



DONG ANH ELECTRICAL EQUIPMENT CORPORATION JOINT
STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

AUDITED SEPARATE FINANCIAL
STATEMENTS

For the year ended 31 December 2024



DONG ANH ELECTRICAL EQUIPMENT CORPORATION JOINT STOCK COMPANY

No 189, Lam Tien Road, Dong Anh Town,

Dong Anh District, Hanoi City, Viet Nam

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DONG ANH ELECTRICAL EQUIPMENT CORPORATION JOINT STOCK COMPANY

No. 189, Lam Tien Road, Dong Anh Town,
Dong Anh District, Hanoi City, Viet Nam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Dong Anh Electrical Equipment Corporation JSC (the "Corporation") presents this report together with the Corporation's separate financial statements for the year ended 31 December 2024.

THE BOARDS OF DIRECTORS AND MANAGEMENT, AND CHIEF ACCOUNTANT

The members of the Boards of Directors and Management of the Corporation during the year and to the date of this report are as follows:

Board of Directors

Mr. Nguyen Xuan Nam	Chairman
Mr. Nguyen Trong Hieu	Vice Chairman
Mr. Nguyen Vu Cuong	Member
Mr. Nguyen Khac Cuong	Member
Mr. Dang Phan Tuong	Member (appointed on 11 November 2024)
Mr. Nguyen Viet Anh	Member (resigned on 11 November 2024)

Board of Management

Mr. Nguyen Vu Cuong	General Director
Mr. Nguyen Quang Huy	Deputy General Director
Mr. Le Van Diem	Deputy General Director
Mr. Cao Xuan Khoa	Deputy General Director
Mr. Nguyen Hai Quan	Deputy General Director

Chief Accountant

Ms. Do Thi Thu Huong	Chief Accountant
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THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the separate 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, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements to minimize errors and frauds.

DONG ANH ELECTRICAL EQUIPMENT CORPORATION JOINT STOCK COMPANY

No. 189, Lam Tien Road, Dong Anh Town,
Dong Anh District, Hanoi City, Viet Nam

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (Continued)

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

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Management,



Nguyen Vu Cuong
General Director

21 March 2025
Ha Noi, S.R. Vietnam

APPROVAL FOR THE SEPARATE FINANCIAL STATEMENTS

The Board of Directors approved the accompanying separate financial statements which present fairly, in all material respects, 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, accounting regime for enterprises and legal regulations relating to financial reporting.

For and on behalf of the Board of Directors,



Nguyen Xuan Nam
Chairman of Board of Directors

21 March 2025
Ha Noi, S.R. Vietnam

No.: 0702/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders
The Board of Directors and Management
Dong Anh Electrical Equipment Corporation JSC

We have audited the accompanying separate financial statements of Dong Anh Electrical Equipment Corporation JSC (the "Corporation"), prepared on 21 March 2025, as set out from page 05 to page 35, which comprise the balance sheet as at 31 December 2024, the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, 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, accounting regime for enterprises and legal regulations relating to financial reporting.



Phan Ngọc Anh
Deputy General Director
Audit Practising Registration Certificate
No. 1101-2023-001-1

Lương Tuấn Đạt
Auditor
Audit Practising Registration Certificate
No. 4370-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

21 March 2025
Hanoi, S.R. Vietnam



BALANCE SHEET

For the year ended 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		1,455,941,133,095	1,114,351,758,455
I. Cash	110	4	7,910,847,961	7,548,973,589
1. Cash	111		7,910,847,961	7,548,973,589
II. Short-term financial investments	120	5	10,000,000,000	-
1. Held-to-maturity investments	123		10,000,000,000	-
III. Short-term receivables	130		812,037,777,035	617,278,226,886
1. Short-term trade receivables	131	6	838,454,219,060	689,976,951,526
2. Short-term advances to suppliers	132	7	32,420,048,544	9,941,398,020
3. Other short-term receivables	136	8	11,308,512,201	8,487,965,345
4. Provision for short-term doubtful debts	137	9	(70,145,002,770)	(91,128,088,005)
IV. Inventories	140	10	619,909,724,935	489,241,990,944
1. Inventories	141		619,909,724,935	489,241,990,944
V. Other short-term assets	150		6,082,783,164	282,567,036
1. Short-term prepayments	151		5,078,809,793	268,056,548
2. Value added tax deductibles	152		735,945,862	-
3. Taxes and other receivables from the State budget	153	16	268,027,509	14,510,488
B. NON-CURRENT ASSETS	200		339,791,598,307	292,446,962,505
I. Fixed assets	220		308,988,287,847	206,419,849,274
1. Tangible fixed assets	221	11	295,405,883,745	205,662,096,359
- Cost	222		658,107,614,631	537,865,870,260
- Accumulated depreciation	223		(362,701,730,886)	(332,203,773,901)
2. Intangible assets	227	12	13,582,404,102	757,752,915
- Cost	228		15,452,950,000	2,217,750,000
- Accumulated amortisation	229		(1,870,545,898)	(1,459,997,085)
II. Long-term assets in progress	240		11,684,848,322	67,294,629,333
1. Construction in progress	242	13	11,684,848,322	67,294,629,333
III. Long-term financial investments	250	5	18,732,483,898	18,732,483,898
1. Investments in subsidiaries	251		16,232,483,898	16,232,483,898
2. Equity investments in other entities	253		2,500,000,000	2,500,000,000
IV. Other long-term assets	260		385,978,240	-
1. Long-term prepayments	261		385,978,240	-
TOTAL ASSETS (270=100+200)	270		1,795,732,731,402	1,406,798,720,960

The accompanying notes are an integral part of these separate financial statements

BALANCE SHEET (Continued)


For the year ended 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		1,166,901,875,402	848,557,878,043
I. Current liabilities	310		1,091,617,483,977	813,490,153,227
1. Short-term trade payables	311	14	328,157,602,465	215,107,870,044
2. Short-term advances from customers	312	15	127,592,016,918	46,412,423,300
3. Taxes and amounts payable to the State budget	313	16	21,857,598,026	15,673,521,256
4. Payables to employees	314		49,437,714,696	34,761,514,940
5. Short-term accrued expenses	315		6,190,461,461	6,200,531,632
6. Other current payables	319	17	33,275,381,817	3,847,631,947
7. Short-term loans	320	19	498,108,706,374	463,776,798,003
8. Short-term provisions	321	18	7,952,244,057	20,809,492,642
9. Bonus and welfare funds	322		19,045,758,163	6,900,369,463
II. Long-term liabilities	330		75,284,391,425	35,067,724,816
1. Long-term loans	338	20	38,742,516,596	35,067,724,816
2. Long-term provisions	342		36,541,874,829	-
D. EQUITY	400		628,830,856,000	558,240,842,917
I. Owner's equity	410	21	610,486,361,935	551,925,100,292
1. Owner's contributed capital	411		324,863,920,000	324,863,920,000
- Ordinary shares carrying voting rights	411a		324,863,920,000	324,863,920,000
2. Share premium	412		11,534,860,000	11,534,860,000
3. Treasury shares	415		(1,360,000,000)	(1,360,000,000)
4. Investment and development fund	418		61,231,760,343	43,620,760,343
5. Retained earnings	421		214,215,821,592	173,265,559,949
- Retained earnings accumulated to the prior year end	421a		71,691,775,949	114,559,665,459
- Retained earnings of the current year	421b		142,524,045,643	58,705,894,490
II. Other resources and funds	430		18,344,494,065	6,315,742,625
1. Subsidised funds	431		1,150,546,600	2,163,546,600
2. Funds for fixed assets acquisition	432		17,193,947,465	4,152,196,025
TOTAL RESOURCES (440=300+400)	440		1,795,732,731,402	1,406,798,720,960


Dinh Thi Hong Nga
Preparer


Do Thi Thu Huong
Chief Accountant


Nguyen Vu Cuong
General Director

21 March 2025

The accompanying notes are an integral part of these separate financial statements


INCOME STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	23	2,051,792,426,547	1,591,088,298,099
2. Net revenue from goods sold and services rendered (10=01)	10		2,051,792,426,547	1,591,088,298,099
3. Cost of sales	11	24	1,753,182,049,000	1,379,460,361,075
4. Gross profit from goods sold and services rendered (20=10-11)	20		298,610,377,547	211,627,937,024
5. Financial income	21	26	15,650,781,544	16,849,437,750
6. Financial expenses	22	27	32,586,240,222	44,471,163,836
- In which: Interest expense	23		26,088,455,829	38,873,545,457
7. Selling expenses	25	28	37,666,933,313	22,600,014,321
8. General and administration expenses	26	28	68,302,459,514	90,592,565,249
9. Operating profit (30=20+(21-22)-(25+26))	30		175,705,526,042	70,813,631,368
10. Other income	31		425,445,158	1,638,599,608
11. Other expenses	32		74,737,249	83,221,245
12. Profit from other activities (40=31-32)	40		350,707,909	1,555,378,363
13. Accounting profit before tax (50=30+40)	50		176,056,233,951	72,369,009,731
14. Current corporate income tax expense	51	29	33,532,188,308	13,663,115,241
15. Net profit after corporate income tax (60=50-51)	60		142,524,045,643	58,705,894,490


Dinh Thi Hong Nga
Preparer


Do Thi Thu Huong
Chief Accountant


Nguyen Vu Cuong
General Director

21 March 2025

The accompanying notes are an integral part of these separate financial statements

CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	176,056,233,951	72,369,009,731
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	33,487,064,233	26,068,755,231
Provisions	03	2,701,541,009	34,136,927,117
Foreign exchange losses arising from translating foreign currency monetary items	04	1,557,193,256	2,993,350,961
(Gain) from investing activities	05	(10,795,257,259)	(17,883,716,258)
Interest expense	06	26,088,455,829	38,873,545,457
3. <i>Operating profit before movements in working capital</i>	08	229,095,231,019	156,557,872,239
Change in receivables	09	(178,291,597,393)	(118,478,470,121)
Change in inventories	10	(130,667,733,991)	53,200,478,388
Change in payables (excluding accrued loan interest and corporate income tax payable)	11	206,338,479,927	61,254,507,124
Change in prepaid expenses	12	(5,196,731,485)	191,687,054
Interest paid	14	(26,216,731,363)	(39,007,292,685)
Corporate income tax paid	15	(26,588,841,359)	(8,985,545,954)
Other cash inflows	16	12,987,000,000	7,400,000,000
Other cash outflows	17	(6,980,611,300)	(12,952,021,899)
<i>Net cash generated by operating activities</i>	20	74,478,464,055	99,181,214,146
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(75,413,654,402)	(76,461,658,950)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	289,025,804	2,367,038,637
3. Cash outflow for lending, buying debt instruments of other entities	23	(49,000,000,000)	(877,403,901)
4. Cash recovered from lending, selling debt instruments of other entities	24	39,000,000,000	877,403,901
5. Cash recovered from investments in other entities	26	-	1,772,372,667
6. Interest earned, dividends and profits received	27	7,459,747,705	15,407,160,282
<i>Net cash used in investing activities</i>	30	(77,664,880,893)	(56,915,087,364)

The accompanying notes are an integral part of these separate financial statements

CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,782,747,598,696	1,337,626,638,582
2. Repayment of borrowings	34	(1,744,740,898,545)	(1,349,688,412,425)
3. Dividends and profits paid	36	(34,428,337,250)	(64,743,819,692)
Net cash generated by/(used in) financing activities	40	3,578,362,901	(76,805,593,535)
Net increase/(decrease) in cash (50=20+30+40)	50	391,946,063	(34,539,466,753)
Cash at the beginning of the year	60	7,548,973,589	42,067,574,989
Effects of changes in foreign exchange rates	61	(30,071,691)	20,865,353
Cash at the end of the year (70=50+60+61)	70	7,910,847,961	7,548,973,589


 Dinh Thi Hong Nga
Preparer


 Do Thi Thu Huong
Chief Accountant


 Nguyen Vu Cuong
General Director


21 March 2025

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION**Structure of ownership**

Dong Anh Electrical Equipment Corporation JSC (hereinafter referred to as the "Corporation"), formerly known as Dong Anh Electrical Equipment Manufacturing Joint Stock Company, which was transformed from Dong Anh Electric Equipment Manufacturing Company, a State-owned enterprise under management of Vietnam Electricity Corporation (currently know as Vietnam Electricity) according to Decision No. 140/2004/QĐBCN dated 22 November 2004 of the Ministry of Industry and Enterprise Registration Certificate No. 0103008085 issued by Hanoi Authority for Planning and Investment for the first time on 01 June 2005.

According to 16th amended Enterprise Registration Certificate on 20 October 2023, the Corporation's charter capital was VND 324,863,920,000. The Corporation's shares are traded on UPCOM Stock Exchange from 08 October 2014 with the stock symbol "TBD".

The total number of employees of the Corporation as at 31 December 2024 was 351 (31 December 2023: 344).

Operating industries and principal activities

The business activities of the Corporation include:

- Production of distribution transformers, intermediate transformers, with transmission voltage up to 500kV, capacity up to 900MVA; dry type transformers and other specialized transformers;
- Production of electric cabinets, current transformers, transformers up to 38.5 kV, transformer stations, pole-mounted stations and supply of complete equipment for power plants, transformer stations up to 500 kV;
- Transportation, installation, repair, adjustment testing of transformers and electrical appliances;
- Agent distribution of products; and
- Consulting, designing, researching, applying science and technology, receiving, and transferring technology.

The principal activities of the Corporation are production and distribution of transformers and electrical equipment.

Normal production and business cycle

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less.

The Corporation's structure

As at 31 December 2024, details of the Corporation's subsidiaries are as follows:

Subsidiarie	Place of establishment and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
EEMC - Equipment for Power Network Company Limited	No. 39/2 Lam Tien Street, Dong Anh Town, Dong Anh District, Hanoi city, Vietnam	100%	100%	Manufacture of electrical equipment
EEMC - Electrical equipment Designing and Manufacturing Company Limited	Group 3, Trung Van Street, Trung Van Ward, Nam Tu Liem District, Hanoi city	100%	100%	Manufacture of electrical equipment

Disclosure of information comparability in the separate financial statements

The comparative figures are the figures of the Corporation's audited separate financial statements for the year ended 31 December 2023.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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

The accompanying separate financial statements are prepared exclusively for the Corporation and do not include the financial statements of subsidiary. Users are advised to read these separate financial statements together with the Corporation's consolidated financial statements for the year ended 31 December 2024 for complete information on the financial position, operating results and cash flows of the Corporation during the year.

Accounting financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these separate financial statements, are as follows:

Estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit.

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.

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.

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

Investments in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Interests in subsidiaries are initially recognised at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of these investments are made when there is reliable evidence for declining in value of these investments at the balance sheet date.

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment of such investments. Provisions for impairment of investments in other entities are made in accordance with prevailing accounting regulations.

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 made for receivables that are overdue for six months or more or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

The Corporation uses perpetual method for accounting of inventories. Inventories are stated at the lower of cost and 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. Issue cost is calculated using the weighted average method, except for issue cost of finished goods that is calculated using the specific identification method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any).

In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the estimation of actual cost incurred. The estimated cost will be adjusted according to the settled costs as approved by competent authorities.

	<u>Years</u>
Buildings and structures	05 - 50
Machinery and equipment	03 - 20
Motor vehicles	06 - 10
Office equipment	03 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between net proceeds from sales or disposals of assets and their carrying amount and is recognised in the income statement.

Leasing

The Corporation as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are charged to the income statement.

The entity is a lessee

Leases are classified as operating leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Rentals expenses under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other directly attributable costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Payable provisions

Payable provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Revenue recognition

Revenue from sale of goods

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

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) 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 periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

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

Financial Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Corporation usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The Corporation was granted the first Science and Technology Enterprise Certificate No. 28/DNKHCN on 23 October 2015 by the Department of Science and Technology with the list of goods formed from science and technology application which are 220kV transformers with capacity up to 250MVA. Accordingly, the Corporation enjoys incentive tax rates for a period of 15 years, including an exemption for 04 years and a 50% reduction for the next 09 years for taxable income from the production of 220kV transformers with capacity up to 250MVA if the prescribed revenue ratio conditions are met. The starting time to enjoy corporate income tax incentives is 2016. Tax Sub-department of Region I (Formerly Hanoi Tax Department) has confirmed the enjoyment of the above tax incentives in Official Dispatch No. 35081/CT-HTr dated 26 May 2016.

In the year, the Corporation did not meet the requirements for the proportion of 220kV transformer sales, so it was not eligible for this tax incentive. The Corporation is obliged to pay corporate income tax at the rate of 20% of taxable income.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH

	Closing balance	Opening balance
	VND	VND
Cash on hand	1,512,695,217	111,232,579
Bank demand deposits	6,398,152,744	5,437,741,010
Cash in transit	-	2,000,000,000
	7,910,847,961	7,548,973,589

5. FINANCIAL INVESTMENTS

Short-term

	Closing balance		Opening balance	
	Cost	VND Carrying amount	Cost	VND Carrying amount
Held to maturity investment	10,000,000,000	10,000,000,000	-	-
- Term deposits	10,000,000,000	10,000,000,000	-	-

As at 31 December 2024, short-term held-to-maturity investments represent deposits at Military Commercial Joint Stock Bank - Dong Anh Branch with original terms of more than three months and remaining maturity of less than 12 months from the balance sheet date with interest rates at 4.7% per year (as at 31 December 2023: not deposit). The fair value of these investments approximates their carrying value due to their short-term nature.

Long-term

	Closing balance			Opening balance		
	Cost	Provision	VND Fair value	Cost	Provision	VND Fair value
a. Investments in subsidiaries	16,232,483,898	-	16,232,483,898	-	-	-
EEMC - Equipment for Power Network Company Limited	8,420,648,380	-	(ii) 8,420,648,380	-	-	(ii)
EEMC - Electrical equipment Designing and Manufacturing Company Limited	7,811,835,518	-	(ii) 7,811,835,518	-	-	(ii)
b. Equity investments in other entities	2,500,000,000	-	2,500,000,000	-	-	-
North Power Service Joint Stock Company (i)	2,500,000,000	-	(ii) 2,500,000,000	-	-	(ii)
Vietnam Power Development Joint Stock Company (ii)	-	-	-	-	-	-
	18,732,483,898	-	18,732,483,898	-	-	-

(i) The Corporation is holding of 250,000 shares of Northern North Power Service Joint Stock Company, corresponding to an ownership ratio of 2.08%. According to Minutes No. 261/BB-HĐQT dated 23 February 2017, the Corporation's Board of Management approved the plan on divestment from this investee. Up to the reporting date, the Corporation has not completed the above divestment.

(ii) The Corporation has not determined the fair value of equity investments in other entities not listed on the stock exchange at the end of the financial year since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

The operation status of subsidiaries is as follows:

	Current year	Prior year
EEMC - Equipment for Power Network Company Limited	Profitable	Profitable
EEMC - Electrical equipment Designing and Manufacturing Company Limited	Profitable	Profitable

The significant transactions between the Corporation and its subsidiaries, joint-ventures and associates are presented in Note 31.

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
Goods in transit	48,092,383,847	-	4,809,151,743	-
Raw materials	231,213,868,603	-	194,419,853,830	-
Tools and supplies	3,735,954,511	-	307,897,879	-
Work in progress (i)	282,456,048,127	-	226,394,648,918	-
Finished goods	34,765,413,558	-	54,055,490,294	-
Merchandise	19,646,056,289	-	9,254,948,280	-
	619,909,724,935	-	489,241,990,944	-

(i) Details of Work in progress are as follow:

Product Types	Closing balance	Opening balance
	VND	VND
220KV Transformer	109,766,796,086	120,192,088,089
110KV Transformer	47,992,141,720	83,038,921,081
Others	124,697,110,321	23,163,639,748
	282,456,048,127	226,394,648,918

As stated in Note 19, as at 31 December 2024 the Corporation has pledged all inventories (including: finished products, merchandise, supplies and other materials) financed by the loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Anh Branch during the production and business process, including existing and future assets owned by the Corporation, and stored at its warehouses to secure the loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch.

DONG ANH ELECTRICAL EQUIPMENT CORPORATION JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	98,499,602,426	399,931,631,602	24,918,705,051	14,515,931,181	537,865,870,260
Additions	-	11,331,327,392	726,811,818	-	12,058,139,210
Transfer from construction in progress	25,161,087,494	60,826,926,269	18,381,056,176	7,351,342,217	111,720,412,156
Disposals	-	-	(1,583,370,281)	(1,953,436,714)	(3,536,806,995)
Closing balance	123,660,689,920	472,089,885,263	42,443,202,764	19,913,836,684	658,107,614,631
ACCUMULATED DEPRECIATION					
Opening balance	73,742,035,561	222,617,991,538	22,663,518,513	13,180,228,289	332,203,773,901
Charge for the year	4,655,774,391	26,888,431,534	1,469,318,284	1,021,239,771	34,034,763,980
Disposals	-	-	(1,583,370,281)	(1,953,436,714)	(3,536,806,995)
Closing balance	78,397,809,952	249,506,423,072	22,549,466,516	12,248,031,346	362,701,730,886
NET BOOK VALUE					
Opening balance	24,757,566,865	177,313,640,064	2,255,186,538	1,335,702,892	205,662,096,359
Closing balance	45,262,879,968	222,583,462,191	19,893,736,248	7,665,805,338	295,405,883,745

As stated in Notes 18 and 19, the Corporation has pledged some of tangible fixed assets with the carrying amount as at 31 December 2024 of VND 116,597,079,607 (as at 31 December 2023: VND 102,788,015,886) to secure long-term loans from Military Commercial Joint Stock Bank - Dong Anh Branch and short-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch.

The cost of the Corporation's tangible fixed assets as at 31 December 2024 includes VND 123,170,743,960 (as at 31 December 2023: VND 121,631,036,955) of assets which have been fully depreciated but are still in use.

12. INCREASES, DECREASES IN INTANGIBLE FIXED ASSETS

	Computer software VND
COST	
Opening balance	2,217,750,000
Additions	13,235,200,000
Closing balance	15,452,950,000
ACCUMULATED DEPRECIATION	
Opening balance	1,459,997,085
Charge for the year	410,548,813
Closing balance	1,870,545,898
NET BOOK VALUE	
Opening balance	757,752,915
Closing balance	13,582,404,102

13. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Measurement system	11,639,848,322	11,613,448,322
Lightning impulse testing system	-	30,008,229,000
Air conditioning system	-	8,793,905,007
Air cushion transporter	-	5,522,753,787
Corrugated iron breaking machine	45,000,000	11,356,293,217
	<u>11,684,848,322</u>	<u>67,294,629,333</u>

As presented in Note 19, the Corporation has mortgaged the following assets to secure bank loans:

- Lightning impulse testing system with value as at 31 December 2023 of VND 30,008,229,000 to secure long-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch. As at 31 December 2024, the System has been completed, used, and transferred to tangible fixed assets.

- A 300-tonne air cushion transporter formed under Contract No. 11/HĐ-EEMC-DELU signed on 24 May 2023 between the Corporation and Delu Luftkissen Transportageratetechnik GmbH to secure the long-term loan from Military Commercial Joint Stock Bank – Dong Anh Branch. As at 31 December 2024, the transporter has been completed, used, and transferred to tangible fixed assets.

During the year, total loan interest expenses were capitalized into construction in progress costs with an amount of VND 1,740,344,420 (2023: VND 52,361,504).

16. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance VND	Payable during the year VND	Paid during the year VND	Closing balance VND
a. Receivables				
Value added tax on domestic goods	-	-	41,056,264	41,056,264
Personal income tax	14,510,488	3,495,446,066	3,480,935,578	-
Natural resources tax	-	-	1,980,000	1,980,000
Land and housing tax, land rental charges	-	-	190,535,350	190,535,350
Other taxes	-	-	34,455,895	34,455,895
	<u>14,510,488</u>	<u>3,495,446,066</u>	<u>3,748,963,087</u>	<u>268,027,509</u>
b. Payables				
Value added tax on domestic goods	3,139,490,724	173,488,465,204	176,627,955,928	-
Value added tax on imported goods	-	39,788,420,048	39,788,420,048	-
Export-Import tax	68,285,286	8,122,167,739	8,190,453,025	-
Corporate income tax	12,465,745,246	33,532,188,308	26,588,841,359	19,409,092,195
Personnal income tax	-	2,448,505,831	-	2,448,505,831
Natural resources tax	-	19,008,000	19,008,000	-
Land and housing tax, land rental charges	-	2,571,109,777	2,571,109,777	-
Other taxes	-	364,906,493	364,906,493	-
	<u>15,673,521,256</u>	<u>260,334,771,400</u>	<u>254,150,694,630</u>	<u>21,857,598,026</u>

17. OTHER SHORT-TERM PAYABLES

	Closing balance VND	Opening balance VND
Dividends payable	32,314,331,100	1,992,860,550
Other payables	961,050,717	1,854,771,397
	<u>33,275,381,817</u>	<u>3,847,631,947</u>
In which:		
Other payables to related parties (Detailed stated in Note 31)	31,542,667,350	1,339,915,350

18. PROVISIONS

	Warranty provision		
	Short-term VND	Long-term VND	Total VND
Opening balance	20,809,492,642	-	20,809,492,642
Additional provision for the year	3,045,716,505	24,426,122,265	27,471,838,770
Reversal of provisions	(1,983,213,013)	-	(1,983,213,013)
Utilization of provision during the year	(1,803,999,513)	-	(1,803,999,513)
Reclassification	(12,115,752,564)	12,115,752,564	-
Closing balance	<u>7,952,244,057</u>	<u>36,541,874,829</u>	<u>44,494,118,886</u>

19. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		During the year		Closing balance	
	VND	VND	VND	VND	VND	VND
	Amount/	Amount/	Increases	Decreases	Amount/	Amount/
	to be paid off	to be paid off			able	to be paid off
Short-term loans	453,508,057,815	1,763,712,785,451	1,733,484,156,984	483,736,686,282	199,961,776,193	483,736,686,282
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head Office Branch	-	199,961,776,193		-		199,961,776,193
Shinhan Bank	30,279,044,957	350,158,624,875	280,561,411,369		99,876,258,463	
Southeast Asia Commercial Joint Stock Bank	-	75,041,245,924	-		75,041,245,924	
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch	123,794,288,886	497,048,452,153	572,577,595,409		48,265,145,630	
Military Commercial Joint Stock Bank - Dong Anh Branch	275,413,987,611	420,318,307,812	655,375,396,309		40,356,899,114	
Vietnam International Commercial Joint Stock Bank	24,020,736,361	221,184,378,494	224,969,753,897		20,235,360,958	
Current portion of long-term loans	10,268,740,188	15,360,021,465	11,256,741,561	14,372,020,092	10,862,140,092	14,372,020,092
Military Commercial Joint Stock Bank - Dong Anh Branch	6,758,827,068	11,850,174,585	7,746,861,561		10,862,140,092	
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch	3,509,913,120	3,509,846,880	3,509,880,000		3,509,880,000	
	463,776,798,003	1,779,072,806,916	1,744,740,898,545	498,108,706,374		

Details of short-term loans as at 31 December 2024 are as follows:

No	Bank	Loan contract	Credit limit	Interest rate	Purpose of capital use	Assets and other security measures
1	Joint Stock Commercial Bank for Foreign Trade of Vietnam - Head Office Branch	Credit agreement dated 28 June 2024	Credit limit is VND 200,000,000,000 maintained until the end of 27 June 2025	Loan interest rates are specified in each Debt Agreement	Financing the production and business activities of the Corporation	Goods in circulation formed from the bank's loan with a minimum value equal to the credit balance at all times.
2	Shinhan Bank	Credit agreement dated 06 May 2020; Extension and amendment appendix dated 15 May 2024	Credit limit is VND 100,000,000,000 maintained until the end of 14 May 2025	Loan interest rates are adjusted corresponding to each loan withdrawal and based on the rate adjustment formula specified in the contract.	Supplementing working capital, for bank's issuance of guarantee, Letters of credits (L/C), UPAS L/C.	Unsecured

No	Bank	Loan contract	Credit limit	Interest rate	Purpose of capital use	Assets and other security measures
3	Southeast Asia Commercial Joint Stock Bank	Credit agreement dated 15 November 2024	The total maximum loan balance in Vietnamese Dong at any time does not exceed the loan limit of VND 200,000,000,000, of which the maximum credit loan limit is VND 100,000,000,000; maintained for 12 months from the contract date.	Loan interest rates are specified in each debt receipt.	Supplementing working capital to pay for raw materials for production and business activities.	The loan has no collateral. In the event that the Corporation violates any of Sea Bank's obligations related to the credit limit, the value of goods and receivables formed from SeABank's loan which also serve as collateral for the credit limit granted SeABank, SeABank has the right to dispose of these collateral assets.
4	Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch	Credit agreement dated 27 February 2024	Credit limit is VND 245,000,000,000 maintained until 28 February 2025	Loan interest rates are specified in each debt receipt and adjusted once a month.	Supplement working capital to serve the Corporation's production and business activities.	<p>Mortgage Contract for Property Rights of Certain Fixed Assets (Note 11);</p> <p>Mortgage Contract for Circulating Goods: This includes all inventory (products, goods, materials, and other raw materials) financing by the Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch, which are turned over during the production and business process, including existing and future assets, owned by the Corporation, and stored in the Corporation's warehouses (Note 10); and</p> <p>Mortgage Contract for Property Rights: This includes the right to claim debts and receive the claimed amounts; the right to request the return of advance payments, fines for violations, compensation for damages, and receive these amounts; reimbursement amounts etc. arising from economic contracts that the Corporation has signed, and will sign with customers and suppliers to provide products and services (Notes 06 and 07) and other forms of security.</p>

No	Bank	Loan contract	Credit limit	Interest rate	Purpose of capital use	Assets and other security measures	
5	Military Commercial Joint Stock Bank - Dong Anh Branch	Credit Agreement dated 31 October 2024	The total maximum loan balance in Vietnamese Dong at any time shall not exceed the credit limit of VND 1,160,000,000,000; of which the maximum credit loan limit is VND 480,000,000,000; maintained until 30 September 2025.	The loan interest rate is specifically stipulated in each debt acknowledgment contract.	Financing the production and business activities of trading materials, equipment, and electrical products of the Corporation.	The loan is unsecured. The Corporation commits to a minimum transaction turnover in the bank account as stipulated by the credit agreement.	
6	Vietnam International Commercial Joint Stock Bank	Credit Agreement dated 29 February 2024	The credit limit is VND 300,000,000,000 maintained for 12 months from the contract date.	The loan interest rate is floating and is determined at the time of disbursement or at the time of interest rate adjustment.	To meet the working capital needs for the production and business activities of transformers and electrical equipment in accordance with the Corporation's business registration.	The loan is unsecured. The Corporation commits to a minimum transaction turnover in the bank account as stipulated by the credit agreement.	
LONG-TERM LOANS							
				Opening balance	During the year		Closing balance
				VND	VND		VND
				Amount/ Amount able to be paid off	Increases	Decreases	Amount/ Amount able to be paid off
Military Commercial Joint Stock Bank - Dong Anh Branch (i)				23,399,508,004	19,034,813,245	7,746,861,561	34,687,459,688
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Anh Branch (ii)				21,936,957,000	-	3,509,880,000	18,427,077,000
				45,336,465,004	19,034,813,245	11,256,741,561	53,114,536,688
In which:							
- Amount due for settlement within 12 months				10,268,740,188			14,372,020,092
- Amount due for settlement after 12 months				35,067,724,816			38,742,516,596

Details of long-term loans as at 31 December 2024 are as followings:

- (i) Represent loans from Military Commercial Joint Stock Bank - Dong Anh Branch as follows:
- Long-term loan under the Loan Contract dated 08 January 2021 with each loan disbursement amounting to VND 28,426,300,000. The maximum loan term is 60 months from the day following the first disbursement date of the Loan Contract until the maturity date as specified in the debt receipt document. The withdrawal period shall not be later then 26 July 2021. The purpose of the loan is to finance the investment costs of the new machinery and equipment system for the 2020-2021 period of the Corporation to serve the production and business of transformers. The interest rate and interest rate adjustment date are specified in each debt receipt document.

The loan is secured by the machinery and equipment system according to Decision No. 98/QĐ-EEMC-HĐQT dated 07 May 2020 of the Chairman of the Board of Directors of the Corporation on the investment plan for 2020; 01 oil filter machine 10,000 liters/hour; 01 CNC Gas/Plasma cutting machine and other forms of security.

- Long-term loan under the Loan Agreement dated 25 September 2023 with a credit limit of VND 60,000,000,000. The loan amount is specified for each disbursement in relevant debt receipt document. The maximum loan term is 60 months from the day following the first disbursement date under this agreement. The withdrawal period shall not be later 28 July 2024. The purpose of the loan is to invest in machinery to serve the production and trade of electrical equipment. The interest rate are specified for each drawdown in relevant debt confirmation as per mutual agreement.

The loan is secured by a 300-tonne air cushion transporter acquired under contract No. 11/HĐ-EEMC-DELU signed on 24 May 2023 between the Corporation and Delu Luftkissen Transportageratetechnik GmbH and other forms of security.

- (ii) Represents the loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Anh Branch under the investment project loan agreement dated 05 April 2023 with each disbursement not exceeding VND 21,973,455,000 for the acquisition of machinery and equipment to serve the production and business activities for the 2022-2023 period - phase 1, including assets such as the Lightning Impulse Test System. The disbursement period is within 12 months from the contract signing date but no later than 31 December 2024. The loan term is 84 months from the first debt disbursement date. The loan interest rates are specified on each drawdown confirmation and adjustable once a month. Loan interest is payable on the 25th of every month. The loan is secured by assets financed by the loan and other forms of security.

Long-term loans are repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	14,372,020,092	10,268,740,188
In the second year	11,506,762,072	9,721,830,308
In the third to fifth year inclusive	26,407,796,584	20,958,503,108
After five years	827,957,940	4,387,391,400
	53,114,536,688	45,336,465,004
Less: Amount due for settlement within 12 months (shown under short-term loans)	14,372,020,092	10,268,740,188
Amount due for settlement after 12 months	38,742,516,596	35,067,724,816

21. OWNERS' EQUITY

Movement in owners' equity

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and Development fund VND	Retained earnings VND	Total VND
Prior period's opening balance	324,863,920,000	11,534,860,000	(1,360,000,000)	29,420,760,343	200,816,449,459	565,275,989,802
Profit for the year	-	-	-	-	58,705,894,490	58,705,894,490
Dividends paid by cash	-	-	-	-	(64,836,784,000)	(64,836,784,000)
Distributions to development investment fund	-	-	-	14,200,000,000	(14,200,000,000)	-
Distributions to bonus and welfare funds	-	-	-	-	(7,080,000,000)	(7,080,000,000)
Distributions to bonus for management board fund	-	-	-	-	(140,000,000)	(140,000,000)
Current period's opening balance	324,863,920,000	11,534,860,000	(1,360,000,000)	43,620,760,343	173,265,559,949	551,925,100,292
Profit for the year	-	-	-	-	142,524,045,643	142,524,045,643
Dividends declared (i)	-	-	-	-	(64,836,784,000)	(64,836,784,000)
Distributions to development investment fund (i)	-	-	-	17,611,000,000	(17,611,000,000)	-
Distributions to bonus and welfare funds (i)	-	-	-	-	(18,576,000,000)	(18,576,000,000)
Distributions to bonus for management board fund (i)	-	-	-	-	(550,000,000)	(550,000,000)
Current period's closing balance	324,863,920,000	11,534,860,000	(1,360,000,000)	61,231,760,343	214,215,821,592	610,486,361,935

- (i) The Corporation declared the dividend payment and fund allocation according to Resolution No. 119/NQ-DHDCĐTN dated 21 June 2024 of the General Meeting of Shareholders on cash dividend payment and approval of the plan to allocate 2023 retained earnings to the investment development fund, bonus and welfare funds and management bonus fund.

During the year, the Corporation paid dividends to shareholders amounting to VND 34,428,337,250 (in 2023: VND 64,743,819,692).

Shares	Closing balance	Opening balance
	VND	VND
Number of shares registered to issue	32,486,392	32,486,392
Number of shares issued to the public	32,486,392	32,486,392
<i>Ordinary shares</i>	32,486,392	32,486,392
Number of treasury shares	68,000	68,000
<i>Ordinary shares</i>	68,000	68,000
Number of outstanding shares in circulation	32,418,392	32,418,392
<i>Ordinary shares</i>	32,418,392	32,418,392

A common share has par value of VND 10,000.

Charter capital

According to Business Registration Certificate No. 0100101322 dated 01 June 2005 and its latest 16th amendment dated 20 October 2023 issued by the Hanoi Authority for Planning and Investment, the Corporation's charter capital is VND 324,863,920,000. The charter capital was fully contributed by the shareholders as at 30 June 2023 as follows:

	Contributed capital			
	Closing balance		Opening balance	
	VND	%	VND	%
	324,183,920,000	99.79%	324,183,920,000	99.79%
Vietnam Electricity	151,013,760,000	46.49%	151,013,760,000	46.49%
Electronical Equipment JSC	149,681,330,000	46.08%	149,681,330,000	46.08%
Other shareholders	23,488,830,000	7.23%	23,488,830,000	7.23%
Treasury shares	680,000,000	0.21%	680,000,000	0.21%
Total	324,863,920,000	100%	324,863,920,000	100%

22. OFF BALANCE SHEET ITEMS

Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	10,712.36	9,237.72
Euro (EUR)	5,856.19	8,056.75

Assets held under trust

	Closing balance	Opening balance
	pcs	pcs
Transmission transformer	-	1

23. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segment

The Corporation's principal activities are production and trade transformers, other electrical equipment and related services. During the year, the Corporation did not have any other significant production and business activities. Accordingly, financial information presented in the Balance Sheet as at 31 December 2024 and all revenues and expenses presented in the Income Statement for the year ended 31 December 2024 only relate to production and trade of transformers and other electrical equipment. Revenue and cost of sales by product line and business activities are presented in Note 24 and Note 25.

Geographical segment

The Corporation produces, distributes transformers and electrical equipment as well as provides related services in the territory of Vietnam. During the year, the Corporation conducted business activities outside of Vietnam with export revenue of VND 176 million, accounting for less than 10% of the total revenue from sales and services of the Corporation. Accordingly, almost all of the Corporation's production and business activities are carried out within the territory of Vietnam. Therefore, the Corporation does not prepare business segment reports for any geographical area outside of Vietnam.

24. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
Sales of finished goods	1,445,132,606,034	1,012,495,009,768
Sale of merchandise	498,993,506,637	511,615,430,374
Sale of services	107,666,313,876	66,977,857,957
	<u>2,051,792,426,547</u>	<u>1,591,088,298,099</u>
In which:		
Sales to related parties (Details stated in Note 31)	1,342,586,819,565	961,823,881,884

25. COST OF SALES

	Current year VND	Prior year VND
Cost of finished goods sold	1,191,538,939,817	827,202,759,216
Cost of merchandises sold	475,682,133,021	498,023,051,562
Cost of service	85,960,976,162	54,234,550,297
	<u>1,753,182,049,000</u>	<u>1,379,460,361,075</u>

26. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	1,120,408,409,081	686,567,057,381
Labour	117,969,422,006	82,661,179,241
Depreciation and amortisation	33,487,064,233	26,068,755,231
(Reversal) of provisions	2,701,541,009	34,136,927,117
Out-sourced services	110,247,040,686	64,396,313,064
Other monetary expenses	35,427,154,263	30,873,949,269
	<u>1,420,240,631,278</u>	<u>924,704,181,303</u>

27. FINANCIAL INCOME

	Current year VND	Prior year VND
Dividends and profits received	9,300,506,979	14,999,678,825
Foreign exchange gain	5,144,550,089	451,173,884
Bank and loan interest	1,205,724,476	222,326,374
Profit from share transfer	-	1,176,258,667
	15,650,781,544	16,849,437,750

In which:

Financial income from related parties (Details stated in Note 31)	9,138,006,979	14,862,178,825
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28. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	26,088,455,829	38,873,545,457
Foreign exchange loss	6,497,784,393	5,597,618,379
	32,586,240,222	44,471,163,836

29. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Selling expenses		
Labour	3,473,984,927	3,232,601,510
Transportation costs	4,211,209,289	5,161,679,657
Provisions	25,488,625,758	8,623,912,333
Product warranty expenses	901,979,372	1,112,820,475
Other out-sourced services	3,591,133,967	4,469,000,346
	37,666,933,313	22,600,014,321
General and administration expenses		
Labour	44,917,841,232	35,906,476,359
Materials costs	5,372,096,708	1,630,396,544
Depreciation and amortisation	3,819,238,530	2,826,240,528
Additional/ (Reversal) of provisions	(20,983,085,235)	25,513,014,784
Others	35,176,368,279	24,716,437,034
	68,302,459,514	90,592,565,249

30. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current period	32,943,603,920	11,844,563,076
Adjustments for corporate income tax expense in previous years to the current year	588,584,388	1,818,552,165
Total current corporate income tax expense	33,532,188,308	13,663,115,241

The current corporate income tax expense for the year was computed as follows:

	Current year VND	Prior year VND
Profit before tax	176,056,233,951	72,369,009,731
Adjustments for taxable profit		
Less: non-taxable income	(12,071,506,979)	(14,869,451,550)
Add back: non-deductible expenses	733,292,622	1,723,257,201
Taxable profit	164,718,019,594	59,222,815,382
Tax rate	20%	20%
Corporate income tax expense based on taxable profit in the current period	32,943,603,920	11,844,563,076

31. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

Related parties	Relationship
Vietnam Electricity	Major shareholder
Subsidiaries and member units of Vietnam Electricity	Company with the same owner
Gelex Electricity Joint Stock Company	Major shareholder
MEE Power Transformer Manufacturing Joint Stock Company	Subsidiary in the Group of
(Formerly Dong Anh Electrical Equipment Joint Stock Company)	Major shareholder
Hanoi Electromechanical Manufacturing Joint Stock Company	Subsidiary in the Group of
	Major shareholder
EEMC - Equipment for Power Network Company Limited	Subsidiary
EEMC - Electrical equipment Designing and Manufacturing Company Limited	Subsidiary

During the year, the Corporation entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
Sales	1,342,586,819,565	961,823,881,884
EEMC - Equipment for Power Network Company Limited	140,180,069,834	40,273,829,735
EEMC - Electrical equipment Designing and Manufacturing Company Limited	75,024,256,250	34,717,716,937
Hanoi Electromechanical Manufacturing Joint Stock Company	-	1,950,000,000
MEE Power Transformer Manufacturing Joint Stock Company	1,659,535,000	478,033,000
Subsidiaries and member units of Vietnam Electricity	1,125,722,958,481	884,404,302,212
<i>In which:</i>		
Power Transmission Projects Management Board - Branch of National Power Transmission Corporation	355,786,871,119	192,963,883,907
Power Transmission Company No.1	137,533,123,139	-
Southern Power Project Management Board - National Power Transmission Corporation Branch	74,794,727,273	113,714,035,455
Central Power Projects Management Board - National Power Transmission Corporation	74,984,363,636	20,000,000

	Current year	Prior year
	VND	VND
Northern Power Project Management Board - National Power Transmission Corporation Branch	105,318,022,486	113,189,726,982
Ho Chi Minh City High Voltage Power Grid Company - Branch of Ho Chi Minh City Power Corporation Limited	-	45,332,000,000
Thai Nguyen Power Company - Branch of Northern Power Corporation	-	36,401,997,594
Quang Ninh Power Company - Branch of Northern Power Corporation	-	30,766,274,016
Ha Tinh Power Company - Branch of Northern Power Corporation	-	29,973,850,000
Power Grid Management Board	70,459,288,585	29,818,363,636
Northern Power Projects Management Board	66,020,821,597	-
Hanoi Power Corporation	53,208,947,200	130,900,000
Dong Nai Power Company Limited	-	26,546,555,600
Southern Power Grid Management Board - Branch of Southern Power Corporation	44,484,000,000	21,212,087,808
Northern Power Construction Project Management Board - Branch of Northern Power Corporation	-	13,963,888,889
Hung Yen Power Company - Branch of Northern Power Corporation	-	13,933,910,458
Southern Power Corporation	-	1,200,000,000
Other subsidiaries and member units of Vietnam Electricity	143,132,793,446	215,387,727,867
Purchases	164,372,165,264	119,172,955,807
EEMC - Equipment for Power Network Company Limited	136,353,040,845	94,977,506,981
EEMC - Electrical equipment Designing and Manufacturing Company Limited	24,902,673,419	22,148,231,066
MEE Power Transformer Manufacturing Joint Stock Company	3,116,451,000	2,047,217,760
Profit received	9,138,006,979	14,862,178,825
EEMC - Electrical equipment Designing and Manufacturing Company Limited	4,061,413,319	8,415,993,904
EEMC - Equipment for Power Network Company Limited	5,076,593,660	6,446,184,921
Dividend	60,139,018,000	60,139,018,000
Vietnam Electricity	30,202,752,000	30,202,752,000
Electronical Equipment Joint Stock Company	29,936,266,000	29,936,266,000

Significant related party balances as at the balance sheet date were as follows:

	Closing balance	Opening balance
	VND	VND
Short-term receivables	702,810,528,843	469,183,802,347
Hanoi Electromechanical Manufacturing Joint Stock Company	6,922,352,000	12,202,352,000
EEMC - Equipment for Power Network Company Limited	54,137,507,262	8,870,552,064
EEMC - Electrical equipment Designing and Manufacturing Company Limited	36,481,061,640	6,581,008,754
MEE Power Transformer Manufacturing Joint Stock Company	1,581,851,400	5,699,041,826
Subsidiaries and member units of Vietnam Electricity	603,687,756,541	435,830,847,703
In which:		
<i>Power Transmission Project Management Board - National Power Transmission Corporation Branch</i>	174,670,710,000	184,886,520,953
<i>Northern Power Project Management Board - National Power Transmission Corporation Branch</i>	73,106,900,000	87,491,100,000
<i>Southern Power Project Management Board - National Power Transmission Corporation Branch</i>	39,757,585,522	55,360,782,238
<i>Ho Chi Minh City Power Corporation</i>	-	22,552,545,455
<i>Central Power Corporation</i>	-	14,985,360,000
<i>Vinh Phuc Power Company - Branch of Northern Power Corporation</i>	-	14,850,000,000
<i>Central Power Projects Management Board - Branch of National Power Transmission Corporation</i>	-	8,471,902,318
<i>Power Development Project Management Board</i>	-	8,311,409,092
<i>Hanoi City Power Corporation</i>	58,614,757,240	7,004,848,000
<i>Southern Power Corporation</i>	-	3,059,750,001
<i>Southern Power Grid Management Board - Branch of Southern Power Corporation</i>	13,066,750,057	1,947,070,057
<i>Power Transmission Company No.4</i>	-	121,000,000
<i>Power Transmission Company No.1</i>	127,948,821,526	-
<i>Northern Power Projects Management Board</i>	25,964,587,324	-
<i>Southern Power Projects Management Board</i>	25,409,200,000	-
<i>Other subsidiaries and member units of Vietnam Electricity</i>	65,148,444,872	26,788,559,589
Other short-term receivables	10,688,165,357	7,641,681,607
EEMC - Electrical equipment Designing and Manufacturing Company Limited	4,945,413,319	4,298,585,465
EEMC - Equipment for Power Network Company Limited	5,605,593,660	3,205,937,764
MEE Power Transformer Manufacturing Joint Stock Company	137,158,378	137,158,378
Short-term payables	2,734,648,560	-
EEMC - Equipment for Power Network Company Limited	2,734,648,560	-
Advances from customers	111,112,108,894	38,899,715,712
MEE Power Transformer Manufacturing Joint Stock Company	90,360,000	1,449,090,560
Subsidiaries and member units of Vietnam Electricity	111,021,748,894	37,450,625,152
In which:		
<i>Northern Vietnam Power Projects Management Board - Branch of National Power Transmission Corporation</i>	41,764,000,000	-
<i>Power Transmission Projects Management Board - Branch of the National Power Transmission Corporation</i>	11,120,000,000	-
<i>Ho Chi Minh City Power Corporation - Project Management Board of Ho Chi Minh City Power Grid</i>	15,460,000,000	-
<i>Power Transmission Projects Management Board - Branch of National Power Transmission Corporation</i>	16,383,185,455	17,254,800,000
<i>Southern Power Grid Management Board</i>	-	8,558,400,000
<i>Power Transmission Company No.1</i>	4,886,535,912	4,830,198,412

	Closing balance	Opening balance
	VND	VND
<i>Dong Nai Power Company Limited</i>	-	5,849,618,720
<i>Other subsidiaries and member units of Vietnam Electricity</i>	21,408,027,527	957,608,020
Other short-term payables	31,542,667,350	1,339,915,350
Vietnam Electricity	31,542,667,350	1,339,915,350

Remunerations of Board of Management, Board of Directors:

Name	Position	Current year	Prior year
		VND	VND
Mr. Nguyen Xuan Nam	Chairman of the Board of Directors	97,200,000	41,500,000
Mr. Nguyen Trong Tieu	Vice Chairman of the Board of Directors	662,400,000	261,750,000
Mr. Nguyen Khac Cuong	Member of the Board of Directors	662,400,000	469,773,325
Mr. Nguyen Viet Anh	Member of the Board of Directors (resigned on 14 November 2024)	115,920,000	313,844,160
Mr. Dang Phan Tuong	Member of the Board of Directors (appointed on 14 November 2024)	16,560,000	-
Mr. Nguyen Vu Cuong	Member of Board of Directors/ Chief Executive Officer	748,800,000	503,951,250
Mr. Nguyen Quang Huy	Deputy Chief Executive Officer	680,048,286	478,967,960
Mr. Le Van Diem	Deputy Chief Executive Officer	687,911,764	494,113,680
Mr. Cao Xuan Khoa	Deputy Chief Executive Officer	686,415,886	478,753,600
Mr. Nguyen Hai Quan	Deputy Chief Executive Officer	700,135,867	484,332,050
Total		5,057,791,803	3,526,986,025

32. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 6,828,492,922, and representing an addition in fixed assets and construction in progress during the year that has not yet been paid, and include an amount of VND 2,596,782,400 representing advances to suppliers for purchases of fixed assets and construction in progress as at 31 December 2024 (as at 31 December 2023: VND 7,718,964,970 and VND 9,477,570,401, respectively). Consequently, changes in accounts payable and receivable have been adjusted by the same amounts


Dinh Thi Hong Nga
Preparer


Do Thi Thu Huong
Chief Accountant


Nguyen Vu Cuong
General Director

21 March 2025

