

**TIEN THANH SERVICE AND TRADING  
JOINT STOCK COMPANY  
FINANCIAL STATEMENTS**

**For the fiscal year ending December 31, 2024, audited by  
NHAN TAM VIET AUDITING COMPANY LIMITED**

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## **TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

### **REPORT OF THE BOARD OF DIRECTORS**

The Board of General Directors of Tien Thanh Service and Trading Joint Stock Company (hereinafter referred to as the 'Company') presents its report and the Company's financial statements for the financial year ending December 31, 2024.

#### **Business highlights**

Tien Thanh Service and Trading Joint Stock Company was established and operates under Business Registration Certificate No. 0100596523 dated November 4, 2003, issued by the Department of Planning and Investment of Hanoi City.

During its operations, the Company has changed its business registration 28 times regarding the increase in charter capital and changes in the legal representative. The 28th business registration amendment was issued by the Department of Planning and Investment of Hanoi City on May 7, 2024.

*Charter capital according to the 28th business registration certificate: 373,748,460,000 VND.  
Actual capital contributed as of December 31, 2024: 373,748,460,000 VND.*

#### **Head office**

Address : Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City  
Telephone : 0243.8770620  
Fax : 0243.8772668  
Tax code : 0 1 0 0 5 9 6 5 2 3

#### **Financial Situation and Business Operations**

The financial situation as of December 31, 2024, along with the business performance and cash flows for the fiscal year ending on the same date, is presented in the Financial Statements attached to this report (from page 06 to page 35).

#### **Board of Directors and Executive Management**

The Company's Board of Directors and Executive Management during the year and up to the date of this report include:

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

<u>Full name</u>	<u>Position</u>
Mrs Dao Vu Thinh Van	Chairman
Mr Nguyen Huu Truong	Member
Mr Phan Thanh Nam	Member
Mr Nguyen Anh Tuan	Member
Mrs Nguyen Thi Hue	Member

##### ***Board of General Directors***

<u>Full name</u>	<u>Position</u>
Mr Phan Thanh Nam	General Director
Mr Pham Quang Chien	Deputy General Director
<b><i>Legal representative:</i></b>	Mr Phan Thanh Nam

##### ***Audit Committee***

<u>Full name</u>	<u>Position</u>
Mr Nguyen Anh Tuan	Chairman
Mr Nguyen Huu Truong	Member

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**  
REPORT OF THE BOARD OF DIRECTORS (CONT)

*Chief Accountant*

Full name	Position
Mrs Nguyen Thi Hue	Chief Accountant

**Auditor**

Nhan Tam Viet Auditing Co., Ltd. has audited the Financial Statements for the fiscal year ending December 31, 2024.

**Statement of Responsibility of the Executive Board for the Financial Statements**

The Company's Executive Board is responsible for preparing the Financial Statements that fairly and accurately reflect the Company's financial position, business performance, and cash flows for the year.

During the preparation of the Financial Statements, the Company's Executive Board commits to complying with the following requirements:

- Establishing and maintaining internal controls as determined necessary by the Executive Board and the Board of Directors to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to fraud or error;
- Selecting appropriate accounting policies and applying them consistently;
- Making reasonable and prudent assessments and estimates;
- Stating whether the applied accounting standards have been complied with and disclosing any material deviations that require explanation in the Financial Statements;
- Preparing and presenting the Financial Statements in compliance with the Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations governing financial reporting;
- Preparing the Financial Statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations.

The Company's Executive Board ensures that accounting records are maintained to accurately and fairly reflect the Company's financial position at any given time and that the Financial Statements comply with the prevailing regulations of the State. Additionally, the Executive Board is responsible for safeguarding the Company's assets and implementing appropriate measures to prevent and detect fraud and other violations.

The Company's Executive Board commits that the Financial Statements fairly and accurately reflect the Company's financial position as of December 31, 2024, as well as its business performance and cash flows for the fiscal year ending on the same date, in accordance with Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations governing financial reporting.

**Other commitments**

The Executive Board commits that the Company complies with Decree 155/2020/ND-CP dated December 31, 2020, which provides guidance on corporate governance applicable to public companies. Additionally, the Company has not violated disclosure obligations as stipulated in Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, guiding information disclosure in the securities market.

Hanoi, March 18, 2025

**On behalf of the Executive Board**

**General Director**



**Phan Thanh Nam**

No : 2404.01.02/2024/BCTC-NTV2

## SEPARATE AUDITOR'S REPORT

Dear : **Board of Members and Board of General Directors**  
**Tien Thanh Service and Trading Joint Stock Company**

We have audited the accompanying financial statements of Tien Thanh Service and Trading Joint Stock Company, prepared on March 18, 2025, from page 06 to page 35, which include: the Balance Sheet as of December 31, 2024, the Income Statement, the Cash Flow Statement for the financial year ended on the same date, and the Notes to the Financial Statements.

### Responsibility of the Board of Director

The Executive the Company is responsible for the preparation and fair presentation of the Company's Financial Statements in accordance with Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations governing financial reporting. Additionally, the Executive Board is responsible for implementing internal controls as deemed necessary to ensure that the Financial Statements are free from material misstatements due to fraud or error.

### Responsibility of the Auditor

Our responsibility is to express our opinions on these separate financial statements on the basis of our audit. Our audit is conducted in accordance with the Vietnamese Independent Auditing Regulations and Standards. These standards require that we comply with the standards and professional ethical requirements, plan and perform the audit procedures to obtain a reasonable assurance that the financial statements are free from material mistakes.

The audit fieldwork includes the implementation of procedures to obtain audit evidence supporting the amounts and the disclosures in the separate financial statements. The audit procedures are selected on the basis of the auditor's judgment, including the assessments of risks of material mistakes in the financial statements due to errors or fraud. When assessing these risks, the auditor had considered whether the internal control system of the Company related to the preparation and presentation of the separate financial statements is true and fair to design audit procedures that are appropriate with actual situation, however, not provide the opinion on the effectiveness of the internal control system of the Company. The audit also includes our assessment on the appropriateness of the accounting policies applied, the accounting estimates of the Company's Director as well as our evaluation on the overall presentation of the separate financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate for our audit opinion.

AUDITOR'S REPORT(CONT)

**Auditor's Opinion**

In our opinion, the financial statements referred to have fairly and reasonably reflected, in all material respects, the financial position of Tien Thanh Service and Trading Joint Stock Company as of December 31, 2024, as well as the results of its operations and cash flows for the financial year ended on the same date, in accordance with accounting standards, the Vietnamese accounting system, and relevant legal regulations regarding the preparation and presentation of financial statements.

*Hanoi, March 18, 2025*

**NHAN TAM VIET AUDITING CO.,LTD**

**Deputy General Director**



**Nguyen Thi Hanh**

Certificate of Auditing Registration No:  
1690-2023-124-1

**Auditor**

**Pham Van Tuan**

Certificate of Auditing Registration No:  
4497-2023-124-1

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**BALANCE SHEET**

As of December 31, 2024

Unit: VND

ASSET	Code	Explanation	Year-end Balance	Beginning Balance
<b>A - SHORT-TERM ASSETS</b>	<b>100</b>		<b>611,357,127,191</b>	<b>562,355,305,629</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>14,663,472,499</b>	<b>8,130,933,053</b>
1. Cash	111		14,663,472,499	8,130,933,053
2. Cash equivalents	112		-	-
<b>II. Short-term financial investment</b>	<b>120</b>		-	-
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>587,223,266,377</b>	<b>502,316,054,328</b>
1. Short-term trade receivables	131	V.2	611,044,558,083	454,429,136,748
2. Short-term vendor advance	132	V.3	162,000,000	19,997,763,120
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress plan	134		-	-
5. Short-term loan receivable	135	V.4	-	30,000,000,000
6. Other short-term receivables	136	V.5a	-	526,654,460
7. Provision for doubtful short-term receivables	137	V.6	(23,983,291,706)	(2,637,500,000)
8. Assets missing pending resolution	139		-	-
<b>IV. Inventory</b>	<b>140</b>		<b>8,427,768,762</b>	<b>51,053,557,040</b>
1. Inventory	141	V.7	8,427,768,762	51,053,557,040
2. Provision for inventory write-down	149		-	-
<b>V. Other short-term assets</b>	<b>150</b>		<b>1,042,619,553</b>	<b>854,761,208</b>
1. Short-term prepaid expenses	151	V.8a	24,992,565	-
2. Deductible value added tax	152		1,017,626,988	854,761,208
3. Taxes and other amounts receivable from the State	153		-	-
4. Government bond repurchase transaction	154		-	-
5. Other short-term assets	155		-	-

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Balance Sheet (continued)**

ASSET	Code	Explanation	Year-end Balance	Beginning Balance
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>33,727,434,889</b>	<b>10,496,472,442</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>6,000,000</b>	<b>6,000,000</b>
1. Long-term receivables from customers	211		-	-
2. Long-term prepayment to seller	212		-	-
3. Working capital in affiliated units	213		-	-
4. Long-term internal receivables	214		-	-
5. Long-term loan receivable	215		-	-
6. Other long-term receivables	216	V.5b	6,000,000	6,000,000
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>23,271,434,889</b>	-
1. Tangible fixed assets	221	V.9	23,271,434,889	-
<i>Original price</i>	222		26,707,422,538	2,807,029,949
<i>Accumulated depreciation</i>	223		(3,435,987,649)	(2,807,029,949)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227		-	-
<i>Original price</i>	228		-	-
<i>Accumulated depreciation</i>	229		-	-
<b>III. Investment real estate</b>	<b>230</b>		-	-
Original price	231		-	-
Accumulated depreciation	232		-	-
<b>IV. Long-term unfinished assets</b>	<b>240</b>		-	-
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242		-	-
<b>V. Long-term financial investment</b>	<b>250</b>	V.10	<b>10,450,000,000</b>	<b>10,450,000,000</b>
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252		-	-
3. Investing in other entities	253	V.10	10,450,000,000	10,450,000,000
4. Long-term financial investment reserve	254		-	-
5. Held to maturity investment	255		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		-	<b>40,472,442</b>
1. Long-term prepaid expenses	261	V.8b	-	40,472,442
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>645,084,562,080</b>	<b>572,851,778,071</b>



**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Balance Sheet (continued)**

CAPITAL SOURCE	Code	Explanation	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<b>C - LIABILITIES PAYABLE</b>	<b>300</b>		<b>235,013,452,596</b>	<b>146,179,503,733</b>
<b>I. Short-term debt</b>	<b>310</b>		<b>235,013,452,596</b>	<b>146,179,503,733</b>
1. Short-term trade payables	311	V.11	209,915,165,543	61,660,489,777
2. Short-term advance payment buyer	312	V.12	-	58,460,096,064
3. Taxes and other payments to the State	313	V.13	1,032,627,219	5,763,449,851
4. Payable to workers	314		-	-
5. Short-term payable expenses	315		-	-
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress schedule	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.14	21,784,404,995	18,014,213,202
10. Short-term loans and finance leases	320		-	-
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		2,281,254,839	2,281,254,839
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
<b>II. Long-term debt</b>	<b>330</b>		<b>-</b>	<b>-</b>
1. Long-term trade payables	331		-	-
2. Long term prepayment buyer	332		-	-
3. Long-term payable expenses	333		-	-
4. Internal payable on working capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term loans and financial leases	338		-	-
9. Convertible bonds	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term payables provision	342		-	-
13. Science and Technology Development Fund	343		-	-

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Balance Sheet (continued)**

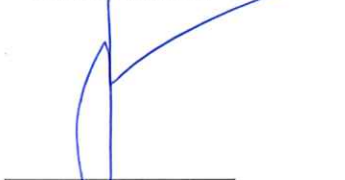
CAPITAL SOURCE	Code	Explanation	Year-end Balance	Beginning Balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>410,071,109,484</b>	<b>426,672,274,338</b>
<b>I. Equity</b>	<b>410</b>	<b>V.15</b>	<b>410,071,109,484</b>	<b>426,672,274,338</b>
1. Owner's equity	411		373,748,460,000	373,748,460,000
- Common shares with voting rights	411a		373,748,460,000	373,748,460,000
- Preferred stock	411b		-	-
2. Capital surplus	412		-	-
3. Bond conversion option	413		-	-
4. Other owners' equity	414		-	-
5. Treasury stock	415		-	-
6. Asset revaluation difference	416		-	-
7. Exchange rate difference	417		-	-
8. Development investment fund	418		8,394,830,504	8,394,830,504
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		27,927,818,980	44,528,983,834
- Undistributed profit after tax accumulated to the end of previous period	421a		43,961,642,710	24,727,713,496
- Undistributed profit this period	421b		(16,033,823,730)	19,801,270,338
12. Source of capital for basic construction investment	422		-	-
<b>II. Other funding sources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
<b>TOTAL CAPITAL</b>	<b>440</b>		<b>645,084,562,080</b>	<b>572,851,778,071</b>

Prepared by



Nguyen Thi Hue

Chief Accountant



Nguyen Thi Hue

Prepared on 18 March, 2025

General Director



PHAN THANH NAM

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

## FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

**BUSINESS PERFORMANCE REPORT**

2024

Unit: VND

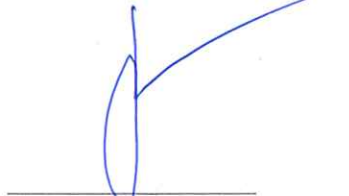
INDICATORS	Code	Explanation	This year	Previous year
1. Sales and service revenue	01	VI.1	783,143,603,491	947,178,000,988
2. Revenue deductions	02		-	-
3. Net revenue from sales and services	10		783,143,603,491	947,178,000,988
4. Cost of goods sold	11	VI.2	744,593,726,267	855,346,723,543
5. Gross profit from sales and service provision	20		38,549,877,224	91,831,277,445
6. Financial revenue	21	VI.3	825,822,539	4,484,141,094
7. Financial costs	22	VI.4	-	231,176,516
Including: interest expense	23		-	-
8. Cost of sales	25	VI.5	25,963,378,950	70,339,168,851
9. Business management costs	26	VI.6	26,293,695,898	2,192,818,048
10. Net operating profit	30		(12,881,375,085)	23,552,255,124
11. Other income	31		1,045	1,156
12. Other costs	32	VI.7	1,530,283,637	50,670,000
13. Other profits	40		(1,530,282,592)	(50,668,844)
14. Total accounting profit before tax	50		(14,411,657,677)	23,501,586,280
15. Current corporate income tax expense	51	VI.8	1,622,166,053	3,700,315,942
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate income tax	60		<u>(16,033,823,730)</u>	<u>19,801,270,338</u>
18. Basic Earnings Per Share	70	VI.9	<u>(429)</u>	<u>530</u>
19. Diluted earnings per share	71	VI.9	<u>(429)</u>	<u>530</u>

Prepared by



Nguyen Thi Hue

Chief Accountant



Nguyen Thi Hue

Prepared on 18 March, 2025

General Director



Phan Thanh Nam

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**CASH FLOW STATEMENT**

(By indirect method)

2024

Unit: VND

INDICATORS	Code	Explanation	This year	Previous year
<b>I. Cash flow from operating activities</b>				
1. Profit before tax	01		(14,411,657,677)	23,501,586,280
2. Adjustments for the following items:				
- Depreciation of fixed assets and investment real estate	02		628,957,700	89,565,485
- Provisions	03		21,345,791,706	(2,606,069,191)
- Exchange rate gains and losses due to revaluation foreign currency monetary items	04		-	-
- Profit and loss from investment activities	05		(825,822,539)	(2,237,182,206)
- Interest expense	06		-	-
- Other adjustments	07		-	-
3. Profit from operations before changes in working capital	08		6,737,269,190	18,747,900,368
- Increase, decrease receivables	09		(136,932,119,535)	(201,884,865,737)
- Increase, decrease inventory	10		42,625,788,278	328,449,820,699
- Increase, decrease payables	11		89,094,052,462	(237,030,148,594)
- Increase, decrease prepaid expenses	12		15,479,877	243,610,918
- Increase, decrease trading securities	13		-	-
- Interest paid	14		-	-
- Corporate income tax paid	15		(2,449,610,776)	(142,563,139)
- Other income from operating activities	16		-	-
- Other expenses for business activities	17		-	-
<b>Net cash flow from operating activities</b>	<b>20</b>		<b>(909,140,504)</b>	<b>(91,616,245,485)</b>
<b>II. Cash flow from investing activities</b>				
1. Money spent on purchasing and constructing fixed assets and other long-term assets	21		(23,900,392,589)	-
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		-	-
3. Money spent on lending, buying debt instruments other units	23		-	(10,000,000,000)
4. Proceeds from loan recovery, resale of debt instruments other units	24		30,000,000,000	10,100,000,000
5. Money spent on investment in other entities	25		-	-
6. Proceeds from capital investment in other entities	26		-	71,853,041,112
7. Interest income, dividends and profits	27		1,342,072,539	4,230,391,094
<b>Net cash flow from investing activities</b>	<b>30</b>		<b>7,441,679,950</b>	<b>76,183,432,206</b>

**TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

**FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Cash Flow Statement (continued)**

INDICATORS	Code	Explanation	This year	Previous year
<b>III. Cash flow from financing activities</b>				
1. Proceeds from issuing shares, receiving capital contributions owner	31		-	-
2. Money returned to owners, buyback issued company shares	32		-	-
3. Proceeds from borrowing	33		-	-
4. Loan principal repayment	34		-	-
5. Lease principal repayment	35		-	-
6. Dividends, profits paid to owners	36		-	-
<i>Net cash flow from financing activities</i>	<b>40</b>		-	-
<b>Net cash flow during the year</b>	<b>50</b>		6,532,539,446	(15,432,813,279)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	V.1	8,130,933,053	23,563,746,332
Impact of Foreign Exchange Rate Fluctuations on Current	61		-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	V.1	<b>14,663,472,499</b>	<b>8,130,933,053</b>

Prepared by

Nguyen Thi Hue

Chief Accountant

Nguyen Thi Hue

Prepared on 18 March, 2025

General Director



Phan Thanh Nam

# TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

Address: Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City

## FINANCIAL STATEMENTS

For the financial year ending December 31, 2024

### Notes to the Financial Statements

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## NOTES TO THE FINANCIAL STATEMENT

For the fiscal year ending on December 31, 2024

### I. OPERATION FEATURES

1. **Ownership form:** Joint Stock Company.

2. **Business Highlights**

Tien Thanh Trading and Service Joint Stock Company was established and operates according to the Business Registration Certificate No. 0100596523 dated November 4, 2003, issued by the Department of Planning and Investment of Hanoi City.

During its operations, the company has changed its business registration 28 times regarding the increase in charter capital and changes in the legal representative. The 28th amended business registration certificate was issued by the Department of Planning and Investment of Hanoi City on May 7, 2024.

*Charter capital according to the 28th business registration certificate: 373,748,460,000 VND.  
Actual capital contributed as of December 31, 2024, is: 373,748,460,000 VND.*

3. **Head office**

Address : Viet Hung Urban Area, Duc Giang Ward, Long Bien District, Hanoi City  
Telephone : 0963893958  
Email : info@tienthanhjsc.vn  
Tax code : 0 1 0 0 5 9 6 5 2 3

4. **Business sector:** Wholesale of building materials, real estate business.

5. **Main business activities:**

- Trading in products: Steel billets.
- Trading in plastic products: Plastic pellets
- Real estate business

6. **Usual Production and Business Cycle**

The company's normal business production cycle does not exceed 12 months.

7. **Statement on the comparability of information in the financial statements**

The financial statement data for 2024 is fully consistent and ensures comparability with the financial statement data for 2023.

8. **Employees**

As of the end of the fiscal year, the company has 08 employees working (the number at the beginning of the year was 18 employees).

### II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. **Fiscal year**

Fiscal year of the Company is from 1 January to 31 December annually.

## **TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

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### **FINANCIAL STATEMENTS**

For the financial year ending December 31, 2024

#### **Notes to the Financial Statements (cont)**

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#### **2. Standard currency unit used in accounting**

The currency used in accounting is the Vietnamese Dong (VND).

### **III. ACCOUNTING STANDARDS AND SYSTEM APPLIED**

#### **1. Accounting System Applied**

The Company applies the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC of 2016 amending and supplementing Circular No. 200/2014/TT-BTC, and other guiding circulars for the implementation of the accounting standards and system issued by the Ministry of Finance.

#### **2. Statement of Compliance with Accounting Standards and Accounting System**

The Management assures that the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC of 2016 amending and supplementing Circular No. 200/2014/TT-BTC, as well as the guiding circulars for the implementation of the accounting standards issued by the Ministry of Finance, have been fully complied with in the preparation of the Financial Statements.

### **IV. ACCOUNTING POLICIES**

#### **1. Basis of preparing financial statements**

The financial statements are prepared on an accrual basis (except for information related to cash flows).

#### **2. Cash and cash equivalents**

Cash includes cash on hand, demand and time deposits in banks, money in transit, and monetary gold. Cash equivalents are short-term investments with a maturity or due date of no more than 3 months from the purchase date, easily convertible into a known amount of cash, and subject to little risk in converting to cash.

#### **3. Financial Investments**

##### ***Investments held to maturity***

An investment is classified as held to maturity when the company intends and has the ability to hold it until its maturity date. Investments held to maturity include: time deposits in banks (including promissory notes and certificates of deposit), bonds, preferred stocks that the issuer is required to repurchase at a certain point in the future, loans held to maturity for the purpose of earning periodic interest, and other investments held to maturity.

Investments held to maturity are initially recognized at cost, which includes the purchase price and related transaction costs. After initial recognition, these investments are carried at recoverable value. Interest income from investments held to maturity after the purchase date is recognized in the Income Statement on an accrual basis. Interest accrued before the company holds the investment is deducted from the purchase price at the time of acquisition.

When there is concrete evidence that part or all of an investment may not be recoverable and the amount of loss can be reliably determined, the loss is recognized as a financial expense for the year and directly deducted from the investment's value.

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FINANCIAL STATEMENTS

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**Notes to the Financial Statements (cont)**

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### *Investments in equity instruments of other entities*

Investments in equity instruments of other entities include investments in equity instruments where the company does not have control, joint control, or significant influence over the investee.

Investments in equity instruments of other entities are initially recognized at cost, including the purchase price or the capital contribution, plus any direct costs related to the investment activity. Dividends and profits from periods prior to the purchase of the investment are accounted for as a reduction in the value of the investment itself. Dividends and profits from periods after the purchase of the investment are recognized as revenue. Dividends received in the form of shares are only tracked by the number of additional shares, without recognizing the value of the received shares.

Provision for impairment of investments in equity instruments of other entities is made as follows:

- For investments in listed shares or when the fair value of the investment can be reliably determined, the provision for impairment is based on the market value of the shares.
- For investments where the fair value cannot be determined at the reporting date, the provision for impairment is made based on the loss of the investee, with the provision calculated as the difference between the actual capital contribution of the parties to the other entity and the actual equity, multiplied by the company's ownership percentage compared to the total actual capital contributions of the parties in the other entity.

The increase or decrease in the provision for impairment of investments in equity instruments of other entities that needs to be made at the end of the fiscal year is recognized as a financial expense.

#### **4. Trade receivables and other receivables**

Receivables are presented at their carrying amount, less any provision for doubtful debts.

The classification of receivables into customer receivables and other receivables is carried out according to the following principles:

- Customer receivables reflect trade-related receivables arising from purchase-sale transactions between the company and buyers who are independent entities from the parent company, including receivables from entrusted export sales to other entities.
- Other receivables reflect non-trade receivables that are not related to purchase-sale transactions.

A provision for doubtful debts is established for each doubtful receivable based on the overdue age of the debts or the estimated potential loss, as specified below:

- For overdue receivables:
  - 30% of the value for receivables overdue from 6 months to less than 1 year.
  - 50% of the value for receivables overdue from 1 year to less than 2 years.
  - 70% of the value for receivables overdue from 2 years to less than 3 years.



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### FINANCIAL STATEMENTS

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#### Notes to the Financial Statements (cont)

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- 100% of the value for receivables overdue for 3 years or more.
- For receivables that are not yet overdue but are unlikely to be recovered: the provision is established based on the estimated potential loss.

#### 5. Inventories

Inventories are recognized at the lower of cost and net realizable value.

The cost of inventories is determined as follows:

- Raw materials, goods: include purchase costs and other directly attributable costs incurred to bring the inventory to its current location and condition.
- Work in progress: includes only the costs of direct raw materials (or other relevant cost elements, as appropriate).

Net realizable value is the estimated selling price of inventory in the ordinary course of production and business, less estimated costs to complete and estimated costs necessary to sell the inventory.

The value of inventories is determined using the weighted average cost method and accounted for using the perpetual inventory system.

#### 6. Prepaid expenses

Prepaid expenses include actual expenses incurred that relate to the business performance of multiple accounting periods. The company's prepaid expenses include the following costs. Prepaid expenses recognize actual expenses incurred that are related to the business performance of multiple accounting periods and allocate these costs to the business expenses of subsequent accounting periods.

##### *Tools and equipment*

Tools and equipment that are put into use are amortized over a straight-line basis with an allocation period not exceeding 3 years.

##### *Other expenses*

Other costs are allocated to expenses using the straight-line method over an allocation period not exceeding 3 years.

#### 7. Tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenditures incurred by the Company to acquire the asset and prepare it for its intended use. Subsequent costs are capitalized to the asset's cost only if they are certain to result in future economic benefits from the asset's use. Costs that do not meet this condition are recognized as expenses in the period incurred.

When a tangible fixed asset is sold or disposed of, its cost and accumulated depreciation are written off, and any gain or loss arising from the disposal is recognized in income or expense for the year.

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### FINANCIAL STATEMENTS

For the financial year ending December 31, 2024

#### Notes to the Financial Statements (cont)

Tangible fixed assets are depreciated using the straight-line method based on their estimated useful life. The depreciation period for each type of tangible fixed asset is as follows:

<u>Type of fixed assets</u>	<u>Number of years</u>
Buildings and structures	5 – 38
Transportation and transmission vehicles	5 – 8
Management tools and equipment	3 – 5

#### 8. Payables and Accrued Expenses

Payables and accrued expenses are recognized for amounts payable in the future related to goods and services that have been received. Accrued expenses are recorded based on reasonable estimates of the amounts payable.

The classification of payables into accounts payable to suppliers, accrued expenses, internal payables, and other payables is carried out according to the following principles:

- Accounts payable to suppliers reflect trade-related payables arising from transactions for the purchase of goods, services, and assets, where the supplier is an independent entity from the Company, including payables for imports through an agent.
- Accrued expenses reflect amounts payable for goods or services received from suppliers or provided to customers but not yet paid due to the absence of invoices or incomplete accounting documentation. It also includes amounts payable to employees for salaries, vacation pay, and provisions for production and business expenses.
- Other payables reflect amounts payable that are not trade-related and do not arise from the purchase, sale, or provision of goods and services.

#### 9. Owners' Equity

##### *Owner's Contributed Capital*

The owner's contributed capital is recognized based on the actual amount contributed by shareholders

##### *Other owner's equity*

Other equity is formed from additions through business operations, asset revaluation, and the residual value between the fair value of assets received as gifts, donations, or grants, after deducting any taxes payable (if applicable) related to these assets.

#### 10. Profit distribution

After-tax profit is distributed to shareholders after the allocation of funds according to the company's charter and legal regulations, and it has been approved by the General Meeting of Shareholders.

The distribution of profits to shareholders takes into account non-cash items within the undistributed after-tax profit that may affect cash flows and the ability to pay dividends, such as gains from asset revaluation contributed as capital, gains from the revaluation of monetary items, financial instruments, and other non-cash items.

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### FINANCIAL STATEMENTS

For the financial year ending December 31, 2024

#### Notes to the Financial Statements (cont)

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##### *Other funds*

The funds are allocated and used according to the Company's Charter and the resolutions approved annually by the General Meeting of Shareholders.

Dividends are recognized as a liability when approved by the General Meeting of Shareholders.

#### 11. Revenue and income recognition

##### *Revenue from the sale of goods*

Revenue from the sale of goods is recognized when the following conditions are met simultaneously:

- The company has transferred most of the risks and rewards associated with the ownership of the product or goods to the buyer.
- The company no longer retains control over the goods as the owner or the authority to control the goods.
- Revenue is determined to be fairly certain. When the contract stipulates that the buyer has the right to return the products or goods purchased under specific conditions, revenue is only recognized when those specific conditions no longer exist and the buyer no longer has the right to return the products or goods (except in cases where the customer has the right to return goods in exchange for other products or services).
- The company has received or will receive economic benefits from the sales transaction.
- The costs related to the sales transaction can be reliably measured.

##### *Revenue from providing services*

Revenue from service transactions is recognized when the outcome of the transaction can be reliably measured. In cases where the service is performed over multiple periods, revenue is recognized in the year based on the results of the work completed as of the end of the accounting period. The outcome of the service transaction is determined when all of the following conditions are met:

- Revenue is determined to be fairly certain. When the contract stipulates that the buyer has the right to return the purchased service under specific conditions, revenue is only recognized when those specific conditions no longer exist, and the buyer no longer has the right to return the provided service.
- It is probable that economic benefits will be obtained from the service transaction.
- The portion of the work completed as of the end of the fiscal year can be reliably measured.
- The costs incurred for the transaction and the costs to complete the service transaction can be reliably measured.

##### *Interest*

Interest is recognized on an accrual basis, determined based on the balance of deposit accounts and the actual interest rate for each period.

## **TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY**

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### **FINANCIAL STATEMENTS**

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#### **Notes to the Financial Statements (cont)**

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##### *Dividends and profit distributions*

Dividends and profit distributions are recognized when the company is entitled to receive dividends or profits from its capital contributions. Dividends received in the form of shares are only tracked by the number of additional shares, without recognizing the value of the shares received / recognized at par value.

#### **12. Cost of goods sold**

The cost of goods sold for the year is recognized in accordance with the revenue generated during the year and ensures compliance with the prudence principle.

For direct material costs exceeding the normal level, labor costs, and fixed manufacturing overheads that are not allocated to the value of inventory, accountants must immediately charge them to the cost of goods sold (after deducting any compensations, if applicable), even if the products or goods have not been determined to be consumed.

#### **13. Sales expenses and administrative expenses**

Sales expenses reflect the actual costs incurred during the process of selling products, goods, and providing services, including costs for offering, introducing products, advertising products, sales commissions, product and goods warranty costs (excluding construction activities), storage costs, packaging, and transportation...

Administrative expenses reflect the general management costs of the business, including expenses for the salaries of employees in the business management department (wages, salaries, allowances, etc.); social insurance, health insurance, trade union fees, unemployment insurance for business management employees; office material costs, labor tools, depreciation of fixed assets used for business management; land rental, business license tax; provisions for doubtful receivables; external services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); other cash expenses (client hospitality, customer conferences, etc.).

#### **14. Corporate income tax**

Corporate income tax expenses include current corporate income tax and deferred corporate income tax.

##### *Current income tax*

Current income tax is the tax calculated based on taxable income. The taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses, as well as adjustments for non-taxable income and carried-forward losses.

#### **15. Financial instruments**

##### **Financial assets**

##### *Classification of financial assets*

The company classifies financial assets into the following categories: financial assets measured at fair value through profit or loss, investments held to maturity, loans and receivables, and financial assets available for sale. The classification of these financial assets depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

*Financial assets are recorded at fair value through the Statement of Business Performance*

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### **FINANCIAL STATEMENTS**

For the financial year ending December 31, 2024

#### **Notes to the Financial Statements (cont)**

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Financial assets are classified as measured at fair value through profit or loss if they are held for trading or designated as such at initial recognition, reflecting their value through the income statement.

The financial asset is classified into the category of securities held for trading if:

- It is purchased or created primarily for the purpose of resale in the short term;
- The company intends to hold it for the purpose of earning short-term profits;
- Derivative financial instruments (excluding derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

#### *Held to maturity investments*

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the company intends and is able to hold until maturity.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on the market.

#### *Available-for-sale financial assets*

Financial assets available for sale are non-derivative financial assets that are designated as available for sale or are not classified as financial assets measured at fair value through profit or loss, investments held to maturity, or loans and receivables.

#### *The initial carrying amount of a financial asset*

Financial assets are recognized on the purchase date and derecognized on the sale date. At initial recognition, the financial asset is measured at the purchase price/issue cost plus any other directly attributable costs related to the purchase or issuance of that financial asset.

### **Financial liabilities**

The company classifies financial liabilities into groups: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. The classification of financial liabilities depends on the nature and purpose of the financial liability and is determined at the time of initial recognition.

#### *Financial liabilities are recognized at fair value through the income statement*

Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading or are designated as such at initial recognition.

Financial liabilities are classified into the category of securities held for trading if:

- It is issued or created primarily for the purpose of repurchase in the short term;
- The company intends to hold it for the purpose of earning short-term profits;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

#### *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are determined by the initial carrying amount of the financial liability, less any principal repayments, plus or minus the cumulative amortization of the difference between the initial carrying amount and the maturity value, calculated using the effective interest method, less any write-downs (either directly or through the use of a provision account) due to impairment or uncollectibility.

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## FINANCIAL STATEMENTS

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### Notes to the Financial Statements (cont)

The effective interest method is a method used to calculate the amortized cost of a financial liability or a group of financial liabilities and to allocate interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash flows that will be paid or received throughout the expected life of the financial instrument or, if shorter, to the present carrying amount of the financial liability.

#### *The initial carrying amount of a financial liability*

At initial recognition, financial liabilities are measured at the issue price plus any directly attributable costs related to the issuance of that financial liability.

#### *Equity instruments*

An equity instrument is a contract that evidences a residual interest in the assets of the company after deducting all its liabilities.

#### 16. Related party

Parties are considered related if one party has control or significant influence over the other in making financial and operating policy decisions. Parties are also regarded as related if they are subject to common control or common significant influence.

In considering related party relationships, the substance of the relationship is given more emphasis than the legal form.

Transactions with related parties during the year are presented in note VII.1

#### V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

##### 1. Cash and cash equivalents

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Cash	219,755,045	583,335,678
Non-term bank deposits	14,443,717,454	7,547,597,375
<b>Total</b>	<b><u>14,663,472,499</u></b>	<b><u>8,130,933,053</u></b>

##### 2. Short-term receivables from customers

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Receivables from other customers</i>	<i>611,044,558,083</i>	<i>454,429,136,748</i>
Hung Thinh One Member Limited Liability Service and Trading Company	59,156,073,232	151,986,073,232
Trong Duong Trading and Service Company Limited	135,802,026,335	151,108,785,826
Baltic Service and Trading Company Limited	42,404,721,675	52,546,180,146
HTG Thang Long Investment and Trading Joint Stock Company	78,698,099,363	-
DHM Innovative Technology Solutions Company Limited	105,084,213,749	-
Toan Thang Construction Materials and Services Joint Stock Company	85,358,183,450	31,776,643,231
Other customers	104,541,240,279	67,011,454,313
<b>Total</b>	<b><u>611,044,558,083</u></b>	<b><u>454,429,136,748</u></b>

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**FINANCIAL STATEMENTS**

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**Notes to the Financial Statements (cont)****3. Short-term prepayments to suppliers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Prepayments to other suppliers</i>	162,000,000	19,997,763,120
Long Bien Power Joint Stock Company	-	79,209,360
One Member Limited Liability Company for Housing and Urban Area Services	-	16,783,940
Nam Ha Noi Service and Trading Company Limited (*)	-	19,892,001,820
Other suppliers	162,000,000	9,768,000
<b>Total</b>	<b>162,000,000</b>	<b>19,997,763,120</b>

(\*) It is a prepayment to Nam Ha Noi Service and Trading Company Limited for marketing and apartment distribution service fees according to Appendix 03 dated November 30, 2021, under Investment Cooperation Contract No. 668/2021/TTH-NHN.

**4. Short-term lending receivables**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Receivables from other organizations and individuals</i>	-	30,000,000,000
Loan to DHM Innovative Technology Solutions Company Limited (*)	-	30,000,000,000
<b>Total</b>	<b>-</b>	<b>30,000,000,000</b>

(\*) Loan Contract No. 01.06.2022/HĐ/TTH-DHM dated June 3, 2022, between Tien Thanh Service and Trading Joint Stock Company and DHM Innovative Technology Solutions Company Limited. The loan amount was VND 30,000,000,000 with a 12-month term at an interest rate of 10.5%. On June 3, 2023, both parties signed Appendix 01 to extend the loan term by an additional 6 months from June 3, 2023. On December 3, 2023, both parties signed Appendix 02 to further extend the financing period by 3 months from December 3, 2023. The debt has now been fully recovered.

**5. Other receivables****a, Other short-term receivables**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	Value	Provision	Value	Provision
<i>Receivables from other organizations and individuals</i>	-	-	526,654,460	-
Social insurance	-	-	10,404,460	-
Loan interest receivables	-	-	516,250,000	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>526,654,460</b>	<b>-</b>

**b, Other long-term receivables**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	Value	Provision	Value	Provision
<i>Receivables from other organizations and individuals</i>	6,000,000	-	6,000,000	-
Deposits and guarantees	6,000,000	-	6,000,000	-
<b>Total</b>	<b>6,000,000</b>	<b>-</b>	<b>6,000,000</b>	<b>-</b>

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**Notes to the Financial Statements (cont)**

**6. Provision for doubtful debts**

	Year-end Balance			Beginning Balance		
	Overdue period	Original Cost	Provision	Overdue period	Original Cost	Provision
<b>Short-term receivables from customers</b>						
International Relations – Investment and Production Joint Stock Company	Overdue from 6 months to less than 1 year	16,623,087,575	(4,986,926,273)		24,550,914,575	-
Dai Kim Joint Stock Company	Overdue from 6 months to less than 1 year	4,165,144,875	(1,249,543,463)		4,165,144,875	-
Hung Thinh One Member Limited Liability Service and Trading Company	Overdue from 6 months to less than 1 year	59,156,073,232	(17,746,821,970)		151,986,073,232	-
Mr Pham Anh Tuan	Recovered	-	-	Overdue from 1 to 2 years	5,275,000,000	(2,637,500,000)
<b>Total</b>		<b>79,944,305,682</b>	<b>(23,983,291,706)</b>		<b>185,977,132,682</b>	<b>(2,637,500,000)</b>

**7. Inventory**

	Year-end Balance		Beginning Balance	
	Value	Provision	Value	Provision
Work-in-progress production and business costs (*)	8,427,768,762	-	51,053,557,040	-
<b>Total</b>	<b>8,427,768,762</b>	<b>-</b>	<b>51,053,557,040</b>	<b>-</b>

(\*) The work-in-progress business production cost includes all expenses related to the construction investment of a mixed-use project comprising a supermarket, office space, and residential units, as specified in Investment Certificate No. 01121001043. The project was approved by Decision No. 1565/QĐ-UBND dated April 1, 2016, by the People's Committee of Hanoi, allocating 3,433 m<sup>2</sup> of land at CT-08C, Viet Hung New Urban Area, Duc Giang Ward, Long Bien District, to Tien Thanh Service and Trading Joint Stock Company. Subsequent decisions extended the land use period, including Decision No. 3968/QĐ-UBND on July 24, 2019, granting a 24-month extension, and Decision No. 4519/QĐ-UBND on September 11, 2023, further extending the period by 18 months. Additionally, Decision No. 4573/QĐ-UBND on October 9, 2020, approved the specific land price as the basis for land use fee collection.

**8. Prepaid expenses**

**a) Short-term prepaid expenses**

	Year-end Balance	Beginning Balance
Software expenses	7,481,250	-
Maintenance expenses	17,511,315	-
<b>Total</b>	<b>24,992,565</b>	<b>-</b>



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**Notes to the Financial Statements (cont)****b) Long-term prepaid expenses**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Tools and equipment	-	40,472,442
<b>Total</b>	<b>-</b>	<b>40,472,442</b>

**9. Tangible fixed assets**

	<u>Buildings, architectural structures</u>	<u>Machinery and equipment</u>	<u>Transportation and transmission equipment</u>	<u>Total</u>
<b>Historical costs</b>				
Beginning Balance	389,963,585	2,252,200,000	164,866,364	2,807,029,949
Transfer from unfinished production and business expenses	23,900,392,589	-	-	23,900,392,589
<b>Year-end Balance</b>	<b>24,290,356,174</b>	<b>2,252,200,000</b>	<b>164,866,364</b>	<b>26,707,422,538</b>
<i>Including:</i>				
Fully depreciated but still in use	389,963,585	2,252,200,000	164,866,364	2,807,029,949
<b>Accumulated depreciation value</b>				
Beginning Balance	389,963,585	2,252,200,000	164,866,364	2,807,029,949
Depreciation for the year	628,957,700	-	-	628,957,700
<b>Year-end Balance</b>	<b>1,018,921,285</b>	<b>2,252,200,000</b>	<b>164,866,364</b>	<b>3,435,987,649</b>
<b>Remaining value</b>				
Beginning Balance	-	-	-	-
<b>Year-end Balance</b>	<b>23,271,434,889</b>	<b>-</b>	<b>-</b>	<b>23,271,434,889</b>

**10. Long-term financial investments  
Equity investments in other entities**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
Toan Phat Investment, Production, and Trading Company Limited (*)	10,450,000,000	-	10,450,000,000	-
<b>Total</b>	<b>10,450,000,000</b>	<b>-</b>	<b>10,450,000,000</b>	<b>-</b>

(\*) According to the agreement dated September 28, 2023, Tien Thanh Trading and Service Joint Stock Company converted a portion of its receivables from Toan Phat Investment, Production, and Trading Company Limited into equity capital, valued at VND 10,450,000,000, equivalent to a 19% stake in the company's charter capital. As stated in the agreement, Tien Thanh Service and Trading Joint Stock Company made this investment with the purpose of acquiring the entire debt that Dong Thien Phu Group Joint Stock Company had borrowed from the Vietnam Bank for Agriculture and Rural Development at a winning bid price of VND 137,632,104,178, without participating in the production and business operations of Toan Phat Investment, Production, and Trading Company Limited.

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**Notes to the Financial Statements (cont)****11. Short-term payables to suppliers**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Repayable amount</u>	<u>Value</u>	<u>Repayable amount</u>
<i>Payable to other suppliers</i>	<b>209,915,165,543</b>	<b>209,915,165,543</b>	<b>61,660,489,777</b>	<b>61,660,489,777</b>
Binh Thuan Plastic Group Joint Stock Company	47,388,664,675	47,388,664,675	27,708,924,746	27,708,924,746
Duong Hieu Trading & Mineral Exploitation Joint Stock Company	12,775,698,722	12,775,698,722	18,775,698,722	18,775,698,722
Binh Thuan High-Quality Plastic Joint Stock Company	43,002,459,500	43,002,459,500	-	-
BPG Shinnihon Joint Stock Company	17,350,591,300	17,350,591,300	-	-
Binh Thuan Plastic Manufacturing Limited Liability Company	55,919,715,450	55,919,715,450	-	-
Minh Thanh Dat Construction and Trading Joint Stock Company	22,233,535,141	22,233,535,141	5,093,293,731	5,093,293,731
Other suppliers	11,244,500,755	11,244,500,755	10,082,572,578	10,082,572,578
<b>Total</b>	<b>209,915,165,543</b>	<b>209,915,165,543</b>	<b>61,660,489,777</b>	<b>61,660,489,777</b>

**12. Short-term advances from customers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Prepayments from other customers</i>	-	<b>58,460,096,064</b>
Advance payments according to the installment schedule for apartment purchases	-	58,460,096,064
<b>Total</b>	-	<b>58,460,096,064</b>

**13. Taxes and other payable amounts to the State**

	<u>Beginning Balance</u>	<u>Amount incurred during the year</u>		<u>Year-end Balance</u>
	<u>Payable</u>	<u>Amount payable</u>	<u>Amount paid</u>	<u>Payable</u>
VAT on domestic sales	3,954,133,909	1,341,474,790	(5,264,514,499)	31,094,200
Corporate income tax	1,809,315,942	1,622,166,053	(2,449,610,776)	981,871,219
Personal income tax	-	41,381,024	(21,719,224)	19,661,800
Land lease payment	-	504,126,560	(504,126,560)	-
Other taxes	-	901,184,798	(901,184,798)	-
<b>Total</b>	<b>5,763,449,851</b>	<b>4,410,333,225</b>	<b>(9,141,155,857)</b>	<b>1,032,627,219</b>

The company's tax settlement will be subject to inspection by the tax authorities. As the application of laws and regulations regarding taxes for various types of transactions can be interpreted in different ways, the tax amount presented in the financial statements may be adjusted based on the tax authorities' decision.

**Value-added tax**

The company pays value-added tax (VAT) using the credit method with a tax rate of 10%

**Corporate income tax**

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**Notes to the Financial Statements (cont)**

The company pays corporate income tax at a rate of 20%

**Other taxes**

The company declares and pays taxes in accordance with regulations.

**14. Other short-term payables**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Payables to other entities and individuals</i>	21,784,404,995	18,014,213,202
Union fund	31,070,215	36,747,565
Short-term deposits and advances	3,000,000,000	3,000,000,000
Other short-term payables	18,753,334,780	14,977,465,637
<b>Total</b>	<b><u>21,784,404,995</u></b>	<b><u>18,014,213,202</u></b>

**15. Owner's equity****a) Statement of changes in equity**

	<u>Owner's invested capital</u>	<u>Development investment fund</u>	<u>Undistributed profit</u>	<u>Total</u>
Beginning balance of the previous year	373,748,460,000	8,394,830,504	24,727,713,496	406,871,004,000
Profit of the previous year	-	-	19,801,270,338	19,801,270,338
<b>Ending balance of the previous year</b>	<b><u>373,748,460,000</u></b>	<b><u>8,394,830,504</u></b>	<b><u>44,528,983,834</u></b>	<b><u>426,672,274,338</u></b>
Beginning balance of the current year	373,748,460,000	8,394,830,504	44,528,983,834	426,672,274,338
Profit of the current year	-	-	(16,033,823,730)	(16,033,823,730)
Board of Directors' remuneration	-	-	(567,341,124)	(567,341,124)
<b>Ending balance of the current year</b>	<b><u>373,748,460,000</u></b>	<b><u>8,394,830,504</u></b>	<b><u>27,927,818,980</u></b>	<b><u>410,071,109,484</u></b>

**b) Details of owner's contributed capital**

	<u>Year-end Balance</u>	<u>Rate</u>	<u>Beginning Balance</u>	<u>Rate</u>
Other shareholders	373,748,460,000	100,00%	373,748,460,000	100,00%
<b>Total</b>	<b><u>373,748,460,000</u></b>	<b><u>100,00%</u></b>	<b><u>373,748,460,000</u></b>	<b><u>100,00%</u></b>

**c) Shares**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Number of shares registered for issuance	37,374,846	37,374,846
Number of shares sold to the public	37,374,846	37,374,846
- <i>Common stock</i>	37,374,846	37,374,846
Number of shares repurchased	-	-
Number of shares outstanding	37,374,846	37,374,846
- <i>Common stock</i>	37,374,846	37,374,846
Par value of outstanding shares: 10,000 VND		

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**Notes to the Financial Statements (cont)****VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE STATEMENT OF PROFIT OR LOSS****1. Sales revenue and service provision**

	<u>This year</u>	<u>Previous year</u>
Revenue from the sale of goods	712,504,155,390	621,539,001,950
Revenue from investment property business	70,639,448,101	325,638,999,038
<b>Total</b>	<b><u>783,143,603,491</u></b>	<b><u>947,178,000,988</u></b>

**2. Cost of goods sold**

	<u>This year</u>	<u>Previous year</u>
Cost of goods sold	708,009,838,584	613,131,383,654
Cost of real estate business	36,583,887,683	242,215,339,889
<b>Total</b>	<b><u>744,593,726,267</u></b>	<b><u>855,346,723,543</u></b>

**3. Financial income**

	<u>This year</u>	<u>Previous year</u>
Interest income from deposits and loans	825,822,539	3,147,289,705
Interest income from bonds, promissory notes, and treasury bills	-	8,400,000
Investment income	-	1,328,451,389
<b>Total</b>	<b><u>825,822,539</u></b>	<b><u>4,484,141,094</u></b>

**4. Financial expenses**

	<u>This year</u>	<u>Previous year</u>
Provision/(Reversal of) provision for devaluation of trading securities and investment losses	-	(2,015,782,372)
Loss on recovery of investment	-	2,246,958,888
<b>Total</b>	<b><u>-</u></b>	<b><u>231,176,516</u></b>

**5. Sales expenses**

	<u>This year</u>	<u>Previous year</u>
Employee expenses	279,122,337	1,202,903,524
Outsourced service expenses	1,762,976,500	1,795,368,727
Other expenses	23,921,280,113	67,340,896,600
<b>Total</b>	<b><u>25,963,378,950</u></b>	<b><u>70,339,168,851</u></b>

**6. Enterprise management expenses**

	<u>This year</u>	<u>Previous year</u>
Employee benefits expenses	991,004,890	1,299,052,302
Management material costs	51,140,806	587,410,918
Depreciation expenses of fixed assets	628,957,700	89,565,485
Taxes, fees, and charges	235,584,530	15,200,000
Provision/(Reversal of provision) for doubtful debts	21,345,791,706	(590,286,819)
Outsourced service costs	2,894,013,426	449,976,905
Other expenses	147,202,840	341,899,257
<b>Total</b>	<b><u>26,293,695,898</u></b>	<b><u>2,192,818,048</u></b>

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**Notes to the Financial Statements (cont)****7. Other income**

	<u>This year</u>	<u>Previous year</u>
Other income	1,045	1,156
<b>Total</b>	<b><u>1,045</u></b>	<b><u>1,156</u></b>

**8. Other expense**

	<u>This year</u>	<u>Previous year</u>
Fines for administrative violations and late tax payment	1,347,591,026	-
<b>Other expenses</b>	<b><u>182,692,611</u></b>	<b><u>50,670,000</u></b>
<b>Total</b>	<b><u>1,530,283,637</u></b>	<b><u>50,670,000</u></b>

**9. Corporate income tax expense**

	<u>This year</u>	<u>Previous year</u>
Total accounting profit before tax	(14,411,657,677)	23,501,586,280
Including:		
<i>Accounting profit before tax from business activities</i>	(22,588,120,788)	7,418,823,731
<i>Accounting profit before tax from real estate activities</i>	8,176,463,111	16,082,762,549
Adjustments increasing or decreasing accounting profit to determine taxable corporate income:	1,530,283,637	(2,309,563,919)
- Increasing adjustments	1,530,283,637	50,670,000
<i>Tax penalties and non-deductible expenses</i>	1,530,283,637	50,670,000
- Decreasing adjustments	-	(2,360,233,919)
<i>Other adjustments</i>	-	(2,360,233,919)
Taxable income	(12,881,374,040)	21,192,022,361
Including		
<i>Income from business activities</i>	(21,057,837,151)	5,109,259,812
<i>Income from real estate activities</i>	8,176,463,111	16,082,762,549
Tax-exempt income	-	-
Losses carried forward from previous years	-	(2,690,442,652)
Taxable income	8,176,463,111	18,501,579,709
Corporate income tax rate	20%	20%
<i>Corporate income tax payable at the standard tax rate</i>	1,635,292,622	3,700,315,942
<i>Corporate income tax exemptions and reductions</i>	-	-
<i>Corporate income tax payable</i>	1,635,292,622	3,700,315,942
<i>Adjustment of corporate income tax payable from previous years</i>	(13,126,569)	-
<b>Total corporate income tax payable</b>	<b><u>1,622,166,053</u></b>	<b><u>3,700,315,942</u></b>

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**FINANCIAL STATEMENTS**

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**Notes to the Financial Statements (cont)****10. Basic/Diluted earnings per share**

	<u>This year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	(16,033,823,730)	19,801,270,338
Adjustments increasing or decreasing accounting profit to determine profit allocated to common shareholders:	-	-
Profit used to calculate basic/diluted earnings per share	(16,033,823,730)	19,801,270,338
Weighted average number of common shares outstanding during the year	37,374,846	37,374,846
<b>Basic/Diluted earnings per share</b>	<b>(429)</b>	<b>530</b>

The weighted average number of common shares outstanding during the year is calculated as follows:

	<u>This year</u>	<u>Previous year</u>
Common shares outstanding at the beginning of the year	37,374,846	37,374,846
Impact of common shares issued during the year	-	-
<b>Weighted average number of common shares outstanding during the year</b>	<b>37,374,846</b>	<b>37,374,846</b>

**11. Business production costs by element**

	<u>This year</u>	<u>Previous year</u>
Raw materials and supplies costs	51,140,806	587,410,918
Labor costs	1,270,127,227	2,501,955,826
Depreciation costs of fixed assets	628,957,700	89,565,485
Taxes, fees, and charges	754,765,022	15,200,000
Provision/(Reversal of provision) for doubtful debts	21,345,791,706	(590,286,819)
Outsourced service costs	4,656,989,926	2,245,345,632
Other costs	17,507,401,866	67,682,795,857
<b>Total</b>	<b>46,215,174,253</b>	<b>72,531,986,899</b>

**VII. OTHER INFORMATION****1. Related party information**

Related parties of the Company include key management personnel, individuals related to key management personnel, and other related parties.

**A, Transactions and balances with key management personnel and individuals related to key management personnel**

Key management personnel include members of the Board of Directors and the Executive Board (General Director, Deputy General Directors, and Chief Accountant). Individuals related to key management personnel are close family members of these key management personnel.

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**Notes to the Financial Statements (cont)***Transactions with key management personnel and their related individuals*

	<u>This year</u>	<u>Previous year</u>
Mr Phan Thanh Nam – Chairman of the Board of Directors and General Director		
<i>Advance payments</i>	-	405,895
<i>Reimbursement of advances</i>	-	917,256,703
Mrs Nguyen Thi Hue - Chairman of the Board of Directors and Chief Accountant		
<i>Advance payments</i>	-	-
<i>Reimbursement of advances</i>	-	546,811,000

*Income of key management personnel:*

<b>Full name</b>	<b>Position</b>	<u>This year</u>	<u>Previous year</u>
Mrs Dao Vu Thinh Van	Chairman of the Board of Directors	138,600,000	66,578,133
Mr Phan Thanh Nam	Chairman of the Board of Directors and General Director	361,537,068	162,204,000
Mrs Nguyen Thi Hue	Member of the Board of Directors and Chief Accountant	99,800,000	121,432,000
Mr Nguyen Huu Truong	Member of the Board of Directors and Member of the Supervisory Board	97,200,000	32,400,000
Mr Nguyen Anh Tuan	Member of the Board of Directors cum Chairman of the Supervisory Board	97,200,000	32,400,000
<b>Total</b>		<u><u>794,337,068</u></u>	<u><u>415,014,133</u></u>

**B, Transactions with other related parties**

During the year, the entity did not have any transactions with other related parties.

**2. Segment report****Business segment**

The company has the following main business segments:

- Commerce;
- Real estate business.

**Geographical segment**

The Company's operations during the year took place entirely within the territory of Vietnam; therefore, the Company does not prepare segment reports by geographical area.

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**Notes to the Financial Statements**

Information on business results, fixed assets, and other long-term assets, along with the value of major non-cash expenses for each business segment of the Company, is presented as follows:

	Commerce sector	Real estate business sector	Total
<b>This year</b>			
Net revenue from sales and external service provision	712,504,155,390	70,639,448,101	783,143,603,491
Net revenue from sales and interdepartmental service provision	-	-	-
<b>Total net revenue from sales and service provision</b>	<b>712,504,155,390</b>	<b>70,639,448,101</b>	<b>783,143,603,491</b>
Departmental expenses	(708,009,838,584)	(36,583,887,683)	(744,593,726,267)
Business results by department	4,494,316,806	34,055,560,418	38,549,877,224
Unallocated departmental expenses			(52,257,074,848)
Profit from business operations			(13,707,197,624)
Financial income			825,822,539
Financial expenses			-
Other income			1,045
Other expenses			(1,530,283,637)
Current corporate income tax expense			(1,622,166,053)
Deferred corporate income tax expense			-
<b>Profit after corporate income tax</b>			<b>(16,033,823,730)</b>
<b>Total incurred expenses for purchasing fixed assets and other long-term assets</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortization of long-term prepaid expenses</b>	<b>36,821,833</b>	<b>632,608,309</b>	<b>669,430,142</b>



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## FINANCIAL STATEMENTS

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**Notes to the Financial Statements (cont)**

The assets and liabilities of the department by the company's business sector are as follows:

	Commerce sector	Real estate business sector	Total
<b>Year-end Balance</b>			
Direct assets of the department	579,292,776,378	39,629,693,650	618,922,470,028
Allocated assets for the department	-	-	-
Unallocated assets by department	-	-	26,162,092,052
<b>Total assets</b>			<b>645,084,562,080</b>
Direct liabilities of the department	209,434,448,228	480,717,315	209,915,165,543
Allocated liabilities for the department	-	-	-
Unallocated liabilities by department	-	-	25,098,287,053
<b>Total liabilities</b>			<b>235,013,452,596</b>
<b>Beginning Balance</b>			
Direct assets of the department	424,173,001,683	101,307,455,225	525,480,456,908
Allocated assets for the department	-	-	-
Unallocated assets by department	-	-	47,371,321,163
<b>Total assets</b>			<b>572,851,778,071</b>
Direct liabilities of the department	56,348,494,804	63,772,091,037	120,120,585,841
Allocated liabilities for the department	-	-	-
Unallocated liabilities by department	-	-	26,058,917,892
<b>Total liabilities</b>			<b>146,179,503,733</b>

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**Notes to the Financial Statements****3. Fair value of financial assets and liabilities**

	Book value		Fair value	
	Year-end Balance	Beginning Balance	Year-end Balance	Beginning Balance
<i>Financial assets</i>				
Cash and cash equivalents	14,663,472,499	8,130,933,053	14,663,472,499	8,130,933,053
Accounts receivable from customers	587,061,266,377	451,791,636,748	587,061,266,377	451,791,636,748
Loans receivable	-	30,000,000,000	-	30,000,000,000
Other receivables	6,000,000	532,654,460	6,000,000	532,654,460
Financial assets available for sale	10,450,000,000	10,450,000,000	10,450,000,000	10,450,000,000
<b>Total</b>	<b>612,180,738,876</b>	<b>500,905,224,261</b>	<b>612,180,738,876</b>	<b>500,905,224,261</b>
<i>Financial liabilities</i>				
Accounts payable to suppliers	209,915,165,543	61,660,489,777	209,915,165,543	61,660,489,777
Other payables	21,784,404,995	18,014,213,202	21,784,404,995	18,014,213,202
<b>Total</b>	<b>231,699,570,538</b>	<b>79,674,702,979</b>	<b>231,699,570,538</b>	<b>79,674,702,979</b>

The fair value of financial assets and financial liabilities is reflected at the value that the financial instruments could be exchanged for in a current transaction between knowledgeable and willing parties.

The company uses the following methods and assumptions to estimate the fair value:

- The fair value of cash and cash equivalents, accounts receivable from customers, loans receivable, other receivables, borrowings, accounts payable to suppliers, and other short-term payables is equivalent to their book value (net of allowances for estimated uncollectible amounts) due to their short-term nature.
- The fair value of long-term loans receivable, accounts receivable from customers, other receivables, long-term borrowings, accounts payable to suppliers, other long-term payables, and held-to-maturity investments that are not listed on the stock exchange and do not have quoted prices, as disclosed by the three securities companies, is estimated by discounting the cash flows using the interest rate applicable to debts with similar characteristics and remaining maturity.

**4. Credit risk**

Credit risk is the risk that one party in a contract is unable to fulfill its obligations, resulting in a financial loss for the company.

The company faces credit risks from its business activities (primarily related to accounts receivable from customers) and financial activities (bank deposits, loans, and other financial instruments).

*Accounts receivable from customers*

The company minimizes credit risk by only engaging in transactions with entities that have strong financial capabilities, requiring letters of credit for first-time or unknown financial entities, and having the accounts receivable staff regularly monitor outstanding debts to expedite collections. Based on this approach and the fact that the company's receivables are spread across multiple customers, credit risk is not concentrated on any single customer.

*Bank deposits*

Most of the company's bank deposits are held in large, reputable banks in Vietnam. The company perceives the credit risk concentration for its bank deposits to be low.

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**FINANCIAL STATEMENTS**

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**Notes to the Financial Statements (cont)****5. Liquidity risk**

Liquidity risk is the risk that the company faces difficulties in fulfilling its financial obligations due to a lack of cash. The Board of Directors is ultimately responsible for managing liquidity risk. The company's liquidity risk primarily arises from the mismatched maturities of financial assets and financial liabilities.

The company manages liquidity risk by maintaining an appropriate level of cash and cash equivalents, as well as loans, at a level deemed sufficient by the Board of Directors to meet the company's operational needs, thereby minimizing the impact of cash flow fluctuations.

The maturity of financial liabilities is based on the expected contractual payments that have not been discounted as follows:

	<u>Due within one year</u>	<u>Over 1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<b>Year-end Balance</b>				
Accounts payable to suppliers	209,915,165,543	-	-	209,915,165,543
Other payables	21,784,404,995	-	-	21,784,404,995
<b>Total</b>	<b>231,699,570,538</b>	<b>-</b>	<b>-</b>	<b>231,699,570,538</b>
<b>Beginning Balance</b>				
Accounts payable to suppliers	61,660,489,777	-	-	61,660,489,777
Other payables	18,014,213,202	-	-	18,014,213,202
<b>Total</b>	<b>79,674,702,979</b>	<b>-</b>	<b>-</b>	<b>79,674,702,979</b>

The company believes that the concentration of risk related to debt repayment is low. The company has the ability to meet its maturing debts from cash flows generated by its business operations and funds received from maturing financial assets.

**6. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes three types: foreign exchange risk, interest rate risk, and other price risks.

The sensitivity analysis presented below is based on the value of net debt, with the ratio between fixed-rate debt and floating-rate debt remaining unchanged.

***Foreign exchange risk***

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The company's interest rate risk primarily relates to cash and loans.

The company manages interest rate risk by analyzing market conditions to obtain the most favorable interest rates while staying within its risk management limits.

***Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than changes in interest rates and exchange rates.

## TIEN THANH SERVICE AND TRADING JOINT STOCK COMPANY

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### FINANCIAL STATEMENTS

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#### Notes to the Financial Statements (cont)

#### 7. Events occurring after the accounting closing date for preparing the financial statements

The Board of Directors of the company confirms that there have been no events occurring after December 31, 2024, up to the date of this report that have not been considered for adjustment or disclosed in the financial statements.

#### 8. Comparative figures

Comparative figures refer to the financial statements for the fiscal year ending December 31, 2023, which have been audited by Nhan Tam Viet Auditing Company Limited.

Some of the key figures at the beginning of the year on the Balance Sheet, Income Statement, and Cash Flow Statement have been adjusted according to the tax inspection report, specifically as follows:

	Code	Data according to the audited financial statements of the previous year	Adjusted data	Data after adjustment
<b>Balance Sheet</b>				
Short-term receivables from customers	131	449,958,484,823	4,470,651,925	454,429,136,748
Short-term advances to suppliers	132	38,247,552,098	(18,249,788,978)	19,997,763,120
Inventory	141	121,483,701,668	(70,430,144,628)	51,053,557,040
Short-term advances from customers	312	143,402,482,642	(84,942,386,578)	58,460,096,064
Taxes and other payables to the State	313	5,522,930,290	240,519,561	5,763,449,851
Undistributed after-tax profit	421	44,036,398,498	492,585,336	44,528,983,834
<b>Income Statement</b>				
Revenue from sales of goods and provision of services	01	857,764,962,485	89,413,038,503	947,178,000,988
Net revenue from sales of goods and provision of services	10	857,764,962,485	89,413,038,503	947,178,000,988
Cost of goods sold	11	784,916,578,915	70,430,144,628	855,346,723,543
Gross profit from sales of goods and provision of services	20	72,848,383,570	18,982,893,875	91,831,277,445
Sales expenses	25	52,089,379,873	18,249,788,978	70,339,168,851
Net profit from business operations	30	22,819,150,227	733,104,897	23,552,255,124
Total accounting profit before tax	50	22,768,481,383	733,104,897	23,501,586,280
Current corporate income tax expense	51	3,459,796,381	240,519,561	3,700,315,942
Net profit after corporate income tax	60	19,308,685,002	492,585,336	19,801,270,338
Basic/diluted earnings per share	70;71	517	13	530
<b>Cash Flow Statement</b>				
Profit before tax	01	22,768,481,383	733,104,897	23,501,586,280
Increase or decrease in receivables	09	(215,664,002,790)	13,779,137,053	(201,884,865,737)
Increase or decrease in inventory	10	258,019,676,071	70,430,144,628	328,449,820,699
Increase or decrease in payables	11	(152,087,762,016)	(84,942,386,578)	(237,030,148,594)

Prepared by



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Chief Accountant



Nguyen Thi Hue

Prepared on March 18, 2025

General Director



Phan Thanh Nam