

**HIEP PHUOC INDUSTRIAL PARK
JOINT STOCK COMPANY**

**Audited Financial Statements
For the fiscal year ended 31 December 2024**



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BOARD OF MANAGEMENT'S REPORT

The Board of Management of Hiep Phuoc Industrial Park Joint Stock Company (briefly called "the Company") have the pleasure in presenting this report and the audited financial statements of the Company for the fiscal year ended 31 December 2024.

1. General information

Hiep Phuoc Industrial Park Joint Stock Company is an enterprise equitized from a State-owned enterprise, operating under Business Registration Certificate No. 0305046979 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on 14 June 2007 and changed for the 10th time on 22 March 2023.

Charter capital of the Company at 31/12/2024 and at 01/01/2024 is VND 600,000,000,000 equivalent to 60,000,000 shares which have par value of VND 10,000/ share.

The Company's shares are officially traded on the UPCoM market - the stock exchange of unlisted public companies at the Hanoi Stock Exchange with the stock code HPI according to Decision No. 806/QD-SGDHN issued by the Hanoi Stock Exchange on 26 September 2017.

The Company's head office is located at Zone B, Road No. 01, Hiep Phuoc Industrial Park, Hiep Phuoc Commune, Nha Be District, Ho Chi Minh City.

According to the Business Registration Certificate, the main business activities of the Company are: Real estate business, land use rights owned by the owner, user or lessee. Details: Housing business (except receiving land use rights to invest in infrastructure construction according to housing construction planning to transfer land use rights). Office and warehouse rental in industrial parks. Ship mooring buoy business. Industrial park infrastructure business. Real estate business.

In year, the Company's main activities are construction and business of industrial park infrastructure in Ho Chi Minh City; and providing services to export processing zones and industrial parks.

2. The members of the Board of Directors, the Board of Supervisors and the Board of Management

The members of the Board of Directors, the Board of Supervisors and the Board of Management during the fiscal year ended 31 December 2024 and as at the date of this report include:

The Board of Directors

Full name	Position
Mr. Nguyen Van Thinh	Chairman
Mr. Huynh Bao Duc	Member
Mr. Pham Trung Kien	Member
Mr. Truong Cong Nghia	Member
Mr. Vu Dinh Thi	Member
Ms. Tran Thi Hanh Tien	Member
Ms. Nguyen Thi Binh	Member

The Board of Management

Full name	Position
Mr. Huynh Bao Duc	General Director
Mr. Giang Ngoc Phuong	Deputy General Director
Ms. Nguyen Thi Binh	Deputy General Director

BOARD OF MANAGEMENT'S REPORT

The Board of Supervisors

Full name	Position
Mr. Nguyen Kien Tan	Chief Supervisor
Mr. Le Van Cong	Member
Ms. Le Nguyen Khanh Ngoc	Member

Legal representative

The legal representative of the Company during the fiscal year ended at 31 December 2024 and at the date of this report is:

Full name	Nationality	Position
Mr. Huynh Bao Duc	Vietnamese	General Director

3. The Company's financial position and operating results

The Company's financial position and its operating result for the fiscal year ended 31 December 2024 are reflected in the accompanying financial statements.

4. Events subsequent to the balance sheet date

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

5. Auditors

AFC Vietnam Auditing Company Limited has been appointed to audit the Company's financial statements for the fiscal year ended 31 December 2024.

6. Statement of the Board of Management's responsibility in respect of the financial statements

The Board of Management of the Company is responsible for the financial statements for the fiscal year ended 31 December 2024 which give a true and fair view of the financial position of the Company, as well as of its operation results and its cash flows for the fiscal year then ended. In preparing those financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basic unless it is inappropriate to presume that the Company will continue in business; and
- Design, implement and maintain the Company's internal control for prevention and detection of fraud and error to preparation and presentation of the financial statements.

The Board of Management is responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the Vietnamese Accounting System. The Board of Management is also responsible for managing the assets of the Company and therefore has taken the appropriate measures to prevent and detect frauds and other irregularities.

The Board of Management confirmed that the Company has complied with the above requirements in preparing the accompanying financial statements.

BOARD OF MANAGEMENT'S REPORT

7. Announcement of the financial statements

We hereby announces the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2024, its operation results and cash flows of the Company for the fiscal year ended 31 December 2024 in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting System and comply with relevant statutory requirements relating to the preparation and presentation of financial statements.

On behalf of the Board of Management





HUYNH BAO DUC
General Director
Ho Chi Minh City, 26 March 2025

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Công ty TNHH Kiểm Toán AFC Việt Nam
AFC Vietnam Auditing Co., Ltd.

Thành viên tập đoàn PKF Quốc tế
Member firm of PKF International

No: 203/2025/BCKT-HCM.00506



INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders, the Board of Directors and the Board of Management
Hiep Phuoc Industrial Park Joint Stock Company**

We have audited the accompanying financial statements of Hiep Phuoc Industrial Park Joint Stock Company (briefly called "the Company"), prepared on 26 March 2025, as set out from page 6 to 38, which comprise the Balance sheet as at 31 December 2024, the Income statement, the Cash flow statement for the fiscal year then ended and the Notes to the financial statements.

The Board of Management's responsibility

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

Auditor's responsibility

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

An auditor involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether 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 financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management, as well as evaluating the overall presentation of the financial statements.

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

Auditor's opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of Hiep Phuoc Industrial Park Joint Stock Company as at 31 December 2024, and the results of its operations and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards and Vietnamese Accounting System and comply with relevant statutory requirements to preparation and presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT *(cont.)*

Emphasis of matter

Without qualifying our opinion, we would like to pay attention to the following issues:

1. As stated in Notes 5.15, Notes 6.2 of the Notes to the Financial Statements, the Company has accrued the cost of leasing land with developed infrastructure corresponding to the revenue accounting ratio according to the investment budget, including accrued land rental of VND 1,607,828,248,207 determined based on the estimated rental price of VND 1,764,000/m² according to the land price appraisal dossier submitted by the Department of Natural Resources and Environment to the Ho Chi Minh City Land Price Appraisal Council on 22 August 2019, to record the cost of land sub-leasing activities and the obligation to pay land rental to the State. As of the date of this financial statement, the Company is still in the process of working with the competent authorities of Ho Chi Minh City to determine the official rental price. In case the competent authority approves the official land rental price, the Company will adjust the cost price and related figures will be updated accordingly at the time of issuance.
2. As stated in Notes 6.1, 6.2 and 8.3 of the Notes to the Financial Statements, in year, the Company liquidated 05 contracts related to land leasing activities and recorded the impacts on the Financial Statements for the fiscal year ended 31 December 2024. Accordingly, the Company recorded a sales return and a reduction in cost of goods sold of VND 34,772,527,274 and VND 38,621,308,600 respectively in the income statement for the year.

Our audit opinion is not related to the Emphasis of matter above.



PHAM THI NGOC LIEN
Deputy General Director
Audit Practicing Registration Certificate
No. 1180-2023-009-1
AFC VIETNAM AUDITING COMPANY LIMITED
Ho Chi Minh City, 26 March 2025

LE HUYNH BAO
Auditor
Audit Practicing Registration Certificate
No. 5449-2021-009-1

BALANCE SHEET

As at 31 December 2024

ITEMS	Code	Notes	31/12/2024 VND	01/01/2024 VND
ASSETS				
A - CURRENT ASSETS	100		829,467,117,901	913,910,742,607
I. Cash and cash equivalents	110	5.1	529,554,722,972	14,464,319,871
1. Cash	111		10,054,722,972	9,964,319,871
2. Cash equivalents	112		519,500,000,000	4,500,000,000
II. Short term financial investments	120		100,300,000,000	697,900,000,000
1. Trading securities	121		-	-
2. Provision for diminution in value of trading securities	122		-	-
3. Held-to-maturity investments	123	5.2	100,300,000,000	697,900,000,000
III. Short-term receivables	130		150,038,840,883	156,426,452,511
1. Short-term accounts receivable	131	5.3	111,542,446,269	114,044,874,921
2. Short-term advances to suppliers	132	5.4	12,911,847,073	11,476,050,840
3. Short-term inter-company receivables	133		-	-
4. Construction contract receivables based on progress billings	134		-	-
5. Receivable from short-term loans	135		-	-
6. Other short-term receivables	136	5.5	26,211,226,505	31,532,205,714
7. Provision for doubtful short-term debts	137	5.6	(626,678,964)	(626,678,964)
8. Deficient assets pending resolution	139		-	-
IV. Inventories	140	5.7	225,350,066	272,242,344
1. Inventories	141		225,350,066	272,242,344
2. Provision for decline inventories	149		-	-
V. Other short-term assets	150		49,348,203,980	44,847,727,881
1. Short-term prepayments	151		-	-
2. Deductible VAT	152		-	-
3. Other receivables from State budget	153	5.14	49,348,203,980	44,847,727,881
4. Transactions to buy, resell government bonds	154		-	-
5. Other short-term assets	155		-	-

BALANCE SHEET

As at 31 December 2024

ITEMS	Code	Notes	31/12/2024	01/01/2024
			VND	VND
B - NON-CURRENT ASSETS	200		1,568,538,732,945	1,536,529,622,537
I. Long-term receivables	210		-	-
1. Long-term receivables from customers	211		-	-
2. Long-term advances to suppliers	212		-	-
3. Business capital in dependent units	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivable from long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Provision for doubtful long-term debt	219		-	-
II. Fixed assets	220		27,924,188,681	25,877,328,839
1. Tangible fixed assets	221	5.8	27,899,813,732	25,800,614,271
- Cost	222		67,092,666,819	62,672,857,560
- Accumulated depreciation	223		(39,192,853,087)	(36,872,243,289)
2. Finance leases fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	5.9	24,374,949	76,714,568
- Cost	228		1,308,101,372	1,308,101,372
- Accumulated depreciation	229		(1,283,726,423)	(1,231,386,804)
III. Investment property	230	5.10	125,143,488,606	153,640,370,100
- Cost	231		236,788,314,230	535,045,215,839
- Accumulated depreciation	232		(111,644,825,624)	(381,404,845,739)
IV. Long-term assets in progress	240		1,351,130,955,546	1,292,660,712,375
1. Long-term works in progress	241		-	-
2. Construction in progress	242	5.11	1,351,130,955,546	1,292,660,712,375
V. Long-term financial investments	250		64,029,354,991	64,029,354,991
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures, associates	252	5.2	47,331,000,000	47,331,000,000
3. Investments in other entities	253	5.2	16,698,354,991	16,698,354,991
4. Provision for diminution in value of long-term financial investments	254	5.2	-	-
5. Long-term investments held to maturity	255		-	-
VI. Other non-current assets	260		310,745,121	321,856,232
1. Long-term prepaid expenses	261		310,745,121	321,856,232
2. Deferred income tax assets	262		-	-
3. Long-term equipment, spare parts for replacement	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		2,398,005,850,846	2,450,440,365,144

BALANCE SHEET

As at 31 December 2024

ITEMS	Code	Notes	31/12/2024 VND	01/01/2024 VND
RESOURCES				
C – LIABILITIES	300		1,970,318,563,883	2,088,219,739,785
I. Current liabilities	310		1,890,632,891,187	1,946,054,204,898
1. Trade accounts payable	311	5.12	4,327,778,412	2,096,719,011
2. Short-term advance from customers	312	5.13	344,467,651	268,550,074
3. Taxes and payables to State budget	313	5.14	1,608,052,350	1,430,637,127
4. Payables to employees	314		2,922,383,553	-
5. Short-term accrued expenses	315	5.15	1,609,986,517,094	1,611,361,606,854
6. Short-term inter-company payables	316		-	-
7. Construction contract payables based on progress billings	317		-	-
8. Short-term unrealized revenues	318	5.16	93,883,612,025	107,120,784,682
9. Other current payables	319	5.17	165,853,924,020	212,069,751,068
10. Short-term loans and finance lease liabilities	320	5.18	6,192,400,000	6,192,400,000
11. Provision for short-term payables	321		-	-
12. Bonus and welfare funds	322	5.19	5,513,756,082	5,513,756,082
13. Price Stabilization Fund	323		-	-
14. Transactions to buy, resell government bonds	324		-	-
II. Long-term liabilities	330		79,685,672,696	142,165,534,887
1. Long-term trade payables	331	5.12	4,024,289,642	4,024,289,642
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables on capital	334		-	-
5. Long-term payables to inter-company	335		-	-
6. Long-term unrealized revenues	336		-	-
7. Other long-term payables	337		-	-
8. Long-term loans and finance lease liabilities	338	5.18	19,639,800,000	25,832,200,000
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Provision for long-term payables	342	5.20	56,021,583,054	112,309,045,245
13. Science and technology development fund	343		-	-

BALANCE SHEET

As at 31 December 2024

ITEMS	Code	Notes	31/12/2024	01/01/2024
			VND	VND
D - OWNER'S EQUITY	400		427,687,286,963	362,220,625,359
I. Capital	410	5.21	427,687,286,963	362,220,625,359
1. Owners' invested capital	411		600,000,000,000	600,000,000,000
- Ordinary shares with voting rights	411a		600,000,000,000	600,000,000,000
- Preferred shares	411b		-	-
2. Capital surplus	412		100,000,000,000	100,000,000,000
3. Convertible bonds option	413		-	-
4. Other owner's capital	414		-	-
5. Treasury shares (*)	415		-	-
6. Assets revaluation difference	416		-	-
7. Foreign exchange difference	417		-	-
8. Investment and development funds	418		41,208,052,350	41,208,052,350
9. Business arrangements support fund	419		-	-
10. Other owner's funds	420		-	-
11. Retained earnings	421		(313,520,765,387)	(378,987,426,991)
Retained earnings brought forward	421a		(378,987,426,991)	(445,729,073,729)
Retained earnings for the current year	421b		65,466,661,604	66,741,646,738
12. Construction capital sources	422		-	-
II. Non-business expenditure fund and other funds	430		-	-
1. Non-business expenditure fund	431		-	-
2. Non-business expenditure fund invested in fixed assets	432		-	-
TOTAL RESOURCES	440		2,398,005,850,846	2,450,440,365,144

NGUYEN THI THANH HAO
Preparer

LU THI THU VAN
Chief Accountant



HUYNH BAO DUC
General Director
Ho Chi Minh City, 26 March 2025

INCOME STATEMENT

For the fiscal year ended 31 December 2024

ITEMS	Code	Notes	2024 VND	2023 VND
1. Revenues from sale of goods and rendering of services	01		97,156,532,251	83,665,245,800
2. Deductions	02		63,914,454,213	61,010,452,040
3. Net revenue from sale of goods and rendering of services (10 = 01- 02)	10	6.1	33,242,078,038	22,654,793,760
4. Cost of goods sold	11	6.2	(24,509,765,459)	34,643,964,446
5. Gross profit from sale of goods and rendering of services (20 = 10 - 11)	20		57,751,843,497	(11,989,170,686)
6. Financial income	21	6.3	32,637,255,099	110,737,435,217
7. Financial expenses	22		-	(33,667,775)
- In which: loan interest	23		-	-
8. Selling expenses	25	6.4	3,088,884,629	2,952,307,412
9. General and administration expenses	26	6.5	24,956,603,158	30,632,999,874
10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		62,343,610,809	65,196,625,020
11. Other income	31	6.6	4,201,380,710	3,383,003,935
12. Other expenses	32	6.7	346,329,915	1,120,382,217
13. Profit from other activities (40 = 31 - 32)	40		3,855,050,795	2,262,621,718
14. Accounting profit before tax (50 = 30 + 40)	50		66,198,661,604	67,459,246,738
15. Current corporate income tax expense	51	5.14	-	-
16. Deferred corporate income tax expense	52		-	-
17. Net profit after tax (60 = 50 - 51 - 52)	60		66,198,661,604	67,459,246,738
18. Earnings per share	70	6.8	1,103	1,124

NGUYEN THI THANH HAO
Preparer

LU THI THU VAN
Chief Accountant



HUYNH BAO DUC
General Director
Ho Chi Minh City, 26 March 2025

CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

ITEMS	Code	2024 VND	2023 VND
I. CASH FLOW FROM OPERATING ACTIVITIES			
1. Net profit before tax	01	66,198,661,604	67,459,246,738
2. Adjustments for :			
- Depreciation and amortisation of fixed assets, investment property	02	11,268,832,351	6,805,847,359
- Provisions, (reversal)	03	-	(34,435,168)
- (Gain), loss foreign exchange rate differences upon revaluation of monetary	04	(5,153,581)	(1,429,100)
- Gain, loss from investing activities	05	(31,654,104,053)	(44,284,649,294)
- Interest expense	06	-	-
- Other adjustments	07	-	-
3. Operating profit before movements in working capital	08	45,808,236,321	29,944,580,535
- (Increase), decrease in receivables	09	(724,430,084)	42,738,382,460
- (Increase), decrease in inventories	10	46,892,278	377,208,610
- Increase, (decrease) in account payable (Other than interest payables, CIT payables)	11	(151,062,084,502)	(50,938,097,076)
- (Increase), decrease in accrued expenses	12	11,111,111	(11,111,111)
- Increase, decrease in trading securities	13	-	-
- Interest paid	14	-	-
- Corporate income tax paid	15	-	-
- Other cash inflows	16	-	-
- Other cash outflows	17	-	(148,000,000)
Net cash flow from operating activities	20	(105,920,274,876)	21,962,963,418
II. CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash outflow for purchasing and construction of fixed assets and other long-term assets	21	(4,667,745,270)	(34,833,779,941)
2. Proceeds from disposal of fixed assets and other long-term assets	22	-	376,936,027
3. Cash outflow for buying debt instruments of other entities	23	(404,100,000,000)	(1,421,646,263,560)
4. Cash recovered from lending, selling debt instruments of other companies	24	1,001,700,000,000	1,355,476,263,560
5. Investment in other entities	25	-	-
6. Cash recovered from investments in other entities	26	-	-
7. Interest income received, dividends received	27	34,265,669,666	46,564,948,225
Net cash flow from investing activities	30	627,197,924,396	(54,061,895,689)
III. CASH FLOW FROM FINANCIAL ACTIVITIES			
1. Proceeds from issuing stocks, receiving capital from owners	31	-	-
2. Capital withdrawals, buying treasury shares	32	-	-
3. Proceeds from short-term borrowings	33	7.1	-
4. Repayment of borrowings	34	7.2	(6,192,400,000)
5. Repayment of obligations under finance lease	35	-	-
6. Dividends paid	36	-	-
Net cash flow from financing activities	40	(6,192,400,000)	(6,192,400,000)

CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

ITEMS	Code	2024 VND	2023 VND
NET INCREASE/ DECREASE IN CASH IN YEAR (50 = 20 + 30 + 40)	50	515,085,249,520	(38,291,332,271)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	60	14,464,319,871	52,754,223,042
Effects of changes in foreign exchange rate	61	5,153,581	1,429,100
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (70 = 50 + 60 + 61)	70	529,554,722,972	14,464,319,871



NGUYEN THI THANH HAO
Preparer



LU THI THU VAN
Chief Accountant



HUYNH BAO DUC
General Director
Ho Chi Minh City, 26 March 2025

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

1. BUSINESS HIGHLIGHTS

1.1 Structure of ownership

Hiep Phuoc Industrial Park Joint Stock Company ("the Company") is an enterprise equitized from a State-owned enterprise, operating under Business Registration Certificate No. 0305046979 issued by the Department of Planning and Investment of Ho Chi Minh City for the first time on 14 June 2007 and changed for the 10th time on 22 March 2023.

Charter capital of the Company at 31/12/2024 and at 01/01/2024 is VND 600,000,000,000 equivalent to 60,000,000 shares which have par value of VND 10,000/ share.

The Company's shares are officially traded on the UPCoM market - the stock exchange of unlisted public companies at the Hanoi Stock Exchange with the stock code HPI according to Decision No. 806/QĐ-SGDHN issued by the Hanoi Stock Exchange on 26 September 2017.

The Company's head office is located at Zone B, Road No. 01, Hiep Phuoc Industrial Park, Hiep Phuoc Commune, Nha Be District, Ho Chi Minh City.

1.2 Scope of operating activities

The Company operates in the field of real estate business and services.

1.3 Line of business

According to the Business Registration Certificate, the main business activities of the Company are: Real estate business, land use rights owned by the owner, user or lessee. Details: Housing business (except receiving land use rights to invest in infrastructure construction according to housing construction planning to transfer land use rights). Office and warehouse rental in industrial parks. Ship mooring buoy business. Industrial park infrastructure business. Real estate business.

In year, the Company's main activities are construction and business of industrial park infrastructure in Ho Chi Minh City; and providing services to export processing zones and industrial parks.

1.4 Normal business cycle

Business cycle of the Company is not exceeding 12 months.

1.5 Declaration on the comparability of information on financial statements

The figures are presented in the financial statements for the fiscal year ended 31 December 2024 compared with the corresponding figures prior year.

1.6 Employees

As at 31 December 2024, the total number of employees of the Company was 181 (31 December 2023: 188 employees).

2. ACCOUNTING YEAR AND ACCOUNTING CURRENCY

2.1 Fiscal year

The fiscal year of the Company is from January 01 to December 31 annually.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

2.2 Accounting currency

The Company maintains its accounting records in Vietnamese dong (VND) due to the collect and spending are made primarily by currency VND.

3. ACCOUNTING STANDARDS AND REGULATIONS APPLICATION

3.1 Accounting Standards and regulations application

The Company's financial statements are prepared and presented in accordance with Vietnamese Accounting System issued Circular No. 200/2014/TT-BTC on 22 December 2014, the Circular No. 53/2016/TT-BTC on 21 March 2016 issued by the Ministry of Finance guiding the preparation and presentation methods of the financial statements and Vietnam Accounting Standards.

The Company has applied the Vietnamese Accounting Standards, Accounting System according to Circular No. 200/2014/TT-BTC, Circular No. 53/2016/TT-BTC and other circulars guiding the implementation of accounting standards issued by the Ministry of Finance in Vietnam in relating to the preparation and presentation of financial statements.

3.2 Comply with the Vietnamese Accounting Standards and Vietnamese Accounting System

The Board of Management is ensure that complied with the Vietnamese Accounting Standards, Vietnamese Accounting System according to Circular No. 200/2014/TT-BTC, Circular No. 53/2016/TT-BTC, and as well as the guiding implementation of Vietnamese Accounting Standards issued by the Ministry of Finance in relating to the preparation and presentation of financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of preparation of the financial statements

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

4.2 Foreign currency transactions

In year, transactions in currencies other than VND during the fiscal year have been translated into VND at exchange rates ruling at the date of the transaction. At the end of the fiscal year, cash in banks, monetary items denominated in foreign currencies are classified as other assets that are converted into VND according to the transfer buying foreign exchange rate of bank prevailing on this date; monetary items denominated in foreign currencies are classified as liabilities that are converted into VND at the selling foreign exchange rate of bank prevailing on this date.

Foreign exchange differences arising during the year from transactions in foreign currencies are recognized in the financial income or expenses. Exchange differences arising from revaluation of monetary items denominated in foreign currencies as at the end of fiscal year after offsetting between increase and decrease difference is recognized in the financial income or expenses.

4.3 Cash and cash equivalents

Cash comprises cash on hand, cash in banks (demand deposits) and cash in transit. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of investment, which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value at the report date.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

4.4 Financial investments

Held-to-maturity investments

Investments are classified as held to maturity when the Company has the intention and ability to hold to maturity. Investments held to maturity include: bank deposits with a term (including treasury bills, promissory notes), bonds, the preferred shares which issued compulsory acquisition at a certain point in the future and loans held to maturity for the purpose of collecting interest periodically and other held to maturity investments.

Investments held to maturity are initially recognized at cost including purchase price and the expenses related to the purchase of investments. After initial recognition, these investments are stated at recoverable value. Interest income from investments held to maturity after the acquisition date is recognized in the Income statement on an accrual basis. Rates enjoyed before the holding is deducted from the cost of acquisition.

When there is strong evidence suggesting that part or all of the investments may not be recoverable and the damage can be measured reliably, the loss is recorded in financial expenses in the year and reduced directly to investment value.

When an investment is liquidated, the difference between the net disposal proceeds and the carrying amount is recognized as income or expense.

Investments in joint ventures

A joint venture is an enterprise established on the basis of a contractual agreement under which the Company and the participating parties carry out economic activities on the basis of joint control. Joint control is understood as the making of strategic decisions related to the operating and financial policies of the joint venture must have the consensus of the parties participating in the joint venture.

Investments in joint ventures are initially recorded at cost, including purchase price or capital contributions plus costs directly attributable to the investments. In case of investments in non-monetary assets, the cost of the investment is recorded at the fair value of non-monetary assets at the time they occur.

Dividends and profits from previous periods, before investments are purchased, are accounted for the decrease in value of such investments. Dividends and profit of the period after the investment is acquired revenue recognition. Dividends received in shares only track the number of shares increases, no recognition of the value of shares received.

Provision for loss on investments in joint ventures are made when the joint ventures loss at the rate equal to the difference between the actual investment the parties in joint ventures and equity multiplied with the capital contribution ratio of the Company and the total actual capital contributions of all parties in joint ventures.

Increase or decrease in provision for diminution in value of investments in joint ventures have recorded at the end of the fiscal year, and is recognized in the financial expenses.

Capital investments in other entities

Capital investments in other entities include capital investments where the Company has no control, joint control or significant influence over the investee.

Capital investments are initially recognized at cost, including the purchase price or capital contribution plus any directly attributable costs of the investment. The Board of Management conducts a review of investments to recognize provisions at the end of the accounting period.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

Provisions for loss of investments in equity instruments of other entities are made as follows:

- For an investment in listed shares or the fair value of the investment is reliably determined, the provision is based on the market value of the shares.
- For investments whose fair value cannot be determined at the reporting time, provision is made based on the investee's loss with an allowance equal to the difference between the actual contributed capital of the investor parties, in another entity, and the actual equity, multiplied by the Company's percentage of capital contribution compared to the total actual contributed capital of the parties in the other entity.

Increase or decrease in the amount of provision for loss of investment in equity instruments of another entity that needs to be made at the end of the financial year is recognized in financial expenses.

4.5 Receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

The classifications of receivables are trade receivables and other receivables, which complied with the following principles:

- Trade receivables reflect the nature of the receivables arising from commercial transactions with purchase - sale between the Company and an independent purchaser.
- Other receivables reflect the nature of the receivables arising from non-commercial transactions, and not to be related to the purchase – sale transactions.

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recognised as general and administrative expense in the Income statement.

4.6 Inventories

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

Cost of inventories is determined as follows: comprising all costs of purchase and related expenses directly incurred in bringing the inventories to their present location and condition.

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

The Company applies the perpetual inventory method of accounting for inventories and the cost is determined on the weighted average method.

Provision for decline of inventories is made for each inventory with the cost greater than the net realisable value. Increase or decrease in the balance of provision for decline of inventories should be set aside at the fiscal year end and is recognized in cost of goods sold.

4.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The historical cost of tangible fixed assets include all the expenses that the Company incurs to get fixed assets by the time the asset is put into a state ready for use. Costs incurred after initial recognition is only recorded as increase in cost of fixed assets if these costs are sure to increase economic benefits in the future by using this assets. The costs incurred are not satisfied conditions are recognized as an expense in the year.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

When selling or liquidating assets, their cost and accumulated depreciation of the assets are written off in the financial statements and any gain or loss which are arising from disposal are recorded in the income statement.

Depreciation of tangible fixed assets which is calculated under the straight-line depreciation method with useful time of the asset is estimated as follows:

	Years
Building and structure	05 – 25
Machinery and equipment	03 – 17
Transportation	06 – 07
Office equipment	03 – 07

4.8 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation.

The historical cost of intangible fixed assets include all the expenses that the Company incurs to get fixed assets by the time the asset is put into a state ready for use. Costs related to intangible assets incurred after initial recognition are recognized as expenses in the period, unless these costs are associated with an intangible asset and increase economic benefits from these assets.

When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or losses resulting from their disposal are recognized in other income or other expense.

The Company's intangible fixed assets include:

Computer software

The expenses of purchasing computer software, which is not a part associated with the relevant hardware, will be capitalised. The initial cost of computer software includes all the expenses paid until the date the software is put into use. Computer software is amortised according to straight –line method in 4 years.

4.9 Construction in progress

Construction in progress represents the costs attribute directly (including related interest expenses matching with the accounting policies of the Company) to the assets which are in the process of construction, machinery was installed to serve the purpose of manufacturing, leasing and management as well as costs related to the repair of fixed assets which are being performed. These assets are recorded at cost and are not amortized.

4.10 Investment property

Investment properties are land use right, house, part of the house or infrastructure owned by the Company or financial lease is used for the purpose to profit from rentals or for capital appreciation. Investment properties are stated at cost less accumulated depreciation. Cost of Investment properties is all the costs that the Company takes money or the fair value of the consideration given in exchange to get Investment properties to date of acquisition or construction is completed.

Expenses related to Investment properties incurred after initial recognition are recognized at expenses, unless costs which are likely definitely make Investment properties generate economic benefits in the future work more than the initial assessment shall be recorded as increase in price.

When investment properties are sold, their cost and accumulated depreciation are eliminated and profits and losses arising are recorded into income or expenses during the period.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

Conversion from owner-occupied property or inventories to investment property only when the owner ceases to use such property and commits operation to another party or at the end of the construction period. The transfer from investment property to owner-occupied property or inventory is only when the owner begins to use this property or begins to deploy it for sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or residual value of the property at the date of conversion.

Investment properties used for rental purposes are depreciated on a straight-line basis over the estimated useful time of the properties as follows:

	Years
Industrial park land and infrastructure for rent	33 - 47

4.11 Accounts payables and accrued expenses

Accounts payable and accrued payable are recognized for amounts to be paid in the future, which are related to the goods and services received. Accrued payables are recorded based on reasonable estimates of the amounts payable.

The classification of liabilities is trade payable, accrued expenses and other payables are in accordance with the following principles:

- Trade payables reflects the payables occurring from the commercial transactions with purchase of goods, services, property and the seller, which is an independent unit with the Company.
- Accrued payables reflect the amounts payable for goods and services received from the seller or has provided to the buyer but not paid due to no or insufficient billing records, accounting records and payable to employees on sabbatical salary, production costs that must be accrued.
- Other payables reflect the payables from non-commercial payables and not relate to the purchase – sale transactions.

4.12 Provisions payable

Provisions are recognized when the Company has a present debt obligation (legal or joint liability) as a result of an event that occurred, the payment of this debt liability may result in the decline in economic benefits and the value of that debt obligation can be a reliable estimate. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

The Company's payable provisions include:

Provision for high risk contracts

Provisions for high risk contracts are recognised when the economic benefits expected to be received from the contract are lower than the unavoidable costs of meeting the obligations under the contract.

Increases and decreases in the provision for high risk contracts that require provisioning at the end of the financial year are recognised in the administrative expenses of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

4.13 Salary

Salary expenses are determined based on salary, wage and allowances as stated in agreed-upon labor contracts.

4.14 Salary deduction

The Company and employees are required to contribute 17.5% and 8% of the salary on labor contract of each employee to social insurance fund.

The Company and employees are required to contribute 3% and 1.5% of the salary on labor contract of each employee to health insurance fund.

The Company is required to contribute 1% and employees are required to contribute 1% of the salary on labor contract of each employee to unemployment insurance fund.

Trade unions fees deducted on salaries to the cost of 2%.

4.15 Unrealized revenue

Unrealized revenue is revenue received in advance, consisting primarily of amounts paid by customers in advance for one or more accounting periods for leasing assets.

The Company records unrealized revenue corresponding to the portion of the obligation that the Company will have to perform in the future. When the conditions for revenue recognition are satisfied, unrealized revenue is recognized in the statement of income in the period corresponding to the portion that satisfies the conditions for revenue recognition.

4.16 Owners' equity

Contributed capital of the owner

Capital is recorded according to the amount actually invested by shareholders.

Surplus of stock capital

Surplus of stock capital is recognized at the difference between the issued price and face value of shares when first released, the release added, the difference between the price reissued and the book value of treasury shares and structures the capital of the convertible bond at maturity. Direct expenses related to the issuance of additional shares and treasury shares reissued are reduced Surplus of stock capital.

Funds

Funds are appropriated and used in accordance with the Charter of the Company.

4.17 Profit distribution

Profit after corporate income tax is distributed to shareholders after the deduction of funds under the Charter of the Company and the provisions of the law which were approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered non-monetary assets and liabilities in net undistributed profit may affect cash flow and ability to pay dividends as profit from revaluation of assets contributed as capital and interest due to the revaluation of monetary items, the financial instruments and non-monetary items other.

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

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NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

4.18 Revenue

Revenue from leasing land with developed infrastructure

Revenue from leasing land with developed infrastructure is recognized on a straight-line basis over the lease term. Rental payments received in advance for multiple periods are allocated to revenue in accordance with the lease term..

In case the lease term accounts for more than 90% of the useful life of the asset, the Company is recognized once for the entire rental payment received in advance if all of the following conditions are simultaneously satisfied:

- (a) The lessee has no right to cancel the lease contract and the Company is not obliged to return the amount received in advance under any circumstances and in any form. In case the parties agree to terminate the contract before the term, the rights and obligations of each party will be agreed upon in the written agreement on early termination of the contract. In any case, the lessee is still obliged to pay the Company the rent and accompanying service fees for all services used by the lessee until the date the lessee completes the contract termination procedures;
- (b) The amount received in advance from the lease is not less than 95% of the total expected rental income under the contract during the lease term and the lessee must pay the entire rental amount within 12 months from the commencement date of the lease.
- (c) Almost all risks and benefits associated with the ownership of the leased asset have been transferred to the lessee.
- (d) The cost of the rental activity is estimated relatively fully.

Revenue from leasing operating property

Revenues from leasing operating property are recorded on a straight-line basis during the lease. Rentals received in advance of several periods are allocated to revenue consistent with the lease time.

Revenues from rendering services

The revenue of transaction related to the provision of services is recorded when the result of the transaction can be measured reliably. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date. The result of this transaction can be measured reliably when satisfy all four conditions:

- (a) Revenue can be measured reliably. When the contract stipulates that the buyer has the right to return the purchased service under specific conditions, the Company may only recognize revenue when those specific conditions no longer exist and the buyer no longer has the right to return the provided service.
- (b) It is possible to obtain economic benefits from the service provision transaction;
- (c) The work volume finished on the date of making the accounting balance sheet can be determined;
- (d) The costs incurred from the service provision transaction and the costs of its completion can be determined.

Interest

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

Distributed dividends and profit

Distributed dividends and profit are recognized when the Company is entitled to receive dividends or profit from the capital contribution. Dividends received in shares only track the number of shares increases, no recognition of the value of shares received.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

4.19 Loan expenses

Loan expenses are loan interest and other costs incurred in direct relation to loans of an enterprise.

Loan expenses are recognised as financial expense for the period except where Loan expenses directly related to the construction investment or production of uncompleted assets shall be accounted into the value of such assets (capitalized). The capitalization of loan expenses shall terminate when the major activities necessary to prepare the uncompleted asset for its intended use or sale are completed.

4.20 Corporate income tax

Corporate income tax expenses for the year comprises current income tax.

Current income tax

Current income tax is the tax amount is calculated on taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between accounting and tax, non-deductible expenses as well as adjusted income are not taxed and losses be transferred.

Tax settlement of the Company will be assessed by the Tax Department. Due to the application of laws and regulations on taxes for different incurred transactions which can be explained in many different ways, tax payable presented in the financial statements can be immediately changed according to the decision of the tax authorities.

4.21 Segment reporting

A business segment is a distinguishable component that is engaged in providing a product or service and that has its own risks and returns which are different from those of other business segments.

A geographical segment a distinguishable component that is engaged in providing a product or services in a particular economic environment and that has its own risks and returns which are different from of segment operating in other economic environment.

4.22 Financial instrument

Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets of the Company include cash and cash equivalents, customer receivables and other receivables.

At the time of initial recognition, financial assets are determined at cost plus any costs directly transaction of such financial assets.

Financial liabilities

The classification of financial liabilities depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. Financial liabilities of the Company include payable to suppliers, accrued expenses and other payables.

At the time of initial recognition, except for financial liabilities related to financial leasing and convertible bonds are recorded at cost allocation, other financial liabilities are determined at cost plus costs directly transaction of such financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

Amortized cost is determined by the value of the initial recognition of financial liabilities minus principal repayments, plus or minus the cumulative amortization of interest calculated at the actual interest rate method of the difference between the value initially recognized and the maturity value, minus deductions (directly or through the use of a provision) by reducing the value or by irrevocable.

The real interest method is a method of calculating the amortized cost of one or a Company of financial liabilities and amortizing the interest income or interest expense in the relevant period. Real interest rate is the interest rate discounting the cash flows estimated to be paid or received in future during the expected lifetime of the financial instrument or a shorter, if necessary, return to the current book value net financial liabilities.

Owner's equity instruments

Owner's equity instruments are contracts that prove benefits remaining about asset of Company after deducting all of its obligation.

Offsetting of financial instruments

The financial assets and financial liabilities are offset and the net amount is presented on the balance sheet, and if only:

- The Company has the legal right to offset the values were recognized, and
- It intends to pay on a net basis or recognized assets and paid liabilities at the same time.

4.23 Related parties

The parties are related if having the ability to control or significant influence across the decision making of financial policies and operations. Parties are also considered to be related if they are subjected to common control or common significant influences.

The following individuals/ companies are considered as related parties:

Individuals / Company	Location	Relationship
Tan Thuan Industrial Promotion Company Limited	Vietnam	Major Shareholder
Vietnam Japan Technology Park Company Limited	Vietnam	Joint venture
Long Hau Corporation	Vietnam	Other related parties
The Board of Directors, the Board of Supervisors, the Board of Management		Key members

5. ADDITIONAL INFORMATION TO ITEMS IN THE BALANCE SHEET

5.1 Cash and cash equivalents

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	135,093,500	57,226,000
Cash in bank		
- VND	9,830,745,684	9,823,363,664
- USD	(*) 88,883,788	83,730,207
Cash equivalents	(**) 519,500,000,000	4,500,000,000
	529,554,722,972	14,464,319,871

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

(*) Detail of balance of cash in bank by foreign currency as at 31 December 2024, as follows:

	Foreign currency	Equivalent VND
Cash in bank		
- USD	3,520.15	88,883,788

(**) Cash equivalents are term deposits of no more than 3 months deposited at commercial banks with interest rates according to each respective deposit contract.

5.2 Financial investments

Financial investments of the Company include Held-to-maturity investments and Investments in other entities. Information about financial investments of the Company is as follow:

5.2.1 Held-to-maturity investments

	31/12/2024		01/01/2024	
	Cost VND	Book value VND	Cost VND	Book value VND
Short-term	100,300,000,000	100,300,000,000	697,900,000,000	697,900,000,000
Term deposits	<u>100,300,000,000</u>	<u>100,300,000,000</u>	<u>697,900,000,000</u>	<u>697,900,000,000</u>

The balance of short-term term deposits as at 31 December 2024 is deposits at commercial banks with terms from 6 months to 12 months with interest rates according to each respective deposit contract.

Some held-to-maturity investments with a value of VND 32,000,000,000 are used as collateral for loans at Ho Chi Minh City Finance and Investment State-Owned Company (see Notes 5.18).

5.2.2 Investments in other entities

	31/12/2024			01/01/2024		
	Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
Investment in joint ventures and associates						
Vietnam Japan Technology Park Company Limited (a)	47,331,000,000	-	(*)	47,331,000,000	-	(*)
Investment in other entities						
Long Hau Corporation (b)	16,698,354,991	-	34,629,717,500	16,698,354,991	-	29,557,195,500
	<u>64,029,354,991</u>	<u>-</u>		<u>64,029,354,991</u>	<u>-</u>	

(a) Vietnam Japan Technology Park Company Limited (abbreviated as "Vietnam Japan Technology Park") was established in Vietnam, operating under Business Registration Certificate No. 0312476757, first registered on 5 September 2013 and the 2nd amendment dated 16 October 2015, issued by the Department of Planning and Investment of Ho Chi Minh City. The charter capital of Vietnam Japan Technology Park is VND 105,180,000,000. The Company invests in Vietnam Japan Technology Park with a 45% ownership/voting ratio. The main activity of Vietnam Japan Technology Park is leasing factories and offices.

(*) As at 31/12/2024 and 31/12/2023, the Company has not determined the fair value of these investments to disclose in the Notes to the financial statements, because there is no listed price on the market and Vietnamese accounting standards, the Vietnamese enterprise accounting regime. There is currently no guidance on how to calculate fair value and use valuation techniques. The fair value of these investments may differ from the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

- (b) Long Hau Corporation (abbreviated as "Long Hau") was established in Vietnam under the Business Registration Certificate No. 1100727545 issued by the Department of Planning and Investment of Long An province on 23 May 2006 and its amended certificates. The Company invested in Long Hau 975,485 shares with a par value of VND 10,000/share; with the ownership ratio/voting ratio held being 2%.

The fair value of this investment is determined based on the closing price as of 31 December 2024 and 29 December 2023 of the Ho Chi Minh City Stock Exchange.

5.3 Short-term accounts receivable

	31/12/2024	01/01/2024
	VND	VND
Trade receivable – other customers		
Jotun Paints Vietnam Company Limited	13,515,425,000	13,515,425,000
Other customers	98,027,021,269	100,529,449,921
	<u>111,542,446,269</u>	<u>114,044,874,921</u>

Some receivables have been mortgaged by the Company to secure loans from Ho Chi Minh City Finance and Investment State-Owned Company (see Notes 5.18).

As at 31 December 2024 and 31 December 2023, the balance of short-term receivables from customers was overdue and provision for doubtful debts was made in the amount of VND 626,678,964.

5.4 Short-term advances to suppliers

	31/12/2024	01/01/2024
	VND	VND
Advances to suppliers – related parties		
Tan Thuan Industrial Promotion Company Limited	10,573,314,466	10,573,314,466
Advances to suppliers – other suppliers		
Other suppliers	2,338,532,607	902,736,374
	<u>12,911,847,073</u>	<u>11,476,050,840</u>

5.5 Other short-term receivables

	31/12/2024		01/01/2024	
	Amount VND	Provision VND	Amount VND	Provision VND
Receivables – related parties				
Tan Thuan Industrial Promotion Company Limited	255,892,000	-	255,892,000	-
Receivables - other individual, organizations				
Interest receivable from deposits	3,526,658,082	-	6,138,223,695	-
Advance payment for site clearance compensation	18,754,725,531	-	18,767,985,531	-
State budget collection for the Wastewater Treatment Plant project	2,353,133,119	-	4,928,674,541	-
Advance	1,306,317,773	-	1,421,554,091	-
Pledge, collateral, deposit	14,500,000	-	14,500,000	-
Other short-term receivables	-	-	5,375,856	-
	<u>26,211,226,505</u>	<u>-</u>	<u>31,532,205,714</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

5.6 Bad debts

	31/12/2024			01/01/2024		
	Cost VND	Recoverable amount VND	Provision VND	Cost VND	Recoverable amount VND	Provision VND
Trade receivables						
Hao Duong Joint Stock Company	626,678,964	-	(626,678,964)	626,678,964	-	(626,678,964)
	626,678,964	-	(626,678,964)	626,678,964	-	(626,678,964)

5.7 Inventories

	31/12/2024		01/01/2024	
	Amount VND	Provision VND	Amount VND	Provision VND
Raw materials	225,350,066	-	272,242,344	-
	225,350,066	-	272,242,344	-

5.8 Increase, decrease of tangible fixed assets

	Building and structure VND	Machinery and equipment VND	Transportation VND	Office equipment VND	Total VND
HISTORICAL COST					
At 01/01/2024	44,701,430,350	3,820,435,139	11,971,405,509	2,179,586,562	62,672,857,560
Increase in year	-	4,336,809,259	-	83,000,000	4,419,809,259
At 31/12/2024	44,701,430,350	8,157,244,398	11,971,405,509	2,262,586,562	67,092,666,819
ACCUMULATED DEPRECIATION					
At 01/01/2024	19,773,907,681	3,374,832,185	11,635,333,530	2,088,169,893	36,872,243,289
Depreciation in year	1,776,266,808	296,655,504	190,370,819	57,316,667	2,320,609,798
At 31/12/2024	21,550,174,489	3,671,487,689	11,825,704,349	2,145,486,560	39,192,853,087
NET BOOK VALUE					
At 01/01/2024	24,927,522,669	445,602,954	336,071,979	91,416,669	25,800,614,271
At 31/12/2024	23,151,255,861	4,485,756,709	145,701,160	117,100,002	27,899,813,732

The historical cost of tangible fixed assets are assets that have been fully depreciated but are still in use at 31 December 2024 is VND 16,287,117,756 (at 31 December 2023: VND 15,281,345,938).

5.9 Increase, decrease of intangible fixed assets

	Computer software VND
HISTORICAL COST	
At 01/01/2024	1,308,101,372
Increase in year	-
At 31/12/2024	1,308,101,372
ACCUMULATED DEPRECIATION	
At 01/01/2024	1,231,386,804
Depreciation in year	52,339,619
At 31/12/2024	1,283,726,423
NET BOOK VALUE	
At 01/01/2024	76,714,568
At 31/12/2024	24,374,949

The historical cost of intangible fixed assets are assets that have been fully depreciated but are still in use at 31 December 2024 is VND 1,230,101,372 (at 31 December 2023: VND 588,151,372).

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

5.10 Investment property for rent

	Industrial park land and infrastructure VND
HISTORICAL COST	
At 01/01/2024	535,045,215,839
Decrease in year	(298,256,901,609)
At 31/12/2024	236,788,314,230
ACCUMULATED DEPRECIATION	
At 01/01/2024	381,404,845,739
Depreciation in year	8,895,882,934
Decrease in year	(278,655,903,049)
At 31/12/2024	111,644,825,624
NET BOOK VALUE	
At 01/01/2024	153,640,370,100
At 31/12/2024	125,143,488,606

Rental income and direct operating expenses (including repairs and maintenance costs) arising from investment properties related to and not related to the generation of rental income during the year are presented in Notes 6.1 and 6.2 of the Notes to the financial statements.

5.11 Construction in progress

	01/01/2024	Increase in year	Transfer expenses	31/12/2024
	VND	VND	VND	VND
Industrial Park Land and Infrastructure - Phase I	211,863,964,269	-	-	211,863,964,269
Industrial Park Land and Infrastructure - Phase II	795,223,956,339	58,583,734,149	(113,490,978)	853,694,199,510
Industrial Park Land and Infrastructure - Phase III	114,901,012,893	-	-	114,901,012,893
Hiep Phuoc Port Area	102,243,038,566	-	-	102,243,038,566
Hiep Phuoc Urban Area	61,249,051,685	-	-	61,249,051,685
Hiep Phuoc 1 Residential Area	7,179,688,623	-	-	7,179,688,623
	1,292,660,712,375	58,583,734,149	(113,490,978)	1,351,130,955,546

5.12 Trade accounts payables

5.12.1 Short-term trade accounts payables

	31/12/2024		01/01/2024	
	Amount VND	Payment capability VND	Amount VND	Payment capability VND
Payables – other organizations				
Saigon Water Corporation	3,058,032,209	3,058,032,209	-	-
Hoang Giang Technology Investment Consultant Joint Stock Company	465,000,000	465,000,000	472,271,000	472,271,000
Hoa Nam Company Limited	231,000,000	231,000,000	231,000,000	231,000,000
Other suppliers	573,746,203	573,746,203	1,393,448,011	1,393,448,011
	4,327,778,412	4,327,778,412	2,096,719,011	2,096,719,011

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

5.12.2 Long-term trade accounts payable

	31/12/2024		01/01/2024	
	Amount	Payment capability	Amount	Payment capability
	VND	VND	VND	VND
Payables – related parties				
Tan Thuan Industrial Promotion Company Limited	4,024,289,642	4,024,289,642	4,024,289,642	4,024,289,642
	4,024,289,642	4,024,289,642	4,024,289,642	4,024,289,642

5.13 Short-term advance from customers

	31/12/2024	01/01/2024
	VND	VND
Advances from other customers		
Chinphon Cement Corporation	250,148,942	-
Hung Vuong Corporation	-	162,704,917
SRC Company Limited	-	44,772,000
Other customers	94,318,709	61,073,157
	344,467,651	268,550,074

5.14 Taxes and (receivables), payables to State budget

	01/01/2024		Transaction in year		31/12/2024	
	Payables	Receivables	Payables	Paid / Deductibles	Payables	Receivables
	VND	VND	VND	VND	VND	VND
Value-added tax	-	(16,285,381,963)	5,757,035,645	(10,257,511,744)	-	(20,785,858,062)
Corporate income tax	-	(28,562,345,918)	-	-	-	(28,562,345,918)
Personal income tax	1,430,637,127	-	665,360,824	(487,945,601)	1,608,052,350	-
License tax	-	-	3,000,000	(3,000,000)	-	-
	1,430,637,127	(44,847,727,881)	6,425,396,469	(10,748,457,345)	1,608,052,350	(49,348,203,980)

Value-added tax

The Company declares value-added tax by deduction method. VAT rates for domestic goods are 0%, 5%, 8% and 10%.

Corporate income tax

Corporate income tax ("CIT") payable in year is estimated as follows:

	2024	2023
	VND	VND
Accounting profit before tax	66,198,661,604	67,459,246,738
Adjusted in accounting profit to determine taxable profit:		
Increase adjustments	-	-
Decrease adjustments	(5,153,581)	(1,429,100)
Assessable income	66,193,508,023	67,457,817,638
Tax-free income	(1,853,421,500)	(1,853,421,500)
Losses from previous years carried forward	(64,340,086,523)	(65,604,396,138)
Taxable income	-	-
CIT payable	20%	20%
Current CIT expenses	-	-

The Company is obliged to pay tax at the normal rate of 20% of taxable income.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

Other taxes

The Company declares and pays other taxes in accordance to current regulations.

5.15 Short-term accrued expenses

	31/12/2024 VND	01/01/2024 VND
Accrued cost of industrial land (*)	1,607,828,248,207	1,608,268,600,286
Accrued salary expenses	1,795,192,650	2,433,754,000
Water cost	-	658,845,000
Other payable expenses	363,076,237	407,568
	<u>1,609,986,517,094</u>	<u>1,611,361,606,854</u>

(*) This is the accrued cost of leased land with developed infrastructure and project completion costs based on the investment budget, including an estimated land rental of VND 1,607,828,248,207, determined based on a provisional land rental rate of VND 1,764,000/m² as per the land valuation report submitted by the Ho Chi Minh City Department of Natural Resources and Environment to the Ho Chi Minh City Land Valuation Council on 22 August 2019. The Company recognizes this as the cost of land leasing operations and its corresponding land rental obligations to the Government.

At the date of this financial statement, the Company is still in the process of working with the relevant authorities in Ho Chi Minh City to determine the official rental rate. If the competent authority approves the official rental rate, the cost of goods sold and related figures will be updated accordingly upon issuance.

5.16 Short-term unrealized revenue

	31/12/2024 VND	01/01/2024 VND
Unrealized revenue from other organizations and individuals		
Land and industrial infrastructure leasing	93,883,612,025	107,120,784,682
	<u>93,883,612,025</u>	<u>107,120,784,682</u>

5.17 Other short-term payables

	31/12/2024 VND	01/01/2024 VND
Payables to other organizations and individuals		
Dividend payables (*)	60,000,000,000	60,000,000,000
Maintenance expenses	81,496,373,782	64,800,933,584
Trade union fund	148,544,946	276,121,368
Remuneration for the Board of Directors and the Board of Supervisors	84,100,000	4,200,000
Short-term deposits and advances received	4,822,059,203	67,922,723,746
Other payables	19,302,846,089	19,065,772,370
	<u>165,853,924,020</u>	<u>212,069,751,068</u>

(*) According to Resolution No. 29/2019/NQ-HIPC-DHDCDTN dated 28 June 2019, the shareholders of the Company approved the dividend distribution for 2017 at a rate of 10% on the charter capital as of 31 December 2017, after fulfilling all payment obligations to the State in accordance with regulations. As of the date of this financial report, the Company is still in the process of completing these obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

5.18 Loans and finance lease liabilities

5.18.1 Short-term loans and finance lease liabilities

	31/12/2024		01/01/2024	
	Amount VND	Payment capability VND	Amount VND	Payment capability VND
Current portion of long-term loans				
Ho Chi Minh City Finance and Investment State-Owned Company (see Notes 5.18.2)	6,192,400,000	6,192,400,000	6,192,400,000	6,192,400,000
	6,192,400,000	6,192,400,000	6,192,400,000	6,192,400,000

Details of short-term loans and finance lease liabilities transactions in year are as follows:

	01/01/2024 VND	Paid in year VND	Transfer from long-term loans VND	31/12/2024 VND
Current portion of long-term loans	6,192,400,000	(6,192,400,000)	6,192,400,000	6,192,400,000
	6,192,400,000	(6,192,400,000)	6,192,400,000	6,192,400,000

5.18.2 Long-term loans and finance lease liabilities

	31/12/2024		01/01/2024	
	Amount VND	Payment capability VND	Amount VND	Payment capability VND
Long-term loans and finance lease liabilities - other organizations				
Ho Chi Minh City Finance and Investment State-Owned Company (*)	25,832,200,000	25,832,200,000	32,024,600,000	32,024,600,000
Current portion of long-term loans				
Ho Chi Minh City Finance and Investment State-Owned Company	(6,192,400,000)	(6,192,400,000)	(6,192,400,000)	(6,192,400,000)
	19,639,800,000	19,639,800,000	25,832,200,000	25,832,200,000

(*) This is a long-term loan from Ho Chi Minh City Finance and Investment State-Owned Company under the following contracts:

- Credit contract No. 68/2017/HDTD-DTTC-TD dated 13 June 2017 for the implementation of Module 2 of the Centralized Wastewater Treatment Plant Project at Hiep Phuoc Industrial Park, Phase 2 – with a capacity of 3,000 m³/day and night. The loan amount is VND 45,115,000,000, with a loan term of 144 months. The applicable interest rate from the contract signing date until 30 June 2017, was 8.95% per annum, and the interest rate is adjusted quarterly. The loan is secured by a term deposit of VND 19,400,000,000 under Term Deposit Agreement No. 912/2024/46688 dated 16 January 2024, signed with Vietnam Joint Stock Commercial Bank for Industry and Trade – Saigon Branch, according to Pledge Agreement No. 74/2024/HDCC-DTTC-TD dated 15 November 2024.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

- Credit contract No. 189/2016/HDTD-DTTC-TD dated 29 December 2016, for the implementation of Module 1 project of the centralized wastewater treatment plant at Hiep Phuoc Industrial Park, Phase 2 - Capacity of 3,000 m³/day (located at the land plot of the centralized wastewater treatment plant at Hiep Phuoc Industrial Park, Phase 1). The loan amount is VND 27,000,000,000. The loan term is 120 months. The applicable interest rate from the contract signing date to 31 December 2016, is 8.875% per annum, and the interest rate is adjusted every 03 months. The loan is secured by a term deposit worth VND 12,600,000,000 from Term Deposit Contract No. 750/2023/00014/HDTG dated 16 August 2023, signed with OceanBank - Ho Chi Minh City Branch, under Pledge Contract No. 23/2024/HDCC-DTTC-TD dated 30 May 2024.

Details of long-term loans and finance lease liabilities transactions in year are as follows:

	01/01/2024	Paid in year	Transfer to short-term loans	31/12/2024
	VND	VND	VND	VND
Long-term loans from other organizations	25,832,200,000	-	(6,192,400,000)	19,639,800,000
	25,832,200,000	-	(6,192,400,000)	19,639,800,000

5.19 Bonus and welfare funds

	01/01/2024	Increase from profit appropriation	Decrease in year	31/12/2024
	VND	VND	VND	VND
Bonus fund	10,900,323	-	-	10,900,323
Welfare fund	1,325,303	-	-	1,325,303
Management and executive bonus fund	5,501,530,456	-	-	5,501,530,456
	5,513,756,082	-	-	5,513,756,082

5.20 Long-term provisions

	01/01/2024	Increase in year	Reversal and utilization in the year	31/12/2024
	VND	VND	VND	VND
Provision for loss-making contracts	112,309,045,245	-	(56,287,462,191)	56,021,583,054

This is a provision for signed land lease contracts with high risks where the mandatory costs to fulfill obligations exceed the estimated economic benefits from these contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

5.21 Owner's equity

5.21.1 Owner's equity movement

	Owners' invested capital	Capital surplus	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND
As at 01/01/2023	600,000,000,000	100,000,000,000	41,208,052,350	(445,729,073,729)	295,478,978,621
Profit in year	-	-	-	67,459,246,738	67,459,246,738
Remuneration of the Board of Directors, Executive Board, the Board of Supervisor	-	-	-	(717,600,000)	(717,600,000)
As at 31/12/2023	600,000,000,000	100,000,000,000	41,208,052,350	(378,987,426,991)	362,220,625,359
As at 01/01/2024	600,000,000,000	100,000,000,000	41,208,052,350	(378,987,426,991)	362,220,625,359
Profit in year	-	-	-	66,198,661,604	66,198,661,604
Remuneration of the Board of Directors, Executive Board, the Board of Supervisor	-	-	-	(732,000,000)	(732,000,000)
As at 31/12/2024	600,000,000,000	100,000,000,000	41,208,052,350	(313,520,765,387)	427,687,286,963

5.21.2 Detail of owner's invested equity

	31/12/2024			01/01/2024		
	Shares	Value VND	Rate %	Shares	Value VND	Rate %
Tan Thuan Industrial Promotion Company Limited	24,326,178	243,261,780,000	40.54	24,326,178	243,261,780,000	40.54
Tuan Loc Construction Investment Corporation	20,000,000	200,000,000,000	33.33	20,000,000	200,000,000,000	33.33
Other shareholders	15,673,822	156,738,220,000	26.13	15,673,822	156,738,220,000	26.13
	60,000,000	600,000,000,000	100.00	60,000,000	600,000,000,000	100.00

5.21.3 Shares

	31/12/2024 Share	01/01/2024 Share
Number of issued registered shares	60,000,000	60,000,000
Number of shares sold to the public	60,000,000	60,000,000
<i>Common shares</i>	60,000,000	60,000,000
<i>Preferred shares</i>	-	-
Number of repurchased shares	-	-
<i>Common shares</i>	-	-
<i>Preferred shares</i>	-	-
Number of shares in circulation	60,000,000	60,000,000
<i>Common shares</i>	60,000,000	60,000,000
<i>Preferred shares</i>	-	-

Par value of shares in circulation: VND 10,000/ share.

5.22 Off-balance sheet items

Foreign currency

	31/12/2024	01/01/2024
US Dollar (USD)	3,520.15	3,520.15

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

6.1 Net revenues from sale of goods and rendering of services

	2024 VND	2023 VND
Revenue from leasing developed land - Phase I	10,700,647,856	3,418,840,448
Revenue from leasing developed land - Phase II	3,644,725,512	3,644,725,512
Revenue from clean water supply	49,305,350,475	46,676,562,105
Revenue from wastewater treatment	28,936,864,952	25,422,784,143
Revenue from worker dormitory leasing	4,474,148,002	4,424,451,185
Revenue from water meter installation	94,795,454	77,882,407
Revenue deductions		
- Returned goods (*)	<u>(63,914,454,213)</u>	<u>(61,010,452,040)</u>
Net revenue	<u>33,242,078,038</u>	<u>22,654,793,760</u>

(*) During the year, the Company signed Appendix No. 6 dated 24 April 2024, with Honda Logicom (Vietnam) Co., Ltd. regarding the adjustment of the area and rental fee under the Sublease Agreement No. 17/HDTD/HIPC.16 dated 18 November 2016. Accordingly, the leased area was adjusted to 40,001.8 m², and the rental fee included the annual land rent payable to the State and the one-time infrastructure usage fee payable for the entire lease term to the Company. The Company recognized a sales return with an amount of VND 19,472,212,100 in the results of operations for the year.

The Company signed Appendix No. 3 dated 01 July 2024, with Tan Quang Alloy Aluminum Co., Ltd. regarding the adjustment of the area, lot name, and rental fee under the Sublease Agreement. Accordingly, Hiep Phuoc Industrial Park Joint Stock Company will lease two land lots, D7a-3 and D7a-5, to Tan Quang Alloy Aluminum Co., Ltd., with respective areas of 18,000 m² and 1,860 m². The rental fee includes the annual land rent payable to the State and the one-time infrastructure usage fee payable for the entire lease term to the Company. The Company recognized a sales return with an amount of VND 9,669,714,840 in the results of operations for the year.

At the same time, the Company completed the liquidation procedures for four land lease agreements due to the customers not being granted an extension for project implementation by the Ho Chi Minh City Export Processing and Industrial Zones Authority ("Hepza"). Accordingly, the Company recognized a sales return and a corresponding reduction in the cost of goods sold with an amount of VND 27,195,504,720 and VND 30,489,619,814, respectively, in the results of operations for the year (see Notes 8.3).

The Company completed the liquidation procedures for a land lease agreement due to the customer's early termination request. Accordingly, the Company recognized a sales return and a corresponding reduction in the cost of goods sold with an amount of VND 7,577,022,553 and VND 8,131,688,786, respectively, in the results of operations for the year (see Notes 8.3).

6.2 Cost of goods sold

	2024 VND	2023 VND
Cost of leasing land - Phase I	3,583,933,196	(17,807,477,960)
Cost of leasing land - Phase II (*)	(33,309,358,862)	3,546,423,755
(Reversal)/Provision for high-risk land lease contracts - Phase II	(56,287,462,191)	(975,692,428)
Cost of clean water supply	49,368,856,146	38,661,250,220
Cost of wastewater treatment	8,400,627,190	8,052,973,111
Cost of worker dormitory leasing	3,733,639,062	3,166,487,748
	<u>(24,509,765,459)</u>	<u>34,643,964,446</u>

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

- (*) Cost of land leasing is estimated based on the investment budget at a temporary land rental price of 1,764,000 VND/m², as per the land price assessment dossier submitted by the Department of Natural Resources and Environment to the Ho Chi Minh City Land Price Appraisal Council on 22 August 2019.

As of the date of this financial statement, the Company is still in the process of working with the competent authorities of Ho Chi Minh City to determine the official rental price. In case the competent authority approves the official land rental price, the Company will adjust the cost price and related figures will be updated accordingly at the time of issuance.

During the year, the Company signed Appendix No. 6 dated 24 April 2024, with Honda Logicom (Vietnam) Co., Ltd. regarding the adjustment of the area and rental fee under the Sublease Agreement No. 17/HDTD/HIPC.16 dated 18 November 2016. Accordingly, the leased area was adjusted to 40,001.8 m², and the rental fee included the annual land rent payable to the State and the one-time infrastructure usage fee payable for the entire lease term to the Company. The Company recognized a sales return with an amount of VND 19,472,212,100 in the results of operations for the year.

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At the same time, the Company completed the liquidation procedures for four land lease agreements due to the customers not being granted an extension for project implementation by the Ho Chi Minh City Export Processing and Industrial Zones Authority ("Hepza"). Accordingly, the Company recognized a sales return and a corresponding reduction in the cost of goods sold with an amount of VND 27,195,504,720 and VND 30,489,619,814, respectively, in the results of operations for the year (see Notes 8.3).

The Company completed the liquidation procedures for a land lease agreement due to the customer's early termination request. Accordingly, the Company recognized a sales return and a corresponding reduction in the cost of goods sold with an amount of VND 7,577,022,553 and VND 8,131,688,786, respectively, in the results of operations for the year (see Notes 8.3).

6.3 Financial income

	2024 VND	2023 VND
Interest from deposit	29,800,682,553	42,054,291,767
Dividends, distributed profit	1,853,421,500	1,853,421,500
Foreign exchange gain due to the revaluation of monetary items denominated in foreign currencies	5,153,581	1,429,100
Interest income from late customer payments	977,997,465	66,828,292,850
	32,637,255,099	110,737,435,217

6.4 Financial expenses

	2024 VND	2023 VND
Labor expenses	1,692,405,994	1,961,957,374
Tools and supplies expenses	52,750,774	11,434,300
Depreciation of fixed assets	-	56,557,993
External service expenses	1,260,982,007	784,892,448
Other selling expenses	82,745,854	137,465,297
	3,088,884,629	2,952,307,412

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

6.5 General and administration expenses

	2024 VND	2023 VND
Labor expenses	15,018,557,605	17,648,264,169
Office supplies expenses	503,793,977	309,431,795
Depreciation of fixed assets	259,147,234	453,368,544
Taxes, fees, and charges	17,088,450	5,060,000
Service expenses	6,523,575,731	8,087,077,343
Other general and administrative expenses	2,634,440,161	4,129,798,023
	<u>24,956,603,158</u>	<u>30,632,999,874</u>

6.6 Other income

	2024 VND	2023 VND
Income from disposal of assets	-	376,936,027
Rental income from premises	3,091,065,875	2,198,984,808
Advertising board rental income	42,000,000	181,818,182
Income from debt settlement	-	100,000,000
Other income	1,068,314,835	525,264,918
	<u>4,201,380,710</u>	<u>3,383,003,935</u>

6.7 Other expenses

	2024 VND	2023 VND
Rental expenses	304,399,083	529,325,841
Penalties	-	126,500,000
Adjustment of tax differences	-	347,002,878
Other expenses	41,930,832	117,553,498
	<u>346,329,915</u>	<u>1,120,382,217</u>

6.8 Basic earnings per share

	2024	2023
Net profit after corporate income tax	VND 66,198,661,604	67,459,246,738
Adjustments to increase/(decrease) profit to determine the profit to be allocated to shareholders holding common shares of the Company (*)	VND -	-
Profit to calculate EPS	VND <u>66,198,661,604</u>	VND <u>67,459,246,738</u>
Outstanding common shares on average during the period	CP 60,000,000	60,000,000
Earnings per share	VND/CP <u>1,103</u>	<u>1,124</u>

(*) The Company has no plan to allocate the bonus and welfare fund from the after-tax profit for 2024.

6.9 Production and business costs by element

	2024 VND	2023 VND
Raw materials expenses	706,607,048	1,215,467,842
Labor expenses	22,732,125,057	26,284,029,987
Depreciation expenses	11,268,832,351	6,805,847,359
External service expenses	16,947,324,967	45,219,139,143
Other expenses	3,731,804,125	4,686,155,456
	<u>55,386,693,548</u>	<u>84,210,639,787</u>

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

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

7.1 Proceeds from borrowings

	2024 VND	2023 VND
Proceeds from borrowings from loan agreement	-	-

7.2 Repayment of borrowings

	2024 VND	2023 VND
Proceeds from borrowings from loan agreement	6,192,400,000	6,192,400,000
	<u>6,192,400,000</u>	<u>6,192,400,000</u>

8. OTHER INFORMATIONS

8.1 Transactions and balances with related parties

The related parties with the Company include key members of management, the individuals involved with key members and other related parties.

8.1.1 Transactions and balances with key members, the individuals involved with key members

Remuneration paid to key members during the year was as follow:

	Position	2024 VND	2023 VND
Salaries and benefits			
- The Board of Management			
Mr. Huynh Bao Duc	General Director	998,378,500	897,288,000
Mr. Vu Dinh Thi	Former General Director	-	263,958,700
Ms. Nguyen Thi Binh	Deputy General Director	721,125,500	667,625,600
Mr. Giang Ngoc Phuong	Deputy General Director	725,248,700	702,340,200
- The Board of Directors and The Board of Supervisors			
Mr. Nguyen Van Thinh	Chairman of the Board	120,000,000	116,000,000
Ms. Tran Thi Hanh Tien	Member	96,000,000	96,000,000
Mr. Vu Dinh Thi	Member	96,000,000	96,000,000
Mr. Pham Trung Kien	Member	96,000,000	96,000,000
Mr. Truong Cong Nghia	Member	96,000,000	96,000,000
Mr. Huynh Bao Duc	Member	96,000,000	96,000,000
Ms. Nguyen Thi Binh	Member	96,000,000	96,000,000
Mr. Nguyen Kien Tan	Chief Supervisor	96,000,000	94,000,000
Mr. Le Van Cong	Member	84,000,000	84,000,000
Ms. Le Nguyen Khanh Ngoc	Member	84,000,000	84,000,000
		<u>3,404,752,700</u>	<u>3,485,212,500</u>

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

8.1.2 Transactions and balances with other related parties

Significant transactions with related parties in year are as follows:

Related parties	Transaction	2024 VND	2023 VND
Vietnam Japan Technology Park Company Limited			
	Selling goods, rendering of services	195,266,722	201,712,082
Long Hau Corporation			
	Selling goods, rendering of services		-
	Purchasing goods, services	51,138,115	45,010,909
	Dividends are divided	1,853,421,500	1,853,421,500

Balance with related parties was as follow:

	31/12/2024 VND	01/01/2024 VND
Advances to suppliers		
Tan Thuan Industrial Promotion Company Limited	10,573,314,466	10,573,314,466
Other receivables		
Tan Thuan Industrial Promotion Company Limited	255,892,000	255,892,000
Trade payables		
Tan Thuan Industrial Promotion Company Limited	4,024,289,642	4,024,289,642

8.2 Segment Information

The Company does not present segment information by business line or geographic area, as it operates in a single business segment of developing and providing industrial park infrastructure services, and only operates within Vietnam.

8.3 Recognition of sales returns and cost reductions due to Contract terminations related to land subleasing

- (a) According to the tripartite meeting minutes between the Ho Chi Minh City Export Processing and Industrial Zones Authority ("Hepza"), the Company, and Huy Hoan Co., Ltd. on 11 October 2023, and the Contract Termination Minutes No. 15/2024/BBTL-HIPC dated 10 May 2024, the Company completed the termination of Land Sublease Contract No. 02/2018/HDTD-HIPC as the customer was not granted an extension for project implementation by Hepza.

The Company recognized the following financial effects in the financial statements for the year ended 31 December 2024: Sales return: VND 4,387,809,360, cost of goods sold reduction: VND 4,818,132,000.

- (b) According to the tripartite meeting minutes between Hepza, the Company, and Nhan Sinh Phuc Co., Ltd. on 11 October 2023, and the Contract Termination Minutes No. 14/2024/BBTL-HIPC dated 09 May 2024, the Company completed the termination of Land Sublease Contract No. 14/HDTD-HIPC.16 as the customer was not granted an extension for project implementation by Hepza.

The Company recognized the following financial effects in the financial statements for the year ended 31 December 2024: Sales return: VND 6,634,386,000, cost of goods sold reduction: VND 8,569,800,000.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

- (c) According to the tripartite meeting minutes between Hepza, the Company, and Sanyo Minh Long Elevator Co., Ltd. on 11 October 2023, and the Contract Termination Minutes No. 10A/2024/BBTL-HIPC dated 17 April 2024, the Company completed the termination of Land Sublease Contract No. 20/HDTD-HIPC.16 as the customer was not granted an extension for project implementation by Hepza.

The Company recognized the following financial effects in the financial statements for the year ended 31 December 2024: Sales return: VND 11,785,500,000, cost of goods sold reduction: VND 12,283,555,814.

- (d) According to the tripartite meeting minutes between Hepza, the Company, and Vina Ong Co., Ltd. on 11 October 2023, and the Contract Termination Minutes No. 12/2024/BBTL-HIPC dated 04 May 2024, the Company completed the termination of Land Sublease Contract No. 43/2017/HDTD-HIPC as the customer was not granted an extension for project implementation by Hepza.

The Company recognized the following financial effects in the financial statements for the year ended 31 December 2024: Sales return: VND 4,387,809,360, cost of goods sold reduction: VND 4,818,132,000.

- (e) According to Contract Termination Minutes No. 39/2024/BBTL-HIPC dated 20 October 2024, regarding the termination of Land Sublease Contract No. 35/2018/HDTD-HIPC dated 16 October 2018, SRC Co., Ltd. requested to return plots HT-F2-2 and HT-F2-3 in Hiep Phuoc Industrial Park.

The Company recognized the following financial effects in the financial statements for the year ended 31 December 2024: Sales return: VND 7,577,022,553, cost of goods sold reduction: VND 8,131,688,786.

8.4 Agreement on Reimbursement of Expenses for Hiep Phuoc 1 Residential Area Project ("Project")

On 30 December 2016, the Company signed a Memorandum of Understanding ("MOU") on the reimbursement of resettlement costs for the Project with Tan Thuan Industrial Promotion Company Limited ("IPC"). The MOU specifies that the Company shall reimburse IPC for resettlement costs, including the value of resettlement plots allocated to displaced residents based on a mutually agreed fair value, financial costs, and a 10% profit margin.

Under the MOU, both parties agreed that after finalizing the resettlement cost value and completing their respective internal approval procedures, they would sign a formal Reimbursement Agreement.

In 2018, the Company made an advance payment of VND 33,505,204,755 to IPC under this MOU.

In 2019, IPC issued invoices for this advance as required by the tax authorities. The treatment of this advance payment will be finalized upon the parties' agreement on the resettlement costs and execution of the Reimbursement Agreement.

8.5 Going Concern Assumption

At the balance sheet date, the Company's current liabilities exceeded its current assets by VND 1,061,165,773,286 (as of 01 January 2024: VND 1,032,143,462,291). The deficit arises primarily from the Company's provisions for land lease costs and project completion expenses as per the investment budget. The Company's ability to continue as a going concern largely depends on its ability to generate sufficient cash flow for its operations.

At the date of this report, there is no reason for the Board of Management to believe that the Company will be unable to generate adequate cash flows or those banks will not continue to provide sufficient credit facilities. Accordingly, the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

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

8.6 Events subsequent to the fiscal year end date

There have been no significant events occurring after the fiscal year date (31 December 2024) to the date of this report, which would require adjustments or disclosures to be made in the financial statements.



NGUYEN THI THANH HAO
Preparer



LU THI THU VAN
Chief Accountant



M.S.D.N. 0305046979-C.T.C
CÔNG TY
CÓ PHẦN
KHU CÔNG NGHIỆP
HIEP PHUOC
H. NHA BE - T. P HO CHI MINH

HUYNH BAO DUC
General Director
Ho Chi Minh City, 26 March 2025

T.C.P