



FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED 31 DECEMBER 2024

**SONG DA INDUSTRY TRADE
JOINT STOCK COMPANY**

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SONG DA INDUSTRY TRADE JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Song Da Industry Trade Joint Stock Company (hereinafter referred to as "the Company") presents this statement together with the Financial Statements for the fiscal year ended 31 December 2024.

Business highlights

Song Da Industry Trade Joint Stock Company (formerly known as Song Da Packaging Joint Stock Company) is an enterprise equitized from the Packaging Production Enterprise - Song Da Company No. 12 in accordance with the Decision No. 383/QĐ - BXD dated 7 April 2003 of the Construction Minister. The Company operates in accordance with the 1st Business Registration Certificate No. 0303000082 dated 18 April 2003 granted by the Department of Planning and Investment of Ha Tay Province (which is now Hanoi Authority for Planning and Investment).

During the course of operation, the Company has been 14 times granted with the amended and supplemented Business Registration Certificates regarding the increase in charter capital, the change in Enterprise code to No. 0500436570, the changes in principal business activities and legal representative. The 14th amended Business Registration Certificate dated 26 December 2016 regarded the increase in charter capital from owner's equity to current shareholders.

Head office

- Address : Yen Nghia Ward, Ha Dong District, Hanoi City
- Tel. : 02433 521 290

The principal activities of the Company are: Producing and trading packages; Producing other products from paper and plastics; Trading materials.

Board of Directors and Executive Officers

The members of the Board of Directors, the Board of Supervisors, the Board of Management and the Chief Accountant of the Company during the year and as of the date of this statement include:

Board of Directors

Full name	Position	Re-appointing date
Mr. Nguyen Trong San	Chairman	26 April 2023
Mr. Nguyen Trong Trai	Member	24 April 2023
Mr. Nguyen Trong Loi	Member	24 April 2023
Mr. Nguyen Quang Thieu	Member	24 April 2023
Ms. Phung Thi Huyen	Independent member	24 April 2023

Board of Supervisors

Full name	Position	Appointing date/re-appointing date
Mr. Nguyen Tuan Quan	Head of BOS	Appointed on 28 April 2023
Mr. Bui Minh Tuan	Member	Appointed on 24 April 2023
Ms. Nguyen Thi An	Member	Re-appointed on 24 April 2023

Internal Audit Department

Full name	Position	Appointing date
Mr. Nguyen Tuan Quan	In charge of Department	6 June 2024

Board of Management and Chief Accountant

Full name	Position	Appointing date/re-appointing date
Mr. Nguyen Trong Trai	General Director	Re-appointed on 26 April 2023
Mr. Nguyen Trong Loi	Deputy General Director	Appointed on 15 October 2014
Mr. Do Van Hach	Deputy General Director	Appointed on 07 August 2018
Ms. Nguyen Hong Minh	Chief Accountant	Appointed on 26 December 2015

SONG DA INDUSTRY TRADE JOINT STOCK COMPANY
STATEMENT OF THE BOARD OF MANAGEMENT (cont.)

Legal representative

The legal representative of the Company during the year and as of the date of this statement is Mr. Nguyen Trong Trai – General Director (re-appointed on 26 April 2023).

Auditor

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Financial Statements for the fiscal year ended 31 December 2024 of the Company.

Responsibilities of the Board of Management

The Board of Management is responsible for the preparation of the Financial Statements to give a true and fair view on the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare these Financial Statements, the Board of Management must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Financial Statements;
- prepare the Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Financial Statements.

The Board of Management hereby ensures that all the proper accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Management is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Management hereby commits to the compliance with the aforementioned requirements in preparation of the Financial Statements.

Approval on the Financial Statements

The Board of Management hereby approves the accompanying Financial Statements, which give a true and fair view of the financial position as at 31 December 2024, the financial performance and the cash flows for the fiscal year then ended of the Company in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of Financial Statements.

For and on behalf of the Board of Management,

General Director

**CÔNG TY CỔ PHẦN
CÔNG NGHIỆP
THƯƠNG MẠI
SÔNG ĐÀ**

Nguyen Trong Trai

4 March 2025

No. 2.0147/25/TC-AC

INDEPENDENT AUDITOR'S REPORT

THE SHAREHOLDERS, THE BOARD OF DIRECTORS AND THE BOARD OF MANAGEMENT SONG DA INDUSTRY TRADE JOINT STOCK COMPANY

We have audited the accompanying Financial Statements of Song Da Industry Trade Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 4 March 2025, from page 06 to page 33, including 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.

Responsibility of the Board of Management

The Company's Board of Management is responsible for the preparation, true and fair presentation of the Company's Financial Statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of Financial Statements; and responsible for the internal control as the Board of Management determines necessary to enable the preparation and presentation of the Financial Statements to be free from material misstatement due to fraud or error.

Responsibility of Auditors

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true 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.

Opinion of Auditors

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position as at 31 December 2024 of Song Da Industry Trade Joint Stock Company, its financial performance and its cash flows for the fiscal year then ended in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of Financial Statements.

Other matter

The Auditor's Report on the Company's Financial Statements for the fiscal year ended 31 December 2024 is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.
Hanoi Branch



Nguyen Thi Tu – Partner
Audit Practice Registration Certificate:
No. 0059-2023-008-1
Authorized signatory
Hanoi, 4 March 2025

Vu Tuan Nghia – Auditor
Audit Practice Registration Certificate:
No. 4028-2022-008-1

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
A - CURRENT ASSETS	100		140,498,267,898	150,850,870,796
I. Cash and cash equivalents	110	V.1	10,383,369,631	22,037,402,085
1. Cash	111		9,376,002,692	6,962,412,870
2. Cash equivalents	112		1,007,366,939	15,074,989,215
II. Short-term financial investments	120		10,844,297,675	11,761,928,463
1. Trading securities	121	V.2a	5,782,781,765	5,782,781,765
2. Provisions for diminution in value of trading securities	122	V.2a	(2,438,484,090)	(2,020,853,302)
3. Held-to-maturity investments	123	V.2b	7,500,000,000	8,000,000,000
III. Short-term receivables	130		77,070,011,240	81,302,349,508
1. Short-term trade receivables	131	V.3	102,247,518,393	100,810,107,719
2. Short-term prepayments to suppliers	132		499,258,530	325,171,103
3. Short-term inter-company receivables	133		-	-
4. Receivables based on the progress of construction contracts	134		-	-
5. Receivables for short-term loans	135		-	3,000,000,000
6. Other short-term receivables	136	V.4	1,476,132,300	2,982,968,134
7. Allowance for short-term doubtful debts	137	V.5	(27,152,897,983)	(25,815,897,448)
8. Deficit assets for treatment	139		-	-
IV. Inventories	140		34,665,850,130	30,930,899,549
1. Inventories	141	V.6	34,665,850,130	30,930,899,549
2. Allowance for devaluation of inventories	149		-	-
V. Other current assets	150		7,534,739,222	4,818,291,191
1. Short-term prepaid expenses	151	V.7a	160,588,140	87,948,543
2. Deductible VAT	152		7,374,151,082	4,677,692,608
3. Taxes and other receivables from the State	153	V.11	-	52,650,040
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - NON-CURRENT ASSETS	200		35,755,206,360	30,317,970,499
I. Long-term receivables	210		-	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		-	-
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		7,203,004,231	11,360,593,789
1. Tangible fixed assets	221	V.8	7,203,004,231	11,360,593,789
<i>Historical costs</i>	222		53,601,703,130	57,462,884,196
<i>Accumulated depreciation</i>	223		(46,398,698,899)	(46,102,290,407)
2. Financial leased assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227		-	-
<i>Historical costs</i>	228		-	-
<i>Accumulated amortization</i>	229		-	-
III. Investment properties	230		-	-
Historical costs	231		-	-
Accumulated depreciation	232		-	-
IV. Long-term assets in progress	240		-	-
1. Long-term work in progress	241		-	-
2. Construction-in-progress	242		-	-
V. Long-term financial investments	250	V.2c	24,750,000,000	14,850,000,000
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		24,750,000,000	14,850,000,000
3. Investments in other entities	253		2,775,000,000	2,775,000,000
4. Provisions for diminution in value of long-term financial investments	254		(2,775,000,000)	(2,775,000,000)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		3,802,202,129	4,107,376,710
1. Long-term prepaid expenses	261	V.7b	3,802,202,129	4,107,376,710
2. Deferred income tax assets	262		-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		176,253,474,258	181,168,841,295

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

RESOURCES	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
C - LIABILITIES	300		35,134,261,289	37,688,293,191
I. Current liabilities	310		35,134,261,289	37,688,293,191
1. Short-term trade payables	311	V.9	15,379,797,897	29,373,551,571
2. Short-term advances from customers	312	V.10	5,598,678,639	3,452,201,670
3. Taxes and other obligations to the State Budget	313	V.11	395,884,110	1,104,027,275
4. Payables to employees	314		2,780,491,840	2,253,980,288
5. Short-term accrued expenses	315		8,573,033	758,828
6. Short-term inter-company payables	316		-	-
7. Payables based on the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319		15,443,000	15,443,000
10. Short-term borrowings and financial leases	320	V.12	9,670,650,672	703,543,806
11. Short-term provisions	321		-	-
12. Bonus and welfare funds	322	V.13	1,284,742,098	784,786,753
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		-	-
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial leases	338		-	-
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341		-	-
12. Long-term provisions	342		-	-
13. Science and technology development fund	343		-	-

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

RESOURCES	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		141,119,212,969	143,480,548,104
I. Owner's equity	410	V.14	141,119,212,969	143,480,548,104
1. Owner's contribution capital	411		80,457,440,000	80,457,440,000
- Ordinary shares carrying voting right	411a		80,457,440,000	80,457,440,000
- Preferred shares	411b		-	-
2. Share premiums	412		42,261,553,850	42,261,553,850
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury shares	415		(308,195,830)	(308,195,830)
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		10,968,643,193	10,968,643,193
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421		7,739,771,756	10,101,106,891
- Retained earnings accumulated to the end of the previous period	421a		1,573,988,546	10,101,106,891
- Retained earnings of the current period	421b		6,165,783,210	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL RESOURCES	440		176,253,474,258	181,168,841,295

Prepared by



Ngo Thi Pho

Chief Accountant



Nguyen Hong Minh

Prepared on 4 March 2025

General Director



Nguyen Trong Trai

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

INCOME STATEMENT

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of merchandise and rendering of services	01	VI.1	196,531,066,840	214,965,688,085
2. Revenue deductions	02	VI.2	16,120,000	24,665,000
3. Net revenue from sales of merchandise and rendering of services	10		196,514,946,840	214,941,023,085
4. Costs of sales	11	VI.3	172,561,239,313	190,004,153,609
5. Gross profit/ (loss) from sales of merchandise and rendering of services	20		23,953,707,527	24,936,869,476
6. Financial income	21	VI.4	1,420,945,754	2,208,714,801
7. Financial expenses	22	VI.5	1,217,335,135	(1,434,080,009)
In which: Interest expenses	23		59,621,416	106,633,813
8. Selling expenses	25	VI.6	4,199,354,036	4,038,201,296
9. General and administration expenses	26	VI.7	11,740,431,435	12,194,015,100
10. Net operating profit/ (loss)	30		8,217,532,675	12,347,447,890
11. Other income	31	VI.8	5,150,027	310,766,544
12. Other expenses	32	VI.9	237,602,073	68,629,039
13. Other profit/ (loss)	40		(232,452,046)	242,137,505
14. Total accounting profit/ (loss) before tax	50		7,985,080,629	12,589,585,395
15. Current income tax	51	V.11	1,819,297,419	2,488,478,504
16. Deferred income tax	52		-	-
17. Profit/ (loss) after tax	60		<u>6,165,783,210</u>	<u>10,101,106,891</u>
18. Basic earnings per share	70	VI.10	<u>769</u>	<u>1,196</u>
19. Diluted earnings per share	71	VI.10	<u>769</u>	<u>1,196</u>

Prepared by

Ngo Thi Pho

Chief Accountant

Nguyen Hong Minh

Prepared on 4 March 2025

General Director



Nguyen Trong Trai

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

CASH FLOW STATEMENT**(Indirect method)****For the fiscal year ended 31 December 2024**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		7,985,080,629	12,589,585,395
2. Adjustments				
- Depreciation and amortization of fixed assets and investment properties	02	V.8	2,683,066,808	2,991,441,722
- Provisions and allowances	03	VI.5; VI.7	1,754,631,323	(1,402,810,287)
- Exchange (gain)/ loss due to revaluation of monetary items in foreign currencies	04	VI.4; VI.5	443,150,899	9,763,751
- (Gain)/ loss from investing activities	05		(796,231,813)	(1,797,798,531)
- Interest expenses	06	VI.5	59,621,416	106,633,813
- Others	07		-	-
3. Operating profit/ (loss) before changes of working capital	08		12,129,319,262	12,496,815,863
- (Increase)/ decrease of receivables	09		(2,941,668,471)	(6,883,424,891)
- (Increase)/ decrease of inventories	10		(3,734,950,581)	11,183,565,063
- Increase/ (decrease) of payables	11		(11,337,884,340)	(11,453,355,267)
- (Increase)/ decrease of prepaid expenses	12		232,534,984	(166,856,746)
- (Increase)/ decrease of trading securities	13		-	1,387,427,809
- Interests paid	14		(51,807,211)	(106,633,813)
- Corporate income tax paid	15	V.11	(2,522,253,539)	(1,807,218,611)
- Other cash inflows from operating activities	16		-	-
- Other cash outflows from operating activities	17	V.13	(5,100,000)	(5,800,000)
Net cash flows from operating activities	20		(8,231,809,896)	4,644,519,407
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21		(561,533,884)	(5,539,825,908)
2. Proceeds from disposals of fixed assets and other non-current assets	22		1,964,000,000	231,818,182
3. Cash outflows for lending, buying debt instruments of other entities	23		(9,500,000,000)	(2,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24		13,000,000,000	6,500,000,000
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26		(9,900,000,000)	-
7. Interests earned, dividends and profits received	27		1,068,468,281	1,628,226,788
Net cash flows from investing activities	30		(3,929,065,603)	820,219,062

SONG DA INSUTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.12	23,057,830,672	17,214,391,380
4. Repayment for loan principal	34	V.12	(14,109,070,632)	(16,509,695,404)
5. Payments for financial leased assets	35		-	-
6. Dividends and profits paid to the owners	36	V.14	(8,022,063,000)	(6,417,650,400)
<i>Net cash flows from financing activities</i>	40		<u>926,697,040</u>	<u>(5,712,954,424)</u>
Net cash flows during the year	50		(11,234,178,459)	(248,215,955)
Beginning cash and cash equivalents	60	V.1	22,037,402,085	22,285,789,520
Effects of fluctuations in foreign exchange rates	61		(419,853,995)	(171,480)
Ending cash and cash equivalents	70	V.1	<u>10,383,369,631</u>	<u>22,037,402,085</u>

Prepared by



Ngo Thi Pho

Chief Accountant



Nguyen Hong Minh

Prepared on 4 March 2025

General Director



Nguyen Trong Trai

SONG DA INDUSTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION

1. Ownership form

Song Da Industry Trade Joint Stock Company ((hereinafter referred to as “the Company”) is a joint stock company.

2. Operating field

The Company operates in the field of industrial production.

3. Principal business activities

Principal business activities of the Company are: Producing and trading packages; Producing other products from paper and plastics; Trading materials.

4. Normal operating cycle

Normal operating cycle of the Company is within 12 months.

5. Structure of the Company

Associate

The Company only invests in one associate, which is Song Da Industry Joint Stock Company located in Dong Phong Industrial Cluster, Dong Quan Commune, Dong Hung Town, Dong Hung District, Thai Binh Province. The principal business activities of this associate are producing yarn, woven fabrics and plastic products. As of the balance sheet date, the Company invested VND 24,750,000,000 equivalent to 49.5% of charter capital, the voting rate was 49.5%.

6. Statement on information comparability in the Financial Statements

The corresponding figures of the previous year are comparable to those of the current year.

7. Employees

As of the balance sheet date, there were 163 employees working for the Company (at the beginning of the year: 171 employees).

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

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

2. Accounting currency unit

The accounting currency unit is Vietnam Dong (VND) because payments and receipts of the Company are primarily made in VND.

SONG DA INDUSTRY TRADE JOINT STOCK COMPANY

Address: Yen Nghia Ward, Ha Dong District, Hanoi City

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Financial Statements (Cont.)

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Company applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of the Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

2. Statement on the compliance with the Accounting Standards and System

The Board of Management ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

IV. ACCOUNTING POLICIES

1. Basis of preparation of the Financial Statements

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

The Financial Statements are prepared in Vietnamese and English, in which the Financial Statements in Vietnamese are the official statutory financial statements of the Company. The Financial Statements in English have been translated from the Vietnamese version. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

2. Foreign currency transactions

Transactions in foreign currencies are translated at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are translated at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arising from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as of the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Company and the Bank.
- For receivables: the buying rate ruling as of the time of transaction of the commercial bank where the Company designates the customers to make payments.
- For payables: the selling rate ruling as of the time of transaction of the commercial bank where the Company supposes to make payments.

The exchange rate used to revalue ending balances of monetary items in foreign currencies as of the balance sheet date is determined as follows:

- For foreign currency deposits in bank: the buying rate of the bank where the Company opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) – Thanh An Branch where the Company frequently conducts transactions.
- For monetary items in foreign currencies classified as payables: the selling rate of Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) – Thanh An Branch where the Company frequently conducts transactions.

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Notes to the Financial Statements (Cont.)

3. Cash and cash equivalents

Cash includes cash on hand and demand deposits in banks. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

4. Financial investments

Trading securities

Investments classified as trading securities are those held by the Company for the trading purpose with the aim of making profit.

Trading securities are recognized at original costs which include fair value of the payments made at the time of the transaction plus other attributable transaction costs.

The time of recognizing trading securities is when the Company acquires the ownership, as follows:

- For listed securities: recognized at the time of order-matching (T+0).
- For unlisted securities: recognized at the time of acquiring official ownership as stipulated by law.

Interest, dividends, and profit of the periods prior to the acquisition of trading securities are deducted from the cost of such securities. Interest, dividends and profit of the periods after the acquisition of such securities are recorded in the Company's financial income. Particularly, stock dividends received are not recorded as an increase in value, but the increasing quantity of shares is followed.

Provision for diminution in value of trading securities is made for each particular type of securities in the market of which the fair value is lower than its original costs. The fair value of trading securities is determined as follows:

- For shares of listed companies: the closing price listed on the stock market at the date of exchange. In case at the date of exchange, the stock market is not traded, the fair value of shares is the closing price of the preceding trading with the date of exchange.
- For shares listed on the stock market or shares trading on unlisted public company market and the state-owned enterprises equitized under the form of selling stocks to the public (UPCOM): the average reference price in the last 30 consecutive transaction days before the balance sheet date disclosed by the Stock Exchange.
- For shares listed on the stock market or shares trading on unlisted public company market (UPCOM) which have no trading transaction within 30 days prior to the balance sheet date, listed shares which have been delisted, suspended or stopped from trading: provisions are made based on the losses suffered by investees, with the provision amount determined by the difference between owners' actual contributed capital and total owners' equity as of the balance sheet date multiplied (x) by the Company's rate of charter capital owning in these investees.

Increases/ (decreases) in the provision for diminution in value of trading securities to be recognized as of the balance sheet date are recorded into "Financial expenses".

Gain or loss on transfer of trading securities is recognized into financial income or financial expenses. Cost of trading securities transferred is determined by using the mobile weighted average method.

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Notes to the Financial Statements (Cont.)

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments only include term deposits in bank for the purpose of earning periodical interest. Interest income from term deposits in bank is recognized in the Income Statement on the accrual basis.

Loans

Loans are determined at original costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

Investments in associates

An associate is an entity which the Company has significant influence but does not have the right to control its financial and operating policies. Significant influence is the right to participate in making resolution on the associate's financial and operating policies but not control those policies.

Initial recognition

Investments in associates are initially recognized at costs, including the cost of purchase or capital contributions plus other directly attributable transaction cost. If the Company contributes capital by non-monetary assets, costs of the investment are recognized at the fair value of the non-monetary assets at the time of occurrence.

Dividend and profit of the periods prior to the acquisition of investments are deducted from the cost of such investments. Dividend and profit of the periods after the acquisition of such investments are recorded in the Company's financial income. Particularly, stock dividends received are not recorded as an increase in value, but the increasing quantity of shares is followed up.

Provisions for impairment of investments in associates

Provisions for impairment of investments in associates are made when the associates suffer from losses, with the provision amount determined by the difference between owners' actual contributed capital and total owners' equity as of the balance sheet date multiplied (x) by the Company's rate of charter capital owning in the associates. If the associates are parent companies and have their own Consolidated Financial Statements, provision for impairment loss will be made based on their Consolidated Financial Statements.

Increases/ (decreases) in the provisions for impairment of investments in associates to be recognized as of the balance sheet date are recorded into "Financial expenses".

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Company to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of purchase plus other directly attributable transaction costs. Dividend and profit of the periods prior to the acquisition of investments are deducted from the cost of such investments. Dividend and profit of the periods after the acquisition of such investments are recorded in the Company's financial income. Particularly, stock dividends received are not recorded as an increase in value, but the increasing quantity of shares is followed up.

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

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provisions are made based on the losses suffered by investees, with the provision amount determined by the difference between owners' actual contributed capital and total owners' equity as of the balance sheet date multiplied (x) by the Company's rate of charter capital owning in these investees.

Increases/ (decreases) in the provisions for impairment of investments in equity instruments of other entities to be recognized as of the balance sheet date are recorded into "Financial expenses".

5. Receivables

Receivables are recognized at the carrying amounts less allowance for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according to the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt after being offset against liabilities (if any). The allowance rate is based on the estimated loss.

Increases/ (decreases) in the allowance for doubtful debts to be recognized as of the balance sheet date are recorded into "General and administration expenses".

6. Inventories

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

Costs of inventories are determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly attributable costs incurred in bringing the inventories to their present location and conditions.
- For work in progress: These are production costs accumulated for each completed stage of the process. The cost of work-in-progress is calculated using the direct material method and includes only the direct raw material costs.
- For finished goods: Costs comprise costs of materials, direct labor and directly attributable general manufacturing expenses allocated on the basis of normal operations.

The cost of inventories is determined using the weighted average method and recorded in accordance with the perpetual inventory system.

Net realizable value is the estimated selling prices of inventories in an ordinary course of business less the estimated expenses on product completion and other necessary expenses to make the sale.

Allowance for inventories is recognized for each type of inventories when their costs are higher than their net realizable value. Increases/ (decreases) in the allowance for inventories to be recognized as of the balance sheet date are recorded into "Costs of sales".

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7. Prepaid expenses

Prepaid expenses comprise actual expenses arising and relevant to financial performance in several accounting periods. Prepaid expenses of the Company include:

Tools

Expenses for tools in use are allocated to expenses using the straight-line method for the maximum period of 3 years.

Expenses for fixed asset repairs

Expenses for fixed asset repairs arising once with high value are allocated to expenses using the straight-line method in 3 years

Premises rental

Premises rental on the service floor of T2 Building Project - Thang Long Victory Project is allocated over the actual lease term.

8. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

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

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives. The depreciation years applied are as follows:

<u>Class of fixed assets</u>	<u>Years</u>
Buildings and structures	10 - 30
Machinery and equipment	3 - 10
Vehicles	5 - 6
Office equipment	3 - 5

9. Payables and accrued expenses

Payables and accrued expenses are recorded based on the amounts payable for merchandise and services already used. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of merchandise, services, or assets and the seller is an independent entity with the Company, including payables for import through entrustment.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operating expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of merchandise or rendering of services.

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Notes to the Financial Statements (Cont.)

Payables and accrued expenses are classified into short-term and long-term ones in the Balance Sheet based on the remaining terms as of the balance sheet date.

10. Owner's equity

Owner's contribution capital

Owner's contribution capital is recorded according to the actual amounts invested by the shareholders.

Share premiums

The differences between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date are recognized into share premiums. Expenses directly attributable to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

Treasury shares

When the Company reacquires its own equity instrument, purchasing costs including the expenses related to the transaction are recorded as treasury shares and shall be deducted from owner's equity. When treasury shares are re-issued, the difference between their re-issuance price and carrying value is recorded in share premiums.

11. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made in consideration of non-cash items in retained earnings that may affect cash flows and the ability to pay dividends such as profit from revaluation of assets invested in other entities, profit from revaluation of monetary items, financial instruments and other non-cash items.

Dividend is recorded as payables upon approval of the General Meeting of Shareholders.

12. Recognition of revenue and income

Revenue from sales of merchandise, finished goods

Revenue from sales of merchandise, finished goods shall be recognized when all of the following conditions are satisfied:

- The Company has transferred most of risks and benefits incident to the ownership of products or merchandise to customers.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandise, products sold.
- The amount of revenue can be measured reliably. When the contract stipulates that the buyer has right to return merchandise, products purchased under specific conditions, revenue is recognized only when those specific conditions no longer exist and the buyer retains no right to return merchandise, products (except for the case that the customer has the right to return the merchandise or products in exchange for other merchandise or services).
- It is probable that the economic benefits associated with sale transactions will flow to the Company.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

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Notes to the Financial Statements (Cont.)

Revenue from operating leases

Revenue from operating leases is recognized using the straight-line method during the lease term. Rentals received in advance for several periods are allocated to revenues in consistence with the lease term.

Interest

Interest is recorded based on the term and the actual interest rate applied in each particular period.

Dividend income

Income from dividends is recognized when the Company has the right to receive dividends from the investees. Particularly, stock dividends received are not recorded as an increase in value, but the increasing quantity of shares is followed up.

13. Revenue deductions

Revenue deductions include trade discounts, sales allowances, sales returns incurred in the same period of providing goods, merchandise, services which are recorded as a deduction of revenue in such period.

In case of products, merchandise, services provided in the previous year, but the trade discounts, sales allowances, sales returns incurred in the current year, revenue deductions shall be recorded as follows:

- If sales allowances, trade discounts, sales returns incur prior to the release of the Financial Statements, such revenue deductions are recognized in the Financial Statements of the current year.
- If sales allowances, trade discounts, sales returns incur after the release of the Financial Statements, such revenue deductions are recognized in the Financial Statements of the following year.

14. Borrowing costs

Borrowing costs are interest expenses and other costs that the Company directly incurs in connection with the borrowings. Borrowing costs are recorded as expenses when incurred.

15. Expenses

Expenses are those that result in outflows of the Company's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

16. Corporate income tax

Corporate income tax is the current income tax, which is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

17. Related parties

Parties are considered to be related parties in case that one party is able to control the other party or has significant influence on the financial and operating decisions of the other party. Parties are also considered to be related parties in case that they are under the common control or under the common significant influence.

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In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

18. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policy applied for the preparation and presentation of the Company's Financial Statements.

During the year, the Company's operation is primarily in the field of producing cement packages (revenue and direct assets accounted for 94%) and in a single geographical area of the Vietnamese territory (for foreign areas, the main operations arising from the sale of merchandise and finished goods are presented in Note VI.1 - Revenue from sales of merchandise and rendering of services), therefore, the Company does not present the segment reporting.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	22,110,554	381,722,569
Demand deposits in banks	9,353,892,138	6,580,690,301
Cash equivalents (<i>Bank deposits of which the principal maturity is from or under 3 months</i>)	1,007,366,939	15,074,989,215
Total	<u>10,383,369,631</u>	<u>22,037,402,085</u>

2. Financial investments

The financial investments of the Company include trading securities, held-to-maturity investments, and investments in other entities. The Company's financial investments are as follows:

2a. Trading securities

	Ending balance			Beginning balance		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
Khai Hoan Land JSC. (KHG)	2,235,795,428	1,365,549,750	(870,245,678)	2,235,795,428	1,542,702,150	(693,093,278)
Pha Le Plastics Manufacturing and Technology JSC. (PLP)	403,155,962	117,000,000	(286,155,962)	403,155,962	105,500,000	(297,655,962)
EVN Finance (EVF)	50,491	45,500	(4,991)	50,491	80,000	-
Sai Gon Thuong Tin Real Estate JSC. (SCR)	1,889,701,617	903,668,480	(986,033,137)	1,889,701,617	1,169,081,600	(720,620,017)

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Notes to the Financial Statements (Cont.)

	Ending balance			Beginning balance		
	Original cost	Fair value	Provision	Original cost	Fair value	Provision
Deo Ca Traffic Infrastructure Investment JSC. (HHV)	592,242,000	368,105,050	(224,136,950)	592,242,000	464,936,850	(127,305,150)
No Va Land Investment Group Corporation (NVL)	295,357,372	223,450,000	(71,907,372)	295,357,372	295,357,372	-
DAP – Vinachem JSC. (DDV)	366,478,895	366,478,895	-	366,478,895	184,300,000	(182,178,895)
Total	5,782,781,765	3,344,297,675	(2,438,484,090)	5,782,781,765	3,761,957,972	(2,020,853,302)

Fluctuations in provisions for the diminution in value of trading securities are as follows:

	Current year	Previous year
Beginning balance	2,020,853,302	4,408,509,424
Additional provision	611,309,683	
Reversal of provision	(193,678,895)	(2,387,656,122)
Ending balance	2,438,484,090	2,020,853,302

2b. Held-to-maturity investments

These are deposits at Modern Bank of Vietnam Limited (formerly known as Ocean Bank of Vietnam Limited) with the term of 6 months, the interest rate of 7%/year, which have carrying value equal to their original costs.

2c. Long-term financial investments

	Ending balance		Beginning balance	
	Original cost	Provision	Original cost	Provision
<i>Investments in associates</i>	<i>24,750,000,000</i>	<i>-</i>	<i>14,850,000,000</i>	<i>-</i>
Song Da Industry JSC. ⁽ⁱ⁾	24,750,000,000	-	14,850,000,000	-
<i>Investments in other entities</i>	<i>2,775,000,000</i>	<i>(2,775,000,000)</i>	<i>2,775,000,000</i>	<i>(2,775,000,000)</i>
Investment and Construction JSC. No. 45 ⁽ⁱⁱ⁾	2,775,000,000	(2,775,000,000)	2,775,000,000	(2,775,000,000)
Total	27,525,000,000	(2,775,000,000)	17,625,000,000	(2,775,000,000)

(i) According to the 4th amended Business Registration Certificate No. 1001114139 dated 8 October 2024 granted by the Department of Planning and Investment of Thai Binh Province, the charter capital of Song Da Industry JSC. is VND 50,000,000,000 equivalent to 5,000,000 shares. During the year, the Company additionally contributed VND 9,900,000,000 equivalent to 9,900 shares. As of the balance sheet date, the Company held 2,475,000 shares equivalent to 49.5% of the investee's charter capital (the beginning balance was 1,485,000 shares equivalent to 49.5% of charter capital).

(ii) This is the investment in Investment and Construction JSC. No. 45 with 125,000 shares owned, equivalent to VND 2,775,000,000. The Company had made a full provision for this investment based on the investee's Financial Statements for the year 2012, as the Financial Statements for subsequent years could not be obtained.

Fair value

The Company has not determined fair value of investments in other entities because there have not been any specific instructions on determination of fair value of investments without listed price.

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Operation of associates

Song Da Industry JSC. has been in their normal operation and has not experienced any significant change as compared to that of the previous year.

Provisions for investments in other entities

Fluctuations in provisions for investments in other entities are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	2,775,000,000	3,679,333,019
Reversal of provision	-	(904,333,019)
Ending balance	<u>2,775,000,000</u>	<u>2,775,000,000</u>

Transactions with associates

Significant transactions between the Company and its associate are as follows:

	<u>Current year</u>	<u>Previous year</u>
Revenue from sales of merchandise to the associate	7,259,685,010	11,906,537,092
Revenue from asset leasing to the associate	98,000,000	613,000,000
Income from sales of assets to the associate	882,000,000	81,818,182
Expenses for hiring the associate to provide woven fabric processing services	-	7,324,059,350
Expenses for acquiring merchandise from the associate	4,409,622,500	57,800,000
Share capital contributed through the offsetting of receivables	4,547,798,813	-
Share capital contributed in cash	5,352,201,187	-

3. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	-	4,375,342,809
Song Da Industry JSC.	-	4,375,342,809
<i>Receivables from other customers</i>	102,247,518,393	96,434,764,910
Ha Phuong JSC.	17,264,248,600	16,118,900,800
HP Trading Investment JSC.	20,487,069,314	20,496,735,314
Vinh Son Cement Co., Ltd.	11,944,257,300	9,278,010,000
Other customers	52,551,943,179	50,541,118,796
Total	<u>102,247,518,393</u>	<u>100,810,107,719</u>

4. Other short-term receivables

	<u>Ending balance</u>		<u>Beginning balance</u>	
	Value	Allowance	Value	Allowance
Advances	312,210,245	-	170,754,212	-
Deposits	89,127,184	-	246,491,376	-
Receivable from Commercial and Geological Service JSC. (*)	-	-	1,290,264,001	(1,290,264,001)
Accrued interest income of term deposits	187,712,426	-	387,892,260	-
Other short-term receivables	887,082,445	(802,000,000)	887,566,285	(802,000,000)
Total	<u>1,476,132,300</u>	<u>(802,000,000)</u>	<u>2,982,968,134</u>	<u>(2,092,264,001)</u>

(*) This is the investment cooperation with Commercial and Geological Service JSC., arising from the Contract signed from 2010. The investment is expected to use for the Project of wastewater treatment plant in Thach That - Quoc Oai Industrial Park - Hanoi. However, based on the working minutes dated 10 November 2011 between the two parties, Party B requested Party A to repay the contributed amount due to the delayed progress of the project.

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Notes to the Financial Statements (Cont.)

5. Allowance for doubtful debts

	<u>Ending balance</u>	<u>Beginning balance</u>
HP Trading Investment JSC.	(16,169,856,814)	(13,422,592,278)
Duong Hong Co., Ltd.	(8,908,581,129)	(9,028,581,129)
Commercial and Geological Service JSC.	-	(1,290,264,001)
Song Da 3 JSC.	(1,272,460,040)	(1,272,460,040)
Xuan Minh Minerals – Materials – Commercial – Manufacturing Co., Ltd.	(102,000,000)	(102,000,000)
Mr. Le Trong Phu	(700,000,000)	(700,000,000)
Total	<u>(27,152,897,983)</u>	<u>(25,815,897,448)</u>

Fluctuations in allowance for doubtful debts are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	25,815,897,448	23,926,718,594
Additional allowance	2,747,264,536	3,129,178,854
Reversal of allowance	(1,410,264,001)	(1,240,000,000)
Ending balance	<u>27,152,897,983</u>	<u>25,815,897,448</u>

6. Inventories

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Original cost</u>	<u>Allowance</u>	<u>Original cost</u>	<u>Allowance</u>
Materials and supplies	17,807,100,298	-	12,961,138,134	-
Work in progress	14,625,075,122	-	15,164,393,816	-
Finished goods	2,233,674,710	-	2,126,736,655	-
Goods on consignment	-	-	678,630,944	-
Total	<u>34,665,850,130</u>	<u>-</u>	<u>30,930,899,549</u>	<u>-</u>

7. Prepaid expenses

7a. Short-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses for tools	88,396,029	40,289,876
Fee for opening LC	-	5,760,086
Other short-term prepaid expenses	72,192,111	41,898,581
Total	<u>160,588,140</u>	<u>87,948,543</u>

7b. Long-term prepaid expenses

	<u>Ending balance</u>	<u>Beginning balance</u>
Expenses for tools	389,984,089	304,425,870
Expenses for asset repairs	303,109,661	641,096,882
Premises rental (*)	3,033,525,015	3,103,261,227
Land rental	30,669,614	35,050,814
Other long-term prepaid expenses	44,913,750	23,541,917
Total	<u>3,802,202,129</u>	<u>4,107,376,710</u>

(*) The Company leases the premises area of block Trading Service 11 and block Trading Service V26 in building T2 of Thang Long Victory Project from Phuc Ha Industrial Park Investment and Development JSC. under the Contract No. TMDV11/HDTMB-T2 and the Contract No. TMDV26/HDTMB-T2 dated 12 December 2018 to offset against the liabilities recovery of HP Trading Investment JSC., with a lease term of 49 years, coinciding with the term granted under the Land Use Right Certificate of the project.

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Notes to the Financial Statements (Cont.)

8. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	8,587,518,537	41,730,989,425	6,841,274,644	303,101,590	57,462,884,196
Acquisition during the year		402,246,702	-	159,287,182	561,533,884
Disposal and liquidation	-	(2,496,794,269)	(1,796,481,818)	(129,438,863)	(4,422,714,950)
Ending balance	8,587,518,537	39,636,441,858	5,044,792,826	332,949,909	53,601,703,130
<i>In which:</i>					
Assets fully depreciated but still in use	6,430,938,757	30,046,889,474	1,765,194,372	173,662,727	38,416,685,330
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	7,887,681,114	34,030,111,246	3,881,396,457	303,101,590	46,102,290,407
Depreciation during the year	107,594,856	1,869,618,111	699,161,728	6,692,113	2,683,066,808
Disposal and liquidation	-	(1,721,635,164)	(535,584,289)	(129,438,863)	(2,386,658,316)
Ending balance	7,995,275,970	34,178,094,193	4,044,973,896	180,354,840	46,398,698,899
Net book value					
Beginning balance	699,837,423	7,700,878,179	2,959,878,187	-	11,360,593,789
Ending balance	592,242,567	5,458,347,665	999,818,930	152,595,069	7,203,004,231

Some tangible fixed assets with the net book value of VND 592,242,567 have been pledged as collateral for the Company's loan at Vietinbank – Thanh An Branch.

9. Short-term trade payables

	Ending balance	Beginning balance
<i>Payables to related parties</i>	177,426,920	-
Song Da Industry JSC.	177,426,920	-
<i>Payables to other suppliers</i>	15,202,370,977	29,373,551,571
Lam Anh Trading and Service JSC.	4,261,949,323	10,724,745,043
Tuan Tai Trading One Member Co., Ltd.	3,999,516,346	7,808,810,106
Marubeni Vietnam One Member Co., Ltd.	2,268,000,000	3,969,000,000
Other suppliers	4,672,905,308	6,870,996,422
Total	15,379,797,897	29,373,551,571

10. Advances from customers

	Ending balance	Beginning balance
STM Solution	4,082,998,229	3,063,296,790
DanESCO AS	1,066,546,810	-
Other customers	449,133,600	388,904,880
Total	5,598,678,639	3,452,201,670

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Notes to the Financial Statements (Cont.)

11. Taxes and other obligations to the State Budget

	Beginning balance		Incurred in the year		Amount to be paid at the end of the year
	Payable	Receivable	Amount payable	Amount already paid	
VAT on imports	-	-	3,012,413,436	(3,012,413,436)	-
Export-import duties	-	-	55,235,042	(55,235,042)	-
Corporate income tax ("CIT")	1,088,478,504	-	1,819,297,419	(2,522,253,539)	385,522,384
Personal income tax	15,548,771	-	493,847,847	(499,034,892)	10,361,726
Property tax, land rental	-	52,650,040	196,916,406	(144,266,366)	-
License duty	-	-	3,000,000	(3,000,000)	-
Other duties	-	-	73,548,100	(73,548,100)	-
Total	1,104,027,275	52,650,040	5,654,258,250	(6,309,751,375)	395,884,110

Value added tax (VAT)

The Company has to pay VAT in accordance with the deduction method.

Corporate income tax (CIT)

The Company has to pay CIT for taxable income at the rate of 20%.

Estimated CIT payable during the year is as follows:

	Current year	Previous year
Total accounting profit before tax	7,985,080,629	12,589,585,395
Increases/(decreases) of accounting profit to determine income subject to tax:		
- Increases	569,335,864	(147,192,873)
- Decreases	590,739,614	59,763,751
	(21,403,750)	(206,956,624)
Total taxable income	8,554,416,493	12,442,392,522
CIT rate	20%	20%
CIT payable	1,710,883,298	2,488,478,504
<i>Adjustments of CIT of the previous years based on the Tax Inspection Minutes</i>	108,414,121	-
Total CIT to be paid	1,819,297,419	2,488,478,504

The determination of corporate income tax liability of the Company is based on the prevailing regulations on taxes. However, these regulations may change from time to time and regulations applicable to variety of transactions can be interpreted differently. Therefore, the tax amount presented in the Financial Statements could change when being inspected by the Tax Office.

Land rental, property tax

Land rental, property tax are paid according to the notices of the tax department.

Other taxes

The Company declares and pays these taxes according to prevailing regulations.

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Notes to the Financial Statements (Cont.)

12. Short-term borrowings

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	703,543,806	-
Amount of loans incurred	23,057,830,672	17,214,391,380
Exchange differences arising from payments	(113,016,562)	(52,616,496)
Amount of loans repaid	(13,996,054,070)	(16,457,078,908)
Exchange differences due to the revaluation of loans in foreign currencies at the end of the year	18,346,826	(1,152,170)
Ending balance	<u>9,670,650,672</u>	<u>703,543,806</u>

This is the loan from Vietinbank - Thanh An Branch with the loan limit not exceeding VND 40,000,000,000, the purpose of use is to pay for expenses for acquiring fuel, materials, merchandise, paying salaries, labor costs and other expenses for production and business activities with the loan interest rate determined and adjusted for each disbursement. The loan term of each debt is stipulated in the bill of debt but not more than 6 months. The loan is secured by the Company's assets, including all buildings and structures.

13. Bonus and welfare funds

The Company only has bonus fund. Details of increase/ (decrease) are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	784,786,753	790,586,753
Increase due to appropriation from profit	505,055,345	-
Disbursement	(5,100,000)	(5,800,000)
Ending balance	<u>1,284,742,098</u>	<u>784,786,753</u>



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Notes to the Financial Statements (Cont.)

14. Owner's equity**14a. Statement on changes in owner's equity**

	Owner's contribution capital	Share premiums	Treasury shares	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	80,457,440,000	42,261,553,850	(308,195,830)	11,381,893,567	6,004,400,026	139,797,091,613
Profit in the previous year	-	-	-	-	10,101,106,891	10,101,106,891
Other increase/decrease (*)	-	-	-	(413,250,374)	413,250,374	-
Dividends declared	-	-	-	-	(6,417,650,400)	(6,417,650,400)
Ending balance of the previous year	80,457,440,000	42,261,553,850	(308,195,830)	10,968,643,193	10,101,106,891	143,480,548,104
Beginning balance of the current year	80,457,440,000	42,261,553,850	(308,195,830)	10,968,643,193	10,101,106,891	143,480,548,104
Profit in the current year	-	-	-	-	6,165,783,210	6,165,783,210
Appropriation for bonus fund	-	-	-	-	(505,055,345)	(505,055,345)
Dividends declared	-	-	-	-	(8,022,063,000)	(8,022,063,000)
Ending balance of the current year	80,457,440,000	42,261,553,850	(308,195,830)	10,968,643,193	7,739,771,756	141,119,212,969

(*) This is the amount transferred from the Investment and Development Fund to the Retained Earnings, in accordance with the Resolution No. 74/NQ-HDQT dated 11 May 2023 of the Company's Board of Directors.

14b. Details of owner's capital contribution

	Ending balance	Beginning balance
Shareholders' contribution capital	80,457,440,000	80,457,440,000
Share premiums	42,261,553,850	42,261,553,850
Treasury shares	(308,195,830)	(308,195,830)
Total	122,410,798,020	122,410,798,020

These Notes form an integral part of and should be read in conjunction with the Financial Statements

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Notes to the Financial Statements (Cont.)

14c. Shares

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares registered to be issued	8,045,744	8,045,744
Number of shares already sold to the public	8,045,744	8,045,744
- Ordinary shares	8,045,744	8,045,744
- Preferred shares	-	-
Number of shares repurchased	23,681	23,681
- Ordinary shares	23,681	23,681
- Preferred shares	-	-
Number of outstanding shares	8,022,063	8,022,063
- Ordinary shares	8,022,063	8,022,063
- Preferred shares	-	-

Face value per outstanding share: VND 10,000.

14d. Profit distribution

The Company distributed profit in accordance with the Resolution of 2024 General Meeting of Shareholders No. 01/2024/NQ-DHDCD dated 24 April 2024 as follows:

Dividends declared to the shareholders in cash (10%)	: VND 8,022,063,000
Appropriation for bonus fund	VND 505,055,345

15. Off-balance sheet items

As of the balance sheet date, cash and cash equivalents included USD 37,913.47 and RUB 16,971,815.34 (the beginning balance was USD 236.78 and RUB 5,475.43).

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

1. Revenue from sales of merchandise and rendering of services

1a. Gross revenue

	<u>Current year</u>	<u>Previous year</u>
Revenue from sales of merchandise	11,927,446,559	26,671,269,890
Revenue from sales of finished goods	184,299,559,873	187,453,957,287
Revenue from rendering of services	207,090,908	722,090,908
Revenue from sales of scraps	96,969,500	118,370,000
Total	<u>196,531,066,840</u>	<u>214,965,688,085</u>
<i>In which: Revenue from export</i>	<i>56,305,911,947</i>	<i>47,184,579,409</i>

1b. Revenue from sales of merchandise and rendering of services to related parties

Besides transactions of sales of merchandise and rendering of services to the associate as presented in Note V.2c, the Company has no transactions with other related parties.

2. Revenue deductions

This is the sales allowance.

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Notes to the Financial Statements (Cont.)

3. Costs of sales

	<u>Current year</u>	<u>Previous year</u>
Costs of merchandise sold	11,895,796,155	26,619,326,261
Costs of finished goods sold	160,516,092,998	162,814,734,618
Costs of services rendered	149,350,160	570,092,730
Total	<u>172,561,239,313</u>	<u>190,004,153,609</u>

4. Financial income

	<u>Current year</u>	<u>Previous year</u>
Loan and bank deposit interests	856,648,447	1,741,659,126
Gain from the sale of trading securities	-	132,785,108
Exchange gain arising from transactions in foreign currencies	552,657,307	314,870,567
Dividends and profit received	11,640,000	19,400,000
Total	<u>1,420,945,754</u>	<u>2,208,714,801</u>

5. Financial expenses

	<u>Current year</u>	<u>Previous year</u>
Interest expenses	59,621,416	106,633,813
Loss on the sale of trading securities	-	1,565,203,144
Exchange loss arising from transactions in foreign currencies	296,932,032	172,114,496
Exchange loss due to the revaluation of monetary items in foreign currencies	443,150,899	9,763,751
Provisions for diminution in value of trading securities and impairment of investment	417,630,788	(3,291,989,141)
Other financial expenses	-	4,193,928
Total	<u>1,217,335,135</u>	<u>(1,434,080,009)</u>

6. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for materials, packages	359,276,507	362,024,885
Depreciation/ amortization of fixed assets	-	124,920,271
Expenses for external services	3,446,422,459	3,003,112,426
Other expenses in cash	393,655,070	548,143,714
Total	<u>4,199,354,036</u>	<u>4,038,201,296</u>

7. General and administration expenses

	<u>Current year</u>	<u>Previous year</u>
Labor costs	6,683,631,300	6,406,630,450
Materials, supplies	318,028,265	404,221,479
Office supplies	220,008,481	196,523,078
Depreciation/ amortization of fixed assets	816,119,717	768,719,061
Taxes, fees and legal fees	249,399,704	167,108,210
Allowance for doubtful debts	1,337,000,535	1,889,178,854
Expenses for external services	1,200,098,245	1,468,147,730
Other expenses	916,145,188	893,486,238
Total	<u>11,740,431,435</u>	<u>12,194,015,100</u>

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Notes to the Financial Statements (Cont.)**8. Other income**

	<u>Current year</u>	<u>Previous year</u>
Gain on disposal and liquidation of fixed assets	-	41,366,419
Proceeds from penalties for violation of the Company's regulations	5,150,027	19,400,125
Other income	-	250,000,000
Total	<u>5,150,027</u>	<u>310,766,544</u>

9. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Allowance for non-executive BOD	44,000,000	48,000,000
Loss on disposal and liquidation of fixed assets	72,056,634	-
Penalties for violation of tax, fire prevention and fighting	116,545,439	2,000,000
Other expenses	5,000,000	18,629,039
Total	<u>237,602,073</u>	<u>68,629,039</u>

10. Basic/Diluted earnings per share ("EPS")

	<u>Current year</u>	<u>Previous year ⁽ⁱ⁾</u>
Accounting profit after corporate income tax	6,165,783,210	10,101,106,891
- Appropriation for bonus and welfare funds ⁽ⁱ⁾	-	(505,055,345)
Profit used to calculate basic EPS	6,165,783,210	9,596,051,546
Average number of ordinary shares outstanding during the year	8,022,063	8,022,063
Basic EPS	<u>769</u>	<u>1,196</u>

- ⁽ⁱ⁾ As of the date of preparing the Financial Statements, the Company had not estimated the profit that can be used for appropriation of the bonus and welfare fund due to lack of information.

Basic/Diluted EPS of the previous year was recalculated due to the deduction of the appropriation for the bonus and welfare fund in accordance with the Resolution of 2024 Annual General Meeting of Shareholders. This recalculation made basic/diluted EPS of the previous year decrease from VND 1,259 to VND 1,196.

There have not been any transactions of ordinary shares or potential transactions of ordinary shares from the balance sheet date to the disclosure date of these Financial Statements.

11. Operating costs by factors

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	131,506,479,179	138,721,308,814
Labor costs	27,053,771,520	25,412,386,980
Depreciation/ amortization of fixed assets	2,683,066,808	2,991,441,722
Expenses for external services	10,183,840,529	10,455,485,222
Other expenses	4,067,059,339	3,940,385,422
Total	<u>175,494,217,375</u>	<u>181,521,008,160</u>

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Notes to the Financial Statements (Cont.)

VII. OTHER DISCLOSURES

1. Transactions and balances with the related parties

The related parties of the Company include the key managers, their related individuals and other related parties.

1a. Transactions and balances with the key managers and their related individuals

The key managers include the members of the Board of Directors (BOD), the Board of Supervisors (BOS) and the Board of Management (BOM). The key managers' related individuals are their close family members.

Transactions with the key managers and their related individuals

The Company has no transactions of sales of merchandise and rendering of services as well as other transactions with the key managers and their related individuals. Other transactions during the year only included transactions of dividends payable to the members of the Board of Directors, totaling VND 1,013,927,000 (the previous year: VND 935,138,400).

Receivables from and payables to the key managers and their related individuals

The Company has no receivables from and payables to the key managers and their related individuals.

Compensation of the key managers

		Salary and allowance	Remuneration	Total compensation
Current year				
Nguyen Trong San	Chairman	375,968,181	-	375,968,181
Nguyen Trong Trai	BOD Member cum General Director	359,884,090	48,000,000	407,884,090
Nguyen Trong Loi	BOD Member cum Deputy General Director	286,125,363	48,000,000	334,125,363
Phung Thi Huyen	BOD Member	500,000	48,000,000	48,500,000
Nguyen Quang Thieu	BOD Member	276,144,010	48,000,000	324,144,010
Do Van Hach	Deputy General Director	289,387,749	-	289,387,749
Nguyen Hong Minh	Chief Accountant	249,946,432	-	249,946,432
	Total	1,837,955,825	192,000,000	2,029,955,825
Previous year				
Nguyen Trong San	Chairman	371,059,091	-	371,059,091
Nguyen Trong Trai	BOD Member cum General Director	346,022,274	48,000,000	394,022,274
Nguyen Trong Loi	BOD Member cum Deputy General Director	296,603,956	48,000,000	344,603,956
Phung Thi Huyen	BOD Member	2,000,000	48,000,000	50,000,000
Nguyen Quang Thieu	BOD Member	265,318,029	48,000,000	313,318,029
Do Van Hach	Deputy General Director	303,632,795	-	303,632,795
Nguyen Hong Minh	Chief Accountant	261,952,136	-	261,952,136
	Total	1,846,588,281	192,000,000	2,038,588,281

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Notes to the Financial Statements (Cont.)

1b. Transactions and balances with other related parties

Other related party with the Company only includes Song Da Industry JSC. (the associate).

Transactions with other related parties

Transactions with other related party are presented in Note V.2c.

Receivables from and payables to other related parties

Receivables from other related party are presented in Note V.3. Receivables from other related party are unsecured and will be paid in cash. No allowance has been made for the receivables from other related party.

2. Subsequent events

There have been no material events after the balance sheet date, which require to make adjustments on the figures or to be disclosed in the Financial Statements.

Prepared by



Ngo Thi Pho

Chief Accountant



Nguyen Hong Minh

Prepared on 4 March 2025

General Director



Nguyen Trong Trai

