

*Hanoi, March 25, 2025*

**ANNUAL REPORT 2024**  
**MECHANICAL ENGINEERING SERVICE JOINT STOCK  
COMPANY**

To: - State Securities Commission  
- Hanoi Stock Exchange

**I. GENERAL INFORMATION**

**1. General information**

- Transaction name: MECHANICAL ENGINEERING SERVICE JOINT STOCK COMPANY
- Business Registration Certificate No. 0100106190 revised 12<sup>th</sup> on October 19, 2022 by Hanoi Authority for Planning and Investment
- Charter capital: VND 186,000,000,000 (One hundred and eighty-six billion Vietnam dong)
- Owner's invested capital: VND 186,000,000,000
- Address: Floor 8, Tower A, Sky Tower, No. 88 Lang Ha Street, Lang Ha Ward, Dong Da District, Hanoi City
- Tel: 024.39332225/024.39331768
- Fax: 0243.9332225
- Website: mesc.com.vn
- Stock code: MES

**2. Formation and development process**

The Company held its first shareholders' meeting on March 7, 2016 and officially operated as a joint stock company on April 4, 2016.

On December 01, 2016, the Company was accepted by Hanoi Stock Exchange to register stock transactions on Hanoi Stock Exchange (Upcom) with stock code: **MES**, quantity of trade stocks of 18,600,000 stock and value of securities registered for trading of VND 186,000,000,000.

**3. Business lines and location**

a) Business lines

- Planting and maintaining green trees on the streets and in the urban areas, parks and gardens, cutting down shade trees, raising and caring for birds and animals;

- Manufacturing, fabricating and assembling mechanical products and equipment specialized in transportation, entertainment, urban lighting, steel structures, signal information, electronic and electrical refrigeration and fire and explosion warning and prevention;

- Treating non-hazardous wastes;

- Manufacturing and assembling vehicles and equipment specialized in construction transportation such as motorbikes and equipment for collecting and treating industrial, urban and medical wastes (excluding design for means of transportation);

- Transporting goods by trucks, transporting public passengers and keeping traffic facilities within the land area managed by the company;

- Building and installing equipment inside and outside the works of the transportation, postal, civil, industrial and hydraulic sectors; Power source and substations up to 220KVA, lighting, decorative lights for streets, parks and flower gardens and for exterior decoration of construction works;

- Formulating and managing investment projects, consulting domestic and foreign investment, appraising design and cost estimates, preparing bidding documents, consulting on bidding, supervising construction works, inspecting construction engineering, investigating designs of traffic engineering works, civil, hydraulic and industrial works, urban areas, parks and flower gardens (excluding legal consultancy);

- Manufacturing and trading in building materials, equipment and materials specialized in public traffic and construction; traffic rescue services, car cleaning services, trading in agricultural materials (excluding pesticides);

- Trading in real estate, restaurants, hotels, tourist hostels, cargo consignment agent, managing and exploiting urban areas invested by the Company (excluding bars, karaoke rooms, and dance halls);

- Selling and renting ornamental plants;

b) Business location: Mechanical Engineering Service Joint Stock Company mainly trades in Hanoi City.

#### **4. Information on management model and organizational structure**

a) Management model: The Company's management model includes:

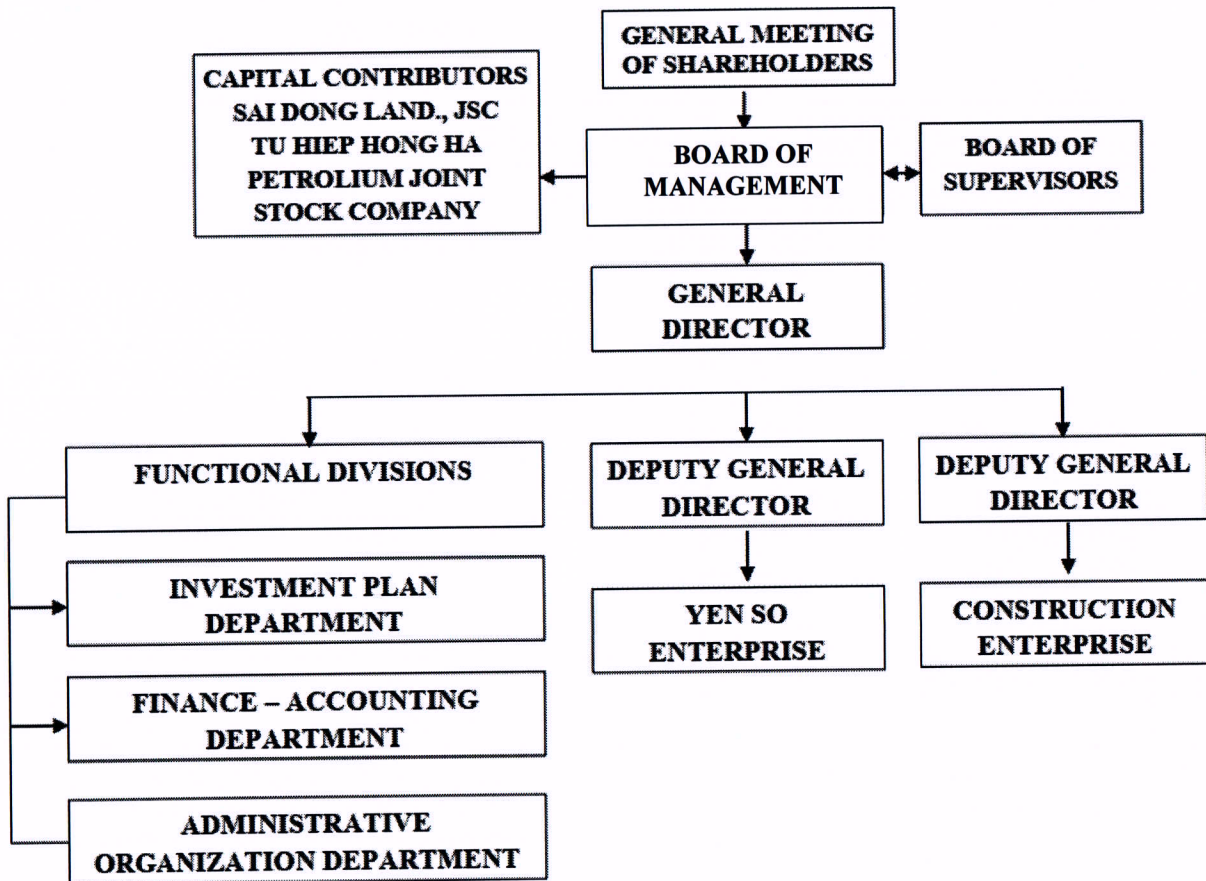
- General Meeting of Shareholders (GMS);

- Board of Management (BOM);

- Board of Supervisors

b) Organizational structure

## CHART: ORGANIZATIONAL STRUCTURE OF THE COMPANY



❖ **The Company's Board of Management (BOM)** includes 01 General Director and 02 Deputy General Directors. The members work full time at the Company. The BOM has the following responsibilities:

- To carry out resolutions of the BOM and the GMS;
- To decide on matters related to the Company's daily production and business activities without decision of the BOM;
- To decide on salary and other benefits for the Company's employees, allowances, interests, appointment, dismissal and other clauses related to their labor contracts;
- To conduct the annual production and business plan decided by the BOM and passed by the GMS

### ❖ **Professional divisions**

The professional divisions consult and assist the Board of General Directors and directly manage professional functions and under the direction of the Board of General Directors. The officers in charge of the professional divisions appointed by the General Director based on the organizational structure approved by the BOM. The functional divisions include:

- Investment Plan Department
- Finance and Accounting Department
- Administrative Organization Department

## ❖ Enterprises

- Construction Enterprise
- Yen So Enterprise

### 5. Development orientation

- a) Main objectives of the Company
- Maintain and effectively use the Company's capital source;
  - Ensure the employees' income and life;
  - Become a sustainable and reputed company on the market; ensure environment and perform obligations and responsibilities towards the society, the state, the shareholders, the partners and the employees.
- b) Medium and long-term development strategy
- Become a reputed company in the business field that the Company is involved in production and business activities.

### 6. Risks

- The company mainly operates in the business field using the State budget capital, so its activities are affected by the capital allocation from the City budget and the City's policy on the Company's business lines as policy risk.
- Liquidity risk is the one that the Company has difficulty in performing financial obligations due to lack of capital. The Company's liquidity risk mainly arises out of financial assets and liabilities with different dates of maturity.

## II. OPERATING SITUATION IN YEAR

### 1. Operating situation

Unit: VND million

No.	Items	Plan submitted to the GMS 2024	Plan performed in 2024	Performance rate as planned (%)	Remarks
1	Other revenue and income	20,000	5,109	25.55%	
2	Profit after tax	32	(756.33)		
3	Owner's equity	163,757	162,968	99.5%	
4	Profit after tax to owner's equity ratio	0.02%	(0.46%)		
5	Overdue liabilities	0	0		
6	Solvency	>1	>1		
7	Products and public services	980	1,135	116%	

Where losses are due to objective reasons:

- *Deducting depreciation of asset which is office floor at 88 Lang Ha: VND 1,016 million/year*

+ On December 28, 2023, the City People’s Committee gave Notice No. 610/TBVP on “Proposal of overally reviewing management and use of land parcel at No. 4 Tran Hung Dao by Mechanical Engineering Service Joint Stock Company and Song Hong Joint Stock Company”.

+ Mechanical Engineering Service Joint Stock Company obtained Official Letter No. 113/2024/CDCTKHDT dated October 11, 2024 to report the Department of Finance and Official Letter No. 118/2024/CDCTKHDT dated October 28, 2024 to report to the Department of Natural Resources and Environment on implementation of Notice No. 610/TB-VP dated December 28, 2023 of the City.

+ Mechanical Engineering Service Joint Stock Company obtained many official letters and has continued to work with Song Hong Joint Stock Company to settle outstanding matters of exchange at land parcel No. 4 Tran Hung Dao. (Up to now, Song Hong Joint Stock Company disagreed with the settlement method.)

- *Fine due to delayed issuance of invoices since 2019: VND 24 million*

## **2. Organization and personnel**

### **2.1. Board of Management**

<b>No.</b>	<b>Full name</b>	<b>Position</b>	<b>Remarks</b>
1	Cao Tien Dung	In charge of management	
2	To Huu Chung	Deputy General Director	
3	Tran Minh Cuong	Deputy General Director	
4	Nguyen Thi Van Ha	Chief Accountant	

### **2.2. Working process**

#### **❖ Mr. Cao Tien Dung – In charge of management**

##### **General information**

Date of birth: January 15, 1978

Place of origin: Dien Tho – Dien Chau – Nghe An

Professional education: Master of Transportation Engineering; Bridge and Road Engineer; Bachelor of Politics

Other position: Cell secretary

Number of shares being hold: Individual: 3,100 shares

Representing the State capital: 7,440,000 shares

Related persons: 0 share

##### **Working process**

+ From October 2001 to April 2007: Highway Engineering Consultant Company - Transport Engineering Design Incorporated

- + From August 2007 to May 2010: Urban Transport Project Management Unit - Hanoi Department of Transportation
- + From June 2010 to June 2011: Hong Ha Petroleum Joint Stock Company
- + From May 2011 to November 2011: Investment Promotion Department, Mechanical Engineering Service Joint Stock Company
- + From July 2011 to September 2012: Sai Dong Project Management Unit, Mechanical Engineering Service Joint Stock Company
- + From September 2012 to March 2013: Employee of the Investment Plan Department
- + From March 2013 to March 2015: Deputy Director of the Investment Plan Department
- + From April 2015 to January 2016: Acting Director of the Investment Plan Department
- + From February 2016 to October 2018: Director of the Investment Plan Department
- + From October 2018 to October 2022: Member of the BOM, Deputy General Director
- + From October 2022 to now: Chairman of the BOM, in temporary charge of management of Mechanical Engineering Service Joint Stock Company

❖ **Mr. To Huu Chung – Deputy General Director**

**General information**

Date of birth: June 14, 1965  
 Place of origin: Hanoi  
 Professional education: Bachelor of Law  
 Number of shares being hold: Individual: 3,400 shares  
 Representing the State capital: 4,278,000 shares

**Working process**

- + From March 1984 to November 1987: Soldier of the General Department of Petroleum – Corporal
- + From January 1990 to November 1994: Tan Tien Cooperative
- + From November 1994 to November 1999: Deputy Chairman of the People’s Committee of Van Dien Town
- + From December 2000 to May 2005: Party Secretary cum Chairman of the People’s Committee of Van Dien Town
- + From November 2005: Mechanical Engineering Service One-Member Company Limited (currently Mechanical Engineering Service Joint Stock Company)
- + From October 2018 to now: Member of the BOM, Deputy General Director of Mechanical Engineering Service Joint Stock Company
- Party Member of Mechanical Engineering Service Joint Stock Company for the terms of 2010 – 2015 and 2015 – 2020
- Chairman of the Company’s Veteran Organization for the term of 2017 - 2022

❖ **Mr. Tran Minh Cuong – Deputy General Director**

**General information**

Date of birth: August 21, 1979  
Place of origin: Ngoc Khanh – Ba Dinh – Hanoi  
Professional education: Master of Economic Management – Transport  
Cybernetic Engineer  
Other position: Vice Cell secretary  
Number of shares being hold: 3,906,000 shares

**Working process**

+ From November 2002 to February 2006: Employee of Construction Enterprise, Mechanical Engineering Service Company

+ From May 2007 to August 2010: Acting Deputy Director of Construction Enterprise, Mechanical Engineering Service Company, Secretary of the Company's Ho Chi Minh Communist Youth Union

+ From August 2010 to April 2012: Director of Construction Enterprise, Mechanical Engineering Service Company, Member of the Trade Union Executive Committee, Member of the Party Cell of the Construction Enterprise

+ From April 2012 to May 2015: Deputy Director of Construction Enterprise, Mechanical Engineering Service Company, Member of the Trade Union, Member of the Party Cell of the Construction Enterprise

+ From May 2015 to October 2015: Deputy Director of the General Plan Department of Mechanical Engineering Service Company, Member of the Party Cell of Office 2

+ From October 2015 to January 2018: Deputy Director of the Investment Plan Department of Mechanical Engineering Service Company, Member of the Party Cell of Office 2

+ From January 2018 to June 2022: Director of the Investment Plan Department of Mechanical Engineering Service Company, Member of the Party Cell of Office 2

+ From June 2022 to October 2022: Member of the capital management team, Director of the Investment Plan Department of Mechanical Engineering Service Company, Member of the Company's Party Cell

+ From October 2022 to January 2024: Member of the capital management team, Member of the BOM, Director of the Investment Plan Department, Vice Cell Secretary of Mechanical Engineering Service Company, Member of the Company's Trade Union Executive Committee

+ From January 2024 to now: Member of the capital management team, Member of the BOM, Deputy General Director, Vice Cell Secretary of Mechanical Engineering Service Company, Member of the Company's Trade Union Executive Committee

❖ **Mrs. Nguyen Thi Van Ha – Chief Accountant**

**General information**

Date of birth: March 15, 1971

Place of origin: Nam Dinh  
Professional education: Bachelor of Economics  
Other position: Member of the Party Cell – Chairwoman of the Company’s Trade Union  
Number of shares being hold: Individual: 2,500 shares

**Working process**

- + From May 1989 to June 1994: Worked in the Russian Federation
- + From February 1995 to May 2003: Worked in Doan Ket Primary School
- + From July 2003 to May 2009: Worked at Vinasil Vietnam Joint Stock Company
- + From May 2009 to March 2015: Accountant of Yen So Enterprise - Mechanical Engineering Service One-Member Company Limited
- + From April 2015 to June 2022: Employee of the Finance – Accounting Department - Mechanical Engineering Service Joint Stock Company
- + From July 2022 to October 2022: Deputy Director of the Finance – Accounting Department - Mechanical Engineering Service Joint Stock Company
- + From October 2022 to December 2023: In charge of finance & accounting - Mechanical Engineering Service Joint Stock Company
- + From January 2024 to now: Chief Accountant - Mechanical Engineering Service Joint Stock Company

**2.3. Number of employees, Summary of policy and changes in policies on employees**

The Company currently has 21 employees. The Company has fully followed policies and welfare regimes for the employees according to the State’s regulations.

**3. Situation of investment and project implementation**

a) **Large investments:** In 2024, the Company has no investments into the project.

b) **Subsidiaries and associates**

❖ **Joint ventures and associates of the Public Company**

No.	Company name	Contributed capital (VND) 31/12/2023	Contributed capital (VND) 31/12/2024	Ownership (%)	Remarks
1.	Sai Dong Land Joint Stock Company	30,740,000,000	30,740,000,000	15.37%	Paid-up
				13.63%	Transferred purchase right
	Total	30,740,000,000	30,740,000,000	29%	

Sai Dong Land Joint Stock Company was issued the first joint stock company business registration certificate No. 0106894003 on July 06, 2015 by Hanoi Authority for Planning and Investment.



The Company's paid-up capital at Sai Dong Land Joint Stock Company was equal to 29% of the charter capital (VND 106,000 million) in proportion of the capital to be paid-up of VND 30,740 million. Sai Dong Land Joint Stock Company increased its charter capital to VND 200,000 million. On September 10, 2018, Hanoi City People's Committee gave Official Letter No. 4172/UBND-KT on transferring purchase right of shares issued by Sai Dong Land Joint Stock Company with its content of accepting the proposal of the Department of Finance at Official Letter No. 5510/STC-TCDN dated August 14, 2018: Not contributing additional charter capital when Sai Dong Land Joint Stock Company increased the charter capital up to VND 200,000 million and transfer the purchase right of 2,726,000 shares issued by Sai Dong Land Joint Stock Company and authorized to be purchased by Mechanical Engineering Service Joint Stock Company. The Company has been deploying relevant works to transfer this purchase right.

In 2024, Sai Dong Land Joint Stock Company paid dividends according to Resolution No. 02A.2023.QD-DHCD of d 2023 annual general meeting of shareholders and added dividends (in 2021) worth VND 514 million for the Company.

❖ **List of other long-term investments of the Public Company**

No.	Company name	Contributed capital (VND) 31/12/2023	Contributed capital (VND) 31/12/2024	Ownership (%)
1.	Tu Hiep Hong Ha Petroleum Joint Stock Company	16,000,000,000	16,000,000,000	2.266%

According to the Business Registration Certificate No. 0102354784 fifteenth revised on July 08, 2022 by Hanoi Authority for Planning and Investment, the charter capital of Tu Hiep Hong Ha Petroleum Joint Stock Company was VND 16 billion in proportion of 2.266% of the charter capital.

Implementing the Resolution of the 2024 annual general meeting of shareholders, Tu Hiep Hong Ha Petroleum Joint Stock Company divided the dividends worth VND 240 million to the Company.

**4. Financial situation**

**a) Financial situation**

(Unit: VND)

No.	Items	2023	2024	% increase (decrease)
1	Total assets	170,769,409,946	168,301,796,550	(1.44%)
2	Total revenue and income	7,137,766,085	5,108,799,266	(28.43%)
3	Net revenue	5,956,917,906	3,369,278,515	(43.44%)

4	Profit from operating activities	(8,003,767,980)	(1,001,031,374)	(87.49%)
5	Other profits	(27,296,226)	244,696,019	(996.45%)
6	Profit before tax	(8,031,064,206)	(756,335,355)	(90.58%)
7	Profit after tax	(8,031,064,206)	(756,335,355)	(90.58%)
8	Dividend yield ratio	(432)	(41)	(90.51%)

❖ **Other criteria:** None

**b) Main financial criteria**

No.	Items	2023	2024	Remarks
1	Solvency			
+	Current ratio (Current assets/ Current liabilities)	5.57	7.10	
+	Quick ratio (Current assets – Inventories)/ Current liabilities	5.12	6.47	
2	Capital structure			
+	Liabilities/ Total assets ratio	0.041	0.032	
+	Liabilities/ Owner's equity	0.043	0.033	
3	Operation capacity			
+	Inventory turnover (Cost of goods sold/ Average inventory)	1.61	0.80	
+	Total Asset Turnover (Net sales / Average total assets)	0.03	0.02	
4	Profitability			
+	Profit after tax / Net sales	(134.82)	(22.45)	
+	Profit after tax / Owner's equity	(4.90)	(0.46)	
+	Profit after tax / Total assets	(4.70)	(0.45)	
+	Profit from operating activities/ Net revenue	(1.34)	(0.30)	

**5. Shareholder structure and change in owner's invested capital**

**a) Shares**

- Total number of outstanding shares: 18,600,000 shares
- Par value: VND 10,000/ share
- Type of outstanding shares: Ordinary share

**b) Shareholder structure (in the list of shareholders as of March 14, 2025)**

❖ **Ownership (major shareholders and minor shareholders)**

No.	Shareholder name	Quantity	Total shares held (share)	% on the charter capital
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1	Major shareholder	01	18,393,800 shares	98.89%
2	Minor shareholder	100	206,200 shares	1.11%

❖ **Institutional and individual shareholders**

No.	Shareholder name	Quantity	Total shares held (share)	% on the charter capital
1	Institutional shareholders - Hanoi City People's Committee - Trade Union of Mechanical Engineering Service Joint Stock Company	02	18,393,800 shares 1,000 shares	98.89% 0.005%
2	Individual shareholders	99	205,200 shares	1.105%

❖ **Domestic and foreign shareholders**

No.	Shareholder name	Quantity	Total shares held (share)	% on the charter capital
1	Domestic shareholders	101	18,600,000 shares	100%
2	Foreign shareholders	0		0%

❖ **State shareholders and other shareholders**

No.	Shareholder name	Quantity	Total shares held (share)	% on the charter capital
1	State shareholders	01	18,393,800 shares	98.89%
2	Other shareholders	100	206,200 shares	1.11%

c) **Changes in the owner's invested capital: None**

d) **Treasury stock trading: None**

e) **Other securities: None**

**6. Environmental and social impact report of the Company**

**6.1. Environmental impacts**

- Total direct and indirect greenhouse gas (GHG) emission: .....

- Initiatives and measures of minimizing the greenhouse gas emission: .....

**6.2. Management of materials source**

a) Total quantity of materials used for manufacturing and packaging the organization's main products and services in the year ....

b) Report on percent of the recycled and raw materials used for manufacturing the organization's main products and services: .....

**6.3. Energy consumption**

a) Directly and indirectly consumed energy

Energy consumed in the Company's production is electric energy. The Company uses electricity to operate machinery and equipment in the production process.

In 2024, the Company consumed a total of 75,809 kwh electricity.

b) Energy saved through effective energy usage initiatives: None

c) Report on energy saving initiatives (supply of energy saving products and services and use of recyclable energy): None

#### **6.4. Water consumption**

a) Water source and water consumption:

In 2024, the Company consumed a total of 309 m3 water.

b) Percent and total recyclable and reusable water consumption: None

#### **6.5. Compliance with the law on environmental protection**

a) Frequency of fining for violations due to non-compliance with the law and the regulations on environment: None

b) Total fines for violations due to non-compliance with the law and the regulations on environment: None

#### **6.6. Employee-related policy**

- Quantity of employees (as at December 31, 2024): 21 employees

- Average income: VND 5.5 million/ person/ month

#### **6.7. Report on responsibility for local community**

Community investment activities and other community development activities, including financial support to serve for the community: The Company responds and fully performs financial supports for community activities and community development.

**6.8. Report on green capital market activities as instructed by the State Securities Commission: None**

### **III. EVALUATION REPORT OF THE BOARD OF GENERAL DIRECTORS**

#### **1. Evaluation of operating results**

##### **a) Evaluation of operating results**

Total revenue and income in 2024 of the Company was VND 5,109 million, where:  
- Revenue from operating activities was VND 3,369 million, accounting for 66% of total revenue and income in 2024.

- Revenue from financial activities was VND 1,471 million, accounting for 29% of total revenue and income in 2024.

- Other revenues were VND 269 million, accounting for 5% of total revenue and income in 2024.

##### **b) Profit after tax**

Profit after tax in 2024: The Company made loss of VND 756 million.

Reason for loss: Objective reasons

- Deducting depreciation of asset which is office floor at 88 Lang Ha: VND 1,016 million/year

- Fine due to delayed issuance of invoices since 2019: VND 24 million

Thus, the profit from operating activities is not enough to compensate cost for corporate management in spite of absolute saving.

**c) Progresses made**

The Company has fully obeyed tax obligations for the State. Attention has been paid to the employee welfares in accordance with the State’s regulations.

**2. Financial situation**

**a) Asset situation**

(Unit: VND million)

No.	Items	Opening balance	Closing balance	% increase/ decrease compared to the last year
1	Total assets	170,769	168,301	(1.44%)
2	Liabilities	7,045	5,333	(24.29%)
3	Owner’s equity	163,725	162,968	(0.46%)

Total assets in 2024 was VND 168,301 million, decreasing 1.44% compared to 2023.

Based on the structure, the current assets were VND 35,268 million, accounting for 21% of total assets. The current assets are mainly held-to-maturity investments worth VND 18,058 million, accounting for 51% of the current assets; and the current receivables were VND 13,043 million, accounting for 37% of the current assets.

**b) Liabilities situation**

- Current ratio: 7.1 times
- Quick ratio: 6.47 times
- Liabilities/ Total assets ratio: 0.032 times
- Liabilities/ Owner’s equity ratio: 0.033 times

The above ratios showed that the Company has ensured payment of the due liabilities.

**3. Improvements of organizational structure, policy and management**

Implementing the Resolutions of the GMS and Resolutions of the BOM, the Company’s Executive Board has proactively and closely grasped the production and business plan as orientated by the BOM.

The Company’s Executive Board reviewed organization, compactly restructured the departments and operated effectively; proactively train its qualified employees to hold key positions; and maintain its healthy financial source to ensure the Company’s operating activities.

**4. Production and business plan and financial plan in 2025**

No.	Chi tiêu	Unit	2024	2025	% increase/ decrease compared to the last year
1	Revenue and income	VND mil	5,109	20,020	291.86

2	Profit before tax	VND mil	(756)	56	107.41
3	Profit after tax	VND mil	(756)	56	107.41
4	Owner's equity	VND mil	162,968	163,023	0.03
5	Profit after tax/Owner's equity rate	%	(0.46%)	0.033%	107.17
6	Payment to the Budget	VND mil	232	200	(13.79)
7	Total employees	Person	21	25	19.05
8	Average income of the employees	VND mil/ person	5.5	5.7	3.64%

#### **5. Statement of the Board of Management on the auditors' opinions**

- Lack of the letters of debt confirmation: These debts have incurred for a long time (since 2002) and some debtors are currently no longer operating at their registered addresses, so the Company has not sent the debt reconciliation.

- Accounts receivable under Ta Thanh Oai project: Up to now, Indochina Resources Development Joint Stock Company has not performed its financial obligations under the Partnership Contract No. 08/2011/HD-HTKD signed on April 05, 2011 between two companies and Decision No. 3468/QD-UBND dated July 04, 2015 of the City People's Committee.

- For other assets as perennials, the Company has not deducted depreciation because they have been planted since 2004 and are no longer valuable.

#### **IV. EVALUATION OF THE BOARD OF MANAGEMENT OF THE COMPANY'S OPERATIONS**

##### **1. Evaluation of the Board of Management of the Company's operations**

The Company's operations are affected by cutting down public service costs for maintaining greenery trees and grass covers... in the area of Hanoi City People's Committee.

Revenue structure for the Company's operations is basically changed from being assigned (ordered) to the competitive bidding and self-exploiting new resources. It is suggested that the Company's BOM and the Board of General Directors have a strategy to adjust its operations in conformity with new conditions.

The Company's finance and accounting is according to the laws and ensures capital sources.

Matters in the authority of the BOM are reported and consulted by the Board of General Directors and the BOM makes decisions on consideration and acceptance under the supervision of the Board of Supervisors.

Information disclosure ensure compliance with the laws. The information is disclosed publicly and transparently on the Company's website.

## 2. Evaluation of the BOM of operations of the Board of General Directors

The Board of General Directors manages the company's activities in his/her assigned duties. Matters in the authority of the BOM are reported and consulted in full manner.

## 3. Orientation plans of the BOM

To orientate development of business lines in a suitable, stable and sustainable manner for the company in 2025 and next years.

To coordinate with the Company's Board of General Directors in completing the 2025 production and business plan with total output, revenue and income of VND 20,020 million.

To focus on solutions to improve productivity, save costs in all the fields and increase the employees' income.

To follow procedures to disinvest the state capital according to the directions of Hanoi City People's Committee and Decision No. 1479/QD-TTg dated 19/11/2022 of the Prime Minister, Plan No. 166/KH-UBND dated 06/6/2023, Official Letter No. 4280/UBND-KTTH dated 19/12/2024 of the City People's Committee and Official Letter No. 8198/STCTCDN dated 26/12/2024 of the Department of Finance.

## V. CORPORATE MANAGEMENT

### 1. Board of Management

#### a) Members and structure

No.	Full name	Position	Number of shares held (shares)	% of the charter capital	Members of the BOM in other companies
1	Cao Tien Dung	Chairman	3,100	0.017%	Member of the BOM of Sai Dong Land Joint Stock Company
2	To Huu Chung	Member	3,400	0.018%	
3	Tran Minh Cuong	Member	3,400	0.018%	

**b) Sub-committees of the Board of Management: None**

**c) Operations of the Board of Management**

The Board of Management conducts management under the Company's Charter, its operational regulations and the laws.

**d) Operations of independent members of the Board of Management: None**

**e) Operations of sub-committees of the Board of Management: None**

**f) List of members of the Board of Management participating in corporate management programs in year: None**

### 2. Board of Supervisors

#### a) Members and structure

No.	Full name	Position	Number of shares held (shares)	% of the charter capital
1	Tran Minh Duc	Head	4,300	0.023%
2	Nguyen Thi Minh Giang	Member	2,100	0.011%
3	Ngo Trong Tuan	Member	2,300	0.012%

#### **b) Operations of the Board of Supervisors**

In 2024, the Board of Supervisors conducted its duties in accordance with the Law on Enterprises and the Company's Charter as follows:

To attend meetings of the BOM and other meetings and manage the Company's production;

To propose and select an independent auditing company to conduct the audit of the annual financial statements, including review of the semi-annual financial statements and the annual financial statements;

To check fairness, legality and truth in management and direction of the business activities as well as fairness, legality and truth in accounting and count and prepare the financial statements

### **3. Transactions, remuneration and benefits of the Board of Management, Board of Directors and Board of Supervisors**

#### **a) Salary, bonus, remuneration and benefits**

##### **- Salary**

The Chairman of the BOM (not entitled to remuneration) is entitled to salary based on salary coefficient in the Company's payroll (applicable to Circular No. 17/2015/TT-BLDTBXH dated May 24, 2015 and Circular No. 28/2016/TT-BLDTBXH dated September 01, 2016).

The members of the BOM are the ones of the Board of Directors who are entitled to salary based on salary coefficient in the Company's payroll.

##### **- Remuneration**

Because the Company had many difficulties in operations in 2024, it did not pay remuneration for the members of the BOM and the members of the Board of Supervisors according to Resolution No. 20/2024/NQDHDHCD dated April 26, 2024 of the General Meeting of Shareholders of the Company.

##### **- Bonuses**

In 2024, the company did not pay bonuses from the profit after tax for the members of the BOM and the members of the Board of Supervisors.

##### **- Other benefits**

The members of the BOM and the members of the Board of Supervisors are provided with office equipment and working instruments.

#### **b) Stock transactions of the internal shareholders: None**

#### **c) Transaction contracts with internal shareholders: None**



## VI. FINANCIAL STATEMENTS

### 1. Auditors' opinions about financial statements

At the Official Letter No. B0524067-MOOREAISHN-TC dated March 05, 2025 of the Branch of MOORE AISC Auditing and Informatics Services Company Limited on the auditors' report on financial statements for the period from January 01, 2024 until December 31, 2024, the auditors issued the following qualified opinions:

#### *"Basis of qualified opinions*

- We did not collect the letters of balance confirmation for trade receivables of VND 2,891,591,309 as at December 31, 2024 (VND 297,635,426 as at January 01, 2024); prepayments to the seller of VND 840,321,375 as at December 31, 2024 (VND 503,321,375 as at January 01, 2024); trade payables of VND 2,477,570,702 as at December 31, 2024 (VND 01/01/2024 là 3,534,176,983 as at January 01, 2024); and deferred revenue of VND 252,089,517 as at December 31, 2024 (VND 216,089,487 as at January 01, 2024). Substitute auditing procedures did not provide full audit evidences so that we have conclusions on existence and sufficiency of these items in the financial statements ended December 31, 2024.

- The Company has not evaluated recoverability of the prepayments to the seller worth VND 503,321,375 as at December 31, 2024 (VND 503,321,375 as at January 01, 2024) and work in progress worth VND 659,211,088 as at December 31, 2024 (VND 659,211,088 as at January 01, 2024). We did not fully collect reasonable audit evidences related to the above matters, so we did not evaluate their impacts on the Company's financial statements ended December 31, 2024.

- As at December 31, 2024, the Company reflected accounts receivables of Indochina Resources Development Joint Stock Company under the Partnership Contract No. 08/2011/HD-HTKD signed on April 05, 2011 on investment cooperation in construction, management, exploitation and trade of ecological, service, commercial and sports complex project in Ta Thanh Oai Commune, Thanh Tri District, Hanoi City with a balance of VND 21,050,429,167. Up to now, the competent authorities have not approved to deploy the project and Indochina Resources Development Joint Stock Company has not contributed investment capital for project implementation. Therefore, the auditors have no conclusions on rights and obligations related to the above receivables and its impacts on other items in the financial statements.

- Other fixed assets as perennials with historical cost of VND 651,085,030 have not been depreciated by the Company. With available documents at the Company, we did not fully collect suitable evidences of historical cost of the above fixed assets as well as estimated depreciation to be prepared. Thus, we did not evaluate impacts of these matters on the Company's financial statements ended December 31, 2024.

#### **Qualified opinions**

In our opinions, except for impacts of the matters mentioned in "Basis of qualified opinions", the financial statements give a true and fair view of, in all respects, financial

