nor has it determined obligations and values of outstanding payables associated with the individuals involved in the case.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.2 Financial investments (Continued)**

{3} Mechanical Products Import-Export Company Limited, 100% owned by the Corporation; determined the enterprise value as of 30 September 2014 to serve the equitization of the Corporation and the Company is also waiting for the competent authority to approve the equitization settlement dossier with the parent company of the Corporation. The Company's financial statements for the fiscal year ended 31 December 2024 include advances to sellers in the amount of VND 20,549,503,289, but the contracts for these advances have been cancelled, and financial investments worth VND 3,795,990,000 that existed before 30 September 2014, and receivables from customers arising after 30 September 2014 that are overdue for payment or very slow to collect, totaling VND 20,848,537,213 (with a provision of VND 543,275,781 already recognized) but have not been processed. The Company is awaiting the approval of equitization from the competent authority and has not made provisions for these items.

{4} The Vietnam National Complete Equipment And Technics Import Export Corporation Limited (hereinafter referred to as "Techno Import"), 100% owned by the Corporation; determined the enterprise value as of 30 September 2014 to serve the equitization of the Corporation. Similar to companies with 100% charter capital owned by the Corporation, the Company is waiting for the competent authority to approve the equitization settlement dossier with the parent company of the Corporation. Techno Import's financial statements for the fiscal year ending 31 December 2024 include the outstanding receivables before the time of enterprise valuation and awaiting review by the competent authority of VND 65,154,909,973 and the loss value of inventory (color printers) not yet accounted for in the period's expenses of VND 1,161,556,338.

On 26 March 2018, the Corporation issued Official Letter No. 276/CV-MIE-DDV to the Ministry of Industry and Trade on reporting and proposing the restructuring of Techno Import. On 22 June 2018, the Ministry of Industry and Trade issued Official Letter No. 4961/BCT-CN on the restructuring of Techno Import, agreeing to the Corporation's divestment plan at Techno Import. On 29 August 2018, the Ministry of Industry and Trade issued Official Letter No. 6935/BCT-CN on MIE's divestment plan at Techno Import. On 29 November 2018, the Ministry of Finance issued Official Letter No. 14893/BTC-TCDN on guidance on the divestment of MIE's investment at Techno Import.

On 19 April 2019, the Corporation issued Document No. 321/CV-MIE-DDV to the Ministry of Industry and Trade for consideration and approval of the Plan for transferring the Corporation's capital contribution at Techno Import. Accordingly, the Corporation requests the application of Decree No. 128/2014/ND-CP dated 31 December 2014 of the Government on sale, assignment and transfer of 100% state-owned enterprises to carry out the process and procedures for transferring the Corporation's capital contribution at Techno Import through the method of auctioning enterprises with inherited debts. On 8 July 2019, the Ministry of Industry and Trade issued Document No. 4857/BCT-CN stating that the Corporation is not subject to and subject to the conditions of application of Decree No. 128/2014/ND-CP dated 31 December 2014.

{5} Duyen Hai Mechanical Joint Stock Company: Converted from Duyen Hai Mechanical Joint Stock Company under the Corporation. The Corporation owns 98.189% of voting shares.

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**5.2 Financial investments (Continued)**

{6} Tools Joint Stock Company No. 1: Converted from the Cutting and Measuring Tools Company under the Corporation. This investment was initially recorded by the Corporation as VND 3,150,600,000, accounting for 51% of voting shares and was re-evaluated according to Decision No. 12494/QD-BCT dated 16 November 2015 of the Minister of Industry and Trade on determining the value of the Machines And Industrial Equipment Corporation under the Ministry of Industry and Trade for equitization as of 30 September 2014 as VND 4,099,574,020. On 20 January 2017 (the official time of conversion into a Joint Stock Company), the Corporation assessed the financial investment according to regulations and the investment value in Tools Joint Stock Company No. 1 was recorded by the Corporation as VND 3,836,193,800.

{7} Sai Gon-Ha Noi Investment and Trading Joint Stock Company: Charter capital is VND 90,000,000,000 divided into 900,000 shares, the Corporation owns 20% of voting shares. This investment was re-evaluated according to Decision No. 12494/QD-BCT dated 16 November 2015 of the Minister of Industry and Trade on determining the value of the Machines and Industrial Equipment Corporation under the Ministry of Industry and Trade for equitization on 30 September 2014 at VND 1,800,000,000. On 20 January 2017, the Corporation evaluated the financial investment according to regulations and the investment value in Sai Gon-Ha Noi Investment and Trading Joint Stock Company was recorded by the Corporation as VND 1,772,952,058.

{8} Hai Duong Grinding Wheels Joint Stock Company: Converted from Grinding Stone Company under the Corporation. This investment was initially recorded by the Corporation as VND 1,000,000,000, accounting for 2.22% of voting shares. Based on the approved valuation results, this investment was valued at VND 1,631,736,071. On 20 January 2017 (the official date of conversion into a Joint Stock Company), the Corporation revalued this investment and recorded the value of the investment as VND 3,717,410,306. On 31 December 2024, the value of this investment was recorded as VND 3,381,542,806 (including the dividends received by the Corporation in the previous period, after conversion into a Joint Stock Company).

{9} Hai Phong Machinery Manufacturing Joint Stock Company: Converted from Hai Phong Manufacturing Mechanical Factory under the Corporation. This investment was initially recorded by the Corporation as VND 1,037,690,000, accounting for 10% of voting shares. This investment was revalued according to Decision No. 12494/QD-BCT dated 16 November 2015 of the Minister of Industry and Trade on determining the value of the Machines and Industrial Equipment Corporation under the Ministry of Industry and Trade for equitization on 30 September 2014 at VND 1,463,141,355. On 20 January 2017 (the official time of conversion into a Joint Stock Company), based on the trading price of shares of Hai Phong Machinery Manufacturing Joint Stock Company, the Corporation revalued this investment and recorded the value of the investment as VND 1,432,012,200. On 27 March 2018, the Corporation issued Official Letter No. 269/CV-MIE-HDQT to the Ministry of Industry and Trade regarding the divestment of MIE's capital invested in Hai Phong Machinery Manufacturing Joint Stock Company. On 04 May 2018, the Ministry of Industry and Trade issued Official Letter No. 3475/BCT-CN agreeing to divest all of the Corporation's capital invested In Hai Phong Machinery Manufacturing Joint Stock Company. However, the divestment was unsuccessful and the Corporation reported to the Ministry of Industry and Trade.

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**5.2 Financial investments (Continued)**

{10} Dong Binh Cement Joint Stock Company: Charter capital is VND 301,000,000,000. Initially, this investment was recorded by the Corporation as VND 31,200,000,000, accounting for 10.37% of voting shares. This investment was re-evaluated according to Decision No. 12494/QĐ-BCT dated 16 November 2015 of the Minister of Industry and Trade on determining the value of the Machines and Industrial Equipment Corporation under the Ministry of Industry and Trade for equitization as of 30 September 2014 at VND 27,298,839,658. On 20 January 2017 (the official date of conversion into a Joint Stock Company), the Corporation re-evaluated this investment and recorded the investment value as VND 12,905,000,000, corresponding to the investment value of other shareholders

*In addition, on 27 September 2023, the Corporation completed the construction of the "Project to restructure the Machines And Industrial Equipment Corporation - JSC". The Corporation sent Official Dispatch No. 853/CV-MIE-DDV dated 27 September 2023 to the Ministry of Industry and Trade for approval of the "Project to restructure the Machines And Industrial Equipment Corporation - JSC".*

(\*) At the date of preparation of these Financial Statements of the Corporation's Office, the Corporation has no basis to determine the fair value of investments in joint ventures, associates company and Other Investments so notes in the Financial Statements of the Corporation's Office for the year ending 31 December 2024 because there is no market price for these investments and the current Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Regime do not provide specific guidance on how to determine the fair value of these financial investments. The fair value of these financial investments may differ from their book value.

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<b>5.3 Trade receivables</b>	<b>31/12/2024</b>	<b>01/01/2024</b>
	<b>VND</b>	<b>VND</b>
<b>Short-term</b>	<b>181,830,687,231</b>	<b>143,575,817,383</b>
Electrical Project Management Board 2 - Vietnam Electricity	10,921,017,611	28,232,045,741
Royal Real Estate Group Corporation	41,536,297,736	41,536,297,736
Truong Giang Bach Dang Investment Development JSC	38,640,991,588	-
Song Da N05 Joint-Stock Company	20,230,743,441	18,668,006,133
Other customers	70,501,636,855	55,139,467,773
<b>Total</b>	<b>181,830,687,231</b>	<b>143,575,817,383</b>

*In which:**Customers are Related parties*  
(Detailed at note 7.1)**10,449,427,216**      **10,640,686,227**

<b>5.4 Advances to suppliers</b>	<b>31/12/2024</b>	<b>01/01/2024</b>
	<b>VND</b>	<b>VND</b>
<b>Short-term</b>		
Bao Diep Construction Service Company Limited	2,439,486,621	-
Hoang Anh Lifting Equipments And Steel Structure JSC	6,151,057,723	800,030,000
Tam Long Company Limited	1,519,227,626	1,005,757,988
Other suppliers	5,877,771,047	1,690,118,760
<b>Total</b>	<b>15,987,543,017</b>	<b>3,495,906,748</b>

*In which:**Advance payments to sellers are Related parties*  
(Detailed at note 7.1)**117,098,456**      **-**

<b>5.5 Loan receivables</b>	<b>31/12/2024</b>	<b>01/01/2024</b>
	<b>VND</b>	<b>VND</b>
<b>a) Short-term</b>	<b>-</b>	<b>3,000,000,000</b>
Mechanical Products Export- Import Company Limited	-	3,000,000,000
<b>b) Long-term</b>	<b>10,412,500,000</b>	<b>6,000,000,000</b>
Tools Joint Stock Company No1 {1}	10,412,500,000	6,000,000,000
<b>Total</b>	<b>10,412,500,000</b>	<b>9,000,000,000</b>

*In which:**Loan receivables are Related parties*  
(Detailed at note 7.1)**10,412,500,000**      **9,000,000,000**

{1} Includes:

- Loan Contract No. 2104/2023/HDVT-MIE-TJC dated 21 April 2023, loan amount: VND 6,000,000,000; Loan term: 24 months; Interest rate: For the first 12 months, 8.5%/year, for the subsequent 12 months, equal to MIE's 12-month deposit interest rate at BIDV plus a margin of 1%.
- Loan Contract No. 21/2024/HDVT-MIE-TJC dated 22 March 2024, loan amount: VND 8,550,000,000; Loan term: 36 months; Interest rate: 6.2%/year. The interest rate applicable for the subsequent period until 29 March 2027 is adjusted quarterly and equal to the 12-month deposit interest rate for institutions at BIDV plus a margin of 2%/year.

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For the financial year ended as at 31 December 2024

## 5.6 Other receivables

Unit: VND

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
<b>a) Short-term</b>	<b>7,192,966,334</b>	<b>-</b>	<b>8,366,549,523</b>	<b>-</b>
Receivables from equitization	3,423,839,908	-	3,423,839,908	-
Social insurance	-	-	2,838,584	-
Advances	3,028,782,763	-	3,030,782,763	-
Receivables from Subsidiaries	22,471,666	-	388,782,351	-
<i>Tools Joint Stock Company No1</i>	15,552,329	-	354,904,110	-
<i>Mechanical Products Export- Import Company Limited</i>	-	-	26,958,904	-
<i>Hanoi Mechanical Company Limited</i>	6,919,337	-	6,919,337	-
Other receivables	717,871,997	-	1,520,305,917	-
<b>b) Long-term</b>	<b>37,500,000</b>	<b>-</b>	<b>37,500,000</b>	<b>-</b>
Deposits	37,500,000	-	37,500,000	-
<b>Total</b>	<b>7,230,466,334</b>	<b>-</b>	<b>8,404,049,523</b>	<b>-</b>
<i>In which:</i>				
<i>Other receivables from Related parties</i>	<i>22,471,666</i>	<i>-</i>	<i>388,782,351</i>	<i>-</i>
(Detailed at note 7.1)				

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**5.7 Bad debt**

Unit: VND

	31/12/2024			01/01/2024		
	Original Cost	Fair value	Provision	Original Cost	Fair value	Provision
<b>Short-term</b>						
<b>Trade receivables</b>	<b>45,589,086,978</b>	<b>34,436,297,736</b>	<b>(11,152,789,242)</b>	<b>45,589,086,978</b>	<b>35,736,297,736</b>	<b>(9,852,789,242)</b>
Song Hong Mechanical Construction and Investment Joint Stock Company	2,196,370,548	-	(2,196,370,548)	2,196,370,548	-	(2,196,370,548)
TJS Technical Services and Construction Joint Stock Company	1,074,362,256	-	(1,074,362,256)	1,074,362,256	-	(1,074,362,256)
Royal Real Estate Group Corporation	41,536,297,736	34,436,297,736	(7,100,000,000)	41,536,297,736	35,736,297,736	(5,800,000,000)
Design & Construction Consulting Branch	269,196,839	-	(269,196,839)	269,196,839	-	(269,196,839)
Licogi 16 Mechanical Joint Stock Company	512,859,599	-	(512,859,599)	512,859,599	-	(512,859,599)
<b>Total</b>	<b>45,589,086,978</b>	<b>34,436,297,736</b>	<b>(11,152,789,242)</b>	<b>45,589,086,978</b>	<b>35,736,297,736</b>	<b>(9,852,789,242)</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.8 Inventories**

Unit: VND

	31/12/2024		01/01/2024	
	Original Cost	Provision	Original Cost	Provision
Work in progress	24,881,899,678	-	31,207,087,552	-
Goods	7,053,240,564	-	29,189,942,935	-
<b>Total</b>	<b>31,935,140,242</b>	<b>-</b>	<b>60,397,030,487</b>	<b>-</b>

**5.9 Prepaid expenses**

	31/12/2024	01/01/2024
	VND	VND
<b>a) Short-term</b>	<b>6,827,732</b>	<b>9,518,759</b>
Dispatched tools and supplies	6,827,732	9,518,759
<b>b) Long-term</b>	<b>495,850,366</b>	<b>542,468,103</b>
Dispatched tools and supplies	144,636,206	121,224,330
Other items	351,214,160	421,243,773
<b>Total</b>	<b>502,678,098</b>	<b>551,986,862</b>

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**5.10 Increase, decrease in tangible fixed assets**

Unit: VND

	Buildings and architectures	Machinery and equipments	Transportation means	Management tools	Total
<b>COST</b>					
Opening balance as at 01/01/2024	41,972,594,163	520,774,500	5,914,430,630	321,626,728	48,729,426,021
Increase in the year	-	-	-	-	-
Purchase	-	-	-	-	-
Decrease in the year	-	-	-	-	-
Liquidation or transfer	-	-	-	-	-
Closing balance as at 31/12/2024	41,972,594,163	520,774,500	5,914,430,630	321,626,728	48,729,426,021
<b>ACCUMULATED DEPRECIATION</b>					
Opening balance as at 01/01/2024	17,395,183,749	269,133,490	3,114,729,720	304,295,651	21,083,342,610
Increase in the year	1,654,585,572	82,042,336	636,605,328	14,730,727	2,387,963,963
Depreciation charges	1,654,585,572	82,042,336	636,605,328	14,730,727	2,387,963,963
Decrease in the year	-	-	-	-	-
Liquidation or transfer	-	-	-	-	-
Closing balance as at 31/12/2024	19,049,769,321	351,175,826	3,751,335,048	319,026,378	23,471,306,573
<b>NET BOOK VALUE</b>					
At opening day as at 01/01/2024	24,577,410,414	251,641,010	2,799,700,910	17,331,077	27,646,083,411
At closing day as at 31/12/2024	22,922,824,842	169,598,674	2,163,095,582	2,600,350	25,258,119,448

- The original cost of assets that have been fully depreciated but are still in use on 31 December 2024, is VND 1,887,948,271 (on 31 December 2023, it was VND 606,263,271).
- As of 31 December 2024, the Corporation used the asset on land, which is the Corporation's headquarters at 7A Mac Thi Buoi, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City, as collateral for a loan at the Vietnam Investment and Development Bank. The remaining value of this asset on 31 December 2024, is VND 22,669,253,258, and on 31 December 2023, it was VND 24,232,650,038.



**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.11 Increase, decrease in intangible fixed assets**

Unit: VND

	Computer software	Total
<b>COST</b>		
Opening balance as at 01/01/2024	100,000,000	100,000,000
Increase in the year	-	-
Decrease in the year	-	-
Closing balance as at 31/12/2024	100,000,000	100,000,000
<b>ACCUMULATED AMORTISATION</b>		
Opening balance as at 01/01/2024	100,000,000	100,000,000
Amortisation charges	-	-
Closing balance as at 31/12/2024	100,000,000	100,000,000
<b>NET BOOK VALUE</b>		
At opening day as at 01/01/2024	-	-
At closing day as at 31/12/2024	-	-

The original cost of assets that have been fully depreciated but are still in use on 31 December 2024, is VND 100,000,000 (on 31 December 2023, it was VND 100,000,000).

**5.12 Increase, decrease in investment properties**

Unit: VND

	01/01/2024	Increase	Decrease	31/12/2024
<b>Investment properties for lease</b>				
<b>Cost</b>	24,131,015,298	-	-	24,131,015,298
Housing	24,131,015,298	-	-	24,131,015,298
<b>Accumulated depreciation</b>	3,422,822,377	706,305,684	-	4,129,128,061
Housing	3,422,822,377	706,305,684	-	4,129,128,061
<b>Residual value</b>	20,708,192,921	-	706,305,684	20,001,887,237
Housing	20,708,192,921	-	706,305,684	20,001,887,237

The investment real estate for lease is located on the 4th floor of the SME Hoang Gia Building, No. 12 To Hieu, Quang Trung Ward, Ha Dong District, Hanoi City, used by the Corporation for leasing activities.

The revenue and cost of goods sold related to the investment real estate leased during the year are presented in Notes 6.1 and 6.2, with amounts of VND 949,459,668 and VND 706,305,684, respectively.

According to the regulations in Vietnamese Accounting Standard No. 05 - Investment Real Estate, the fair value of the investment real estate as of 31 December 2024, needs to be presented. However, the Corporation does not have sufficient information to determine the fair value of these assets at the date of the statement financial of the Corporation's Office.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.13 Trade payables**

Unit: VND

	31/12/2024		01/01/2024	
	Value	Recoverable value	Value	Recoverable value
<b>Short-term</b>	<b>50,856,750,731</b>	<b>50,856,750,731</b>	<b>33,557,510,907</b>	<b>33,557,510,907</b>
Duyen Hai Mechanical JSC	5,016,533,351	5,016,533,351	12,228,348,244	12,228,348,244
Hanoi Mechanical Company Limited	345,448,419	345,448,419	1,560,937,298	1,560,937,298
Bao Diep Construction Service Company Limited	969,989,116	969,989,116	1,829,720,677	1,829,720,677
Hoang Anh Lifting Equipments And Steel Structure JSC	23,710,000,000	23,710,000,000	-	-
Dong Tam Mechanical Construction Investment JSC	5,446,260,514	5,446,260,514	3,787,756,151	3,787,756,151
Others	15,368,519,331	15,368,519,331	14,150,748,537	14,150,748,537
<b>Total</b>	<b>50,856,750,731</b>	<b>50,856,750,731</b>	<b>33,557,510,907</b>	<b>33,557,510,907</b>
<i>In Which:</i>				
<i>Trade payables are Related Parties</i> (Detailed at note 7.1)	<i>5,739,451,335</i>	<i>5,739,451,335</i>	<i>14,166,755,107</i>	<i>14,166,755,107</i>

**5.14 Advances from customers**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>40,977,963,803</b>	<b>3,214,655,293</b>
Thac Ba 2 Investment Hydropower Joint Stock Company	30,585,423,773	-
Bo Sinh Hydropower Joint Stock Company	4,711,963,800	-
Danieli & C. Officine Meccaniche SpA	2,764,055,432	-
Song Da N05 Joint-Stock Company	465,372,000	1,416,960,000
Other customers	2,451,148,798	1,797,695,293
<b>Total</b>	<b>40,977,963,803</b>	<b>3,214,655,293</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

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**5.15 Taxes and receivables from, payables to the State Budget**

Unit: VND

	01/01/2024	Payable	Paid amounts	31/12/2024
<b>a) Payables</b>				
Value added tax	63,123,707	195,207,366	226,203,413	32,127,660
Import, export duties	-	27,694,032	27,694,032	-
Corporate income tax	-	320,998,901	103,323,605	217,675,296
Personal income tax	2,400,000	169,281,314	138,476,423	33,204,891
Land taxes and land rental	-	382,092,535	382,092,535	-
Other taxes	-	2,000,000	2,000,000	-
<b>Total</b>	<b>65,523,707</b>	<b>1,097,274,148</b>	<b>879,790,008</b>	<b>283,007,847</b>
<b>b) Receivables</b>				
Value added tax	295,945,435	1,075,623,158	1,080,138,877	300,461,154
Corporate income tax	174,828,238	174,828,238	-	-
Personal income tax	8,987,229	354,377,732	345,390,503	-
Other Payables	93,416,121	3,200,000	3,200,000	93,416,121
<b>Total</b>	<b>573,177,023</b>	<b>1,608,029,128</b>	<b>1,428,729,380</b>	<b>393,877,275</b>

**5.16 Accrued expenses**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>6,567,598,366</b>	<b>5,970,633,670</b>
Interest expenses	6,187,209,477	5,937,133,670
Other accrued expenses	380,388,889	33,500,000
<b>Total</b>	<b>6,567,598,366</b>	<b>5,970,633,670</b>

**5.17 Other Payables**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>18,834,582,102</b>	<b>18,718,658,394</b>
Revenue from shareholders contributing capital to Dong Binh Cement Joint Stock Company	12,905,000,000	12,905,000,000
Trade union fund	14,085,384	24,762,256
Payables on Equitization	4,257,988,040	4,257,988,040
Short-term deposits	716,303,958	625,835,958
Other payables and obligations	941,204,720	905,072,140
<b>Total</b>	<b>18,834,582,102</b>	<b>18,718,658,394</b>

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**5.18 Borrowings and finance lease liabilities**

Unit: VND

	31/12/2024		In the year		01/01/2024	
	Value	Recoverable value	Increase	Decrease	Value	Recoverable value
<b>Short-term borrowings</b>	<b>5,100,003,547</b>	<b>5,100,003,547</b>	<b>17,026,565,141</b>	<b>17,296,565,141</b>	<b>5,370,003,547</b>	<b>5,370,003,547</b>
<b>Bank loan</b>						
Joint Stock Commercial Bank For Investment and Development Of Vietnam - Hanoi Branch	-	-	15,896,565,141	15,896,565,141	-	-
<b>Personal loan</b>						
Loans from individuals belonging to the Corporation	1,100,003,547	1,100,003,547	1,130,000,000	1,400,000,000	1,370,003,547	1,370,003,547
<b>Long-term borrowings</b>						
{1} Saigon Beer, Alcohol and Beverage Corporation (now Saigon Beer - Alcohol - Beverage Corporation) - SABECO	4,000,000,000	4,000,000,000	-	-	4,000,000,000	4,000,000,000
<b>Total</b>	<b>5,100,003,547</b>	<b>5,100,003,547</b>	<b>17,026,565,141</b>	<b>17,296,565,141</b>	<b>5,370,003,547</b>	<b>5,370,003,547</b>

**Loan information**

- {1} The loan from Saigon Beer - Alcohol - Beverage Corporation (now Saigon Beer-Alcohol-Beverage Joint Stock Corporation) - SABECO, interest rate is 6.6%/year, loan term is 05 years.

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.19 Owner's Equity***a) Increase and decrease in owner's equity*

Unit: VND

	Owner's Equity	Retained earnings	Total
<b>As at 01/01/2023</b>	<b>1,418,634,488,001</b>	<b>106,319,294</b>	<b>1,418,740,807,295</b>
Profit in the previous year	-	814,338,152	814,338,152
Distribution of prior year's profit	-	(105,587,270)	(105,587,270)
<b>As at 31/12/2023</b>	<b>1,418,634,488,001</b>	<b>815,070,176</b>	<b>1,419,449,558,177</b>
<b>As at 01/01/2024</b>	<b>1,418,634,488,001</b>	<b>815,070,176</b>	<b>1,419,449,558,177</b>
Profit in the this year	-	1,932,848,344	1,932,848,344
{i} Appropriation to the Bonus, Welfare, and Management Bonus Funds	-	(814,338,152)	(814,338,152)
<b>As at 31/12/2024</b>	<b>1,418,634,488,001</b>	<b>1,933,580,368</b>	<b>1,420,568,068,369</b>

{i} The Corporation appropriated the Rewards, Welfare, and Executive Management Incentive Fund from the undistributed after-tax profit for 2023 in accordance with the profit distribution plan of its parent company, as evidenced by Official Letter No. 297/CV-MIE-DDV dated 15 April 2024, issued by Machinery and Industrial Equipment Corporation - JSC.

*b) Contributed capital*

	31/12/2024	01/01/2024
Object	VND	VND
State capital and other shareholders (*)	1,418,634,488,001	1,418,634,488,001
<b>Total</b>	<b>1,418,634,488,001</b>	<b>1,418,634,488,001</b>

(\*) The charter capital on the Business Registration Certificate of the Corporation as a joint-stock company is VND 1,419,915,000,000, which is higher than the owner's equity on the combined financial statements (VND 1,280,511,999) due to the financial adjustments when the Corporation officially transitioned to operate as a joint-stock company in accordance with regulations. The parent company and the four single-member limited liability companies wholly owned by the Corporation are still awaiting approval from the competent authorities for the equitization settlement documents. After receiving the official approval for the equitization settlement documents, the Corporation will make the necessary adjustments to its capital as required.

*c) Capital transactions with owners*

	Year 2024	Year 2023
	VND	VND
Owner's invested equity		
<b>Opening capital</b>	<b>1,418,634,488,001</b>	<b>1,418,634,488,001</b>
Increase in capital during the fiscal year	-	-
Decrease in capital during the fiscal year	-	-
<b>Closing capital</b>	<b>1,418,634,488,001</b>	<b>1,418,634,488,001</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**5.19 Owner's Equity (Continued)**

<i>d) Shares</i>	<b>31/12/2024</b>	<b>01/01/2024</b>
	<b>Shares</b>	<b>Shares</b>
Number of shares registered for issuance	141,991,500	141,991,500
Number of shares sold to public market	141,991,500	141,991,500
Number of shares outstanding	141,991,500	141,991,500
Number of shares outstanding average	141,991,500	141,991,500
Par value of shares outstanding (VND/Share)	10,000	10,000

**6. INFORMATION SUPPLEMENT TO COMBINED INCOME STATEMENT****6.1 Revenue from goods sold and services rendered**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>VND</b>	<b>VND</b>
Sales of goods and services	99,729,533,160	64,938,627,125
Sales of industrial production projects	211,827,649,747	202,771,934,857
<b>Toal</b>	<b>311,557,182,907</b>	<b>267,710,561,982</b>
<i>In which:</i>		
<b>Revenue with Related parties</b>	<b>42,193,950,818</b>	<b>47,278,838,766</b>
(Detailed at note 7.1)		

**6.2 Deductible items**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>VND</b>	<b>VND</b>
Sales rebates	3,533,632,815	-
<b>Total</b>	<b>3,533,632,815</b>	<b>-</b>

**6.3 Cost of goods sold**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>VND</b>	<b>VND</b>
Cost of goods sold	91,975,846,051	58,571,473,378
Cost of industrial production projects	191,683,671,823	182,694,280,389
<b>Total</b>	<b>285,661,721,874</b>	<b>241,265,753,767</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**6.4 Financial income**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>VND</b>	<b>VND</b>
Interest income	2,450,980,400	3,263,323,210
Dividends and distributed profits	291,093,880	273,088,106
Realized foreign exchange gains	93,737,400	143,960,612
Unrealized foreign exchange gains	54,036,280	-
Other financial income	9,073	16,168,086
<b>Total</b>	<b>2,889,857,033</b>	<b>3,696,540,014</b>

**6.5 Financial expenses**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>VND</b>	<b>VND</b>
Loan interests	411,117,948	679,495,480
Realized foreign exchange losses	244,440	12,034,234
Unrealized foreign exchange losses	-	19,144,550
<b>Total</b>	<b>411,362,388</b>	<b>710,674,264</b>

**6.6 Administration expenses**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>VND</b>	<b>VND</b>
Labor	13,529,643,045	11,719,678,026
Raw materials and consumables	345,000.00	-
Office supplies	208,684,580	219,033,760
Depreciation and amortisation	2,562,758,536	2,405,327,478
Taxes, Fees and Charges	414,986,567	424,354,973
Provisioning	1,301,600,000	5,913,700,541
Out-sourced services	1,249,272,087	1,261,413,288
Others	8,502,322,393	8,991,706,087
<b>Total</b>	<b>27,769,612,208</b>	<b>30,935,214,153</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**6.7 Other income**

	Year 2024 VND	Year 2023 VND
Handling overdue debt	-	1,015,416,294
Fixed asset liquidation	-	7,272,727
Compensation, fines	5,241,897,902	2,607,686,642
Other income	116,066,927	67,595,946
<b>Total</b>	<b>5,357,964,829</b>	<b>3,697,971,609</b>

**6.8 Current corporate income tax expense**

	Year 2024 VND	Year 2023 VND
Accounting income of main activities	2,428,675,483	1,240,836,984
Adjusted		
Increase Taxable Income	102,308,485	432,939,095
+ Car depreciation	101,931,840	101,931,840
+ Unreasonable costs and other expenses	376,645	331,007,255
Reduced Income Due to Tax Exemption	(345,130,160)	(273,088,106)
+ Dividends received during the year	(291,093,880)	(273,088,106)
+ Others	(54,036,280)	-
<b>Total accounting profit after adjustment</b>	<b>2,185,853,808</b>	<b>1,400,687,973</b>
Losses from previous years carried over	-	-
<b>Total taxable income Corporate income</b>	<b>2,185,853,808</b>	<b>1,400,687,973</b>
<b>Total current CIT</b>	<b>495,827,139</b>	<b>426,498,832</b>

**6.9 Production and business costs by element**

	Year 2024 VND	Year 2023 VND
Raw material costs	259,719,174,374	148,294,765,448
Labor costs	19,768,066,503	17,474,579,264
Fixed asset depreciation costs	3,094,269,647	2,405,327,478
Outsourced service costs	10,927,850,434	9,984,581,889
Other cash costs	11,316,210,091	20,561,892,689
<b>Total</b>	<b>304,825,571,049</b>	<b>198,721,146,768</b>

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**7. OTHER INFORMATION****7.1 Transactions with related parties****a) Information**

<b>Subjects</b>	<b>Relationship</b>
<b>Organization</b>	
Ministry of Industry and Trade	Large shareholder with significant influence
Hanoi Mechanical Company Limited	Subsidiary
Quang Trung Mechanical Engineering Company Limited	Subsidiary
Mechanical Products Export-Import Company Limited	Subsidiary
The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	Subsidiary
Duyen Hai Mechanical Joint Stock Company	Subsidiary
Tools Joint Stock Company No1	Subsidiary
Sai Gon-Ha Noi Investment and Trading Joint Stock Company	Affiliated Company
Branch of Machines and Industrial Equipment Corporation - JSC	Dependent Units
Industrial Construction Company	Dependent Units
Investment Consulting and Industrial Technical Services Company	Dependent Units
<b>Person</b>	
Board of Directors, Board of Supervisors, Executive Board, other managers and close family members of individuals who are Related parties of the Corporation	Significant influence
<i>Include:</i>	
<b>Board of Directors</b>	
Mr. Tran Quoc Toan	Chairman
Mr. Pham Thanh Dong	Member (Resigned on 06 September 2024)
Mr. Hoang Minh Viet	Member
Mr. Cu Ngoc Phuong	Member
Ms. Tran Thi Thu Trang	Member (Resigned on 15 March 2024)
Mr. Le Huy Hai	Member (Appointed on 15 March 2024)
Mr. Vu Trung Thuc	Member (Appointed on 06 September 2024)
<b>Board of Supervisors</b>	
Mr. Dinh Quang Hoa	Head of Board of Supervisors
Ms. Nguyen Thi Khanh Ly	Member
Ms. Le Thi Minh Huyen	Member

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**7.1 Transactions with related parties (Continued)****a) Information (Continued)****Executive Board**

Mr. Pham Thanh Dong

General Director  
(Resigned on 27 June 2024)

Mr. Le Huy Hai

General Director  
(Appointed on 16 July 2024)

Mr. Vu Trung Thuc

Deputy General Director

Mr. Dau Huy Ngoc Linh

Deputy General Director

**Other managers**

Mr. Nguyen Ngoc Hung

Representative of State capital

Mr. Dinh Hong Mai

President of the Corporation's Trade Union

**b) Transactions with related parties**

	Year 2024 VND	Year 2023 VND
<b>Key personnel income</b>		
<b>Board of Directors, Executive Board</b>	<b>1,660,714,152</b>	<b>1,573,027,984</b>
Mr. Tran Quoc Toan	443,232,000	426,045,628
Mr. Pham Thanh Dong	320,760,000	412,760,014
Mr. Hoang Minh Viet	268,709,400	296,058,702
Mr. Cu Ngoc Phuong	70,000,000	61,000,000
Ms. Tran Thi Thu Trang	15,380,952	195,495,333
Mr. Le Huy Hai	260,398,800	76,000,000
Mr. Vu Trung Thuc	226,233,000	84,534,646
Mr. Dau Huy Ngoc Linh	56,000,000	21,133,661
<b>Board of Supervisors</b>	<b>390,424,000</b>	<b>344,058,702</b>
Mr. Dinh Quang Hoa	332,424,000	296,058,702
Ms. Nguyen Thi Khanh Ly	29,000,000	24,000,000
Ms. Le Thi Minh Huyen	29,000,000	24,000,000
<b>Other managers</b>	<b>233,092,000</b>	<b>158,376,702</b>
Mr. Nguyen Ngoc Hung	82,000,000	9,000,000
Mr. Dinh Hong Mai	151,092,000	149,376,702

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**7.1 Transactions with related parties (Continued)****b) Transactions with related parties (Continued)****Transactions of purchase and sale of goods and services**

<b>Subjects</b>	<b>Transactions</b>	<b>Year 2024 VND</b>	<b>Year 2023 VND</b>
<b>The Corporation sells goods to units</b>		<b>42,193,950,818</b>	<b>47,278,838,766</b>
Duyen Hai Mechanical Joint Stock Company	Sales	18,562,906,021	28,085,936,010
Hanoi Mechanical Company Limited	Sales	373,624,290	10,681,726,567
Mechanical Products Export- Import Company Limited	Sales	23,240,140,507	8,496,056,189
The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	Sales	17,280,000	15,120,000
<b>The Corporation purchases goods from units</b>		<b>32,772,918,605</b>	<b>56,872,297,293</b>
Duyen Hai Mechanical Joint Stock Company	Purchases	27,920,136,054	41,150,626,116
Hanoi Mechanical Company Limited	Purchases	4,129,588,145	12,760,478,402
Mechanical Products Export- Import Company Limited	Purchases	360,499,994	2,565,583,515
Tools Joint Stock Company No.1	Purchases	362,694,412	395,609,260
<b>The Corporation has other transactions</b>			
Tools Joint Stock Company No.1	Lending	10,550,000,000	6,000,000,000
Mechanical Products Export- Import Company Limited	Lending	-	3,000,000,000
Tools Joint Stock Company No.1	Repayment of Loans Granted	6,137,500,000	-
Mechanical Products Export- Import Company Limited	Repayment of Loans Granted	3,000,000,000	-

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**7.1 Transactions with related parties (Continued)****c) Balances related party**

Item	Relationship	31/12/2024	01/01/2024
		VND	VND
<b>Short-term trade receivables</b>		<b>10,449,427,216</b>	<b>10,640,686,227</b>
Hanoi Mechanical Company Limited	Subsidiary	45,297,947	1,785,517,375
Duyen Hai Mechanical Joint Stock Company	Subsidiary	8,020,575,635	4,964,766,807
Mechanical Products Export- Import Company Limited	Subsidiary	2,383,553,634	3,890,402,045
<b>Other receivables</b>		<b>22,471,666</b>	<b>388,782,351</b>
Tools Joint Stock Company No.1	Subsidiary	15,552,329	354,904,110
Mechanical Products Export- Import Company Limited	Subsidiary	-	26,958,904
Hanoi Mechanical Company Limited	Subsidiary	6,919,337	6,919,337
<b>Loan receivables</b>		<b>10,412,500,000</b>	<b>9,000,000,000</b>
Tools Joint Stock Company No.1	Subsidiary	10,412,500,000	6,000,000,000
Mechanical Products Export- Import Company Limited	Subsidiary	-	3,000,000,000
<b>Trade payables</b>		<b>5,739,451,335</b>	<b>14,166,755,107</b>
Duyen Hai Mechanical Joint Stock Company	Subsidiary	5,016,533,351	12,228,348,244
Hanoi Mechanical Company Limited	Subsidiary	345,448,419	1,560,937,298
Quang Trung Mechanical Engineering Company Limited	Subsidiary	41,659,090	41,659,090
Mechanical Products Export- Import Company Limited	Subsidiary	335,810,475	335,810,475
<b>Advances to suppliers</b>		<b>117,098,456.00</b>	-
Duyen Hai Mechanical Joint Stock Company	Subsidiary	117,098,456	-

**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**

For the financial year ended as at 31 December 2024

**7.2 Comparison information**

Comparative information refers to the data extracted from the combined financial statements for the year ending 31 December 2023, which was audited by CPA VIETNAM Auditing Company Limited - An independent member firm of INPACT.

*Ha Noi, 25 March 2025*

**Preparator**



**Nguyen Trung Kien**

**Responsible for accounting**



**Pham Minh Duc**

**General Director**

  


**Le Huy Hai**

