



**QUANG NAM TRANSPORTATION
CONSTRUCTION JOINT-STOCK COMPANY**

FINANCIAL STATEMENTS

For Quarter 4 of the year 2024

INDEX

Page

•	Balance Sheet	1
•	Income Statement	3
•	Statement Of Cash Flows	4
•	Notes To The Financial Statements	5 - 24

BALANCE SHEET
As at 31 December 2024

Form B 01-DN
(Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance)

ASSETS	Code	Note	31/12/2024 VND	01/01/2024 VND
A. CURRENT ASSETS	100		48,400,212,210	32,365,537,084
I. Cash and cash equivalents	110	5	7,615,181,604	2,892,130,522
1. Cash	111		7,615,181,604	692,130,522
2. Cash equivalents	112			2,200,000,000
II. Short-term financial investments	120		10,828,000,000	5,228,000,000
1. Held-to-maturity investments	123	6	10,828,000,000	5,228,000,000
III. Short-term receivables	130		19,691,696,983	18,206,026,891
1. Short-term trade receivables	131	7	20,250,593,394	18,723,036,544
2. Short-term prepayments to suppliers	132	8	108,571,690	94,927,070
3. Other short-term receivables	136	9a	502,992,143	558,523,521
4. Provision for short-term doubtful debts	137	10	(1,170,460,244)	(1,170,460,244)
IV. Inventories	140		10,265,333,623	5,752,523,056
1. Inventories	141	11	10,265,333,623	5,752,523,056
2. Provision for decline in value of inventories	149			
V. Other current assets	150		-	286,856,615
1. Short-term prepaid expenses	151	15a		286,856,615
2. Deductible value added tax	152			
3. Taxes and amounts receivable from the State	153			
B. LONG-TERM ASSETS	200		18,298,445,211	19,509,677,977
I- Long-term receivables	210		3,536,069,886	3,156,441,740
1. Long-term trade receivables	211			
2. Other long-term receivables	216	9b	3,536,069,886	3,156,441,740
II. Fixed assets	220		10,258,087,230	8,613,009,957
1. Tangible fixed assets	221	12	10,012,531,257	8,366,474,164
- Cost	222		75,196,972,764	74,663,954,760
- Accumulated depreciation	223		(65,184,441,507)	(66,297,480,605)
2. Intangible fixed assets	227	13	245,555,973	246,535,793
- Cost	228		258,293,600	258,293,600
- Accumulated amortization	229		(12,737,627)	(11,757,807)
III- Investment property	230			
IV. Long-term assets in progress	240		28,453,995	-
1. Long-term work in process	241		-	-
2. Construction in progress	242		28,453,995	
V. Long-term financial investments	250		3,000,000,000	3,000,000,000
1. Investments in subsidiaries	251	14	3,000,000,000	3,000,000,000
VI. Other long-term assets	260		1,475,834,100	4,740,226,280
1. Long-term prepaid expenses	261	15b	1,475,834,100	4,740,226,280
2. Other long-term assets	268			
TOTAL ASSETS	270		66,698,657,421	51,875,215,061

The attached notes to the financial statements are an integral part of the financial statements

BALANCE SHEET
As at 31 December 2024

Form B 01-DN/HN
(Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance)

RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
C. LIABILITIES	300		26,175,579,977	11,702,118,945
I. Current liabilities	310		23,551,432,973	10,502,384,074
1. Short-term trade payables	311	16	8,243,044,492	5,058,838,091
2. Short-term advances from customers	312		595,511,365	343,895,115
3. Taxes and amounts payable to the State	313	17	1,531,242,829	900,398,466
4. Payables to employees	314		1,585,805,673	794,991,473
5. Short-term accrued expenses	315	18	234,419,112	145,220,356
6. Other short-term payables	319	19	4,546,320,790	3,254,628,465
7. Short-term loans and finance lease liabilities	320	20	6,813,176,604	
8. Provision for short-term payables	321			
9. Reward and welfare fund	322		1,912,108	4,412,108
II. Long-term liabilities	330		2,624,147,004	1,199,734,871
1. Provision for long-term payables	342	21	2,624,147,004	1,199,734,871
D. EQUITY	400		40,523,077,444	40,173,096,116
I. Owners' equity	410	22	40,116,846,055	39,766,864,727
1. Share capital	411	22	27,000,000,000	27,000,000,000
- Common shares with voting rights	411a		27,000,000,000	27,000,000,000
- Preferred shares	411b			
2. Other owners' capital	414		8,379,414,871	8,379,414,871
2. Investment and development fund	418	22	2,561,777,617	2,561,777,617
3. Undistributed profit after tax	421	22	2,175,653,567	1,825,672,239
- Undistributed profit after tax accumulated to the end of previ.	421a			
- Undistributed profit after tax of current period	421b		2,175,653,567	1,825,672,239
4. Capital expenditure fund	422			
II. Other budget resources, funds	430		406,231,389	406,231,389
1. Budget resources	431		124,245,000	124,245,000
2. Resources financing fixed assets	432		281,986,389	281,986,389
TOTAL RESOURCES	440		66,698,657,421	51,875,215,061

Vo Thi Minh Loan
PREPARER

Dang Tho
CHIEF ACCOUNTANT



Nguyen Tuan Anh
GENERAL DIRECTOR

INCOME STATEMENT
Quarter 4 of the year 2024

Form B 02-DN

(Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance)

Unit: VND

Items	Item code	Note	Quarter 4/2024	Quarter 4/2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
1. Revenue from sales and service provision	1	23	41,867,478,780	25,271,099,626	73,926,199,319	80,747,978,301
2. Revenue deductions	2	24		12,687,273	143,612,205	281,778,316
3. Net revenue from sales and service provision	10		41,867,478,780	25,258,412,353	73,782,587,114	80,466,199,985
4. Cost of goods sold	11	25	38,837,301,625	23,799,503,196	66,393,875,290	72,857,303,925
5. Gross profit from sales and service provision	20		3,030,177,155	1,458,909,157	7,388,711,824	7,608,896,060
6. Financial income	21	26	250,185,984	308,095,060	498,488,592	401,333,228
7. Financial expenses	22	27	58,840,694	59,819,699	180,984,665	429,655,041
<i>In which: Interest expense</i>	23		48,793,712	10,645,205	103,385,493	289,999,076
8. Selling expenses	25					
9. Administrative expenses	26		1,487,435,989	1,421,188,665	5,092,707,269	5,571,745,371
10. Net operating profit	30		1,734,086,456	285,995,853	2,613,508,482	2,008,828,876
11. Other income	31	28	57,647,273	373,617,982	1,190,085,599	716,416,786
12. Other expenses	32	29	163,602,782	79,130,223	778,660,990	274,654,361
13. Other profit	40		(105,955,509)	294,487,759	411,424,609	441,762,425
14. Accounting profit before tax	50		1,628,130,947	580,483,612	3,024,933,091	2,450,591,301
15. Current corporate income tax	51	30	146,449,695	131,227,901	849,279,524	624,919,062
16. Deferred corporate income tax expense	52					
17. Profit after tax	60		1,481,681,252	449,255,711	2,175,653,567	1,825,672,239

Vo Thi Minh Loan
PREPARER

Dang Tho
CHIEF ACCOUNTANT



Quang Nam Province, 18 January 2025

Nguyen Tuan Anh
GENERAL DIRECTOR

STATEMENT OF CASH FLOWS

Form B 03-DN

Quarter 4 of the year 2024

(Issued under Circular No. 200/2014/TT-BTC dated 22/12/2014 of the Ministry of Finance)

ITEMS	Code	Accumulated	Accumulated
		from the beginning of 2024 VND	from the beginning of 2023 VND
I. Cash flows from operating activities			
1. Profit before tax	01	3,024,933,091	2,450,591,301
2. Adjustments for			
- Depreciation and amortization	02	1,940,047,361	1,848,319,584
- Provisions	03	1,424,412,133	84,783,040
- Profits/losses from investing activities	05	(1,219,685,947)	(654,294,028)
- Interest expense	06	103,385,493	289,999,076
3. Operating profit before changes in working capital	08	5,273,092,131	4,019,398,973
- Increase/decrease in receivables	09	(1,797,186,753)	7,466,199,838
- Increase/decrease in inventories	10	(4,512,810,567)	8,806,602,967
- Increase/decrease in payables (excluding loan Interest and corporate income tax payable)	11	5,915,426,531	(2,343,075,727)
- Increase/decrease in prepaid expenses	12	3,551,248,795	(529,243,946)
- Interest paid	14	(14,186,737)	(458,694,246)
- Corporate income tax paid	15	(615,532,516)	(1,258,241,857)
- Other cash receipts from operating activities	16	1,080,000	673,941,976
- Other cash payments for operating activities	17	(74,252,239)	(53,265,217)
Net cash provided by operating activities	20	7,726,878,645	16,323,622,761
II. Cash flows from investing activities			
1. Cash paid for purchases, construction of fixed assets and other long-term assets	21	(3,611,087,159)	(1,394,142,985)
2. Proceeds from sales, disposal of fixed assets and other long-term assets	22	845,733,419	280,427,275
3. Cash paid for loans, acquisition of debt instruments	23	(5,600,000,000)	(3,000,000,000)
4. Recovery of loans, resales of debt instruments	24		
5. Cash paid for equity investments in other entities	25		
6. Proceeds from loans interest, dividends, shared profit	27	303,349,573	233,881,684
Net cash used in investing activities	30	(8,062,004,167)	(3,879,834,026)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	8,770,506,678	13,464,018,710
2. Repayment of borrowings	34	(1,957,330,074)	(21,213,162,287)
3. Cash paid for dividends, profit to owners	36	(1,755,000,000)	(2,160,000,000)
Net cash provided by/(used in) financing activities	40	5,058,176,604	(9,909,143,577)
Net cash flows for the period	50	4,723,051,082	2,534,645,158
Cash and cash equivalents at the beginning of the period	60	2,892,130,522	357,485,364
Cash and cash equivalents at the end of the period	70	7,615,181,604	2,892,130,522



Vo Thi Minh Loan

PREPARER



Dang Tho

CHIEF ACCOUNTANT



Quang Nam Province, 18 January 2025



GENERAL DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Form No. B 09 - DN
Issued under Circular
No. 200/2014/TT - BTC dated
22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

Quang Nam Transportation Construction Joint-Stock Company ("the Company") was incorporated on the basis of equitization of Quang Nam Road Management and Construction Company under Decision No. 5233/QD-UB dated 27 November 2003 of the People's Committee of Quang Nam Province. The Company was granted Business Registration Certificate No. 3303070058 dated 02 January 2004 by Quang Nam Province Planning and Investment Department. Since the establishment date, the Business Registration Certificate has been amended 8 times and the most recent amendment was made on 05 September 2014 with the enterprise code 4000390766. The Company is an independent accounting entity, operating in accordance with the Enterprise Law, the Company's Charter and other relevant regulations.

The Company was approved to list its common shares under the ticker symbol QTC on Hanoi Stock Exchange as per Decision No. 532/QD - TTGDHN dated 29/12/2008 of Hanoi Securities Trading Center (now being Hanoi Stock Exchange). The official trade date is 19/01/2009.

Charter capital: VND27,000,000,000.

1.2. Principle scope of business: Construction, stone exploitation and real estate business

1.3. Operating activities

- Construction of other civil engineering projects: Construction of civil projects, road traffic projects, irrigation projects, hydropower projects, public projects;
- Management consultancy activities: Management, operation and maintenance of road traffic projects;
- Trading of own or rented property and land use rights;
- Short-term accommodation activities;
- Restaurants and mobile food service activities;
- Architectural and engineering activities and related technical consultancy: Preparation of projects, preparation of technical design documents and cost estimates for construction and traffic projects; Supervision of road projects;
- Electrical installation;
- Plumbing, heat and air-conditioning installation;
- Mining and quarrying n.e.c: Exploration, exploitation and production of materials for repair and construction of road traffic systems

1.4. Structure of the Company

The Company has 1 subsidiary: Road Construction and Repair No. 1 Co., Ltd

2. Accounting period, currency used in accounting

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

These financial statements were prepared for the fourth quarter of the year 2024 (commencing on 01/10/2024 and ending on 31/12/2024).

Financial statements and accounting transactions are expressed in Vietnamese Dong (VND).

3. Applied accounting standards and accounting system

The Company adopts the Vietnamese Corporate Accounting System which was issued under Circular No. 200/2014/TT-BTC dated 22/12/2014 and Vietnamese Accounting Standards promulgated by the Ministry of Finance.

Form of accounting records: Voucher system.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash includes cash on hand, cash in bank, cash in transit and cash equivalents.

All short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date shall be recognized as cash equivalents.

4.2 Financial investments

Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer is required to re-buy them at a certain time in the future and held-to-maturity loans to earn profits periodically and other held-to-maturity investments.

Held-to-maturity investments are recorded at book value upon revaluation. Provision for loss of held-to-maturity investments shall be recorded as a decrease directly in the book value of investments. In particular, if it is evident that the investment is unrecoverable, it shall be treated as follows:

- If the losses are determined reliably, the negative difference between recoverable value and book value shall be recorded to financial expenses;
- If it is impossible to determine the losses reliably, the recovery of investment must be reported on the financial statements and the value of investment shall not be reduced.

Investment in subsidiary

Subsidiary is an enterprise controlled by the Company. The subsidiary relationship is often reflected by the fact that the Company holds (directly or indirectly) over 50% voting shares and has the right to exercise significant influence over the financial policies and operations of the subsidiary.

Investments in subsidiaries are stated at cost less provision. Dividends and profits received in money or non-monetary asset for the period before the investment date shall be recorded as a decrease in value of investment.

Provision

Provision for investments in subsidiaries is made if these investments are impaired or result in loss, which leads to the loss of equity of the Company. The appropriation of provision is made in conformity with the guidelines of Circular No. 228/2009/TT-BTC dated 7/12/2009 and Circular No. 89/2013/TT-BTC dated 28/6/2013 by the Ministry of Finance.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.3 Receivables

Receivables includes: trade receivables, other receivables:

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers;
- Other receivables include non-trade amounts which are not related to trading activities, intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for the amounts receivable which have been overdue for 6 months or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, missing or absconding. The appropriation of provision is made in conformity with the guidelines of Circular No. 228/2009/TT-BTC dated 07/12/2009 of the Ministry of Finance.

Receivables are monitored according to their debtors, principal terms, remaining terms and original currencies.

4.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition. Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Cost of inventories is calculated using the weighted average method and accounted for using the perpetual method.

Provision for decline in value of inventories is made when the net realizable value of inventories is less than cost. The provision is made in accordance with Circular No. 228/2009/TT-BTC dated 7/12/2009 by the Ministry of Finance.

4.5 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

Depreciation

Tangible fixed assets are depreciated in accordance with the straight-line method. The depreciation rate is determined based on the cost and estimated useful lives of the assets. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	5 – 25

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Machinery, equipment	2.5 – 8
Motor vehicles	5 – 8

During the period, the Company accelerated depreciation of a number of assets to ensure more reasonableness in the estimated useful life of these assets.

4.6 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state.

Land use rights

Intangible fixed assets are land use rights including:

- The land use right allocated by the State with land use fee or receiving the transfer of legal land use right (including term and non-term land use right).
- The right to use the leased land before the effective date of the Land Act 2003 but the rent has been paid for the leasing time or paid in advance for many years but the remaining land lease term paid is at least 05 years and granted with certificate of land use right by the competent authority.

Cost of fixed assets that are land use rights is determined to be the total amount paid to have the legal land use right plus (+) costs of site clearance, ground leveling, registration fee (excluding costs for building works on land) or the value of land use right received as capital contribution.

Amortization

Intangible fixed assets being land use rights with indefinite term are not amortized. For land use rights with definite term, the amortization period is the period in which the Company is allowed to use the land.

Other intangible fixed assets are amortized in accordance with the straight-line method. Amortization rate is based on their cost and estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

The amortization period of intangible fixed assets of the Company is as follows:

<u>Kind of asset</u>	<u>Amortization period (years)</u>
Term land use rights	35

4.7 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenses that have been incurred actually but related to the operations of many accounting periods. Based on the nature and extent of the expenses, the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.8 Payables

Payables include: trade payables and other payables:

- Trade payables are trade-related amounts, arising from trading activities between the company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables in the financial statements.

Payables are recognized at the time when the Company's payment obligation arises or when there is certain evidence that a loss is likely to occur.

Payables are monitored according to their creditors, principal terms, remaining terms and original currencies.

4.9 Loans and finance lease liabilities

Loans and finance lease liabilities are recorded at cost and classified into current and non-current liabilities based on the remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies. Loans and finance lease liabilities denominated in foreign currency are reevaluated using the selling exchange rate at the end of the year of the commercial bank where the Company regularly conducts transactions.

Borrowing costs

Borrowing costs comprise interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for the purpose of obtaining a qualifying asset shall be capitalized as part of the cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period.

Capitalisation of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4.10 Accrued expenses

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company. The Company's major accrued expenses include:

- Charges for granting the mineral mining right are determined by the Company in accordance with the provisions of Decree No. 203/2013/ND-CP but the tax authority has not issued the notice of payment of charges for granting the mineral mining right yet.
- Accrued interests are determined according to the agreed interest rate of each loan contract, loan term and loan principal.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.11 Provision for payables

Provision for payables is a present obligation (legal or constructive) of the Company as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A provision is recognized when a reliable estimate can be made on the amount of the obligation.

If the provision for payables that needs to be made in current accounting period is greater than the remaining provision for payables in previous accounting period, the difference shall be recorded as operating expenses of the current period. If the provision for payables in current accounting period is smaller than the remaining provision in previous period, the difference shall be reversed decreasing the operating expenses of current period.

4.12 Unearned revenue

Unearned revenue is recognized when the Company receives advance payments for one or many accounting periods for services rendered to customers.

Unearned revenue is amortized over the period for which the Company has received the advance payment.

4.13 Owners' equity

Share capital represents the amount of actually-contributed capital.

Share premium reflects the difference between par value of shares and issue price of shares.

Profit after corporate income tax (excluding foreign exchange gains from revaluation of balances at the balance sheet date) is available for appropriation to funds and to shareholders as provided for in the resolution of annual general shareholders' meeting.

Profit distribution is only carried out when the Company has undistributed profit after tax. The dividend to be paid to the shareholders shall not exceed the undistributed profit after tax.

4.14 Revenue recognition

- Revenue from construction contracts
 - ✓ Where a construction contract stipulates that the contractor gets paid according to the set schedule, and when the construction contract performance result is reliably estimated, the revenues and costs related to the contract shall be recognized by reference to the completed volume.
 - ✓ Where a construction contract stipulates that the contractor gets paid according to the value of performed work volume, and when the contract performance result is reliably determined, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers.
- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
 - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
 - ✓ Interests are recognized on the basis of the actual term and interest rates;
 - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution.
- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4.15 Revenue deductions

Revenue deduction is the construction value that is reduced after finalization.

Revenue deductions arising after the balance sheet date but before the date of issuing the financial statements are considered events requiring adjustments to reduce revenue for the reporting period.

4.16 Cost of goods sold

Cost of goods sold and the corresponding revenue are recorded simultaneously according to the matching principle.

4.17 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, interest on finance lease, payment discounts for buyers, expenses and loss on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to investing activities.

4.18 Selling expenses, administrative expenses

Selling expenses reflect expenses actually incurred in the process of selling products, goods, rendering services.

Administrative expenses reflect expenses actually incurred related to the overall administration of the Company.

4.19 Current corporate income tax expense, deferred corporate income tax expense

Corporate income tax expenses comprise current income tax and deferred income tax.

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

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.20 Financial instruments

Initial recognition

Financial assets

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets comprise cash on hand, short-term deposits, trade receivables, other receivables and financial investments.

Financial liabilities

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

Subsequent measurement

Currently, there has been no requirement for subsequent measurement of financial instruments.

4.21 Tax rates and charges paid to the State Budget that the Company is applying.

- Value Added Tax (VAT): A VAT rate of 10% is applicable to construction activities, construction stone products and real estate transfers.
- Corporate Income Tax (CIT): The Company is subject to a CIT rate of 20%.
- Other taxes and charges are paid in accordance with the prevailing regulations.

4.22 Related parties

Parties are considered to be related if one party has the ability (directly or indirectly) to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Unit: VND

5. Cash and cash equivalents

	31/12/2024	01/01/2024
Cash on hand	948,591,842	204,018,644
Cash in bank	6,666,589,762	488,111,878
Cash equivalents (deposits for no more than 3 months)		2,200,000,000
Total	7,615,181,604	2,892,130,522

6. Held-to-maturity investments

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	31/12/2024		01/01/2024	
	Cost	Book value	Cost	Book value
Deposits with the remaining term of no more than 12 months	10,828,000,000		5,228,000,000	0
Total	10,828,000,000		5,228,000,000	0

7. Short-term trade receivables

	31/12/2024	01/01/2024
Quang Nam Province Transportation Department	4,440,410,000	6,227,832,000
Tam Ky City Construction Investment Project Management Unit	1,027,873,000	1,027,873,000
Quang Nam Province Traffic Infrastructure Management Center	5,864,682,000	1,336,963,000
Quang Nam Province Traffic Project Management Unit	5,128,237,000	8,990,507,000
Quang Nam Road Construction and Management JSC	2,768,236,000	
Others	1,021,155,394	1,139,861,544
Total	20,250,593,394	18,723,036,544

Of which : Receivables from related party

	Relationship	31/12/2024	01/01/2024
Road Construction and Repair No. 1 Co., Ltd	Subsidiary		163,302,450

8. Short-term prepayments to suppliers :

	31/12/2024	01/01/2024
Duong Trung Chu Lai Company Ltd		70,000,000
Branch of Thien An Khuong Investment and Construction JSC in Quang Nam	16,944,000	
Dong Khoi Phat Trading - Service - Transportation Co.,	22,640,000	
Nam Loc Electronic - Automation Co., Ltd	33,000,000	
Others	35,987,690	24,927,070
Total	108,571,690	94,927,070

9. Other receivables

a. Short-term

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Receivables from construction teams for construction capital	225,374,000		225,374,000	
Accrued interest receivable	179,044,604		82,479,124	
Shared dividends, profit	98,573,539		236,269,123	
Other receivables			14,401,274	
Total	502,992,143		558,523,521	

Of which : Dividend, profit receivable from the related party

	Relationship	31/12/2024	01/01/2024
Road Construction and Repair No. 1 Co., Ltd	Subsidiary	98,573,539	236,269,123

b. Long-term

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Deposits, collaterals	3,536,069,886		3,156,441,740	
Total	3,536,069,886	0	3,156,441,740	0

10. Provision for short-term doubtful debts

	31/12/2024	01/01/2024
Provision for overdue receivables:		
- Over 3 years	-1,170,460,244	-1,170,460,244
Total	-1,170,460,244	-1,170,460,244

11. Inventories

	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Materials, raw materials	411,844,238		1,454,133,671	
Tools, instruments	51,900,000		53,200,000	
Work in process	9,557,454,017		2,889,549,301	
Finished products	119,890,368		1,231,395,084	
Merchandise goods	124,245,000		124,245,000	
Total	10,265,333,623		5,752,523,056	

- There are no inventories which are unsold, in poor quality or slow-moving as at 31/12/2024.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/12/2024.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

12. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	4,766,022,947	61,158,788,471	8,522,898,386	216,244,965	74,663,954,769
New purchase		1,806,657,407	1,804,429,752		3,611,087,159
Sale, disposal	162,118,970	1,908,181,818	1,007,768,376		3,078,069,164
Balance at 31/12/2024	4,603,903,977	61,057,264,060	9,319,559,762	216,244,965	75,196,972,764
Depreciation					
Beginning balance	3,947,021,210	56,296,684,234	6,032,150,664	21,624,497	66,297,480,605
Charge for the period	87,564,076	1,291,675,145	516,579,328	43,248,992	1,939,067,541
Sale, disposal	136,156,445	1,908,181,818	1,007,768,376		3,052,106,639
Balance at 31/12/2024	3,898,428,841	55,680,177,561	5,540,961,616	64,873,489	65,184,441,507
Net book value					
Beginning balance	819,001,737	4,862,104,237	2,490,747,722	194,620,468	8,366,474,164
Balance at 31/12/2024	705,475,136	5,377,086,499	3,778,598,146	151,371,476	10,012,531,257

- Cost of tangible fixed assets fully depreciated but still in active use at 31/12/2024 was VND43,821,534,628.

13. Intangible fixed assets

	Land use right VND	Long-term land use right (ii) VND	Total VND
Cost			
Beginning balance	224,000,000	34,293,600	258,293,600
Increase in the period			
Decrease in the period			
Balance at 31/12/2024	224,000,000	34,293,600	258,293,600
Amortization			
Beginning balance		11,757,807	11,757,807
Charge for the period		979,820	979,820
Decrease in the period			
Balance at 31/12/2024	0	12,737,627	12,737,627
Net book value			
Beginning balance	224,000,000	22,535,793	246,535,793
Balance at 31/12/2024	224,000,000	21,555,973	245,555,973

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- (i) Use right of 200 m² of land in Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province. The Company uses it to build warehouse, house for workers.
- (ii) Use right of 692,8 m² of land in Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province which is valid until March 2047. The Company uses it to build warehouse, house for workers.

56
Y
CINH
VAN T
NAM
QUANG

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

14. Investment in subsidiary

	31/12/2024		01/01/2024	
	Status of operation	% of equity % of voting right	Cost	Provision
- Road Construction and Repair No. 1 Co., Ltd	Operating	100%	3,000,000,000	3,000,000,000
Total			3,000,000,000	3,000,000,000

The financial statements for the fourth quarter of 2024 of Road Construction and Repair No. 1 Co., Ltd show that it has operating profit, and the owner's equity is preserved. Therefore, this investment is recorded at cost and no provision is made.



NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

15. Prepaid expenses

a. Short-term :

	31/12/2024	01/01/2024
Repair costs		286,856,615
Total	0	286,856,615

b. Long-term :

	31/12/2024	01/01/2024
Charges for granting mineral mining right	758,786,600	2,153,662,500
Costs of stripping the top layer and access to the quarry 2016	497,875,188	1,055,506,535
Repair costs	89,311,111	1,160,911,827
Other prepaid expenses	129,861,201	370,145,418
Total	1,475,834,100	4,740,226,280

16. Short-term trade payables

	31/12/2024	01/01/2024
Tuan Thinh Construction Trading and Service Co., Ltd	81,064,000	768,248,302
People's Committee of Dien Ngoc Commune	889,694,244	889,694,244
Toan Trung Construction Investment JSC	542,135,200	994,547,200
Si Dung Co., Ltd	665,051,850	563,540,850
Quang Nam Road Construction and Management JSC	2,428,718,575	
Gia Loc Construction and Equipment Co., Ltd	448,077,000	
Phu Cuong Thinh JSC	302,789,000	
Thinh Phu Nguyen Co., Ltd	545,905,440	
Truong Ngan Transportation and Trading Co., Ltd	710,929,040	
Others	1,628,680,143	1,842,807,495
Total	8,243,044,492	5,058,838,091

17. Taxes and amounts payable to the State

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	As at 01/01/2024		Amount to be Actual amount paid paid		As at 31/12/2024	
	Receivable	Payable			Receivable	Payable
VAT		722,065,739	2,232,401,131	2,046,886,655		907,580,215
CIT		152,249,256	908,319,361	753,249,256		307,319,361
Personal Income Tax		16,825,629	78,614,035	83,820,336		11,619,328
Natural resource tax		7,753,636	3,493,280,029	3,246,287,589		254,746,076
Land and housing tax, land rent			1,342,002,473	1,342,002,473		0
Fees, charges and others payable		1,504,206	737,071,345	688,597,702		49,977,849
Total	0	900,398,466	8,791,688,374	8,160,844,011	0	1,531,242,829

The Company's tax returns would be subject to examination of the tax authority. The tax amounts reported in these financial statements could be changed under decision of the tax authority.

18. Short-term accrued expenses

	31/12/2024	01/01/2024
Accrued interest payable	89,198,756	
Accrued expenses of Dien Nam-Dien Ngoc Urban Area Project	135,438,538	135,438,538
Other accrued expenses	9,781,818	9,781,818
Total	234,419,112	145,220,356

Of which : Accrued interest payable to related party

	Relationship	31/12/2024	01/01/2024
Road Construction and Repair No. 1 Co., Ltd	Subsidiary	85,594,521	

19. Other short-term payables

	31/12/2024	01/01/2024
Trade union fee	133,865,893	108,503,672
Payable for construction volume to construction teams	3,217,284,585	2,110,954,488
Short-term deposits, collaterals received	910,000,000	775,000,000
Other payables	285,170,312	260,170,305
Total	4,546,320,790	3,254,628,465

20. Short-term loans and finance lease liabilities

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	As at 01/01/2024	Increase in the period	Decrease in the period	As at 31/12/2024
Vietcombank-Quang Nam Branch		5,770,506,678	1,957,330,074	3,813,176,604
Maritime Bank-Quang Nam Province				
Road Construction and Repair No. 1 Co., Ltd		3,000,000,000		3,000,000,000
Total	0	8,770,506,678	1,957,330,074	6,813,176,604

21. Provision for payables

	31/12/2024	01/01/2024
Provision for construction warranty	1,205,687,000	
Provision for environmental restoration costs	1,418,460,004	1,199,734,871
Total	2,624,147,004	1,199,734,871

22. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Other owners' capital	Investment and development fund	Undistributed profit after tax	Total
Balance at 01/01/2023	27,000,000,000	8,379,414,871	2,561,777,617	2,207,265,217	40,148,457,705
Increase in the year				1,825,672,239	1,825,672,239
Decrease in the year				2,207,265,217	2,207,265,217
					0
Balance at 31/12/2023	27,000,000,000	8,379,414,871	2,561,777,617	1,825,672,239	39,766,864,727
Balance at 01/01/2024	27,000,000,000	8,379,414,871	2,561,777,617	1,825,672,239	39,766,864,727
Increase in the period				2,175,653,567	2,175,653,567
Decrease in the period				1,825,672,239	1,825,672,239
Balance at 31/12/2024	27,000,000,000	8,379,414,871	2,561,777,617	2,175,653,567	40,116,846,055

b. Breakdown of share capital

	31/12/2024	01/01/2024
State Capital Investment Corporation	14,526,000,000	14,526,000,000
Other shareholders	12,474,000,000	12,474,000,000
Total	27,000,000,000	27,000,000,000

c. Shares

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	31/12/2024	01/01/2024
	Shares	Shares
Number of shares registered for issuance	2,700,000	2,700,000
Number of shares sold to the public	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)		
Number of shares bought back (treasury shares)		
- Common shares		
- Preferred shares (classified as owners' equity)		
Number of outstanding shares	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)		
Par value of outstanding shares : VND10,000 each		

23. Revenue from sales and service provision

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Construction revenue	35,292,233,332	21,822,109,002	55,530,668,193	70,158,366,090
Stone mining revenue	6,442,474,336	3,153,708,806	18,063,571,442	9,883,284,666
Other revenue	132,771,112	295,281,818	331,959,684	706,327,545
Total	41,867,478,780	25,271,099,626	73,926,199,319	80,747,978,301

24. Revenue deductions

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Construction volume reduced upon finalization		12,687,273	143,612,205	281,778,316
Total	0	12,687,273	143,612,205	281,778,316

25. Cost of goods sold

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Cost of construction	32,039,769,800	19,499,872,705	50,118,185,079	62,759,675,006
Cost of mining stone	6,704,503,160	4,094,216,054	16,006,177,235	9,609,128,314
Cost of others	93,028,665	205,414,437	269,512,976	488,500,605
Total	38,837,301,625	23,799,503,196	66,393,875,290	72,857,303,925

26. Financial income

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Deposit interest, loan interest	151,612,445	71,825,937	399,915,053	165,064,105
Dividend, profit	98,573,539	236,269,123	98,573,539	236,269,123
Total	250,185,984	308,095,060	498,488,592	401,333,228

27. Financial expenses

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Interest expense	48,793,712	10,645,205	103,385,493	289,999,076
Bank guarantee fee	10,046,982	49,174,494	77,599,172	139,655,965
Total	58,840,694	59,819,699	180,984,665	429,655,041

28. Other income

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Proceeds from disposals of fixed assets	54,245,455		791,620,919	252,960,800
Income from compensation insurance for Tra Kot Project			355,864,146	364,363,722
Others	3,401,818	373,617,982	42,600,534	99,092,264
Total	57,647,273	373,617,982	1,190,085,599	716,416,786

29. Other expenses

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Expenses for disposals of fixed assets		4,739,200		
Tax fine	52,421,693	547,162	64,950,724	176,225,153
Construction expense of landslips of Tra Kot Project (insurance compensation)			436,363,636	
Others	111,181,089	73,843,861	277,346,630	98,429,208
Total	163,602,782	79,130,223	778,660,990	274,654,361

30. Current corporate income tax expense

	Quarter 4 Year 2024	Quarter 4 Year 2023	Accumulated to 31/12/2024	Accumulated to 31/12/2023
Accounting profit before tax	1,628,130,947	580,483,612	3,024,933,091	2,450,591,301
Adjustments to taxable income				-323,841,447
Increasing adjustments	203,178,487	75,655,895	1,315,038,066	760,010,513
Decreasing adjustments	98,573,539		98,573,539	1,083,851,960
Total taxable income	1,732,735,895	656,139,507	4,241,397,618	2,126,749,854
Current corporate income tax expense	146,449,695	131,227,901	849,279,524	624,919,062
Of which :				
- Current CIT expense arising in current period	146,449,695	131,227,901	848,279,524	425,349,971
- Adjustment of current CIT expenses of previous period to current CIT expense of current period			1,000,000	199,569,091

31. Events after the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

32. Corresponding figures

Corresponding figures of the balance sheet were taken from the financial statements for the year ended 31/12/2023 which had been audited and reviewed by AAC. Corresponding figures of the income statement and the statement of cash flows were taken from the financial statements for the fourth quarter of 2023 prepared by the Company. Some corresponding figures in the financial statements have been restated in order to ensure the comparableness with current period's figures and to conform with

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)


the regulations on financial statement preparation of Circular 200/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance on guiding the Corporate Accounting System.



Vo Thi Minh Loan
Preparer



Dang Tho
Chief Accountant



Nguyen Tuan Anh
General Director

Quang Nam Province, 18 January 2025

