

**SOUTH BOOKS AND EDUCATIONAL EQUIPMENT
JOINT STOCK COMPANY**

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2024

CONTENTS

	Pages
MANAGEMENT'S REPORT	1 – 2
INDEPENDENT AUDITOR'S REPORT	3 – 4
AUDITED FINANCIAL STATEMENTS	
Balance sheet	5 – 6
Income statement	7
Cash-flow statement	8
Notes to the financial statements	9 – 40

SOUTH BOOKS AND EDUCATIONAL EQUIPMENT JOINT STOCK COMPANY

Address: 231 Nguyen Van Cu, Ward 04, District 5, Ho Chi Minh City, Vietnam

MANAGEMENT'S REPORT

Management of South Books and Educational Equipment Joint Stock Company (hereinafter referred to as "the Company") hereby presents its report and the accompanying audited financial statements of the Company for the financial year ended 31 December 2024.

Members of the Board of Directors, the Internal Audit Committee, the Supervisory Committee and Management during the year and on the date of this report include:

Board of Directors

<u>Full name</u>	<u>Position</u>
Ms. Phung Ngoc Hong	Chairman
Mr. Nguyen Thanh Anh	Member
Ms. Do Thi Mai Anh	Member
Mr. Tran Le Quang	Member
Mr. Vu Ba Hoa	Member

Internal Audit Committee

<u>Full name</u>	<u>Position</u>
Mr. Tran Le Quang	Head
Ms. Man Minh Hue	Deputy Head
Mr. Do Quang Trung	Member

Supervisory Committee

<u>Full name</u>	<u>Position</u>
Mr. Nguyen Thanh Huu	Head
Ms. Mac Thi Hong Minh	Member
Mr. Pham Duy Khanh	Member

Management

<u>Full name</u>	<u>Position</u>
Ms. Do Thi Mai Anh	General Director
Mr. Pham Canh Toan	Deputy General Director
Mr. Tran Le Quang	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Ms. Do Thi Mai Anh, General Director.

RESPONSIBILITY OF MANAGEMENT

The Company's management is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;

MANAGEMENT'S REPORT (CONTINUED)

- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that the Company has complied with the above requirements in preparing these financial statements.

AUDITOR

The accompanying financial statements were audited by ECOVIS AFA VIETNAM Auditing – Appraisal and Consulting Company Limited (Head office: No. 142 Xo Viet Nghe Tinh Street, Hoa Cuong Nam Ward, Hai Chau District, Danang City, Vietnam; Telephone: (84) 0236.363.3333; Fax: (84) 0236.363.3338; Website: www.ecovis.com/vietnam/audit).

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management ✓



Do Thị Mai Anh
General Director

Ho Chi Minh City, 05 March 2025

No: 37/2025/BCKT-E.AFA

INDEPENDENT AUDITOR'S REPORT

To: Shareholders
Board of Directors and Management
SOUTH BOOKS AND EDUCATIONAL EQUIPMENT JOINT STOCK COMPANY

Report on the financial statements

We have audited the accompanying financial statements of South Books and Educational Equipment Joint Stock Company (hereinafter referred to as "the Company") prepared on 05 March 2025 as set out from page 5 to page 40, which comprise the balance sheet as at 31 December 2024, and the income statement, cash-flow statement for the financial year then ended, and the notes to the financial statements.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting and relevant legislation as to the preparation and presentation of financial statements.



Tran Thi Nhu Phuong
Audit Director
Audit Practice Registration Certificate
No.: 2293-2023-240-1

Authorized person

ECOVIS AFA VIETNAM Auditing – Appraisal and Consulting Company Limited
Danang City, 05 March 2025

Le Van Hoang
Auditor
Audit Practice Registration Certificate
No.: 5399-2025-240-1

BALANCE SHEET
 As at 31 December 2024

Unit: VND

ASSETS	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
A. CURRENT ASSETS	100		72,177,986,345	68,187,972,186
I. Cash and cash equivalents	110	4.1	10,748,162,221	8,474,234,396
1. Cash	111		10,748,162,221	5,474,234,396
2. Cash equivalents	112		-	3,000,000,000
II. Current financial investments	120		-	-
III. Current account receivables	130		22,707,419,777	33,237,260,979
1. Trade receivables	131	4.2	23,220,901,128	25,590,011,851
2. Advances to suppliers	132	4.3	43,260,000	6,439,334,771
3. Other current receivables	136	4.4	994,863,789	2,736,506,935
4. Provision for doubtful debts	137	4.5	(1,551,605,140)	(1,528,592,578)
IV. Inventories	140	4.6	38,158,371,000	25,917,185,731
1. Inventories	141		40,624,155,019	29,896,205,856
2. Provision for decline in value of inventories	149		(2,465,784,019)	(3,979,020,125)
V. Other current assets	150		564,033,347	559,291,080
1. Current prepayments	151	4.7	564,033,347	559,291,080
2. Other current assets	155		-	-
B. NON-CURRENT ASSETS	200		29,133,394,291	29,698,386,654
I. Non-current account receivables	210		14,895,913,266	14,819,913,266
1. Other non-current receivables	216	4.4	14,895,913,266	14,819,913,266
2. Provision for doubtful non-current receivables	219		-	-
II. Fixed assets	220		1,478,229,273	2,224,685,716
1. Tangible fixed assets	221	4.8	1,478,229,273	2,224,685,716
Cost	222		7,643,999,801	7,604,874,347
Accumulated depreciation	223		(6,165,770,528)	(5,380,188,631)
2. Intangible fixed assets	227		-	-
III. Investment property	230		-	-
IV. Non-current assets in progress	240		28,363,636	28,363,636
1. Non-current work in process	241		-	-
2. Construction in progress	242	4.10	28,363,636	28,363,636
V. Non-current financial investments	250		3,329,000,000	3,329,000,000
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252	4.9	3,329,000,000	3,329,000,000
VI. Other non-current assets	260		9,401,888,116	9,296,424,036
1. Non-current prepayments	261	4.7	9,401,888,116	9,296,424,036
2. Other non-current assets	268		-	-
TOTAL ASSETS	270		101,311,380,636	97,886,358,840

BALANCE SHEET (CONTINUED)
 As at 31 December 2024

Unit: VND

RESOURCES	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
C. LIABILITIES	300		21,609,262,402	19,351,850,722
I. Current liabilities	310		21,609,262,402	19,351,850,722
1. Trade payables	311	4.11	13,355,313,327	6,922,782,911
2. Advances from customers	312	4.12	291,236,006	374,297,741
3. Taxes and amounts payable to the state budget	313	4.13	2,497,571,081	3,660,673,187
4. Payables to employees	314	4.14	683,889,833	300,136,903
5. Accrued expenses	315	4.15	261,081,913	1,866,524,633
6. Other current payables	319	4.16	710,040,450	1,611,251,476
7. Bonus and welfare fund	322		3,810,129,792	4,616,183,871
II. Non-current liabilities	330		-	-
D. OWNER'S EQUITY	400		79,702,118,234	78,534,508,118
I. Equity	410	4.17	79,702,118,234	78,534,508,118
1. Owner's contributed capital	411		44,050,000,000	44,050,000,000
Ordinary shares carrying voting rights	411a		44,050,000,000	44,050,000,000
Preference shares	411b		-	-
2. Share premiums	412		59,410,000	59,410,000
3. Investment and development fund	418		29,579,598,118	28,202,342,815
4. Retained earnings	421		6,013,110,116	6,222,755,303
Beginning accumulated retained earnings	421a		-	22,000,000
Retained earnings of the current year	421b		6,013,110,116	6,200,755,303
II. Other capital and funds	430		-	-
TOTAL RESOURCES	440		101,311,380,636	97,886,358,840



Do Thi Mai Anh
 General Director
 Ho Chi Minh City, 05 March 2025

(Handwritten signature)

Nguyen Mai Hoa
 Chief Accountant

(Handwritten signature)

Huynh Thi My Duyen
 Preparer

SOUTH BOOKS AND EDUCATIONAL EQUIPMENT JOINT STOCK COMPANY

Address: 231 Nguyen Van Cu, Ward 04, District 5, Ho Chi Minh City, Vietnam

Form B 02 - DN

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

INCOME STATEMENT

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Year 2024	Year 2023
1. Revenue	01	5.1	466,816,941,343	453,809,385,664
2. Deductions	02	5.2	2,733,335,810	5,965,191,266
3. Net revenue	10		464,083,605,533	447,844,194,398
4. Cost of sales	11	5.3	398,013,319,545	379,022,994,487
5. Gross profit	20		66,070,285,988	68,821,199,911
6. Financial income	21	5.4	4,775,336,351	6,254,940,127
7. Financial expense	22	5.5	1,262,464,704	2,545,141,476
<i>Of which, interest expense</i>	23		804,209,962	1,065,014,038
8. Selling expense	25	5.6	38,587,176,888	36,819,438,863
9. General and administration expense	26	5.7	19,109,596,415	23,230,678,353
10. Operating profit/(loss)	30		11,886,384,332	12,480,881,346
11. Other income	31	5.8	2,222,080,652	2,884,799,046
12. Other expense	32	5.9	1,418,326,418	2,113,510,184
13. Net other income/(loss)	40		803,754,234	771,288,862
14. Accounting profit/(loss) before taxation	50		12,690,138,566	13,252,170,208
15. Current corporate income tax expense	51	5.11	3,439,199,926	3,712,546,666
16. Deferred corporate income tax expense	52		-	-
17. Net profit/(loss) after taxation	60		9,250,938,640	9,539,623,542
18. Basic earnings per share	70	4.17.5	1,365	1,412
19. Diluted earnings per share	71	4.17.6	1,365	1,412



Do Thi Mai Anh
General Director
Ho Chi Minh City, 05 March 2025

Handwritten signature of Nguyen Mai Hoa

Nguyen Mai Hoa
Chief Accountant

Handwritten signature of Huynh Thi My Duyen

Huynh Thi My Duyen
Preparer

CASH FLOW STATEMENT
(Direct method)

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Year 2024	Year 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Cash receipts from customers	01		394,493,706,570	430,667,421,366
2. Cash paid to suppliers	02		(360,790,676,728)	(403,448,222,723)
3. Cash paid to employees	03		(17,858,970,428)	(23,811,563,466)
4. Interest paid	04		(804,209,962)	(1,065,014,038)
5. Corporate income tax paid	05		(3,575,753,487)	(3,481,166,808)
6. Other cash inflows from operating activities	06		4,008,103,161	5,329,928,774
7. Other cash outflows from operating activities	07		(8,613,102,618)	(9,424,485,879)
Net cash from operating activities	20		6,859,096,508	(5,233,102,774)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(39,125,454)	(36,263,636)
2. Loans to other entities and payments for purchase of debt instruments of other entities	23		(3,000,000,000)	(3,000,000,000)
3. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24		3,000,000,000	5,000,000,000
4. Interest and dividends received	27		299,456,771	639,331,799
Net cash from investing activities	30		260,331,317	2,603,068,163
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issuing stocks and capital contribution from owners	31		-	259,410,000
2. Proceeds from borrowings	33	6.1	118,354,437,460	52,795,000,000
3. Repayment of borrowings	34	6.2	(118,354,437,460)	(52,795,000,000)
4. Dividends paid	36		(4,845,500,000)	(4,823,500,000)
Net cash from financing activities	40		(4,845,500,000)	(4,564,090,000)
NET INCREASE/(DECREASE) IN CASH	50		2,273,927,825	(7,194,124,611)
Cash and cash equivalents at beginning of year	60		8,474,234,396	15,668,359,007
Impact of exchange rate fluctuation	61		-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	70		10,748,162,221	8,474,234,396



Do Thi Mai Anh
General Director

Ho Chi Minh City, 05 March 2025

Nguyen Mai Hoa
Chief Accountant

Huynh Thi My Duyen
Preparer

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Structure of ownership

South Books and Educational Equipment Joint Stock Company (hereinafter referred to as "the Company") has been incorporated in accordance with the Business Registration Certificate No. 0309902130 dated 02 April 2010 granted by Ho Chi Minh City's Department of Planning and Investment and other amended certificates thereafter with the latest one dated 18 February 2022.

The Company was approved for listing its common shares on the Hanoi Stock Exchange under Decision No. No. 219/QĐ-SGDHN dated 20 April 2015, issued by the Hanoi Stock Exchange, with the stock code SMN. The first trading day of the SMN stock code was 14 July 2015.

The charter capital as stipulated in the Business Registration Certificate is VND 44,050,000,000.

The Company's registered head office is at 231 Nguyen Van Cu, Ward 04, District 5, Ho Chi Minh City, Vietnam.

The number of employees as at 31 December 2024 was 73 (31 December 2023: 73).

1.2. Business field

Production and trading of books and educational equipment.

1.3. Operating industry and principal activities

Under the Business Registration Certificate, the main Company's business activities comprise:

- Wholesale of other household products. Details: Wholesale of books, newspapers, journals ((with legally permitted content), stationery. Wholesale of beds, cabinets, tables, chairs and similar furniture items;
- Retail sale of books, newspapers, magazines and stationary in specialized stores. Details: Retail sale of books, newspapers, magazines (with legally permitted content) and stationary in specialized stores;
- Retail sale of music and video recordings (including blank tapes and discs) in specialized stores (with legally permitted content);
- Retail sale of games and toys in specialized stores (excluding toys harmful to character education, children's health, or those affecting security, social order, and safety);
- Manufacture of office machinery and equipment (except computers and peripheral equipment). Details: Manufacture of teaching aids and school equipment (not manufactured at the headquarters);
- Other professional, scientific and technical activities n.e.c. Details: Editing and compiling books; translation (excluding book publishing);
- Retail sale of other goods not elsewhere classified.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a time period of 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.5. The Company's structure

The Company's has 2 associates as at 31 December 2024 were as follows:

<u>Name</u>	<u>Address</u>	<u>Voting rights</u>	<u>Per cent capital</u>	<u>Per cent interest</u>
Associates:				
BR - VT Province School Book and Equipment Joint Stock Company	500D Binh Gia Street, Nguyen An Ninh Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.	35%	35%	35%
Binh Duong Educational Book and Equipment Joint Stock Company	No. 88, Tran Binh Trong Street, Phu Tho Ward, Thu Dau Mot City, Binh Duong Province, Vietnam	21%	21%	21%

1.6. Statement of Comparability of Information in Financial statements

The comparative figures are those of the audited financial statements for the year ended 31 December 2023.

2. BASIS OF PREPARATION

2.1. Accounting standards, accounting system

The accompanying financial statements, expressed in Vietnamese Dong ("VND"), are prepared in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing accounting regulations in Vietnam.

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

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company's financial year is from 01 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets and liabilities reported in the notes as well as revenues and expenses for the financial year ended 31 December 2024. Although these estimates are based on management's best knowledge of all relevant information available at the date when the financial statements are prepared, this does not prevent actual figures differing from estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.2. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank, cash in transit and current investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.3. Financial investments

Amounts loaned out

Loans are measured at cost less provision for bad loans. Provision for bad loans is made for each bad loan based on the overdue time to repay the principal according to the original commitment (not taking into account the debt extension between the parties), or based on the expected loss.

Equity investments in other entities

Investments in associates

Investments are classified as investments in associates when the Company directly or indirectly holds from 20% to under 50% of the voting shares of the investee without any other agreement.

Investments in associates are accounted for under the cost method which comprise the purchase price plus (+) acquisition related costs (if any). In case of investments of non-monetary assets, the cost of the investments is measured at the fair values of the assets as incurred.

Dividends for the period after the acquisition date are recognised as finance income when the shareholder's right to receive payment is established.

Recognition principles of provision for investment impairment loss

Provision for investment impairment loss is made when there is any certain evidence that there will be an impairment in the value of these investments at the reporting date.

The difference between the required balance and the existing balance of provision for investment impairment loss is recognised as financial expenses in the income statement.

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

Provision for doubtful debts

As of the date of preparing the financial statements, provision for doubtful debt is recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might not be recoverable when due at the level as guided in prevailing regulations. The determination of the overdue period of a doubtful receivable to be provisioned is based on the principal repayment period according to the original sale contract, excluding the debt extension between the parties.

The difference between the required balance and the existing balance of provision for doubtful debts is recorded as a general and administrative expense in the income statement.

3.5. Inventories

Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method.

Provision for decline in value of inventories

As of the date of preparing the financial statements, provision is recognised for obsolete, slow-moving and defective inventory items and an excess of the cost of inventories over their net realisable value.

The difference between the required balance and the existing balance of the provision for a decline in value of inventories is included in cost of sales in the income statement.

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

3.6. Tangible fixed asset

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair values and deducted from the historical cost of the respective tangible fixed assets.

Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

	<u>Year 2024</u>
▪ Machinery and equipment	2 - 6 years
▪ Motor vehicles	6 years
▪ Office equipment	3 years

3.7. Leases

Leases classification

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

CÔNG TY TNHH SÁCH VÀ THIẾT BỊ GIÁO DỤC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

3.8. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise costs of tools and supplies, rental expenses, and non-deductible VAT on self-produced goods; which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

The following expenses are recognised as prepayments and amortised to the income statement:

- Land and infrastructure lease expenses are allocated over the lease term;
- Tools and supplies are amortised to the income statement over 1 to 2 years;
- Other prepayments: Based on the nature and volume of each expense, the Company applies the proper amortization method over the period in which economic benefits are generated in relation to that expense.

3.9. Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3.10. Liabilities

Liabilities are classified into trade payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.11. Borrowing costs

Capitalisation of borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets until the assets are put into use or sale.

Investment income earned on temporary investment of borrowings is deducted from the cost of the respective assets.

All other borrowing costs are recognised as an expense in the consolidated income statement when incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.12. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

3.13. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Treasury shares

Treasury shares are recognised at purchased cost and presented in the balance sheet as a deduction from equity.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved by the General annual meeting of shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.14. Revenue and other income

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

Interest income

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the interest rate applicable.

Income from investments

Income from investments is recognised in the income statement corresponding to the per cent interest of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.15. Deductions

Deductions include sale returns and allowances.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

3.16. Cost of sales

Cost of sales and services provided represents total costs of goods, services, manufacturing costs of construction products (for construction entities) which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

3.17. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include interest expenses, payment discounts, and late payment interest.

3.18. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, goods and rendering services, which include expenses relating to product exhibition, advertisement, sales commissions, product warranty (except for construction activities), storage, packaging and shipping etc.

General and administrative expenses represent common expenses, which include payroll costs for office employees' (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; stationery expenses, material expenses, depreciation expenses of fixed assets used for administration activities; land rental, license tax; depreciation expenses of fixed assets used for administration activities; utility services (electricity expenses, water expenses, phone, fax, warranty expenses, etc.); sundry expenses (entertainment, customer conference, etc.).

3.19. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year at 20%.

Value added tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

- Textbooks, curricula, and reference books supplementing textbooks: VAT exempt.
- Office equipment and dictionaries: 5% - 10%.
- Other goods and services: 10%. The Company is entitled to apply the VAT rate of 8% from 1 January 2024 to 30 June 2024 according to the provisions of Decree No. 94/2023/ND-CP dated 28 December 2023 and from 01 July 2024 to 31 December 2024 according to the provisions of Decree No. 72/2024/ND-CP dated 30 June 2024 of the Government.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other taxes

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

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment for the Company.

3.20. Segment reporting

A segment is a distinguishable component of the Company that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Based on the actual operation of the Company, the President assesses that there is no significant difference in risks and returns among business segments and geographical segments. The company operates primarily in the commercial trading sector, with its main market being Vietnam.

3.21. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE BALANCE SHEET

4.1. Cash and cash equivalents

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Cash in hand	1,096,457,639	268,979,613
Cash at banks	9,651,704,582	5,205,254,783
Cash equivalents	-	3,000,000,000
Total	10,748,162,221	8,474,234,396

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.2. Current trade receivables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Book and Educational Equipment JSC of Dong Nai	3,487,873,612	206,642,493
Ninh Thuan Books And Equipment Joint Stock Company	2,486,563,654	1,404,565,362
Binh Thuan Book and Equipment Joint Stock Company	5,304,498,532	1,904,322,704
An Loc Tay Ninh Co., Ltd.	2,386,275,785	3,811,400
Others	9,555,689,545	22,070,669,892
Total	23,220,901,128	25,590,011,851
In which: Trade receivables from related parties - Refer to Notes 7	7,515,620,484	4,230,216,314

4.3. Current advances to suppliers

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Education Publishing House in Ho Chi Minh City	-	5,483,960,413
Branch In Ho Chi Minh City - Hanoi tourism Corporation	26,500,000	-
Others	16,760,000	955,374,358
Total	43,260,000	6,439,334,771
In which: Advances to related parties - Refer to Notes 7	-	5,851,866,934

4.4. Other receivables

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Value	Provision	Value	Provision
Current				
Receivables from PIT	935,240,933	-	1,662,673,604	-
Deposits	58,741,812	-	38,736,322	-
Accrued interest	-	-	1,890,411	-
Vietnam Education Publishing House Limited Company	-	-	1,030,073,434	-
Other receivables	881,044	-	3,133,164	-
Total	994,863,789	-	2,736,506,935	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Value	Provision	Value	Provision
Non-Curent				
Deposits	81,000,000	-	5,000,000	-
Mai Thi Luu project (*)	14,814,913,266	-	14,814,913,266	-
Total	14,895,913,266	-	14,819,913,266	-
In which: Other receivables from related parties - Refer to Notes 7	14,814,913,266	-	15,844,986,700	-

(*) This is a capital contribution with the Ho Chi Minh City Education Publishing House (unit under of Vietnam Education Publishing House Co., Ltd.) and Phuong Nam Education Investment and Development Joint Stock Company for the construction of an office building at 104 Mai Thi Luu, Dakao Ward, District 1, Ho Chi Minh City, under the tripartite business cooperation contract No. 108HĐ/2011 dated 01 April 2011 and its amended appendices, in which the Company's investment accounts for 30% of the project. On 01 July 2014, the parties agreed to sign Contract Appendix No. 01, assigning Vietnam Education Publishing House Co., Ltd. to implement the project, replacing the previous entity, Ho Chi Minh City Education Publishing House. As of now, the project has commenced business operations, and the parties have agreed to entrust Vietnam Education Publishing House Co., Ltd. with the management and commercial operation of the project, as well as the collection and distribution of revenue and expenses among the parties based on the agreed-upon ratio.

4.5. Doubtful debts

	As at 31 Dec. 2024		As at 01 Jan. 2024	
	VND		VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue trade receivables or overdue amounts loaned and other receivables not yet due but uncollectible	1,558,724,140	7,119,000	1,548,554,140	19,961,562
Total	1,558,724,140	7,119,000	1,548,554,140	19,961,562

Management assessed the ability to recover the overdue receivables as low.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Overdue trade receivables and overdue amounts loaned are analysed by debtor as follows:

	As at 31 Dec. 2024 VND			As at 01 Jan. 2024 VND		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
Dong Thap Education Investment and Development Joint Stock Company	162,702,434	-	Over 3 years	162,702,434	-	Over 3 years
Minh Phat Educational equipment Construction, Trading and Manufacturing Co., Ltd.	1,110,163,501	-	Over 3 years	1,110,163,501	-	Over 3 years
Nhat Minh Bookstore	43,148,706	-	Over 3 years	43,148,706	-	Over 3 years
Hoang Minh Phuc Educational Books and Equipment Company	166,000,959	-	Over 3 years	166,000,959	-	Over 3 years
Minh Anh Comprehensive Books and Equipment Co., Ltd.	66,538,540	-	Over 3 years	66,538,540	19,961,562	From 2 to 3 years
Tran Van On Primary School	10,170,000	7,119,000	From 6 months to 1 year			
Total	1,558,724,140	7,119,000		1,548,554,140	19,961,562	

4.6. Inventories

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Cost	Provision	Cost	Provision
Goods in transit	146,311,051	-	1,386,000	-
Raw materials	848,683,564	-	1,024,456,614	-
Work in progress	88,246,422	-	51,928,667	-
Finished goods	2,293,288,697	-	3,671,402,637	-
Merchandise	37,247,625,285	2,465,784,019	25,147,031,938	3,979,020,125
Total	40,624,155,019	2,465,784,019	29,896,205,856	3,979,020,125

There were no slow moving and obsolescent inventories at the year-end.

There were no inventories pledged as security for liabilities at the year-end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.7. Prepayments

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current:		
Manuscript expenses	182,128,761	53,522,452
Non-deductible VAT allocated to inventory	129,034,151	138,835,035
Tools and supplies	252,870,435	366,933,593
Total	564,033,347	559,291,080
Non-current:		
Infrastructure rental fee (*)	8,363,150,929	8,633,294,929
Tools and supplies	1,038,737,187	663,129,107
Total	9,401,888,116	9,296,424,036

(*) This is the lease of infrastructure on land at Lot A5-3, Area A5, N2 Street, Tan Phu Trung Industrial Park, Cu Chi District, Ho Chi Minh City, under Land Lease Contract No. 238/HĐTĐ/SCD-2019 dated 16 October 2019 and Appendix No. 238/PLHĐTĐ/SCD-2019 dated 16 October 2019 with Northwest Saigon City Development Corporation (SCD).

On 22 July 2021, Resolution No. 03/NQ-HĐQT of the Board of Directors decided to halt the investment in the construction of a goods storage warehouse at Tan Phu Trung Industrial Park, Cu Chi District, Ho Chi Minh City, and to divest all invested capital in Lot A5-3, Area A5, N2 Street, Tan Phu Trung Industrial Park, Cu Chi District, Ho Chi Minh City, at market value.

On 22 April 2024, Resolution No. 150/NQ-ĐHĐCĐ of the General Meeting of Shareholders approved two options: either proceeding with the necessary procedures for capital divestment or proceeding with the construction of the goods storage warehouse at Lot A5-3, Area A5, N2 Street, Tan Phu Trung Industrial Park, Cu Chi District, Ho Chi Minh City.

On 25 April 2024, Resolution No. 04/NQ-HĐQT of the Board of Directors approved the option to continue with the construction of the goods storage warehouse. The project's Investment Registration Certificate was amended on 14 June 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.8. Tangible fixed assets

Items	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost:				
As at 01 Jan. 2024	609,700,818	6,423,850,771	571,322,758	7,604,874,347
Purchase	-	-	39,125,454	39,125,454
As at 31 Dec. 2024	609,700,818	6,423,850,771	610,448,212	7,643,999,801
Accumulated depreciation:				
As at 01 Jan. 2024	609,700,818	4,252,114,314	518,373,499	5,380,188,631
Depreciation	-	752,824,030	32,757,867	785,581,897
As at 31 Dec. 2024	609,700,818	5,004,938,344	551,131,366	6,165,770,528
Net book value:				
As at 01 Jan. 2024	-	2,171,736,457	52,949,259	2,224,685,716
As at 31 Dec. 2024	-	1,418,912,427	59,316,846	1,478,229,273

There were no tangible fixed assets pledged/mortgaged as loan security at the year-end.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 3,441,087,513.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.10. Construction in progress

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Warehouse and materials storage project	28,363,636	28,363,636
Total	28,363,636	28,363,636

4.11. Current trade payables

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Value	Payable value	Value	Payable value
Education Publishing House in Ho Chi Minh City	5,292,929,554	5,292,929,554	-	-
Phuong Nam Education Development and Investment Joint Stock Company	2,769,899,952	2,769,899,952	1,206,008,687	1,206,008,687
Others	5,292,483,821	5,292,483,821	5,716,774,224	5,716,774,224
Total	13,355,313,327	13,355,313,327	6,922,782,911	6,922,782,911
In which: Trade payables to related parties – Refer to Note 7	10,677,213,766	10,677,213,766	2,321,647,357	2,321,647,357

4.12. Current advances from customers

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Phuoc Thanh Primary School	25,700,000	-
Le Quy Don Primary School	25,000,000	-
Duc Tri Educational Books and Equipment Co., Ltd	-	59,236,500
Go Dau Bookstore	24,717,880	44,771,700
Others	215,818,126	270,289,541
Total	291,236,006	374,297,741

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.13. Tax and amounts payables to the State budget

	As at 31 Dec. 2024 VND	Movement in the year VND		As at 01 Jan. 2024 VND
	Payable	Payable	Paid/ Deducted	Payable
Value added tax	385,190,690	2,763,485,385	3,042,010,557	663,715,862
Corporate income tax	1,087,166,619	3,439,199,926	3,575,753,487	1,223,720,180
Personal income tax	1,025,213,772	1,600,058,455	2,348,081,828	1,773,237,145
License tax	-	3,000,000	3,000,000	-
Other taxes	-	594,000	594,000	-
Total	2,497,571,081	7,806,337,766	8,969,439,872	3,660,673,187

4.14. Payables to employees

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Salaries payable to employees	683,889,833	300,136,903
Total	683,889,833	300,136,903

4.15. Current accrued expenses

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Manuscript costs and royalties payable	255,104,000	1,862,093,700
Others	5,977,913	4,430,933
Total	261,081,913	1,866,524,633

4.16. Other payables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Market and Product Development Fee	559,541,532	1,259,146,861
Current deposits	20,000,000	20,000,000
Other payables	130,498,918	332,104,615
Total	710,040,450	1,611,251,476

In which, Other current payables to related parties

- Refer to Notes 7 74,218,330

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.17. Owners' equity

4.17.1. Changes in owners' equity

	Items of owners' equity					Total VND
	Owners' contributed capital VND	Capital surplus VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	
As at 01 Jan. 2023	44,050,000,000	-	(200,000,000)	28,202,342,815	4,845,500,000	76,897,842,815
Previous year's profits	-	-	-	-	9,539,623,542	9,539,623,542
Reissuance of treasury shares	-	59,410,000	200,000,000	-	-	259,410,000
Distributed bonus and welfare fund	-	-	-	-	(2,861,887,062)	(2,861,887,062)
Distributed executive bonus fund	-	-	-	-	(476,981,177)	(476,981,177)
Dividends distribution	-	-	-	-	(4,823,500,000)	(4,823,500,000)
As at 01 Jan. 2024	44,050,000,000	59,410,000	-	28,202,342,815	6,222,755,303	78,534,508,118
Current year's profits	-	-	-	-	9,250,938,640	9,250,938,640
Dividends distribution (*)	-	-	-	-	(4,845,500,000)	(4,845,500,000)
Distributed investment and development fund 2023 (**)	-	-	-	1,377,255,303	(1,377,255,303)	-
Distributed bonus and welfare fund (**)	-	-	-	-	(2,775,281,592)	(2,775,281,592)
Distributed executive bonus fund (**)	-	-	-	-	(462,546,932)	(462,546,932)
As at 31 Dec. 2024	44,050,000,000	59,410,000	-	29,579,598,118	6,013,110,116	79,702,118,234

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- (*) The Company distributes the 2023 profit in accordance with the Resolution of the Annual General Meeting of Shareholders No.150/NQ-ĐHĐCĐ dated 22 April 2024.
- (**) The Company has temporarily distributed the 2024 profit in accordance with Resolution No. 03/NQ-HĐQT of the Board of Directors dated 19 April 2024.

4.17.2. Details of owners' equity

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Vietnam Education Publishing House Limited Company	23,400,000,000	23,400,000,000
Other shareholders	20,650,000,000	20,650,000,000
Total	44,050,000,000	44,050,000,000

4.17.3. Capital transactions with owners

	Year 2024 VND	Year 2023 VND
Beginning balance	44,050,000,000	44,050,000,000
Capital contribution in the year	-	-
Capital redemption in the year	-	-
Ending balance	44,050,000,000	44,050,000,000

4.17.4. Shares

	As at 31 Dec. 2024	As at 01 Jan. 2024
Number of shares registered for issue	4,405,000	4,405,000
Number of shares sold to public	4,405,000	4,405,000
- Ordinary shares	4,405,000	4,405,000
- Preference shares (Classified as owners' equity)	-	-
Number of shares repurchased (Treasury shares)	-	-
- Ordinary shares	-	-
- Preference shares (Classified as owners' equity)	-	-
Number of shares outstanding	4,405,000	4,405,000
- Ordinary shares	4,405,000	4,405,000
- Preference shares (Classified as owners' equity)	-	-

Par value per outstanding share: VND 10,000 per share

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.17.5. Basic earnings per share

	Year 2024 VND	Year 2023 VND
Net profit after tax	9,250,938,640	9,539,623,542
Adjusted for distribution to bonus and welfare fund, executive bonus and remuneration for BODs, Supervisory Committee	3,237,828,524	3,338,868,239
Profit after tax attributable to ordinary shareholders	6,013,110,116	6,200,755,303
Average Number of shares outstanding in year	4,405,000	4,391,907
Basic earnings per share	1,365	1,412

Net profit after tax used to calculate basic earnings per shares for 2024 has been deducted by the interim bonus and welfare fund according to the plan stated in the Resolution No. 03/NQ-HĐQT of the Board of Directors dated 19 April 2024 (the Board of Directors was authorized by the General Meeting of Shareholders to distribute net profit in accordance with the Company's Charter).

The Resolution of the 2024 Annual General Meeting of Shareholders No.150/NQ-ĐHĐCĐ dated 22 April 2024 approved the allocation of the 2023 welfare and reward fund in the same amount as the calculation made by the Company in 2023. As a result, the basic earnings per share for 2023 remain unchanged from those reported in the the prior year's financial statements.

4.17.6. Diluted earnings per share

	Year 2024 VND	Year 2023 VND
Net profit after tax	9,250,938,640	9,539,623,542
Adjusted for distribution to bonus and welfare fund, executive bonus and remuneration for BODs, Supervisory Committee	3,237,828,524	3,338,868,239
Adjustments to increase/decrease profit after tax	-	-
Earnings for the purpose of calculating diluted earnings per share	6,013,110,116	6,200,755,303
Weighted average number of ordinary shares outstanding during the period	4,405,000	4,391,907
Number of common shares expected to be issued	-	-
Number of shares to calculate diluted earnings per share	4,405,000	4,391,907
Diluted earnings per share	1,365	1,412

Net profit after tax used to calculate diluted earnings per shares for 2024 has been deducted by the interim bonus and welfare fund according to the plan stated in the Resolution No. 03/NQ-HĐQT of the Board of Directors dated 19 April 2024 (the Board of Directors was authorized by the General Meeting of Shareholders to distribute net profit in accordance with the Company's Charter).

The Resolution of the 2024 Annual General Meeting of Shareholders No.150/NQ-ĐHĐCĐ dated 22 April 2024 approved the allocation of the 2023 welfare and reward fund in the same amount as the calculation made by the Company in 2023. As a result, the diluted earnings per shares for 2023 remain unchanged from those reported in the the prior year's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.17.7. Dividends

According to Resolution No. 01/NQ-HĐQT of the Board of Directors dated 23 February 2024, the Company made an interim cash dividend payment for 2023 totaling VND 4,845,500,000 (equivalent to 11% of charter capital), with the record date set for 18 March 2024. The dividend was paid on 02 May 2024.

According to the Resolution of the Annual General Meeting of Shareholders No.150/NQ-ĐHĐCĐ dated 22 April 2024, approved the 2023 dividend distribution plan at the same rate and amount as the interim payment mentioned above.

4.17.8. Corporate funds

	Development investment fund VND
As at 01 Jan. 2024	28,202,342,815
Additions	1,377,255,303
Utilisations	-
As at 31 Dec. 2024	29,579,598,118

4.18. Off balance sheet items

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Tri Duc Joint Stock Company – Written off due to uncollectible debt	744,354,571	744,354,571
Manufacturing Co., Ltd. – Written off due to uncollectible debt	393,407,855	393,407,855
Total	1,137,762,426	1,137,762,426

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

	Year 2024 VND	Year 2023 VND
Revenue from sales of textbooks and exercise books	419,305,794,869	388,913,016,549
Revenue from sales of reference books	20,907,206,785	36,040,816,150
Other revenue	26,603,939,689	28,855,552,965
Total	466,816,941,343	453,809,385,664
In which revenue from selling goods and rendering services to related parties – Refer to Note 7	144,110,744,877	147,065,213,709

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.2. Deductions

	Year 2024 VND	Year 2023 VND
Sales returns	2,733,335,810	5,965,191,266
Total	2,733,335,810	5,965,191,266

5.3. Cost of sales

	Year 2024 VND	Year 2023 VND
Cost of textbooks and exercise books sold	364,497,000,922	331,313,338,364
Cost of reference books sold	14,278,820,333	23,617,386,476
Cost of other operations sold	20,750,734,396	23,371,644,540
Provision / reversal for decline in value of inventories	(1,513,236,106)	720,625,107
Total	398,013,319,545	379,022,994,487

5.4. Finance income

	Year 2024 VND	Year 2023 VND
Deposit interest	41,506,360	254,148,512
Dividends, profits received	256,060,000	340,060,000
Payment discount, late payment penalty	4,477,769,991	5,660,731,615
Total	4,775,336,351	6,254,940,127

5.5. Financial expense

	Year 2024 VND	Year 2023 VND
Interest expense	804,209,962	1,065,014,038
Payment discount, interest on delayed payment sales	458,254,742	1,480,127,438
Total	1,262,464,704	2,545,141,476

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6. Selling expense

	Year 2024 VND	Year 2023 VND
Staff expenses	12,262,509,139	13,512,998,825
Depreciation expense	202,760,507	205,903,278
Service expense	18,870,059,393	16,778,903,840
Other expenses	7,251,847,849	6,321,632,920
Total	38,587,176,888	36,819,438,863

5.7. General and administrative expense

	Year 2024 VND	Year 2023 VND
Staff expenses	6,413,284,027	7,083,330,929
Raw materials, tools and instruments	504,176,066	449,558,976
Depreciation expense	582,821,390	575,014,973
Service expense	7,257,669,274	8,412,892,989
Other expenses	4,328,633,096	6,646,772,490
Provision for doubtful debts	23,012,562	63,107,996
Total	19,109,596,415	23,230,678,353

5.8. Other income

	Year 2024 VND	Year 2023 VND
Income from loading/unloading goods and processing	1,220,049,659	881,521,868
Income from surplus inventory adjustments and excess processing services	622,359,729	-
Income from liquidation of materials, goods, & equipmen	18,101,852	27,329,444
Income from transportation and storage support fees	-	1,653,140,236
Income from textbook price labeling	304,398,195	-
Other incomes	57,171,217	322,807,498
Total	2,222,080,652	2,884,799,046

In which: Other income from related parties
– Refer to Note 7

	700,768,709	1,916,955,560
--	-------------	---------------

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.9. Other expense

	Year 2024 VND	Year 2023 VND
Expenses for loading/unloading goods and processing	544,039,105	534,405,098
Tax arrears and penalties	20,770,612	163,663,591
Liquidation costs for materials, goods, & equipment	565,802,971	700,088,566
Expenses for transportation and storage support	-	611,246,768
Expenses for textbook price labeling	279,430,454	-
Other expenses	8,283,276	104,106,161
Total	1,418,326,418	2,113,510,184

5.10. Production and business costs by element

	Year 2024 VND	Year 2023 VND
Material expense	3,221,660,717	6,775,596,906
Employee expense	18,675,793,166	20,596,329,754
Depreciation expense	785,581,897	780,918,251
Service expense	21,656,056,271	29,631,150,433
Other expenses	8,237,236,419	9,111,244,980
Total	52,576,328,470	66,895,240,324

5.11. Current corporate income tax expense

	Year 2024 VND	Year 2023 VND
Accounting profit before tax for the period	12,690,138,566	13,252,170,208
Add: Adjustments according to CIT law	4,357,962,462	3,989,765,641
- Expenses not deductible for tax purposes	4,357,962,462	3,989,765,641
Less: Adjustments according to CIT law	256,060,000	340,060,000
- Dividend received	256,060,000	340,060,000
Total taxable income	16,792,041,028	16,901,875,849
Corporate income tax	20%	20%
Current corporate income tax expense	3,439,199,926	3,712,546,666

In which

CIT expenses are calculated on annual taxable income current	3,358,408,206	3,380,375,170
Adjust previous years' corporate income tax expenses to this year's current income tax expenses	80,791,720	332,171,496

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT

6.1. Cash receipts from loans in the year

	Year 2024 VND	Year 2023 VND
Cash receipts from loans under normal contracts	118,354,437,460	52,795,000,000
Total	118,354,437,460	52,795,000,000

6.2. Cash repayments of principal amounts borrowed

	Year 2024 VND	Year 2023 VND
Cash repayment of principal amounts under normal contracts	118,354,437,460	52,795,000,000
Total	118,354,437,460	52,795,000,000

7. RELATED PARTIES

List of related parties

Relationship

1. Vietnam Education Publishing House Limited Company	Investment company
2. Education Publishing House in Ho Chi Minh City	Unit under the Investment Company
3. Education Publishing House in Hanoi	Unit under the Investment Company
4. Education Publishing House in Da Nang	Unit under the Investment Company
5. Education Publishing House in Can Tho City	Unit under the Investment Company
6. Institute of Educational Books and Materials Research	Unit under the Investment Company
7. Binh Duong Educational book and Equipment Joint Stock Company	Associate Company
8. BR - VT Province School Book and Equipment Joint Stock Company	Associate Company
9. Quang Tri Book and School Equipment Joint - Stock Company	Same of the Investment Company
10. Cuu Long Books & Educational Equipment Joint Stock Company	Same of the Investment Company
11. Central Books and Educational Equipment Joint Stock Company	Same of the Investment Company
12. Ho Chi Minh City School Book and Equipment Joint Stock Company	Same of the Investment Company
13. Educational Technology High School Investment and Development Joint Stock Company	Same of the Investment Company
14. Educational Materials Joint Stock Company	Same of the Investment Company
15. Textbook Printing Joint Stock Company in Hanoi	Same of the Investment Company
16. Ethnic Books Joint Stock Company	Same of the Investment Company
17. Northern Educational Book and Equipment Joint Stock Company	Same of the Investment Company
18. Hanoi Educational Publishing Services Joint Stock Company	Same of the Investment Company
19. Phuong Nam Education Development and Investment Joint Stock Company	Same of the Investment Company
20. Da Nang Education Development and Investment Joint Stock Company	Same of the Investment Company

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

<u>List of related parties</u>	<u>Relationship</u>
21. Binh Dinh Book and Equipment Joint Stock Company	Same of the Investment Company
22. Hanoi Education Development and Investment Joint Stock Company	Same of the Investment Company
23. Binh Thuan Book and Equipment Joint Stock Company	Same of the Investment Company
24. Can Tho School Book and Equipment Joint Stock Company	Same of the Investment Company
25. IP Vietnam Investment Joint Stock Company	Same of the Investment Company
26. Da Nang Educational Publishing Services Joint Stock Company	Same of the Investment Company
27. Quang Nam School Book and Equipment Printing - Distribution Joint Stock Company	Same of the Investment Company
28. Fine Arts and Communication Joint Stock Company	Same of the Investment Company
29. Gia Dinh Educational Publishing Services Joint Stock Company	Same of the Investment Company
30. Textbook Printing Joint Stock Company in Ho Chi Minh City	Same of the Investment Company
31. Da Nang Printing and Services Joint Stock Company	Same of the Investment Company
32. Education Investment and Publishing Joint Stock Company	Same of the Investment Company
33. Educational Book Joint Stock Company in Da Nang City	Same of the Investment Company
34. Ben Tre Book and Equipment Joint Stock Company	Same of the Investment Company
35. Educational Book Joint Stock Company in Hanoi	Same of the Investment Company
36. University - Vocational Book Joint Stock Company	Same of the Investment Company
37. ECI Group Joint Stock Company	Same of the Investment Company
38. Thua Thien Hue School Book and Equipment Joint Stock Company	Same of the Investment Company
39. Ha Tay School Book and Equipment Joint Stock Company	Same of the Investment Company
40. Ho Chi Minh City Educational Book Joint Stock Company	Same of the Investment Company
41. Kon Tum School Book and Equipment Joint Stock Company	Same of the Investment Company
42. Dien Bien School Book and Equipment Joint Stock Company	Same of the Investment Company
43. Vinh Long School Book and Equipment Joint Stock Company	Same of the Investment Company
44. Ninh Thuan School Book and Equipment Joint Stock Company	Same of the Investment Company
45. Hoa Phat Textbook Printing Joint Stock Company	Same of the Investment Company
46. An Dong Education Joint Stock Company	Same of the Investment Company (indirect)
47. Da Nang Printing and Services Joint Stock Company	Same of the Investment Company (indirect)
48. Hong Ha Thanh Cong One Member Limited Liability Company	Same of the Investment Company (indirect)
49. Educational Translation and Dictionary Book Joint Stock Company	Same of the Investment Company (indirect)
50. Lang Son School Book and Equipment Joint Stock Company	Same of the Investment Company (indirect)
51. EBS Solar Vietnam Energy Joint Stock Company	Same of the Investment Company (indirect)
52. Vietnam Experiential Education Investment	Same of the Investment Company

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Joint Stock Company	(indirect)
53. ECI Educational Map and Picture Joint Stock Company	Same of the Investment Company (indirect)
54. Board of Directors and management	Key management personnel

At the end of the reporting year, the balances with related parties are as follows:

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Trade receivables		
Education Publishing House in Da Nang	-	61,874,999
BR - VT Province School Book and Equipment Joint Stock Company	1,980,973,689	1,607,189,678
Da Nang Education Development and Investment Joint Stock	126,021,050	53,046,860
Binh Thuan Book and Equipment Joint Stock Company	5,304,498,532	1,904,322,704
Ben Tre Book and Equipment Joint Stock Company	84,261,973	90,059,723
Vietnam Education Publishing House Limited Company	-	513,722,350
Hanoi Education Development and Investment Joint Stock Company	19,590,840	-
Educational Materials Joint Stock Company	274,400	-
Total - Refer to Note 4.2	7,515,620,484	4,230,216,314
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Advances to suppliers		
Education Publishing House in Ho Chi Minh City	-	5,483,960,413
Northern Educational Book and Equipment Joint Stock Company	-	243,626,521
ECI Group Joint Stock Company	-	124,280,000
Total - Refer to Note 4.3	-	5,851,866,934
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Other receivables		
Vietnam Education Publishing House Limited Company	14,814,913,266	15,844,986,700
Total - Refer to Note 4.5	14,814,913,266	15,844,986,700

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Trade payables		
Vietnam Education Publishing House Limited Company	43,249,091	-
Education Publishing House in Ho Chi Minh City	5,292,929,554	-
Ho Chi Minh City School Book and Equipment Joint Stock Company	530,095,569	343,000,990
Northern Educational Book and Equipment Joint Stock Company	869,657,690	-
Hanoi Educational Publishing Services Joint Stock Company	-	349,901,376
Cuu Long Educational Book and Equipment Joint Stock Company	292,675,386	1,083,600
Phuong Nam Education Development and Investment Joint Stock	2,769,899,952	1,206,008,687
Hanoi Education Development and Investment Joint Stock Company	-	308,995,491
Gia Dinh Educational Publishing Services Joint Stock Company	133,801,040	-
Education Investment and Publishing Joint Stock Company	305,966,084	-
Educational Book Joint Stock Company in Da Nang City	438,714,600	-
Educational Materials Joint Stock Company	-	112,657,213
Educational Technology High School Investment and Development Joint Stock Company	224,800	-
Total - Refer to Note 4.11	10,677,213,766	2,321,647,357

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Other payables		
Education Publishing House in Ho Chi Minh City	41,743,330	-
Educational Book Joint Stock Company in Da Nang City	32,475,000	-
Total - Refer to Note 4.16	74,218,330	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the reporting year, the Company has had related party transactions as follows:

	Year 2024 VND	Year 2023 VND
Purchase of goods:		
Vietnam Education Publishing House Limited Company	534,308,898	651,653,839
Education Publishing House in Ho Chi Minh City	366,249,456,776	353,078,447,958
BR - VT Province School Book and Equipment Joint Stock Company	2,250,229,159	128,968,022
Binh Duong Educational book and Equipment Joint Stock Company	-	113,750,000
Cuu Long Educational Book and Equipment Joint Stock Company	3,875,712,185	379,544,270
Central Educational Book and Equipment Joint Stock Company	15,295,000	18,160,130
Ho Chi Minh City School Book and Equipment Joint Stock Company	12,435,218,374	11,694,292,321
Binh Thuan Book and Equipment Joint Stock Company	3,866,326,298	61,002,709
Educational Materials Joint Stock Company	345,239,316	816,513,450
Northern Educational Book and Equipment Joint Stock Company	4,112,232,545	1,789,305,396
Hanoi Educational Publishing Services Joint Stock Company	-	897,624,929
Phuong Nam Education Development and Investment Joint Stock Company	4,742,841,458	5,474,338,036
Da Nang Education Development and Investment Joint Stock Company	520,692,228	31,500,000
Hanoi Education Development and Investment Joint Stock Company	850,431,837	2,759,052,503
Da Nang Educational Publishing Services Joint Stock Company	43,575,000	213,472,012
Fine Arts and Communication Joint Stock Company	18,658,095	57,392,524
Gia Dinh Educational Publishing Services Joint Stock Company	1,732,670,778	1,750,821,940
Textbook Printing Joint Stock Company in Ho Chi Minh City	-	272,512,820
Education Investment and Publishing Joint Stock Company	1,196,554,860	2,093,638,120
Educational Book Joint Stock Company in Da Nang City	1,631,942,560	576,051,190
University - Vocational Book Joint Stock Company	-	964,257,250
Educational Technology High School Investment and Development Joint Stock Company	1,424,224,800	311,580,000
Ben Tre Book and Equipment Joint Stock Company	720,000	-
ECI Group Joint Stock Company	163,680,000	534,780,000
Total	406,010,010,167	384,668,659,419

SOUTH BOOKS AND EDUCATIONAL EQUIPMENT JOINT STOCK COMPANY

Address: 231 Nguyen Van Cu, Ward 04, District 5, Ho Chi Minh City, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Year 2024 VND	Year 2023 VND
Sale of goods		
Vietnam Education Publishing House Limited Company	2,065,776,291	2,189,135,986
Education Publishing House in Ho Chi Minh City	44,078,753,602	12,361,587,507
Education Publishing House in Da Nang	37,609,600	57,291,666
Binh Duong Educational book and Equipment Joint Stock Company	38,102,686	3,791,889,010
BR - VT Province School Book and Equipment Joint Stock Company	47,790,713,792	51,737,319,421
Cuu Long Educational Book and Equipment Joint Stock Company	771,306,284	520,506,760
Central Educational Book and Equipment Joint Stock Company	17,992,704	556,662,623
Ho Chi Minh City School Book and Equipment Joint Stock Company	133,927,204	19,362,641,999
Educational Materials Joint Stock Company	4,895,739	49,998,700
Northern Educational Book and Equipment Joint Stock Company	212,471,170	594,062,180
Hanoi Educational Publishing Services Joint Stock Company	10,126,600	-
Phuong Nam Education Development and Investment Joint Stock Company	464,824,649	982,203,984
Da Nang Education Development and Investment Joint Stock Company	748,811,680	56,546,860
Hanoi Education Development and Investment Joint Stock Company	53,338,058	926,629,130
Binh Thuan Book and Equipment Joint Stock Company	47,269,835,302	49,166,033,693
Can Tho School Book and Equipment Joint Stock Company	36,482,300	151,414,690
Educational Book Joint Stock Company in Da Nang City	77,976,180	71,944,846
Gia Dinh Educational Publishing Services Joint Stock Company	-	74,163,600
Textbook Printing Joint Stock Company in Ho Chi Minh City	153,031	-
Education Investment and Publishing Joint Stock Company	62,279,259	-
Ben Tre Book and Equipment Joint Stock Company	235,368,746	4,415,181,054
Total - Refer to Note 5.1	144,110,744,877	147,065,213,709
	Year 2024 VND	Year 2023 VND
Other income		
Education Publishing House in Ho Chi Minh City	607,687,171	1,854,381,849
Textbook Printing Joint Stock Company in Ho Chi Minh City	93,081,538	62,573,711
Total - Refer to Note 5.8	700,768,709	1,916,955,560
	Year 2024 VND	Year 2023 VND
Dividend payment		
Vietnam Education Publishing House Limited Company	2,574,000,000	2,574,000,000
Da Nang Education Development and Investment Joint Stock	110,000,000	110,000,000
Educational Materials Joint Stock Company	115,500,000	115,500,000
Total	2,799,500,000	2,799,500,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Year 2024 VND	Year 2023 VND
Receive dividends		
BR - VT Province School Book and Equipment Joint Stock Company	115,500,000	172,060,000
Binh Duong Educational book and Equipment Joint Stock Company	84,000,000	168,000,000
Total	199,500,000	340,060,000

	Year 2024 VND	Year 2023 VND
Return purchased goods		
Education Publishing House in Ho Chi Minh City	9,123,706,980	19,181,400,970
Ho Chi Minh City School Book and Equipment Joint Stock Company	-	22,580,949
Northern Educational Book and Equipment Joint Stock Company	478,904,880	250,309,200
Phuong Nam Education Development and Investment Joint Stock	-	59,491,200
Education Investment and Publishing Joint Stock Company	-	41,476,760
Educational Book Joint Stock Company in Da Nang City	59,651,780	1,602,000
Total	9,662,263,640	19,556,861,079

	Year 2024 VND	Year 2023 VND
Education Investment and Publishing Joint Stock Company		
Loan	3,000,000,000	3,000,000,000
Loan repayment	3,000,000,000	5,000,000,000
Loan interest	23,667,777	97,638,889

Remunerations of the Board of Directors and the Supervisory Committee:

Name	Position	Year 2024 VND	Year 2023 VND
Ms. Phung Ngoc Hong	Chairman of the BODs	80,000,000	88,111,111
Mr. Nguyen Thanh Anh	Member of the BODs	66,666,668	73,888,889
Ms. Do Thi Mai Anh	Member of the BODs	66,666,668	75,000,000
Mr. Tran Le Quang	Member of the BODs	66,666,668	73,888,889
Mr. Vu Ba Hoa	Member of the BODs	53,333,332	57,555,555
Mr. Nguyen Thanh Huu	Head of Supervisory Committee	40,000,000	42,555,556
Ms. Mac Thi Hong Minh	Member of Supervisory Committee	20,000,000	21,333,333
Mr. Pham Duy Khanh	Member of Supervisory Committee	20,000,000	21,333,333

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Salaries of the Board of Directors and other key personels:

Name	Position	Year 2024 VND	Year 2023 VND
Ms. Do Thi Mai Anh	General Director	504,707,757	717,431,000
Mr. Pham Canh Toan	Deputy General Director	467,477,417	620,967,992
Mr. Tran Le Quang	Deputy General Director	441,140,868	606,721,000
Ms. Nguyen Mai Hoa	Chief Accountant	438,519,865	579,037,431

8. COMMITMENT UNDER OPERATING LEASES

The Company leased land at Lot A5-3, Zone A5, N2 Street, Tan Phu Trung Industrial Park, Cu Chi District, Ho Chi Minh City under Land Lease Contract No. 238/HĐTĐ/SCD-2019 dated 16 October 2019, and Appendix No. 238/PLHĐTĐ/SCD-2019 dated 16 October 2019, with Saigon Northwest Urban Development Joint Stock Company (SCD). The specific details are as follows:

- **Leased area:** 5,000 m²;
- **Leased term:** From the contract signing date of 16 October 2019 to 16 December 2054;
- **Leased purpose:** Warehouse construction;
- **Land sublease fee:** Calculated from the date of land transfer. Rental unit price: Based on the price announced by the competent state authority;
- **Annual maintenance fee:** Maintenance fee calculation starts after a 12-month exemption from the date of receiving the land plot and completed N2 road. Payment method: Annually. Maintenance unit price: VND 12,500/m²/year (excluding VAT). This price is reviewed every three years, with an increase cap of no more than 15% of the previous rate

The company leases warehouses and business premises under operating lease agreements with terms ranging from 1 to 3 years and makes annual payments.

	Year 2024 VND	Year 2023 VND
Payments under operating leases recognised as an expense in the year	3,308,256,085	3,052,660,176
Total	3,308,256,085	3,052,660,176

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. EVENTS AFTER THE END OF THE REPORTING YEAR

The Board of Directors approved the plan for an interim cash dividend payment for 2024 according to Resolution No. 01b/NQ-HĐQT dated 21 February 2025, at a rate of 11% of charter capital. The record date is 17 March 2025, and the payment date for the 2024 interim dividend is 5 May 2025.

Additionally, There were no significant events arising after the end of the reporting year to the date of the financial statements.



Do Thị Mai Anh
General Director
Ho Chi Minh City, 05 March 2025

Nguyen Mai Hoa
Chief Accountant

Huynh Thi My Duyen
Preparer