

PETROLEUM MECHANICAL JOINT STOCK COMPANY

AUDITED SEPARATE FINANCIAL STATEMENTS

For the year ended 31/12/2024

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PETROLEUM MECHANICAL JOINT STOCK COMPANY

No. 446 No Trang Long, Ward 13, Binh Thanh District, Ho Chi Minh City

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Petroleum Mechanical Joint Stock Company presents this Report together with the audited separate financial statements for the fiscal year ended December 31st, 2024.

THE COMPANY

Petroleum Mechanical Joint Stock Company (hereinafter referred to as "the Company") was established and operated under the Business Registration Certificate No. 0301838116 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on October 21st, 1999, changed several times and the 12th change on July 3rd, 2020.

The Company's charter capital according to the 12th amended Business Registration Certificate dated July 3rd, 2020 is: VND 72,276,620,000 (*In words: Seventy-two billion, two hundred and seventy-six million, six hundred and twenty thousand Dong*).

The Company's shares are listed on the HNX with the code PMS.

Company Head Office: No. 446 No Trang Long, Ward 13, Binh Thanh District, Ho Chi Minh City.

BOARDS OF MANAGEMENT, SUPERVISORS AND DIRECTORS

Members of Boards of Management, Supervisors and Directors who held the Company during the year and at the date of this report are as follows:

Board of Management

Mr. Dinh Viet Hoang	Chairman
Mr. Doan Dac Hoc	Member
Mr. Ho Tri Luong	Member
Mr. Nguyen Quang Kien	Member
Mr. Nguyen Duy Hai	Member

Board of Supervisors

Ms. Nguyen Thi Hue	Head of Board
Mr. Le Duc Loi	Member
Mr. Vo Thanh Tung	Member

Board of Directors

Mr. Doan Dac Hoc	Director
Mr. Ho Tri Luong	Deputy Director
Mr. Nguyen Duy Hai	Deputy Director
Mr. Nguyen Hong Kiem	Deputy Director

SUBSEQUENT EVENTS

According to the Board of Directors, in all material respects, there have been no other significant events occurring after the balance sheet date, affecting the financial position and operation of the Company which would require adjustments to or disclosures to be made in the financial statements for the year ended 31st December 2024.



STATEMENT OF BOARD OF DIRECTORS (Continued)

AUDITORS

The Company's financial statements for the year ended 31st December 2024 have been audited by CPA VIETNAM Auditing Company limited - A Member Firm of INPACT.


THE BOARD OF DIRECTORS' RESPONSIBILITY

The Company's Board of Directors is responsible for preparing the separate financial statements, which give a true and fair view of the separate financial position of the Company as at 31/12/2024 as well as of its separate income and separate cash flows statements for the year then ended, complying with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant regulations in preparation and disclosure of financial statements. In preparing these financial statements, the Board of Directors is required to:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- State clearly whether the Accounting Standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Separate Financial Statements;
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the Separate Financial Statements are free from material misstatements due to frauds or errors;
- Prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the separate financial position of the Company and to ensure that the separate financial statements comply with Vietnamese Standards on Accounting, Vietnamese Accounting System and relevant legal regulations in preparation and presentation of the separate financial statements. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of Directors, 



Doan Duc Hoc

Director

Ho Chi Minh City, 06 March 2025

Head Office in Hanoi:

8th floor, VG Building, No. 235 Nguyen Trai Str.,
Thanh Xuan Dist., Hanoi, Vietnam

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No: 110/2025/BCKT-CPA VIETNAM-NV2

INDEPENDENT AUDITORS' REPORT

**To: Shareholders
Boards of Management, Supervisors and Directors
Petroleum Mechanical Joint Stock Company**

We have audited the accompanying separate financial statements of Petroleum Mechanical Joint Stock Company as set out on pages 05 to page 34, prepared on 06 March 2025, including the Separate Balance sheet as at 31/12/2024, and the Separate Income Statement, and Separate Cash flows Statement for the year then ended, and Notes to the separate financial statements.

Responsibility of the Board of Directors

The Company's Board of Directors is responsible for the true and fair preparation and presentation of these separate financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for the internal control as the Board of Directors determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These Standards require us to comply with the Standards and codes of ethics, to plan and perform the audit to obtain reasonable assurance as to whether the Company's separate financial statements are there any significant errors or not.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement in the separate financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design appropriate audit procedures to the actual situation, which is not intended to give an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion of Auditors

In our opinion, the accompanying separate financial statements gives a true and fair view of, in all material respects, the separate financial position of the Company as at 31st December 2024 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of the separate financial statements in Vietnam.



Nguyen Thi Mai Hoa

Deputy General Director

Certificate of registration of auditing practice

No.2326-2023-137-1

Authorised paper No: 08/2024/UQ-CPA VIETNAM 02/01/2024 of the Chairman of the Board of Directors

For and on behalf of

CPA VIETNAM AUDITING COMPANY LIMITED

A member firm of INPACT

Ha Noi, 06 March 2025

Nguyen Thi Tien

Auditor

Certificate of registration of auditing practice

No.5276-2021-137-1



SEPARATE BALANCE SHEET

As at 31st December 2024

ASSETS	Code	Note	31/12/2024	01/01/2024
			VND	VND
A - CURRENT ASSETS	100		71,672,180,751	146,182,636,546
(100 = 110+120+130+140+150)				
I. Cash and cash equivalents	110	5.1	13,124,519,373	24,720,332,962
1. Cash	111		9,344,519,373	24,720,332,962
2. Cash equivalents	112		3,780,000,000	-
III. Short-term receivables	130		45,971,932,587	105,532,908,202
1. Short-term receivables from customers	131	5.2	25,566,777,582	98,103,573,754
2. Short-term repayments to suppliers	132	5.3	5,424,043,991	1,531,441,363
6. Other short-term receivables	136	5.4	14,981,111,014	5,897,893,085
IV. Inventories	140		12,029,528,473	15,592,630,435
1. Inventories	141	5.5	12,029,528,473	15,592,630,435
V. Other current assets	150		546,200,318	336,764,947
1. Short-term prepaid expenses	151	5.6	-	168,223,153
2. Deductible value added tax	152		353,216,133	7,396,549
3. Taxes and other receivables from government budget	153	5.12	192,984,185	161,145,245
B - NON-CURRENT ASSETS	200		125,028,938,320	121,197,172,739
(200 = 210+220+230+240+250+260)				
I. Long-term receivables	210		565,000,000	465,000,000
6. Other long-term receivables	216	5.4	565,000,000	465,000,000
II. Fixed assets	220		17,382,002,059	20,277,525,222
1. Tangible fixed assets	221	5.7	16,169,527,401	19,018,526,816
- Historical costs	222		101,138,657,054	98,724,921,926
- Accumulated depreciation	223		(84,969,129,653)	(79,706,395,110)
3. Intangible fixed assets	227	5.8	1,212,474,658	1,258,998,406
- Historical costs	228		2,080,950,110	2,080,950,110
- Accumulated amortization	229		(868,475,452)	(821,951,704)
V. Long-term investments	250	5.9	100,037,210,441	100,037,210,441
1. Investments in subsidiaries	251		89,000,000,000	89,000,000,000
2. Investments in joint ventures and associates	252		11,037,210,441	11,037,210,441
3. Investments in equity of other entities	253		355,000,000	355,000,000
4. Allowances for long-term investments	254		(355,000,000)	(355,000,000)
VI. Other long-term assets	260		7,044,725,820	417,437,076
1. Long-term prepaid expenses	261	5.6	7,044,725,820	417,437,076
TOTAL ASSETS (270 = 100+200)	270		196,701,119,071	267,379,809,285

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SEPARATE BALANCE SHEET (Continued)
As at 31st December 2024

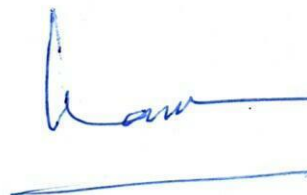
RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
C- LIABILITIES (300 = 310+330)	300		53,327,690,290	129,340,521,874
I. Short-term liabilities	310		50,606,044,290	126,259,521,874
1. Short-term trade payables	311	5.10	20,634,676,536	69,638,000,637
2. Short-term prepayments from customers	312	5.11	769,632,779	4,340,699,362
3. Taxes and other payables to Government budget	313	5.12	67,257,096	1,274,696,592
4. Payables to employees	314		3,148,859,981	3,415,165,640
5. Short-term accrued expenses	315	5.13	441,431,119	8,288,761,923
9. Other short-term payables	319	5.14	13,301,450,211	14,412,467,348
10. Short-term borrowings and finance lease liabilities	320	5.15	11,600,000,000	24,500,000,000
12. Bonus and welfare fund	322		642,736,568	389,730,372
II. Long-term liabilities	330		2,721,646,000	3,081,000,000
7. Other long-term payables	337	5.14	1,291,000,000	1,631,000,000
12. Long-term provisions	342		1,430,646,000	1,450,000,000
D- OWNERS' EQUITY (400 = 410+430)	400		143,373,428,781	138,039,287,411
I- Owners' equity	410	5.16	143,373,428,781	138,039,287,411
1. Contributed capital	411		72,276,620,000	72,276,620,000
- Ordinary shares with voting rights	411a		72,276,620,000	72,276,620,000
2. Capital surplus	412		25,425,165,374	25,425,165,374
4. Treasury shares	415		(343,472,600)	(343,472,600)
7. Development and investment funds	418		40,673,334,997	40,673,334,997
10. Undistributed profit after tax	421		5,341,781,010	7,639,640
- Undistributed profit after tax brought forward	421a		-	(19,916,436,167)
- Undistributed profit after tax for the current year	421b		5,341,781,010	19,924,075,807
TOTAL RESOURCES (440 = 300+400)	440		196,701,119,071	267,379,809,285

Preparer



Do Thi Hong Hanh

Chief Accountant



Tran Van Phuc

Ho Chi Minh City, 06 March 2025



Doan Duc Hoc

SEPARATE INCOME STATEMENT
For the year ended 31st December 2024

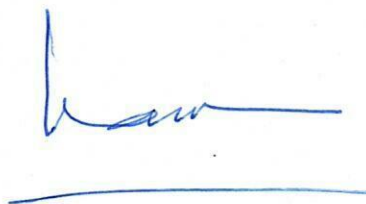
ITEMS	Code	Note	In 2024	In 2023
			VND	VND
1. Revenues from sales and services rendered	01	6.1	773,480,634,508	925,774,921,852
2. Revenue deductions	02		-	-
3. Net revenues from sales and services rendered (10 = 01-02)	10	6.1	773,480,634,508	925,774,921,852
4. Cost of goods sold	11	6.2	747,840,977,764	894,604,940,972
5. Gross revenues from sales and services rendered (20 = 10-11)	20		25,639,656,744	31,169,980,880
6. Financial income	21	6.3	39,372,123,745	20,054,844,799
7. Financial expenses	22	6.4	913,566,272	172,317,783
<i>In which: Interest expenses</i>	23		879,031,153	132,904,106
8. Selling expenses	25		15,155,501,835	11,768,476,931
9. General administrative expenses	26	6.5	14,579,800,851	17,016,479,536
10. Net profit from operating activities {30 = 20+(21-22)+24-(25+26)}	30		34,362,911,531	22,267,551,429
11. Other income	31	6.6	270,002	24,814,007
12. Other expenses	32	6.6	322,330,856	2
13. Others profits (40 = 31-32)	40	6.6	(322,060,854)	24,814,005
14. Total net profit before tax (50 = 30+40)	50		34,040,850,677	22,292,365,434
15. Current corporate income tax expenses	51	6.7	338,172,715	632,636,293
16. Deferred corporate income tax expenses	52		-	-
17. Profit after corporation income tax (60 = 50-51-52)	60		33,702,677,962	21,659,729,141

Preparer



Do Thi Hong Hanh

Chief Accountant



Tran Van Phuc

Ho Chi Minh City, 06 March 2025

Director



Doan Duc Hoc

SEPARATE CASH FLOW STATEMENT
(Indirect method)

For the year ended 31st December 2024

ITEMS	Code	Note	In 2024	In 2023
			VND	VND
I. Cash flows from operating activities				
1. Profit before tax	01		34,040,850,677	22,292,365,434
2. Adjustments for				
- Depreciation of fixed assets and investment properties	02		6,103,507,989	7,613,435,341
- Provisions	03		(19,354,000)	1,489,413,677
- Gains (losses) unrealized exchange rate difference	04		(166,330,923)	(3,475,833)
- Gains (losses) on investing activities	05		(38,972,311,622)	(19,959,662,035)
- Interest expenses	06		879,031,153	132,904,106
3. Operating profit before changes in working capital	08		1,865,393,274	11,564,980,690
- Increase (decrease) receivables	09		59,083,317,091	(86,709,653,671)
- Increase (decrease) inventories	10		3,563,101,962	(11,917,307,865)
- Increase (decrease) accounts payable	11		(49,904,353,157)	67,602,798,715
- Increase (decrease) prepaid expenses	12		(6,459,065,591)	(269,059,290)
- Interest paid	14		(879,031,153)	(103,753,425)
- Enterprise income tax paid	15		(719,709,235)	(292,555,259)
- Other expenses from business activities	17		(3,121,319,392)	(2,635,448,334)
Net cash flows from operating activities	20		3,428,333,799	(22,759,998,439)
II. Cash flows from investing activities				
1. Payment for purchase and construction of fixed assets and long-term assets	21		(3,207,984,826)	(44,272,727)
2. Proceeds from disposal or transfer of fixed assets and other long-term assets	22		-	24,155,679
7. Proceeds from interests, dividends and distributed profits	27		24,175,546,379	25,159,013,746
Net cash flows from investing activities	30		20,967,561,553	25,138,896,698
III. Cash flows from financial activities				
3. Proceeds from borrowings	33		62,058,320,500	24,500,000,000
4. Repayment of principal	34		(74,958,320,500)	-
6. Dividends and profits paid to owners	36		(23,092,682,137)	(19,570,903,934)
Net cash flows from financial activities	40		(35,992,682,137)	4,929,096,066
Net cash flows during the fiscal year (50 = 20+30+40)	50		(11,596,786,785)	7,307,994,325
Cash and cash equivalents at the beginning of the fiscal year	60		24,720,332,962	17,408,862,804
Effect of exchange rate fluctuations	61		973,196	3,475,833
Cash and cash equivalents at the end of the fiscal year (70 = 50+60+61)	70	5.1	13,124,519,373	24,720,332,962

Preparer



Do Thi Hong Hanh

Chief Accountant



Tran Van Phuc

Ho Chi Minh City, 06 March 2025



Doan Duc Hoc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2024

1. COMPANY INFORMATION

1.1. Structure of ownership

Petroleum Mechanical Joint Stock Company was established and operates under Business Registration Certificate No. 0301838116 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on October 21st, 1999, changed several times and the 12th change on July 3rd, 2020.

The Company's charter capital according to the 12th amended Business Registration Certificate dated July 3rd, 2020 is: VND 72,276,620,000 (In words: Seventy-two billion, two hundred and seventy-six million, six hundred and twenty thousand Dong).

The Company's shares are listed on the HNX with the code PMS.

Company Head Office: No. 446 No Trang Long, Ward 13, Binh Thanh District, Ho Chi Minh City.

Number of employees as of December 31st, 2024 is 59 people (Number of employees as of December 31st, 2023 is 74 people).

1.2. Operating industries and principal activities

- Manufacturing and trading of packaging machinery. Building and repairing tanks;
 - Wholesale of fire prevention and fighting equipment; rescue and life-saving equipment. Trading of petroleum materials and equipment. Trading of packaging machinery. Wholesale of fire prevention and fighting equipment; rescue and life-saving equipment;
 - Refurbishing of specialized vehicles. Repairing of all types of tank trucks. Maintenance and repair of automobiles and motor vehicles;
 - Trading of petroleum transportation by road. Trading of goods transportation by automobile;
 - Building and repairing ships, barges and other mechanical products;
 - Construction and installation of wastewater treatment systems;
 - Buying and selling petroleum. Retailing of petroleum;
 - Construction and installation of pressure pipeline systems, fire prevention and fighting systems;
 - Investing in construction and leasing of infrastructure for industrial parks and commercial centers;
- Main activities of the Company in the year: Trading petroleum and constructing and installing brand identity.

1.3 Normal operating cycle

The Company's normal business production cycle is 12 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

1.4 The Company structure

As at 31/12/2024, The Company has Subsidiaries, Associate Companies and affiliated units as follows:

<u>Subsidiary</u>	<u>Address</u>	<u>Main activities</u>	<u>Capital Contribution Ratio</u>	<u>Voting Ratio</u>	<u>Rate of Benefit</u>
Dong Nai Petroleum Mechanical Company Limited	Lot 108-109-110, Nhon Trach Textile Industrial Park, Hiep Phuoc Commune, Nhon Trach District, Dong Nai Province	Manufacturing and trading mechanical packaging. Building and repairing tanks...	100%	100%	100%
<u>Associate</u>					
P.M.G Gas Mechanical Company Limited	Warehouse B, Nha Be Petroleum Depot, Nha Be Town, Nha Be District, Ho Chi Minh City.	Manufacturing and trading of industrial materials and equipment for gas, gasoline, oil, etc.	49%	49%	49%

As of December 31, 2024, the Company has the following affiliated units operating in petroleum business:

<u>Unit</u>	<u>Address</u>
<u>Independent accounting</u>	
Tan Binh Petroleum Retail Store – Branch of Petroleum Mechanical Joint Stock Company	Le Hong Phong, Tan Phuoc quarter, Tan Binh ward, Di An city, Binh Duong province
<u>Dependent accounting</u>	
Gas station 982	982 Truong Son, Linh Trung ward, Thu Duc city, Ho Chi Minh city

1.5 Statement of information comparability on the separate financial statements

The Company ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22nd December 2014 and Circular No. 53/2016/TT-BTC on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22nd, 2014 issued by the Ministry of Finance. Therefore, the information and figures presented in the separate financial statements are comparable.

2. FISCAL YEAR AND ACCOUNTING CURRENCY

Fiscal year

The Company's fiscal year applicable for the preparation of its financial statements starts on 1st January and ends on 31st December of solar year.

Accounting currency

The accompanying separate financial statements are expressed in Vietnam Dong (VND).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

3. ACCOUNTING STANDARDS AND SYSTEM

Accounting System

The Company applied to Vietnamese Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22nd December 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT- BTC dated March 21st, 2016 amending and supplementing a number of articles of Circular 200/2014/TT- BTC dated December 22nd, 2014.

Statements for the compliance with Accounting Standards and System

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued to guide the preparation and presentation of the Separate Financial Statements for the fiscal year ended December 31st, 2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the main accounting policies applied by the Company in preparing separate financial statements:

Basis of preparation of the separate financial statements

The attached separate financial statements for the fiscal year ended December 31st, 2024 are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and legal regulations relevant to the preparation and presentation of separate financial statements.

The accompanying separate financial statements are the Company's ones, therefore, they do not include the financial statements of subsidiaries. Users of the separate financial statements should read them together with the Company's consolidated financial statements for the year ended 31st December, 2024 to obtain full information of the Company's financial position as well as the results of operations and cash flows during the year.

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

Accounting estimates

The preparation of the financial statements in conformity with Vietnamese Accounting Standards requires the Board of Directors to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

Foreign exchange rates applied in accounting

Transactions in currencies other than VND during the year are translated into VND at the actual exchange rate on the transaction date.

Assets and liabilities denominated in currencies other than VND are translated into VND at the buying transfer rate and selling transfer rate, respectively, of the commercial bank where the Company most frequently conducts transactions at the end of the accounting period.

All exchange differences are recognized in the income statement.

Cash and cash equivalents

Cash comprises cash on hand, bank deposits.

Cash equivalents comprise short-term deposits and highly liquid investments with an original maturity of less than 3 months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial investments

Investments in subsidiaries, associates and other investments

Investments in Subsidiaries: Investments in Subsidiaries over which the Company has control are presented under the cost method in the separate Financial Statements.

Distributions from the accumulated profits of the Subsidiaries received by the Company subsequent to the date on which the Company gains control are recognized in the Company's income statement for the year. Other distributions are considered as a return on investments and are deducted from the investment value.

Investments in Associates: Investments in Associates over which the Company has significant influence are accounted for using the cost method in the separate financial statements.

Distributions from the accumulated profits of an associate after the date of acquisition are recognised in the Company's income statement. Other distributions are considered as a return on investment and are deducted from the investment value.

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

Allowance for loss of investments

Allowance for losses of investments in subsidiaries, contributions to joint ventures, investments in associates and investments in equity instruments of other entities is made when there is apparent evidence for impairment in value of the investments as at the balance sheet date.

Receivables

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy or similar difficulties.

Inventories

Inventories are stated at cost. Where the net realizable value is lower than the cost, the net realizable value is used.

Cost of inventories includes direct materials, direct labor and those overheads, if any, that have been incurred in bringing the inventories to their present location and condition.

Net realizable value is determined as the estimated selling price less the estimated costs of completing the product and the costs to be incurred in marketing, selling and distribution.

Inventories are accounted for using the perpetual inventory method and inventory value is calculated for tanker trucks using the actual identification method, and for petroleum and other materials using the first-in, first-out method.

The Company's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the history cost of inventories.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and Depreciation

Tangible fixed assets are stated at history cost less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings, structures	05 - 25
Machinery and equipment	06 - 10
Motor vehicles	06 - 08
Office equipment	04 - 06

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Intangible fixed assets and Amortization

Intangible fixed assets represent computer software and are stated at cost less accumulated amortization.

The original cost of intangible fixed assets is all costs that the Company must spend to acquire intangible fixed assets up to the time the asset is put into a state of readiness for use.

Computer software is amortized using the straight-line method over its estimated useful life of 03 years.

Land use right is a plot of land with an area of 3,000.5 m² in Tan Binh ward, Di An town, Binh Duong province with a term of use until October 5th, 2055.

business cooperation contracts (BCC)

The company is the recipient of capital contribution

Cash and assets contributed as capital under the BCC contract are recorded as a payable on the annual financial statements.

Recognition of revenue and expenses under BCC: Recognition of revenue in multiple periods until the end of the business cooperation period as stipulated in the contract.

Prepaid expenses

Prepaid expenses include actual expenses that have been incurred but are related to the business performance of many accounting periods. The Company's prepaid expenses include tooling costs, insurance costs, asset repair costs and other costs.

Tools and equipment that have been put into use are allocated to expenses using the straight-line method over a period not exceeding 36 months.

Asset repair costs and other one-time costs with large values are allocated to expenses using the straight-line method over a period not exceeding 36 months.

Land rental costs are recorded as prepaid expenses and allocated over a period equal to the lease term.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payables

The account payables are monitored in details by payable terms, payable parties, original currency and other factors depending on the Company's management requirement.

The account payables include payables as trade payables, loans payable, intercompany payable and other payables which are determined almost certainly about the recorded value and term, which is not carried less than amount to be paid. They are classified as follows:

- Trade payables: includes commercial payables arising from the purchase of goods, services and assets between the Company and the seller (independent entity with the Company, including amounts payable between the Company and its subsidiaries, associates).
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

Loans

Includes loans, excluding loans in the form of bonds or preferred stock issues with a provision requiring the issuer to repurchase them at a specified time in the future.

The company tracks loans in detail by debtor and classifies short-term and long-term loans according to repayment period.

Costs directly attributable to borrowing are recognised in financial expenses, except for costs incurred on borrowings for the purpose of investment, construction or production of qualifying assets which are capitalised in accordance with the Accounting Standard Borrowing Costs.

Recognition and capitalization of Borrowing costs

All other borrowing costs are recognised in the Income statement when incurring, except for the borrowing cost capitalized under Vietnamese Accounting Standards "Borrowing cost".

Accrued expenses

Actual expenses not yet paid but deducted in advance from production and business expenses during the year to ensure that when actual expenses arise, they do not cause sudden changes in production and business expenses on the basis of ensuring the principle of matching between revenue and expenses.

The Company records accrued expenses according to the following main expense contents:

- Advance construction costs according to volume acceptance records.
- Other costs: Advance deduction according to the estimated documents based on the contract and completed work volume.

Principles and methods of recording provisions for payables

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the annual or interim reporting period.

Only expenses related to the originally established provision for payables are offset against that provision for payables.

The difference between the unused provision established in the previous accounting period and the provision established in the reporting period is reversed and recorded as a reduction in production and business expenses in the period, except for the larger difference of the provision for construction warranty payable which is reversed and recorded as other income in the period.

The Company's provision payable is the Brand Identity Construction Warranty Expense.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Owners' equity

Capital is recorded according to the actual amounts invested by owner.

Capital surplus is recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue, or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares.

Treasury shares are shares issued by the Company and subsequently repurchased. Treasury shares are recorded at their actual value and presented on the separate Balance Sheet as a reduction in equity.

Dividends are recorded as liabilities on the Company's separate Balance Sheet after the General Meeting of Shareholders decides and according to the Dividend Notice of the Company's Board of Directors..

Profit after corporate income tax is distributed to shareholders after setting aside funds according to the Company's Charter as well as legal regulations and approved by the General Meeting of Shareholders.

Revenue and other income

The Company's revenue includes revenue from sales of goods, revenue from provision of services and revenue from construction contracts.

Revenue from sale of goods

Revenue from sale of goods shall be recognized when it satisfies all the five (5) conditions below:

- (a) The Company has transferred to the buyer the significant risks and reward of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) Costs related to transactions can be determined.

Revenue from services

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

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) Identify the completed work as at the balance sheet date; and
- (d) Determine the costs incurred for the transaction as well as the cost to complete the transaction to provide that service.

Construction contract

When the outcome of a contract can be estimated reliably:

For construction contracts that stipulate that contractors are paid based on the value of completed work, revenue and costs related to the contract are recorded in proportion to the completed work confirmed by the customer and reflected on the issued invoices.

Increases and decreases in construction volume, compensation and other revenues are only recorded as revenue when agreed with customers.

Revenue from interest, dividends and profits distributed and other income

Revenue is recognized when the Company is able to obtain economic benefits from the above activities and is determined relatively reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost of goods sold

Including cost of construction works, cost of sales and service provision during the year are recorded in accordance with revenue during the year.

Current corporate income tax expense

Corporate income tax expenses (or corporate income tax income): is total current and deferred income tax expenses (or total current and deferred tax) in determining profit or loss of a period.

Current income tax expenses: are corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period. Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

The Corporation has an obligation to pay corporate income tax at the rate of 20% on taxable profits.

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

Related parties

A party is considered a related party of the Company in case that party is able to control the Company or to cause material effects on the financial decisions as well as the operations of the Company. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

When considering the relationship of related parties, the nature of relationship is focused more than its legal form.

5. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE SEPARATE BALANCE SHEET

5.1. Cash and cash equivalents

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	231,649,161	50,111,954
Bank deposits	9,112,870,212	24,670,221,008
Cash equivalents	3,780,000,000	-
- <i>Term deposits under 3 months (i)</i>	<i>3,780,000,000</i>	-
Total	13,124,519,373	24,720,332,962

(*) Term deposit of no more than 3 months at Vietnam Joint Stock Commercial Bank for Industry and Trade with interest rate of 1.9%/year. The deposit is being mortgaged to secure a loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 7.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.2. Receivables from customers

	31/12/2024	01/01/2024
	VND	VND
Short-term	25,566,777,582	98,103,573,754
Tay Nam Bo Petroleum One Member Limited Liability Company	-	13,664,420,140
Dong Nai Petrolimex Mechanical Company Limited	2,871,100,000	3,986,046,000
Petrolimex DONG NAI Company Limited	-	9,571,052,258
Dak Nong Petrolimex Branch - One Member Limited Liability Company	-	170,000,000
Region II Petrolimex Company - One Member Limited	-	9,568,918,578
Petrolimex Song Be CO.LTD	6,200,000,000	-
Phuoc Nguyen Construction Investment Company Limited	6,377,593,286	-
Other	10,118,084,296	61,143,136,778
Total	25,566,777,582	98,103,573,754
<i>In which:</i>		
<i>Receivables from related parties</i> <i>(Details in Note 7.1)</i>	<i>10,028,542,100</i>	<i>77,766,727,607</i>

5.3. Advance to suppliers

	31/12/2024	01/01/2024
	VND	VND
Short-term	5,424,043,991	1,531,441,363
Military Petrochemical Joint Stock Company (Ha Noi)		919,000,000
An Khang Ads Advertising Service Co., Ltd	-	381,214,358
Mega Technology Service Company Limited	5,323,328,011	
Others	100,715,980	231,227,005
Total	5,424,043,991	1,531,441,363

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.4 Other receivables

Unit: VND

	31/12/2024		01/01/2024	
	Book value	Allowances	Book value	Allowances
Short-term	14,981,111,014	-	5,897,893,085	-
Advanced	249,986,250	-	210,000,000	-
Bet, deposit	1,475,878,012	-	4,646,727,360	-
Personal income tax receivable	626,120,696	-	202,990,474	-
Other receivables	12,629,126,056	-	838,175,251	-
Dong Nai Petrolimex Mechanical Company Limited	11,560,227,168	-	-	-
<i>Receivables from gas stations</i>	<i>192,051,657</i>	-	-	-
+ <i>Others</i>	<i>250,726,535</i>	-	<i>838,175,251</i>	-
Long-term	565,000,000	-	465,000,000	-
Deposits	565,000,000	-	465,000,000	-
Total	15,546,111,014	-	6,362,893,085	-
<i>In which:</i>				
<i>Receivables from related parties</i> <i>(Detail in Note 7.1)</i>	<i>11,560,227,168</i>	-	-	-

5.5 Inventories

Unit: VND

	31/12/2024		01/01/2024	
	Original value	Allowances	Original value	Allowances
Raw materials	7,219,718,602	-	2,239,754,454	-
Work in progress	5,458,567	-	10,130,376,927	-
Goods	4,804,351,304	-	3,222,499,054	-
Total	12,029,528,473	-	15,592,630,435	-

The value of ending inventory used as collateral for loans as of December 31st, 2024 is VND 12,024,069,906 (as of January 1st, 2024, it is VND 5,462,253,508).

5.6 Prepaid expenses

	31/12/2024	01/01/2024
	VND	VND
Short-term	-	168,223,153
Store repair costs	-	52,976,542
Insurance expenses	-	43,116,773
Others	-	72,129,838
Long-term	7,044,725,820	417,437,076
Land rental cost (*)	6,847,126,436	-
Other long-term prepaid expenses	197,599,384	417,437,076
Total	7,044,725,820	585,660,229

(*) The transfer value of the land lease right is the gas station in Ward 5, Tan An city, Long An province with a term until August 10th, 2046.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.7 Tangible fixed assets

Unit: VND

	Buildings and Structures	Machinery, equipment	Transportation means	Office equipment	Total
HISTORY COST					
As at 01/01/2024	14,228,509,230	73,307,660,513	11,017,591,729	171,160,454	98,724,921,926
Increase	1,511,984,826	1,696,000,000	-	-	3,207,984,826
Purchase	1,511,984,826	1,696,000,000	-	-	3,207,984,826
Decrease	-	-	794,249,698	-	794,249,698
Disposal	-	-	794,249,698	-	794,249,698
As at 31/12/2024	15,740,494,056	75,003,660,513	10,223,342,031	171,160,454	101,138,657,054
ACCUMULATED DEPRECIATION					
As at 01/01/2024	10,527,670,785	60,872,878,352	8,170,657,105	135,188,868	79,706,395,110
Increase	936,296,608	4,436,239,793	673,379,652	11,068,188	6,056,984,241
Depreciation	936,296,608	4,436,239,793	673,379,652	11,068,188	6,056,984,241
Decrease	-	-	794,249,698	-	794,249,698
Disposal	-	-	794,249,698	-	794,249,698
As at 31/12/2024	11,463,967,393	65,309,118,145	8,049,787,059	146,257,056	84,969,129,653
NET BOOK VALUE					
As at 01/01/2024	3,700,838,445	12,434,782,161	2,846,934,624	35,971,586	19,018,526,816
As at 31/12/2024	4,276,526,663	9,694,542,368	2,173,554,972	24,903,398	16,169,527,401

The original cost of fully depreciated tangible fixed assets still in use as of December 31st, 2024 is VND 58,915,421,275 (as of January 1st, 2024, it is VND 34,081,238,286).

The original cost of assets and the remaining value of the factory, machinery and equipment currently leased to Dong Nai Petroleum Mechanical Company Limited (a subsidiary of the Company) for production and business purposes as of December 31st, 2024 are VND 80,139,112,862 and VND 8,386,433,443, (as of January 1st, 2024, they are VND 80,139,112,862 and VND 12,742,796,792).

**PETROLEUM MECHANICAL JOINT STOCK
COMPANY**

No. 446 No Trang Long, Ward 13, Binh Thanh
District, Ho Chi Minh City

Form No. B 09 - DN

Issued under Circular No. 200/2014/TT-BTC
December 22nd, 2014 of the Ministry of Finance

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.8 Intangible fixed assets

Unit: VND

	Land use rights (*)	IT software	Total
HISTORY COST			
As at 01/01/2024	1,860,950,110	220,000,000	2,080,950,110
Increase	-	-	-
Decrease	-	-	-
As at 31/12/2024	<u>1,860,950,110</u>	<u>220,000,000</u>	<u>2,080,950,110</u>
ACCUMULATED AMORTIZATION			
As at 01/01/2024	601,951,704	220,000,000	821,951,704
Increase	46,523,748	-	46,523,748
Amortization	46,523,748	-	46,523,748
Decrease	-	-	-
As at 31/12/2024	<u>648,475,452</u>	<u>220,000,000</u>	<u>868,475,452</u>
NET BOOK VALUE			
As at 01/01/2024	<u>1,258,998,406</u>	<u>-</u>	<u>1,258,998,406</u>
As at 31/12/2024	<u>1,212,474,658</u>	<u>-</u>	<u>1,212,474,658</u>

(*) Land use right is a plot of land with an area of 3,000.5 m² in Tan Binh ward, Di An town, Binh Duong province with a term of use until October 5th, 2055.

The original cost of fully amortised intangible fixed assets still in use as of December 31, 2024 is VND 220,000,000 (as of January 1st, 2024, it is VND 220,000,000).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.9 Long-term investments

Unit: VND

	Ratio		31/12/2024			01/01/2024		
	Equity owned	Voting rights	Original cost	Fair value	Provision	Original cost	Fair value	Provision
Investments in Subsidiaries			89,000,000,000		-	89,000,000,000		-
Dong Nai Petroleum Mechanical Company Limited	100.00%	100.00%	89,000,000,000	(*)	-	89,000,000,000		-
Investments in Associates			11,037,210,441		-	11,037,210,441		-
P.M.G Gas Mechanical Company Limited	49.00%	49.00%	11,037,210,441	(*)	-	11,037,210,441		-
Long-term other investment			355,000,000		-	355,000,000		(355,000,000)
Ut Xi Seafood Processing Joint Stock Company (5000 Shares)	16.16%	16.16%	355,000,000	(*)	-	355,000,000		(355,000,000)
Total			100,392,210,441	(*)	-	100,392,210,441	(ii)	(355,000,000)

(*) At the date of the Report, the Company has not determined the fair value of this investment to explain in the Separate Financial Statements because there is no listed price on the market and Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Regime currently do not have specific guidance on the use of valuation techniques in determining the fair value of long-term financial investments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.10 Payable to suppliers

	31/12/2024		01/01/2024	
	Book value	Repayable amount	Book value	Repayable amount
Short-term	20,634,676,536	20,634,676,536	69,638,000,637	69,638,000,637
Nam Phuong Mechanical Construction Tm Dv Company	766,915,495	766,915,495	3,348,538,389	3,348,538,389
Advertising Production Service Trading Company Limited Phuong Nam	2,947,434,372	2,947,434,372	18,764,817,914	18,764,817,914
Top American Viet Nam Joint Stock Company	-	-	20,031,267,080	20,031,267,080
Region II Petrolimex Company - One Member Limited	13,722,423,459	13,722,423,459	15,014,926,759	15,014,926,759
Others	3,197,903,210	3,197,903,210	12,478,450,495	12,478,450,495
Total	20,634,676,536	20,634,676,536	69,638,000,637	69,638,000,637
<i>In which:</i>				
<i>Payables to related parties</i> <i>(Detail in Note 7.1)</i>	<i>13,722,423,459</i>	<i>13,722,423,459</i>	<i>15,014,926,759</i>	<i>15,014,926,759</i>

5.11 Advance from customers

	31/12/2024	01/01/2024
	VND	VND
Short-term prepayment buyer	769,632,779	4,340,699,362
Petrolimex Dong Thap Company Limited	-	3,387,522,000
Minh Trung Trading Private Enterprise	49,281,000	48,281,000
Nam Tay Nguyen Petroleum Company Limited	-	34,000,000
Son Viet Production Joint Stock Company	154,520,303	154,520,303
Nan Pao Resins (Viet Nam) Enterprise LTD	191,992,600	191,992,600
Others	373,838,876	524,383,459
Total	769,632,779	4,340,699,362
<i>In which:</i>		
<i>Prepayments from related parties</i>	<i>31,500,000</i>	<i>3,453,022,000</i>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.12 Taxes and other receivables and payables to the government budget

Unit: VND

	01/01/2024	Additions	Paid	31/12/2024
Payables	1,274,696,592	6,501,015,875	7,708,455,371	67,257,096
VAT	1,086,144,257	1,748,978,133	2,835,122,390	-
Corporate income tax	188,552,335	352,898,874	541,451,209	-
<i>Occurred during the period</i>	<i>188,552,335</i>	<i>-</i>	<i>188,552,335</i>	
<i>Additional tax collection and payment for the years</i>	<i>-</i>	<i>352,898,874</i>	<i>352,898,874</i>	
Personal income tax	-	975,142,941	907,885,845	67,257,096
Land tax, Land rental charges	-	3,229,708,896	3,229,708,896	-
Fee, charges and other payables	-	194,287,031	194,287,031	-
Receivables	161,145,245	161,145,245	192,984,185	192,984,185
Corporate income tax	-	-	192,984,185	192,984,185
Personal income tax	161,145,245	161,145,245	-	-

(*) Of which, the amount the Company must pay on the 2024 Business Results Report is VND 338,172,715 and the amount collected from employees is VND 14,726,159.

5.13 Accrued expenses

	31/12/2024	01/01/2024
	VND	VND
Provision for construction and execution costs in advance	332,991,824	7,883,650,512
Others	108,439,295	405,111,411
Total	441,431,119	8,288,761,923

5.14 Other payables

	31/12/2024	01/01/2024
	VND	VND
Short-term	13,301,450,211	14,412,467,348
Trade Union fees	59,772,320	53,519,508
Dividends payable	7,830,962,389	6,797,708,326
Pay the construction crews	2,936,155,583	2,375,979,368
Payable to Traffic Construction Joint Stock Company 610 for business cooperation profits	510,000,000	780,000,000
Other short-term payables	1,964,559,919	4,405,260,146
Long-term	1,291,000,000	1,631,000,000
Long-term deposits received	1,291,000,000	1,631,000,000
Total	14,592,450,211	16,043,467,348

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.15 Borrowings and finance lease liabilities

Unit: VND

	31/12/2024		In year		01/01/2024	
	Carrying value	Repayable amount	Increase	Decrease	Carrying value	Repayable amount
a. Short-term borrowings	11,600,000,000	11,600,000,000	62,058,320,500	74,958,320,500	24,500,000,000	24,500,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 7 - Ho Chi Minh City	11,600,000,000	11,600,000,000	62,058,320,500	74,958,320,500	24,500,000,000	24,500,000,000
<i>Contract No. 0103/2023-HĐCVHM/NHCT924-PMS</i>	-	-	-	9,000,000,000	9,000,000,000	9,000,000,000
<i>Contract No. 1203/2023-HĐCVHM/NHCT924-PMS (1)</i>	11,600,000,000	11,600,000,000	62,058,320,500	65,958,320,500	15,500,000,000	15,500,000,000
Total	11,600,000,000	11,600,000,000	62,058,320,500	74,958,320,500	24,500,000,000	24,500,000,000

- (1) Contract No. 1203/2023-HĐCVHM/NHCT924-PMS signed on December 12th, 2023 between the lender, Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch 7, Ho Chi Minh City, and Petroleum Mechanical Joint Stock Company. Loan limit: VND 65,000,000,000, the loan limit includes debts adjusted by Loan Limit Contract No. 0103/2023-HĐCVHM/NHCT924-PMS signed on January 4th, 2023; Purpose of use: supplementing working capital for production and business activities; Limit maintenance period: 12 months, until December 12th, 2024; Loan term: maximum of three (3) months; Loan interest rate: is stated on each Promissory Note and is valid from the time of disbursement until the interest rate is adjusted.

The Loan Contracts are secured by the following Security Contracts:

- Property Rights Mortgage Contract No. 07072016/HĐTCQTS/NHCT924-CKXD dated July 21st, 2016.
- Commodity Mortgage Contract No. 0706/2016/HDTCHH/NHCT924-CKXD dated July 21st, 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.16 Owners' equity

Unit: VND

	Share capital	Capital surplus	Treasury shares	Development and Investment Fund	Retained profits	Total
As at 01/01/2023	72,276,620,000	25,425,165,374	(343,472,600)	40,673,334,997	2,288,064,640	140,319,712,411
Profit in the this year	-	-	-	-	21,659,729,141	21,659,729,141
Reward and welfare fund 2022	-	-	-	-	(2,085,505,807)	(2,085,505,807)
Profit in the previous year	-	-	-	-	(19,804,873,000)	(19,804,873,000)
Additional remuneration for the Board of Directors and Supervisory Board is deducted from 2022 profits	-	-	-	-	(314,122,000)	(314,122,000)
Provisional deduction of remuneration for the Board of Directors and Board of Supervisors from 2023 profits (*)	-	-	-	-	(165,000,000)	(165,000,000)
Profit sharing of business cooperation	-	-	-	-	(1,570,000,000)	(1,570,000,000)
Others	-	-	-	-	(653,334)	(653,334)
As at 31/12/2023	72,276,620,000	25,425,165,374	(343,472,600)	40,673,334,997	7,639,640	138,039,287,411
As at 01/01/2024	72,276,620,000	25,425,165,374	(343,472,600)	40,673,334,997	7,639,640	138,039,287,411
Profit in the this year	-	-	-	-	33,702,677,962	33,702,677,962
Reward and welfare fund 2023 (*)	-	-	-	-	(2,522,800,392)	(2,522,800,392)
Dividend payment	-	-	-	-	(24,125,936,200)	(24,125,936,200)
Additional remuneration for the Board of Directors and Supervisory Board is deducted from 2023 profits (*)	-	-	-	-	(325,800,000)	(325,800,000)
Provisional deduction of remuneration for the Board of Directors and Board of Supervisors from 2024 profits	-	-	-	-	(238,500,000)	(238,500,000)
Rewards for Board of Directors, Supervisory Board, Executive Board and Management Staff (*)	-	-	-	-	(395,500,000)	(395,500,000)
Business cooperation profit sharing in 2024 (**)	-	-	-	-	(760,000,000)	(760,000,000)
As at 31/12/2024	72,276,620,000	25,425,165,374	(343,472,600)	40,673,334,997	5,341,781,010	143,373,428,781



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.16 Owners' equity (Continued)

(*) According to the Resolution of the Company's Annual General Meeting of Shareholders in 2024 No. 34/PMS-NQ-ĐHĐCĐ dated March 25th, 2024, the distribution of profits for 2023 was approved, accordingly, the dividend payment of VND 24,125,936,200 was approved; the bonus and welfare fund of VND 2,522,800,392 was allocated; the remuneration of the Board of Directors and the Supervisory Board in 2023 was VND 490,800,000; the bonus of the Board of Directors, the Supervisory Board, the Executive Board and the Management Staff was VND 806,000,000 and the profit sharing of business cooperation in 2023 was VND 1,570,000,000.

() Split business cooperation contract**

During the year, the Company temporarily divided the 2024 business cooperation profit according to the value of the capital contribution contract (business association) in the amount of VND 760,000,000. Specifically:

No	Objet	Amount (VND)
1	Kim Huong Petroleum Private Enterprise	240,000,000
2	610 Traffic Construction Joint Stock Company	520,000,000
	Total	760,000,000

Details according to the following contracts:

1. Kim Huong Petroleum Private Enterprise

According to the capital contribution contract with Kim Huong Petroleum Private Enterprise dated August 4, 2010, the contract appendix dated February 19th, 2020 on cooperation in trading petroleum and petrochemical products at Hamlet 1A, Long Xuyen Commune, Ben Cat District, Binh Duong Province with the following contents:

i. Kim Huong Petroleum Private Enterprise contributes capital with a land area of 460.3 m2 in Long Xuyen Commune, Ben Cat District, Binh Duong Province. The company contributes capital with the premise of investing in equipment and petroleum for retail business. The company will be responsible for managing and recording accounting books.

ii. Contract implementation period: from June 1st, 2020 to May 31st, 2025. At the end of the cooperation period, the Company will hand over the land asset to the capital contributor.

iii. Profit sharing after tax: Profit sharing for Kim Huong Petroleum Private Enterprise is 20,000,000 VND/month from June 2020 and is paid monthly.

iv. Profit after tax distributed to Kim Huong Petroleum Private Enterprise in the year is: 240,000,000 VND.

2. 610 Traffic Construction Joint Stock Company

According to the business association contract No. 04/2013/HDLKKD dated January 26th, 2013; business association contract No. 23/2021/HDLKKD dated December 31st, 2020 with the following detailed terms:

i. 610 Traffic Construction Joint Stock Company contributed capital with a land area of 316 m2 at 982, National Highway 1A, Linh Trung Ward, Thu Duc City, Ho Chi Minh City to build an office, install and operate a gas station. The company contributed 1 billion VND to invest in equipment and gasoline for retail business.

ii. The contract term is until December 31, 2025. At the end of the cooperation term, the Company will hand over the land to the capital contributor.

iii. Distribution of after-tax profits: 610 Traffic Construction Joint Stock Company allocates after-tax profits to the Company. Accordingly: each month, the Company must pay 610 Traffic Construction Joint Stock Company an after-tax profit of VND 65,000,000 from January 1st, 2022. iv. Profit after tax distributed to Traffic Construction 610 Joint Stock Company in the year is: 520,000,000 VND.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

5.16 Owners' equity (continued)

b. Details of owners' equity

	31/12/2024	01/01/2024
	VND	VND
Petrolimex Construction And Trading Corporation - Company Limited	33,248,770,000	33,248,770,000
Mrs. Tran Thi Hien	8,155,600,000	8,155,600,000
Others	30,613,350,000	30,613,350,000
Treasury stock	258,900,000	258,900,000
Total	72,276,620,000	72,276,620,000

c. Capital transactions with shareholders and appropriation of profits and dividends

	In 2024	In 2023
	VND	VND
Shareholder's capital		
Opening balance	72,276,620,000	72,276,620,000
Increased during the period	-	-
Decreased during the period	-	-
Closing balance	72,276,620,000	72,276,620,000
Profit shared	24,125,936,200	19,804,873,000

d. Shares

	31/12/2024	01/01/2024
	Shares	Shares
Quantity of registered shares	7,227,662	7,227,662
Quantity of issued shares	7,227,662	7,227,662
Common shares	7,227,662	7,227,662
Purchased shares	25,890	25,890
Common shares	25,890	25,890
Outstanding shares	7,201,772	7,201,772
Common shares	7,201,772	7,201,772
Par value of outstanding share (VND/ share)	10,000	10,000

5.17 Off Balance Sheet Items

a. Bad debt resolved

	31/12/2024	01/01/2024
	VND	VND
Bad debt resolved	3,100,110,177	3,100,110,177

b. Foreign currency

	31/12/2024		01/01/2024	
	Original currency	Equivalent VND	Original currency	Equivalent VND
USD	5,194.46	132,216,459	5,189.47	124,922,466
Total	5,194.46	132,216,459	5,189.47	124,922,466

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

6. ADDITIONAL INFORMATION ON THE ITEMS OF THE SAPARATE INCOME STATEMENT

6.1 Revenue from sales of goods and provision of services

	In 2024 VND	In 2023 VND
Revenue from sales of goods	700,115,061,931	765,521,616,792
Brand identity construction revenue	34,832,482,399	145,938,519,956
Revenue from construction	26,633,090,178	2,414,785,104
Property rental revenue	11,900,000,000	11,900,000,000
Total	773,480,634,508	925,774,921,852
<i>In which:</i>		
<i>Revenue from related parties: (Detail in Note 7.1)</i>	<i>56,235,128,163</i>	<i>125,922,457,544</i>

6.2 Cost of goods sold

	In 2024 VND	In 2023 VND
Cost of goods sold	697,555,723,598	752,908,511,489
Brand identity construction cost	19,579,702,654	134,938,696,196
Construction contract cost	25,296,246,131	2,378,324,097
Cost of leasing assets	5,409,305,381	4,379,409,190
Total	747,840,977,764	894,604,940,972

6.3 Financial income

	In 2024 VND	In 2023 VND
Deposit interest	49,610,179	45,032,676
Interest on sales on credit	187,663,201	88,854,084
Dividends received	38,922,701,443	19,917,089,501
Exchange rate difference gain due to revaluation of ending ba	166,330,923	3,475,833
Exchange rate difference profit arising during the year	45,817,999	392,705
Total	39,372,123,745	20,054,844,799
<i>In which:</i>		
<i>Finance revenue from related parties: (Detail in Note 7.1)</i>	<i>38,922,701,443</i>	<i>19,917,089,501</i>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

6.4 Financial expenses

	In 2024 VND	In 2023 VND
Interest expense	879,031,153	132,904,106
Exchange rate difference loss arising during the year	34,535,119	-
Provision for investment losses	-	39,413,677
Total	913,566,272	172,317,783

6.5 Selling expenses/General and administrative expenses

	In 2024 VND	In 2023 VND
Selling expenses	15,155,501,835	11,768,476,931
Employee expenses	3,742,480,709	3,864,700,616
Materials expenses	-	128,235,038
Office supplies expenses	36,150,000	251,503,142
Amortization and Depreciation expenses	923,434,432	727,286,427
Warranty costs	-	1,450,000,000
Outsourcing expenses	5,782,198,624	2,763,952,317
Others	4,671,238,070	2,582,799,391
General and administrative expenses	14,579,800,851	17,016,479,536
Employee expenses	9,210,452,404	9,955,179,579
Materials expenses	-	70,810,000
Office supplies expenses	121,274,476	96,229,081
Amortization and Depreciation expenses	823,710,208	904,867,388
Charges and fee	32,513,788	1,219,602,960
Provision expenses	976,851,705	1,441,924,641
Other cash expenses	3,414,998,270	3,327,865,887
Total	29,735,302,686	28,784,956,467

6.6 Other income/ Other expenses

	In 2024 VND	In 2023 VND
Other income		
Disposals of fixed assets	-	24,155,679
Others	270,002	658,328
Total	270,002	24,814,007
Other expenses		
Administrative penalties for tax violations	322,321,858	-
Others	8,998	2
Total	322,330,856	2
Other income/Other expenses (Net)	(322,060,854)	24,814,005

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

6.7 Current corporate income tax expense

	In 2024 VND	In 2023 VND
Total net profit before tax	34,040,850,677	22,292,365,434
Adjustments increase	532,852,116	787,905,531
- <i>Invalid costs</i>	532,852,116	787,905,531
Adjustments decrease	38,922,701,443	23,906,643,947
<i>Dividend</i>	38,922,701,443	19,917,089,501
Taxable income	(4,348,998,650)	(826,372,982)
Corporate Income Tax rate	20%	20%
Current corporate income tax expense	-	632,636,293
Collect and pay additional taxes from previous years	338,172,715	
Current corporate income tax expense	338,172,715	632,636,293

6.8 Production and business expenses by factors

	In 2024 VND	In 2023 VND
Raw material expenses	23,403,505,732	86,275,553,283
Employee expenses	12,952,933,113	13,819,880,195
Amortization and Depreciation expenses	6,103,507,989	7,613,435,341
Outsourcing expenses	21,966,939,853	46,353,982,917
Other cash expenses	10,448,715,953	7,226,497,319
Total	74,875,602,640	161,289,349,055

7. OTHER INFORMATION

7.1 Information of related parties

List of related parties of the Company:

<u>Related parties</u>	<u>Relationship</u>
Vietnam National Petroleum Group	Parent Company of Major Shareholder
Petrolimex Construction and Trading Corporation	Major Shareholder
Dong Nai Petroleum Mechanical Company Limited	Subsidiary
P.M.G Gas Mechanical Company Limited	Associate
Petrolimex Construction Group 1 Joint Stock Company	Associate of Major Shareholder
Direct Subsidiaries and Indirect Subsidiaries of Vietnam National Petroleum Group	Same Group
Members of the Administrative Council, Board of Supervisors, Board of General Directors, other managers and close individuals in the families of these members	Significant influence

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

7.1 Information of related parties (Continued)

Transaction with shareholders and important personnel

a. Salary and remuneration of the Boards of Management, Directors, and others

<u>Related parties</u>	<u>Transaction nature</u>	<u>In 2024 VND</u>	<u>In 2023 VND</u>
Salary and remuneration of the Board of Directors and Supervisory Board	Salary and remuneration	3,341,453,000	1,726,182,000

Details as follows:

<u>Name</u>	<u>Position</u>	<u>In 2024 VND</u>	<u>In 2023 VND</u>
Board of Directors		913,900,000	366,802,000
Mr. Dinh Viet Hoang	Chairperson	100,600,000	-
Mr. Ngo Minh Tu	Chairperson (From April 1, 2023 to October 1, 2023)	93,100,000	33,000,000
Mr. Pham Ngoc Huynh	Chairperson (Resigned on January 1, 2023)	-	103,402,000
Mr. Nguyen Quang Kien	Member	195,800,000	122,400,000
Mr. Doan Dac Hoc	Member in Charge of the Board of Directors (From 01/01/2023 to 01/04/2023 and from 01/10/2023 to 11/12/2023)	188,800,000	36,000,000
Mr. Ho Tri Luong	Member	167,800,000	36,000,000
Mr. Nguyen Duy Hai	Member	167,800,000	36,000,000
Board of Control		509,800,000	318,240,000
Mrs. Nguyen Thi Hue	Chief Controller	195,800,000	122,400,000
Mr. Le Duc Loi	Member	157,000,000	97,920,000
Mr. Vo Thanh Tung	Member	157,000,000	97,920,000
Board of Directors		1,580,207,000	863,868,000
Mr. Doan Dac Hoc	Manager	456,825,000	244,098,000
MR. Ho Tri Luong	Vice president	390,304,000	205,050,000
Mr. Nguyen Duy Hai	Vice president	386,164,000	200,910,000
Mr. Nguyen Hong Kiem	Vice president	346,914,000	213,810,000
Other managers		337,546,000	177,272,000
Mr. Tran Van Phuc	Chief Accountant	337,546,000	177,272,000
Total		3,341,453,000	1,726,182,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

7.1 Information of related parties (Continued)

b. Related Party Balance

Related parties	Relations	Nature	31/12/2024 VND	01/01/2024 VND
Receivables from customers			10,028,542,100	77,766,727,607
Dong Nai Petroleum Mechanical Company Limited	Parent company	Construction	2,871,100,000	3,986,046,000
Petrolimex Dong Nai Company Limited	Subsidiaries	Construction	805,680,000	9,571,052,258
Petrolimex Khanhhoa Co., Ltd - Petrolimex Phu Khanh Company	Subsidiaries	Construction	16,356,000	2,281,722,297
Petrolimex Gia Lai Co.,Ltd	Subsidiaries	Construction	16,236,000	16,236,000
Dak Nong Petroleum Branch - Nam Tay Nguyen Petrolimex Company Limited	Subsidiaries	Construction	-	170,000,000
Petrolimex Vinh Long Co. Ltd	Subsidiaries	Construction	119,170,100	448,464,082
Petroleum Company Kv Ii - One Member Limited Liability Company	Subsidiaries	Construction	-	9,568,918,578
Petrolimex Binh Dinh Co. Ltd	Subsidiaries	Construction	-	6,645,601,472
Tay Nam Bo Petrolimex One Member Limited Liability Company	Subsidiaries	Construction	-	13,664,420,140
Petrolimex Song Be Co.,Ltd	Subsidiaries	Construction	6,200,000,000	2,823,504,729
Petrolimex Lamdong Limited Company	Subsidiaries	Construction	-	5,311,307,357
An Giang Petrolimex One Member Co., Ltd.	Subsidiaries	Construction	-	2,000,000,000
Petrolimex Long An Co.,Ltd	Subsidiaries	Construction	-	7,928,173,394
Petrolimex Tiengiang Co., Ltd	Subsidiaries	Construction	-	3,777,479,164
Petrolimex Ca Mau Co., Ltd	Subsidiaries	Construction	-	302,007,162
Petrolimex Tra Vinh Co., Ltd	Subsidiaries	Construction	-	2,020,428,310
Petrolimex Tay Ninh Co., Ltd	Subsidiaries	Construction	-	575,965,400
Binh Phuoc Petrolimex Branch - Song Be Petrolimex Company	Subsidiaries	Construction	-	2,398,288,411
Petrolimex Quang Ngai Company Limited	Subsidiaries	Construction	-	4,261,640,429
Petrolimex Petrochemical Corporation - Jsc	Subsidiaries	Construction	-	15,472,424
Other receivables			11,560,227,168	-
	Subsidiaries	Loan interest	11,560,227,168	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

7.1 Information of related parties (Continued)

b. Related Party Balance (continued)

Payables	Relations	Nature	31/12/2024 VND	01/01/2024 VND
Trade payables			13,722,423,459	15,014,926,759
Region II Petrolimex Company - One Member Limited	Parent company	Purchase goods	13,722,423,459	15,014,926,759
Short term advance payment			31,500,000	3,453,022,000
Nam Tay Nguyen Petrolimex Company - One Member	Subsidiaries	Sell goods	-	34,000,000
Petrolimex Dong Thap Company Limited	Associated Company	Sell goods	-	3,387,522,000
Petrolimex Construction 1 Joint Stock Company Group	Subsidiary of major shareholder	Sell goods	31,500,000	31,500,000

c. Transaction with related parties

Related parties	Relations	Nature	In 2024 VND	In 2023 VND
Sales of goods			56,235,128,163	125,922,457,544
Dong Nai Petrolimex Mechanical Company Limited	Parent company	Property for rent	11,900,000,000	11,900,000,000
		Sell goods	-	491,036,023
Petrolimex Dong Nai Company Limited	Subsidiaries	Sell goods	812,750,000	12,044,254,348
Ninh Thuan Petrolimex Branch - Petrolimex Khanhhoa Co., Ltd	Subsidiaries	Sell goods	811,500,000	2,414,785,104
Ca Mau Petrolimex Company Limited - One Member	Subsidiaries	Sell goods	-	5,592,725,233
Petrolimex Gia Lai Co.,Ltd	Subsidiaries	Sell goods	-	4,916,132,345
Petrolimex Lamdong Limited Company	Subsidiaries	Sell goods	1,504,337,379	8,524,848,147
Petrolimex Vinh Long Co., Ltd	Subsidiaries	Sell goods	46,250,000	9,635,573,612
Song Be Petroleum Company - Binh Phuoc Branch	Subsidiaries	Sell goods	15,796,669,841	3,036,796,947
Petrolimex Angiang	Subsidiaries	Sell goods	391,516,427	6,048,921,895
Petrolimex Bentre Co., Ltd	Subsidiaries	Sell goods	-	209,859,550
Petrolimex Travinh Co.,Ltd	Subsidiaries	Sell goods	-	9,353,834,771
Petrolimex Cantho Co.,Ltd	Subsidiaries	Sell goods	131,641,667	18,025,389,019
Petrolimex Binh Dinh Co., Ltd	Subsidiaries	Sell goods	-	6,153,334,696
Petrolimex Long An Co.,Ltd	Subsidiaries	Sell goods	1,921,552,527	11,087,354,737
Petrolimex Tiengiang Co., Ltd	Subsidiaries	Sell goods	-	5,193,783,485
Petrolimex Tay Ninh Co., Ltd	Subsidiaries	Sell goods	3,176,538,928	2,133,205,185
Petrolimex Quang Ngai Company Limited	Subsidiaries	Sell goods	1,217,459,246	5,704,762,447
Vietnam National Petroleum Group	Parent company of major shareholder	Sell goods	11,418,084,781	3,455,860,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31st December 2024

7.1 Information of related parties (Continued)

c. Transaction with related parties (Continued)

Related parties	Relations	Nature	In 2024 VND	In 2023 VND
Region II Petrolimex Company - One Member Limited	Subsidiaries	Property for rent	1,566,000,000	-
Petrolimex Dong Thap Company Limited	Subsidiaries	Sell goods	5,218,234,774	-
Petrolimex Tiengiang Co., Ltd	Subsidiaries	Sell goods	91,481,481	-
Petrolimex Petrochemical Corporation - Jsc	Subsidiaries	Property for rent	231,111,112	-
Purchase of goods			500,689,269,727	695,039,298,546
Dong Nai Petrolimex Mechanical Company Limited	Parent company	Purchase goods	1,864,272,727	3,709,254,546
Region II Petrolimex Company - One Member Limited	Subsidiaries	Purchase goods	498,824,997,000	691,314,184,000
Vietnam National Petroleum Group	Related companies of insiders	Purchase goods	-	15,860,000
Profit sharing			38,922,701,443	19,917,089,501
Dong Nai Petrolimex Mechanical Company Limited	Parent company	Profit sharing	33,608,582,438	18,850,887,313
P.M.G Gas Mechanical Company Limited	Associated Company	Profit sharing	5,314,119,005	1,066,202,188
Business and other activities			13,324,727,560	10,528,917,557
Dong Nai Petrolimex Mechanical Company Limited	Parent company	Divide welfare reward fund	1,764,500,392	1,385,505,807
Petrolimex Construction And Trading Corporation - Company Limited	Major shareholder	Dividends	11,560,227,168	9,143,411,750

7.2 Commitments

Commitments relating to operating leases where the Company is the lessee

Petroleum Mechanical Joint Stock Company leases a land lot at 446 No Trang Long, Ward 13, Binh Thanh District, Ho Chi Minh City with a total area of 8,030.8 m² for use as an office and factory. The land lease term is short-term every year until the state implements the planning and is renewed in each subsequent year if the state does not decide to adjust or reclaim the land; the rental amount payable in 2024 is VND 3,223,660,896.

7.3 Comparative figures

Comparative figures are taken from the separate financial statements for the year ended 31st December 2023 which are audited by CPA VIETNAM Auditing Company limited - A Member Firm of INPACT.

Preparer



Do Thi Hong Hanh

Chief Accountant



Tran Van Phuc

Ho Chi Minh City, 06 March 2025

Director



Doan Duc Hoc