

ANNUAL REPORT 2024

VNSTEEL – HOCHIMINH CITY
METAL CORPORATION

 Telephone
(028) 3829.4623 - (028) 3823.0078

 Email
kimkhitp@metalhcm.com.vn

 Website
<https://metalhcm.com.vn>

 Address
193 Đinh Tiên Hoàng Street, Da Kao Ward,
District 1, Ho Chi Minh City

TABLE OF CONTENTS

- 01 | General information
- 02 | Operating performance during the year
- 03 | Report & evaluation of the executive board
- 04 | Board of directors' assessment of company performance
- 05 | Corporate governance
- 06 | Audited Consolidated Financial Statements 2024



GENERAL INFORMATION

- 01 | Overview
- 02 | History & Development
- 03 | Accolades & Awards
- 04 | Business Sectors and Areas of Operation
- 05 | Organizational Structure
- 06 | Development Orientation
- 07 | Operational Risks



Overview

Company Name: VNSTEEL – HOCHIMINH City Metal Corporation

Abbreviated Name: HMC

Address: 193 Dinh Tien Hoang Street, Da Kao Ward, District 1, Ho Chi Minh City

Business Registration Certificate No.: VNSTEEL – HOCHIMINH City Metal Corporation was converted from a state-owned enterprise into a Joint Stock Company as of 1 January 2006. The company operates under the Business Registration Certificate No. 0300399360 issued by the Ho Chi Minh City Department of Planning and Investment, first issued on 27 December 2005, and most recently amended for the 15th time on 11 June 2024.

Charter Capital: 272,999,990,000 VND

Telephone: (028) 3829 4623 - (028) 3823 0078

Fax: (028) 3829 0403 - (028) 3827 5693

Email: kimkhitp@metalhcm.com.vn

Website: <https://metalhcm.com.vn/vi/>

Stock Code: HMC



Accolades & Awards

1995: Third-class Labor Medal – For outstanding achievements from 1990 to 1994.

2006: Certificate of Merit from the Ministry of Industry – For excellence in the 2006 emulation movement.

2007: Certificate of Merit from the Prime Minister – For outstanding achievements in operations from 2005 to 2007.

2010: Second-class Labor Medal – For excellent performance in operations from 2006 to 2010.

2011: Emulation Flag from the Ministry of Industry and Trade – For outstanding performance in the emulation movement exceeding production and business targets and fulfilling other tasks in 2011.

2012: Certificate of Merit from the Ministry of Industry and Trade – For excellent achievements in exceeding business targets and other operational tasks in 2012.

2013: Certificate of Merit from the Prime Minister – For outstanding achievements in operations in 2013.

2014: Certificate of Merit from the Ministry of Industry and Trade – For excellent performance in 2014.

2016: Certificate of Merit from the Ministry of Industry and Trade – For excellent performance in 2016.

History & Development

- 1975** | On 30 December 1975, the General Director of the Southern Technical and Material Administration issued Decision No. 517/VT-QĐ on the separation of the Metal and Spare Parts Company into two entities: Southern Metal Company and Southern Equipment Company.
- 1976** | On 4 November 1976, pursuant to Decision No. 827/VT-QĐ, Southern Metal Company was renamed Metal Company Region II.
- 1986** | On 1 January 1986, Metal Company Region II was renamed Ho Chi Minh City Metal Company under Decision No. 746/VT-QĐ.
- 1993** | On 28 May 1993, pursuant to Decision No. 595TM/TCCB issued by the Ministry of Trade, Ho Chi Minh City Metal Company became a state-owned enterprise under the General Metal Corporation - Ministry of Trade.
- 2003** | The Ministry of Industry issued Decision No. 183/2003/QĐ-BCN on the merger of the Steel and Industrial Equipment Trading Company into Ho Chi Minh City Metal Company. The company retained its trading name as Ho Chi Minh City Metal Company under Vietnam Steel Corporation.
- 2005** | The Ministry of Industry issued Decision No. 2841/QĐ-BCN approving the transformation of Ho Chi Minh City Metal Company into Ho Chi Minh City Metal Joint Stock Company with a registered charter capital of 158 billion VND.
- 2006** | On 21 December 2006, the Company officially listed its shares on the Ho Chi Minh City Securities Trading Center with a total of 15,800,000 listed shares. The stock code is HMC.
- 2008** | On 16 May 2008, the Company completed an additional listing of 5,200,000 shares from a capital increase issuance. The charter capital after this listing increased to 210 billion VND.
- 2017** | On 17 January 2017, the Company officially announced its name change to VNSTEEL – HOCHIMINH City Metal Corporation.
- 2022** | In 2022, the Company increased its charter capital to 272,999,990,000 VND.

Business Sectors and Areas of Operation

Business Sectors

- Trading in metal products; secondary materials; scrap; metal products and other types of materials. The Company's core business in recent years has primarily focused on steel products such as: prime steel sheets and plates, off-specification sheets and plates, structural steel, construction steel, and scrap steel, among others.
- Manufacturing, processing, and fabrication of metal products.
- Services: Office leasing and warehouse rental.

Areas of Operation

The Company's business activities are primarily concentrated in Ho Chi Minh City and the southern provinces of Vietnam.

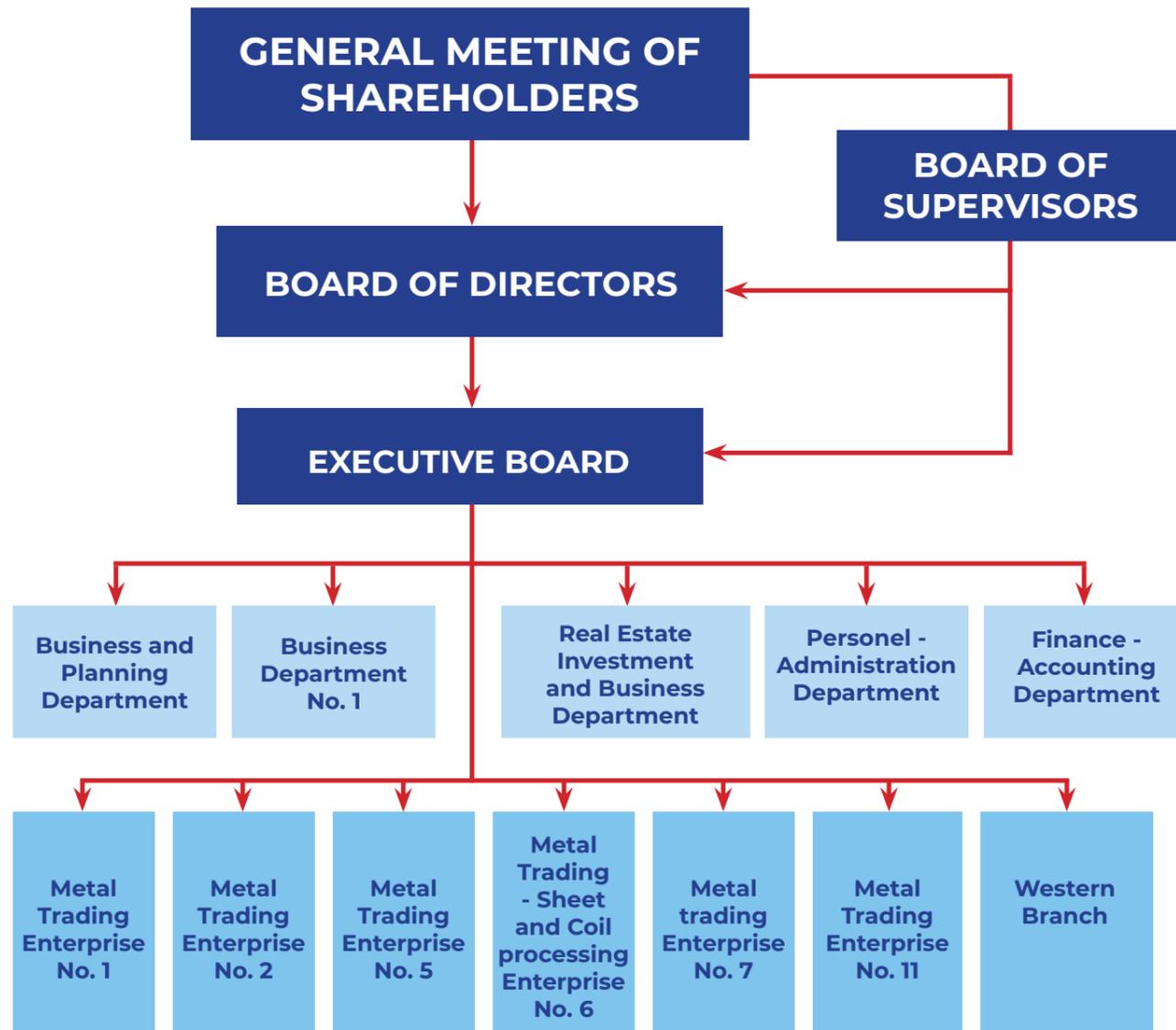


Governance, Business Organization, and Organizational Structure

Governance Model

- General Meeting of Shareholders
- Board of Directors
- Board of Supervisors
- General Director

Organizational Structure



Subordinate Units

METAL TRADING ENTERPRISES NO. 1

- Address: 343/17 To Hien Thanh Street, Ward 12, District 10, Ho Chi Minh City
- Tel: (028) 3750 3203
- Fax: (028) 3864 5012

METAL TRADING ENTERPRISES NO. 7

- Address: 343/17 To Hien Thanh Street, Ward 12, District 10, Ho Chi Minh City
- Tel: (028) 3979 8038
- Fax: (028) 3979 8039

METAL TRADING ENTERPRISES NO. 2

- Address: C35/l, No. 7 Street, Vinh Loc A Industrial Park, Vinh Loc A Commune, Binh Chanh District, Ho Chi Minh City
- Tel: (028) 3620 7696
- Fax: (028) 3620 6266

METAL TRADING ENTERPRISES NO. 11

- Address: C35/l, No. 7 Street, Vinh Loc A Industrial Park, Vinh Loc A Commune, Binh Chanh District, Ho Chi Minh City
- Tel: (028) 3765 4505
- Fax: (028) 3765 4506

METAL TRADING ENTERPRISES NO. 5

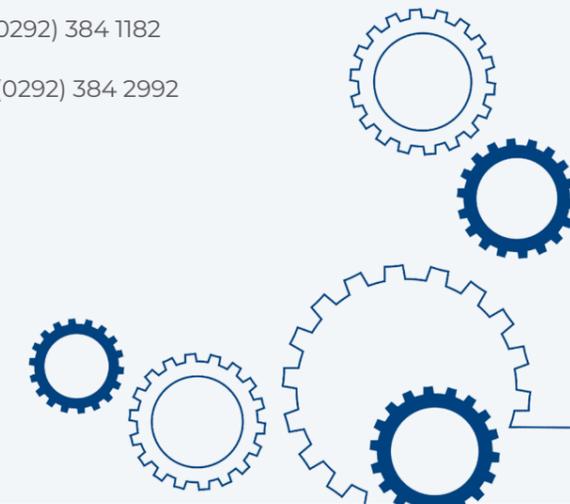
- Address: Quarter 4, Linh Trung Ward, Thu Duc City, Ho Chi Minh City
- Tel: (028) 3896 3974
- Fax: (028) 3896 3974

WESTERN BRANCH

- Address: 181 Le Hong Phong Street, Tra An Ward, Binh Thuy District, Can Tho City
- Tel: (0292) 384 1182
- Fax: (0292) 384 2992

METAL TRADING - SHEET AND COIL PROCESSING ENTERPRISES NO. 6

- Address: No. 5, No. 13 Street, Quarter 4, Linh Trung Ward, Thu Duc City, Ho Chi Minh City
- Tel: (028) 3724 5809
- Fax: (028) 3724 6206



Subsidiaries and Affiliates

The Company does not have any subsidiaries or affiliates.

Development Orientation

Company Objectives

The objective of VNSTEEL – HOCHIMINH City Metal Corporation is to develop a modern commercial system that provides high-quality goods and services, ensuring the optimal satisfaction of customer needs and expectations.

Medium and Long-Term Development Strategy

The Company focuses its business and development efforts on three key pillars:

- Trading of Imported Steel: Targeting an annual revenue growth rate of no less than 5%.
- Trading of Domestically Produced Steel: Primarily focused on construction steel, with a targeted annual revenue growth of 10%.
- The Company engages in trading and supplying raw materials for domestic steel manufacturers.
- Office and Warehouse Leasing Services: Focuses on optimizing utilization rates and maximizing occupancy of available rental spaces.



Sustainable Development Goals in Environmental and Social Aspects

VNSTEEL - HOCHIMINH City Metal Corporation is committed to a sustainable development strategy that aligns with its long-term vision. This commitment is demonstrated not only through consistent achievement of business targets and stable profitability, but also through a strong adherence to legal compliance and ethical business practices. Through these efforts, the Company aims to create enduring and positive value for all shareholders.

HMC places the highest priority on safety, occupational hygiene, and environmental protection across all operational sites. Employees are continuously encouraged to raise awareness and actively participate in environmental initiatives, fostering a culture of responsibility and sustainability.

The Company is dedicated to building a dynamic, cohesive, and high-performing work environment that promotes long-term engagement, personal development, and professional growth for all employees.

In addition to its business efforts, HMC actively engages in social and charitable initiatives, contributing to community well-being. Employees are encouraged to participate in and support these activities, strengthening their sense of social responsibility as integral members of the organization.

Operational Risks

Economic Risks

In 2024, Vietnam's economy continued to demonstrate positive momentum, albeit unevenly across sectors. This presented both opportunities and challenges for steel trading enterprises. According to the General Statistics Office and the Government Information Portal, Vietnam's GDP grew by 7.09%, reaching a total economic scale of 476.3 billion USD. While this is a relatively high growth rate compared to regional peers, the expansion was largely driven by select sectors such as electronics exports, tourism services, and logistics.

In contrast, key steel-consuming industries – construction, real estate, and heavy industry – recorded low or stagnant growth. As a result, domestic steel demand failed to meet expectations, making it difficult for many steel trading companies to achieve their revenue targets, particularly in the construction and industrial steel segments.

On the inflation front, Vietnam's average Consumer Price Index (CPI) rose by 3.63% year-over-year in 2024. This exerted significant pressure on operating costs, input material prices, and financial expenses. In response to persistent inflation, the State Bank of Vietnam maintained relatively high interest rates during the first half of the year, resulting in increased borrowing costs—a particularly challenging factor for trading companies that rely on credit to support inventory turnover.

Internationally, geopolitical risks – such as the Russia-Ukraine conflict, U.S-China tensions, and instability in the Middle East – continued to disrupt global supply chains and inflate logistics costs. Notably, sea freight rates surged in Q4 2024 and early 2025, with container shipping costs from China to Vietnam rising by nearly 30%. This increase significantly reduced the cost-efficiency of large-scale imported steel orders and added to the operational burdens of trading enterprises.



Industry Risks

In 2024, the steel industry continued to operate in a highly competitive environment, facing persistent risks arising from supply-demand imbalances, policy fluctuations, raw material price volatility, and increasing pressure from international integration and regulatory compliance.

According to the Vietnam Steel Association (VSA), total finished steel output in 2024 reached 29.443 million tons, marking a 6.1% increase compared to 2023. However, exports of finished steel declined slightly by 0.6%, falling to 8.042 million tons, reflecting weakening demand in traditional export markets. Domestically, the market faced growing oversupply pressures, particularly in segments such as construction steel, hot-rolled coil (HRC), structural steel, and coated steel products.

A particularly notable development was the surge in steel imports, which rose to 17.713 million tons in 2024 – up 32.88% year-over-year, the highest growth rate recorded in the past five years. A substantial portion of these imports originated from China, where steel manufacturers have been aggressively increasing exports in response to a sharp contraction in domestic construction investment. This surge has intensified competition in the Vietnamese market, as local trading enterprises – especially those lacking strong financial capacity and well-established distribution networks – struggle to compete with low-priced foreign steel.

The steel industry also remains closely tied to investment sentiment and trends in the construction and real estate sectors. In 2024, Vietnam's real estate market remained sluggish. According to the Ministry of Construction, the number of newly issued construction permits and project commencements fell by over 30% compared to the 2018–2021 average. This downturn led to a significant decline in demand for steel used in civil construction and infrastructure projects, directly impacting trading companies focused on distributing construction steel, rebar, and structural steel.

Operational Risks

Policy Risks

In addition to market and economic risks, the Company also faces legal and regulatory uncertainties. In February 2025, the Ministry of Industry and Trade imposed a provisional anti-dumping tariff of up to 27.83% on imported hot-rolled coil (HRC) from China, effective for 120 days. While the measure aims to protect domestic production, it compelled trading companies to abruptly revise their import strategies, disrupting cost structures, supply chains, and delivery commitments to customers.

A more long-term but increasingly significant risk lies in the tightening of environmental and carbon emission standards. With the European Union preparing to implement the Carbon Border Adjustment Mechanism (CBAM) in 2026 – and other major markets beginning to require emissions certifications – steel trading companies will be required to adopt more selective sourcing practices. This includes prioritizing suppliers with recognized ESG credentials, ISO 14001 certification, or verified carbon footprints. As such standards are not yet widely adopted across many steel mills, companies face growing risks in terms of increased costs, limited sourcing options, and potential loss of access to international customers.



Exchange Rate and Credit Risks

Exchange Rate Risk: Exchange rate volatility was a notable risk factor in 2024. Influenced by the U.S. Federal Reserve's high interest rate policy, the U.S. dollar appreciated significantly against the Vietnamese dong (VND), with the USD/VND exchange rate exceeding 24,500 in Q2 2024 before slightly retreating toward the end of the year. This appreciation increased the cost of steel imports, directly impacting the cost of goods sold and diminishing the price competitiveness of importing companies. Additionally, the localized depreciation of regional currencies — particularly the Chinese yuan — heightened the risk of a surge in low-priced steel imports from China into the Vietnamese market.

Credit Risk: The Company offers deferred payment sales policies for certain customer segments. While this provides customers with greater financial flexibility by easing immediate payment pressure, it exposes the Company to credit in the event of customer default. To mitigate this, the Company conducts thorough financial assessments, evaluates sales potential, and reviews the creditworthiness of each customer to determine appropriate credit limits. Direct customer evaluations are carried out based on the principle of "seeing is believing". Additionally, the Company fosters stronger customer relationships through personalized engagement and direct consultations to assess financial capacity and establish appropriate deferred payment terms. These assessments are reviewed and updated regularly to ensure credit policies remain aligned with each customer's financial health and risk profile.

Price Risk

In addition, international steel prices continued to exhibit erratic fluctuations. The average price of hot-rolled coil (HRC) in January 2025 was 474 USD/ton, representing a 15.9% decline year-over-year. While import prices fell sharply, domestic enterprises—particularly trading companies—typically maintain inventory procured with a lead time of 1 to 3 months. This results in the risk of "buy high – sell low," which negatively impacts gross profit margins and cash flow. Although this is a familiar challenge for the industry, it has become increasingly difficult to manage amid rapid price volatility, long delivery cycles, and intense competitive pressures.

Other Risks

In addition to the aforementioned risks, the Company is also exposed to various force majeure events which, if they occur, could significantly impact business operations and profitability. These include war, fire, floods, and other natural disasters.

OPERATING PERFORMANCE DURING THE YEAR

- 01 Business Operations
- 02 Organization & Personnel
- 03 Investment and Project Implementation status
- 04 Financial Status
- 05 Shareholder structure and Changes in Owner's Equity
- 06 Environmental and Social impact report



Business Operations

Business Operations results during the year

Units: Billion VND

Indicator	2023 Actual	2024 Plan	2024 Actual	% 2024 Actual/ 2024 Plan	% 2024 Actual/ 2023 Actual
Net revenue	3,119.52	3,036.00	4,235.46	139.51%	135.77%
Expenses	3,093.67	3,016.00	4,205.69	139.45%	135.95%
Before-tax Profit	25.85	20.00	29.77	148.85%	115.16%
After-tax Profit	21.15	16.00	25.57	159.81%	120.90%



Revenue and Production structure

No.	Indicator	Units	2023 Actual	2024 Plan	2024 Actual	% Actual vs Plan	% Actual vs 2023
A	REVENUE	Billion VND	3,120	3,036	4,235	139.49%	135.74%
	- Services revenue	"	79	77	80.1	104.03%	101.39%
	- Sales revenue	"	3,040	2,959	4,155	140.42%	136.68%
B	TOTAL VOLUME (I+II+III+IV)	Tons	205,812	210,000	310,678	147.94%	150.95%
I	Imported steel	Tons	48,430	55,000	51,917	94.39%	107.20%
1	Primary metal products	"	35,706	40,000	38,758	96.90%	108.55%
2	Secondary materials (Non-conforming) & Other steel products	"	12,724	15,000	13,159	87.73%	103.42%
II	Construction steel	Tons	137,189	140,000	162,166	115.83%	118.21%
III	Steel billets & Scrap steel	Tons	20,193	15,000	96,595	643.97%	478.36%
1	Steel billets	"	20,193	15,000	70,322	468.81%	348.25%
2	Scrap steel	"	-	-	26,273	-	-
C	AFTER-TAX PROFIT	Billion VND	21.15	16	25.57	159.81%	120.90%

Amidst a volatile market landscape in 2024 – characterized by a mixture of challenges, uncertainties, and emerging opportunities – the Company, through the efforts and unwavering commitment of the Board of Directors, the Executive Board, and all employees, achieved several noteworthy results:

- Total sales volume in 2024: 310,678 tons, fulfilling 148% of the annual target and representing 151% of the volume recorded in 2023.
- Total revenue: 4,235 billion VND, equivalent to 139.49% of the annual plan and 135.74% of the revenue achieved in 2023.
- After-tax profit in 2024: 25.57 billion VND, reaching 160% of the 2024 target and 121% of the figure recorded for the same period in 2023.

Organization & Personnel

Board of Directors

List of Member of the Board of Directors

No.	Board of Directors' members	Position	Number of shares (as of 13 March 2025)			
			Individual		Representative	
			Quantity	% Charter Capital	Quantity	% Charter Capital
1	Mr. Vo Tri Nghia	Chairman of the BOD	-	-	-	-
2	Mr. Le Van Quang	Member of the BOD – General Director	-	-	6,079,096	22.27%
3	Mrs. Cu Thi Thuy Linh	Member of the BOD – Non-executive	-	-	3,039,549	11.13%
4	Mr. Nguyen Ba An	Member of the BOD – Independent	-	-	-	-
5	Mrs. Nguyen Thuy Ly	Member of the BOD – Non-executive	3,425,300	12.55%	-	-

Note: Mr. Vo Tri Nghia is the representative for 6,079,096 shares of Vietnam Steel Corporation until the end of 5 March 2025

Profiles of the Board of Directors



1.
Mr. Vo Tri Nghia
Chairman of the BOD

Year of Birth: 1979

Education: Metallurgical Engineer, Bachelor's Degree in International Economics

Current Positions: Chairman of the Board of Directors

Positions in other Companies/Organizations: None

Shares held:

- Individual: None
- Representative: None

Employment History

2002 – 2005: Business Officer – Vietnam Steel Corporation

2005 – 2010: Officer, Import-Export Materials Department – Vietnam Steel Corporation

2010 – 2011: Head of Import-Export Materials Department – VNSTEEL Thang Long Coated Sheets JSC

2011 – 2015: Head of Planning & Business Department – VNSTEEL Thang Long Coated Sheets JSC

2015 – 2016: Deputy General Director – VNSTEEL Thang Long Coated Sheets Joint Stock Company

2016 – 2019: Member of the Board of Directors/Deputy General Director – VNSTEEL Thang Long Coated Sheets JSC

2019 – 2024: General Director – VNSTEEL-HOCHIMINH City Metal Corporation

2024 – Present: Chairman of the Board of Directors – VNSTEEL-HOCHIMINH City Metal Corporation



2.
Mr. Le Van Quang
Member of the BOD,
General Director

Year of Birth: 1978

Education: Bachelor's Degree in Economics

Current Positions: Member of the Board of Directors, General Director

Positions in other Companies/Organizations: None

Shares held:

- Individual: None
- Representative: 6,079,096 shares, accounting for 22.27% of charter capital (Representative of the capital contribution from Vietnam Steel Corporation)

Employment History

2001 - 2004: Officer, Planning & Business Department – Central Metal Corporation

2004 - 2005: Head of Market Business Department – Central Rolling Steel Plant, a unit of Central Metal Corporation.

2005 - 2006: Quang Ngai Branch Director - Central Metal Corporation

2007 – Mar 2012: Head of Planning & Business Department – Central Metal Corporation

Apr 2012 – Apr 2024: Member of the Board of Directors, Deputy General Director – Da Nang Steel JSC

Apr 2024 – Present: General Director, Member of the Board of Directors – VNSTEEL-HOCHIMINH City Metal Corporation



3.
Mrs. Cu Thi Thuy Linh
Member of the BOD

Year of Birth: 1977

Education: Bachelor's Degree in Economics

Current Positions: Member of the Board of Directors – Non-executive

Positions in other Companies/Organizations: Deputy Head of Market Planning Department – Vietnam Steel Corporation, Member of the Board of Supervisors – VNSTEEL-Nha Be Steel Joint Stock Company, Member of the Board of Directors – Da Nang Steel Joint Stock Company

Shares held:

- Individual: None
- Representative: 3,039,549 shares, accounting for 11.13% of charter capital (Representative of the capital contribution from Vietnam Steel Corporation)

Employment History

1999 – 2003: Sales Department Staff – Samsung Vina Electronics Co., Ltd.

2003 – 2007: Officer, Planning & Business Department – Vietnam Steel Corporation

2007 – 2014: Officer, Import-Export Materials Department – Vietnam Steel Corporation

2014 – 2015: Officer, Market Planning Department – Vietnam Steel Corporation

2016 – Present: Deputy Head, Market Planning Department – Vietnam Steel Corporation

2018 – Present: Member of the Board of Directors – VNSTEEL-HOCHIMINH City Metal Corporation

Organization & Personnel

Board of Directors (Continued)

List of Member of the Board of Directors (Continued)

4. **Mr. Nguyen Ba An**
Member of the BOD

Year of Birth: 1963
Education: Bachelor's Degree in Economics; Engineer in Marine Fisheries Operations
Current Positions: Member of the Board of Directors
Positions in other Companies/Organizations: None
Shares held:

- Individual: None
- Representative: None

Employment History

- 1988 - 1995: Staff – Nha Trang Seafood Joint Venture Company
- 1996 – 2000: Captain – Nha Trang Travel Development Investment Joint Stock Company
- 2001 - 2002: Staff – Nha Trang Port
- 2003 – Aug 2014: Staff; Deputy Director – VNSTEEL-Central Region Branch
- Sep 2014 – Jan 2016: Deputy Director of Sales – An Hung Tuong Steel Co., Ltd
- Feb 2016 – May 2024: Staff; Deputy Head of Sales Department – VNSTEEL-Southern Steel Co., Ltd
- Apr 2024 - Present: Member of the Board of Directors – VNSTEEL-HOCHIMINH City Metal Corporation

5. **Mrs. Nguyen Thuy Ly**
Member of the BOD

Year of Birth: 1975
Education: Bachelor's Degree in Physics
Current Positions: Member of the Board of Directors
Positions in other Companies/Organizations: Member of the Board of Directors – VNSTEEL-Nha Be Steel Joint Stock Company
Shares held:

- Individual: 3,425,300 shares, accounting for 12.55% of charter capital
- Representative: None

Employment History

- 1988 – Present: Teacher – Tran Phu High School, Tan Phu District, Ho Chi Minh City
- Apr 2024 - Present: Member of the Board of Directors - VNSTEEL-HOCHIMINH City Metal Corporation

Changes in the Board of Directors

No	Members	Position	Appointment	Dismissal
1	Mr. Duong Trung Toan	Chairman of the BOD	-	23/04/2024
2	Mr. Vo Tri Nghia	Chairman of the BOD	23/04/2024	
3	Mr. Truong Ba Liem	Member of the BOD		23/04/2024
4	Mr. Pham Manh Hung	Independent Member of the BOD	-	23/04/2024
5	Mr. Le Van Quang	Member of the BOD – General Director	23/04/2024	-
6	Mr. Nguyen Ba An	Independent Member of the BOD	23/04/2024	
7	Mrs. Nguyen Thuy Ly	Member of the BOD	23/04/2024	-



Organization & Personnel (Continued)

Board of Supervisors

List of Board of Supervisors' members

No	Board of Supervisors' members	Position	Number of shares (as of 13 March 2025)			
			Individual		Representative	
			Quantity	% Charter Capital	Quantity	% Charter Capital
1	Mrs. Hoang Le Anh	Chief of the BOS/Information Disclosure Officer	-	-	-	-
2	Mr. Ha Van Son	Member of the BOS	-	-	-	-
3	Mrs. Doan Thi Thanh Thuy	Member of the BOS	3,230	0.01%	-	-

Profiles of the Board of Supervisors



1.

Mrs. Hoang Le Anh
Chief of the BOS

Year of Birth: 1970

Education: Bachelor's Degree in Finance and Accounting

Current Positions: Chief of the Board of Supervisors, Information Disclosure Officer

Positions in other Companies/Organizations: None

Shares held:

- Individual: None
- Representative: None

Employment History

1993 – 1997: Accountant – Metallurgical Engineering Plant, Southern Steel Company

1997 – 2003: Accountant – Nha Be Steel Plant

2003 – 2006: Chief Accountant – Nha Be Steel Plant

2007 – 2010: Chief Accountant – Nha Be Steel Joint Stock Company

2010 – 2014: Officer, Finance & Accounting Department – Vietnam Steel Corporation

2012 – 2015: Chief of the Board of Supervisors – Metallurgical Engineering & Metallurgy Joint Stock Company

2012 – 2015: Member of the Board of Supervisors – Tan Thuan Steel Joint Stock Company

2012 – Present: Chief of the Board of Supervisors – VNSTEEL-HOCHIMINH City Metal Corporation



2.

Mr. Ha Van Son
Member of the BOS

Year of Birth: 1981

Education: Bachelor's Degree in Information Technology; Master's Degree in Business Administration

Current Positions: Member of the Board of Supervisors

Positions in other Companies/Organizations: None

Shares held:

- Individual: None
- Representative: None

Employment History

2004 - 2005: IT Officer – Vietnam Steel Corporation

2005 - 2008: Officer, International Cooperation & IT Department – Vietnam Steel Corporation

2008 - 2020: Office Specialist – Vietnam Steel Corporation

2020 - 2021: Officer, Propaganda & Communications Department – Vietnam Steel Corporation

2021 – Present: IT Specialist – Information Technology Department, Vietnam Steel Corporation

2024 – Present: Member of the Board of Supervisors – VNSTEEL-HOCHIMINH City Metal Corporation



3.

Mrs. Doan Thi Thanh Thuy
Member of the BOS

Year of Birth: 1978

Education: Bachelor's Degree in Corporate Finance

Current Positions: Member of the Board of Supervisors

Positions in other Companies/Organizations: None

Shares held:

- Individual: 3,230 shares accounting for 0.01% of charter capital
- Representative: None

Employment History

2002 – 2007: Accountant – Thai Nam Co., Ltd

2007 – Apr 2018: Chief Accountant – Tran Anh Electronics & Telecommunications Trading Service Co., Ltd

2013 – Present: Staff Member, formerly Building Management Unit (now Real Estate Investment and Business Department) – VNSTEEL-HOCHIMINH City Metal Corporation

2016 – Present: Member of the Board of Supervisors – VNSTEEL-HOCHIMINH City Metal Corporation

Changes in the Board of Supervisors

No	Members	Position	Appointment	Dismissal
1	Mr. Ha Van Son	Member of the BOS	23/04/2024	-
2	Mrs. Truong Thi Tuyet	Member of the BOS	-	23/04/2024

Organization & Personnel (Continued)

Executive Board

List of Executive Board members

No	Executive Board members	Position	Number of shares (as of 13 March 2025)			
			Individual		Representative	
			Quantity	% Charter Capital	Quantity	% Charter Capital
1	Mr. Le Van Quang	Member of the BOD, General Director	-	-	6,079,096	22.27%
2	Mrs. Le Thi Nguyet	Deputy General Director	-	-	-	-
3	Mr. Lai Van Quyen	Deputy General Director	-	-	-	-
4	Mrs. Nguyen Thi Hong May	Chief Accountant	-	-	-	-

Profiles of the Executive Board

1. **Mr. Le Van Quang**
Member of the BOD,
General Director

Refer to the Board of Directors section

2. **Mrs. Le Thi Nguyet**
Deputy General Director

Year of Birth: 1974

Education: Bachelor's Degree in Metallurgical Engineering

Current Positions: Deputy General Director

Positions in other Companies/Organizations: None

Shares held:

- Individual: None
- Representative: None

Employment History

2000 – 2002: Staff – VINAUSTEEL Joint Venture Company

2002 – 2005: Staff – Southern Steel Co., Ltd

2005 – 2006: Deputy Head of General Administration & Human Resources Department – Southern Steel Co., Ltd

2007 – 2015: Deputy Head of Planning & Materials Department – VNSTEEL-Southern Steel Co., Ltd.

2015 – 2022: Head of Planning & Materials Department – Southern Steel Co., Ltd

2022 – Present: Deputy General Director – VNSTEEL-HOCHIMINH City Metal Corporation

3. **Mr. Lai Van Quyen**
Deputy General Director

Year of Birth: 1978

Education: Bachelor's Degree in Economics

Current Positions: Deputy General Director

Positions in other Companies/Organizations: Member of the Board of Directors – Thong Nhat Flat Steel Joint Stock Company

Shares held:

- Individual: None
- Representative: None

Employment History

2003 – 2006: General Accountant – Rach Mieu Bridge BOT Co., Ltd.

2006 – 2008: Specialist – Civil Engineering Construction Corporation No.1

2008 – 2013: Chief Accountant – Construction Company No. 675 Joint Stock Company

2013 – 2016: Accounting Officer – Vina Kyoei Steel Co., Ltd

2016 – 2017: Acting Deputy Head of Accounting Department – Vina Kyoei Steel Co., Ltd

2017 – 2019: Deputy Head of Finance & Accounting Department – VNSTEEL-HOCHIMINH City Metal Corporation

2019 – 2022: Chief Accountant – VNSTEEL-HOCHIMINH City Metal Corporation

2022 – Present: Deputy General Director – VNSTEEL-HOCHIMINH City Metal Corporation

4. **Mrs. Nguyen Thi Hong May**
Chief Accountant

Year of Birth: 1981

Education: Bachelor's Degree in Economics

Current Positions: Chief Accountant

Positions in other Companies/Organizations: Member of the Board of Supervisors – Thong Nhat Flat Steel Joint Stock Company

Shares held:

- Individual: None
- Representative: None

Employment History

Jul 2005 – Jul 2007: Accountant – Uni-President Vietnam Co., Ltd.

Aug 2007 – Dec 2010: General Accountant – Bach Khoa Co., Ltd

Jan 2011 – Mar 2016: Chief Accountant, Unit 6 – VNSTEEL-HOCHIMINH City Metal Corporation

Apr 2016 – Jul 2018: General Accountant – VNSTEEL-HOCHIMINH City Metal Corporation

Aug 2018 – May 2022: Deputy Head of Finance and Accounting Department – VNSTEEL-HOCHIMINH City Metal Corporation

Jun 2022 – Jan 2023: Head of Finance and Accounting Department – VNSTEEL-HOCHIMINH City Metal Corporation

Feb 2023 – Present: Chief Accountant – VNSTEEL-HOCHIMINH City Metal Corporation

Sep 2016 – Present: Member of the Board of Supervisors – Thong Nhat Flat Steel Joint Stock Company

Changes in the Executive Board

No	Name	Company position	Appointment	Dismissal
1	Mr. Vo Tri Nghia	General Director	-	23/04/2024
2	Mr. Le Van Quang	General Director	23/04/2024	-

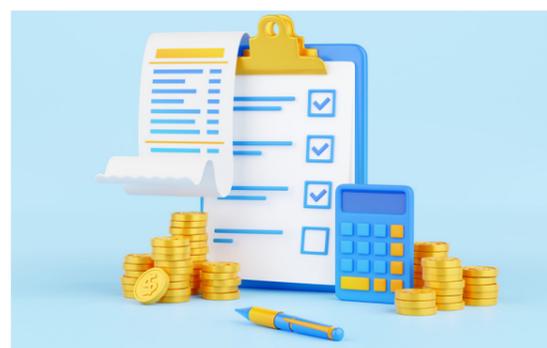
Organization & Personnel (Continued)

Human Resources overview (as of 31 December 2024)

No	Indicator	2023		2024	
		Headcount	Proportion (%)	Headcount	Proportion (%)
I	By Education level	158	100.00%	160	100.00%
1	Postgraduate	1	0.63%	1	0.63%
2	University/College	96	60.76%	98	61.25%
3	Intermediate/Vocational training	18	11.39%	18	11.25%
4	Skilled workers	2	1.27%	2	1.25%
5	Unskilled labor	41	25.95%	41	25.63%
II	By type of Labor Contract	158	100.00%	160	100.00%
1	Seasonal	4	2.53%	2	1.25%
2	Fixed-Term	30	18.99%	33	20.63%
3	Indefinite-Term	124	78.48%	125	78.13%
III	By Gender	158	100.00%	160	100.00%
1	Male	106	67.09%	110	68.75%
2	Female	52	32.91%	50	31.25%

Average Income

Indicator	2022	2023	2024
Total number of Employees	165	158	160
Average monthly Income per Person (VND)	14,560,000	21,190,000	22,450,000



Employee policies

Training and Development

To enhance the Company's overall competitiveness, each individual must also be a competitive contributor. As such, the Company's leadership consistently provides opportunities for employees to participate in both external professional training courses and internal training programs. Strong emphasis is placed on improving managerial capabilities and professional skills, particularly in key areas such as sales techniques, management skills, and debt collection strategies for the sales team.

Working Environment

The Company is committed to ensuring the full protection of employees' legitimate rights and interests throughout their employment. Compensation is fairly aligned with individual contributions, with certain benefits exceeding legal requirements.

Working conditions are continuously improved to maintain a safe, supportive, and productive environment. This includes the provision of full personal protective equipment and strict compliance with fire safety and occupational health and safety regulations.

In addition, activities such as periodic health check-ups, professional training, team-building events, company outings and recreational programs are regularly organized by the Company. These efforts aim to create a positive, safe, and motivating workplace, fostering long-term commitment and job satisfaction.

Recruitment

The Company follows a fair, transparent, and merit-based recruitment process, seeking candidates with integrity, capability, professional attitude, and strong skills, who are willing to commit long-term. Recruitment is conducted based on the actual staffing needs of each department and the qualifications of applicants at the time of hiring.

Compensation, Rewards, and Benefits

In 2024, the Company continued to apply its 3P-based compensation framework, which has been in place since 2016. This system establishes unified principles for salary determination across individuals and departments, incentivizing employees to perform well in their roles.

Each employee's salary and income are based on their productivity, work quality, efficiency, and potential contributions – aligned with the Company's business performance and competitive labor market benchmarks. Total income includes fixed salary, performance-based pay, other allowances (if applicable), and bonuses.

Each employee's salary must fall within the designated salary band for their position, defined by minimum (Min), average (Average), and maximum (Max) levels. Each job position corresponds to a specific salary band within the Company's pay scale system. This system may be adjusted in response to external factors (e.g., inflation, market wages in general and by industry) or internal factors (e.g., business strategy, organizational scale, salary budget, and Company performance).

In addition, the Company applies a performance-based bonus policy that reflects individual contributions, productivity levels, overall Company profitability and ad-hoc rewards on a monthly and quarterly basis.

Investment and Project Implementation status

Major Investments

Project Implementation status

In 2023, the General Meeting of Shareholders approved the implementation plan for the Southwest Region Warehouse Construction Project with a total investment capital of 60 billion VND. However, due to both objective and subjective factors, the project has not yet commenced. In preparation for the 2025 plan, the Company conducted a review and re-evaluation of the total investment for the Southwest Region Warehouse Project (a carryover project) in November 2024. Accordingly, the total investment capital will be adjusted down from 60 billion VND to 40 billion VND due to changes in the investment approach.

Financial Investment status

The Company has contributed a total of 14 billion VND in investment capital to Thong Nhat Steel Sheet Joint Stock Company since 2007. As of 31 December 2024, an additional provision of 2.39 billion VND was recognized. Accordingly, the total provision for this investment amounted to 11.614 billion VND, based on the Company's financial statements, which reported an accumulated loss of 122 billion VND as of that date.

Regarding the investment in shares of VNSTEEL – Nha Be Steel Joint Stock Company, the Company held 1,449,000 shares as of 31 December 2024. The average reference price over the 30 most recent consecutive trading days prior to 31 December 2024 was 9,353 VND per share, which is lower than the book value of 15,873 VND per share. As a result, the Company recognized a provision of 9.45 billion VND for this investment as of 31 December 2024, reflecting an increase of 1.37 billion VND compared to the provision recognized as of 31 December 2023.

Investment in Subsidiaries and Affiliates

The Company does not have any subsidiaries or affiliated companies.

Financial Status

General situation

Unit: Billion VND

STT	Indicator	2023	2024	% 2024/2023
1	Total assets	1,279.88	1,359.53	106.22%
2	Net revenue	3,119.52	4,235.46	135.77%
3	Operating profit	24.83	28.92	116.74%
4	Other income	1.02	0.85	83.33%
5	Before-tax profit	25.85	29.77	115.16%
6	After-tax profit	21.15	25.57	120.90%
7	Dividends payout rate	8%	Expected 8% of charter capital	

Financial Ratios

Indicator	Units	2023	2024
Liquidity ratios			
Current ratio	Times	1.37	1.35
Quick ratio	Times	0.97	0.80
Capital Structure ratios			
Debt to total assets	Times	0.68	0.70
Debt to equity	Times	2.17	2.36
Operating Efficiency ratios			
Inventory turnover	Times	6.46	9.70
Total assets turnover	Times	7.94	10.48
Profitability ratios			
Net Profit Margin (Net profit/Net revenue)	%	0.68%	0.60%
Return on Equity (Net profit/Equity)	%	5.38%	6.33%
Return on Assets (Net profit/Total assets)	%	1.74%	1.94%
Operating Profit Margin (Operating profit/Net revenue)	%	0.80%	0.68%

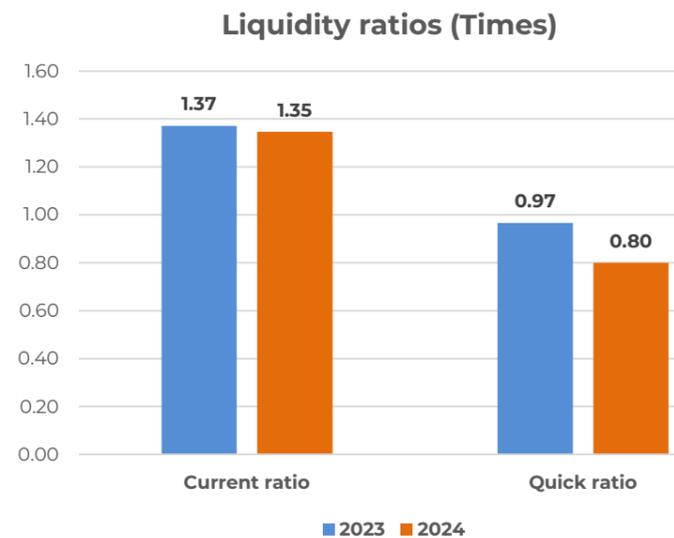


Financial Status (continued)

Financial Ratios (continued)

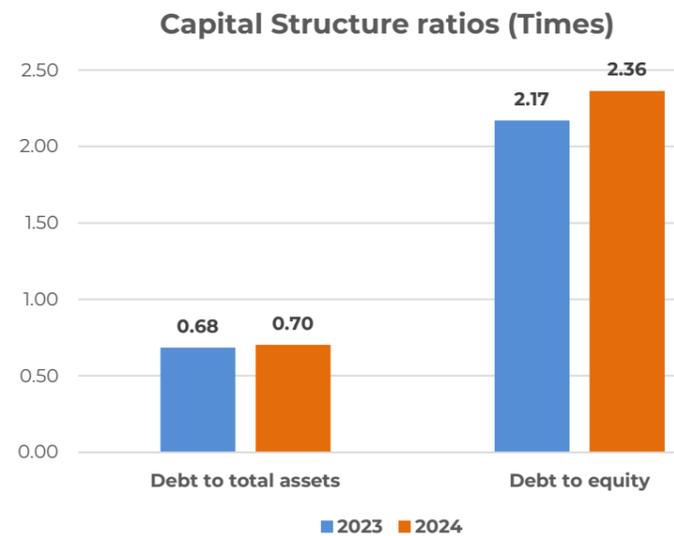
Liquidity ratios

To meet working capital requirements, the Company proactively increased its short-term borrowings in 2024. As a result, certain liquidity ratios experienced moderate changes compared to 2023. Specifically, the current ratio declined slightly by 0.02 times, from 1.37 in 2023 to 1.35 in 2024. The quick ratio also decreased by 0.17 times, from 0.97 to 0.80. Despite these shifts, the Company's management remains highly attentive to cash flow management and continues to closely monitor and control liquidity to ensure financial stability and maintain the Company's overall financial health.



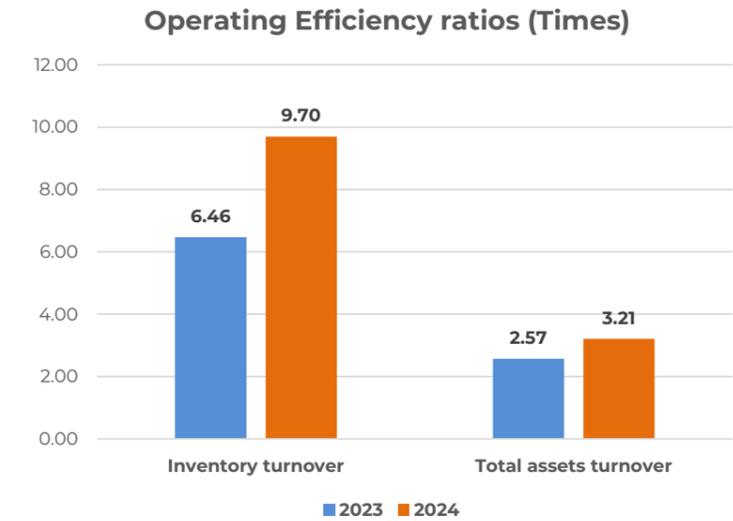
Capital Structure ratios

In 2024, the Company experienced a significant shift in its capital structure, marked by a clear upward trend in debt-related indicators. Compared to 2023, the debt-to-total assets ratio increased by 1.8%, while the debt-to-equity ratio rose by 19.23%. Notably, short-term borrowings and financial lease liabilities grew by more than 39.18%, and trade payables increased by 19.54%. Amid early signs of market recovery, the strategic use of short-term debt financing is viewed as a necessary step to sustain growth momentum and enhance operational efficiency. Although the rise in short-term debt adds pressure to the Company's cash flows, management remains committed to strict and effective cash flow management practices to ensure stable liquidity and preserve a sound financial position.



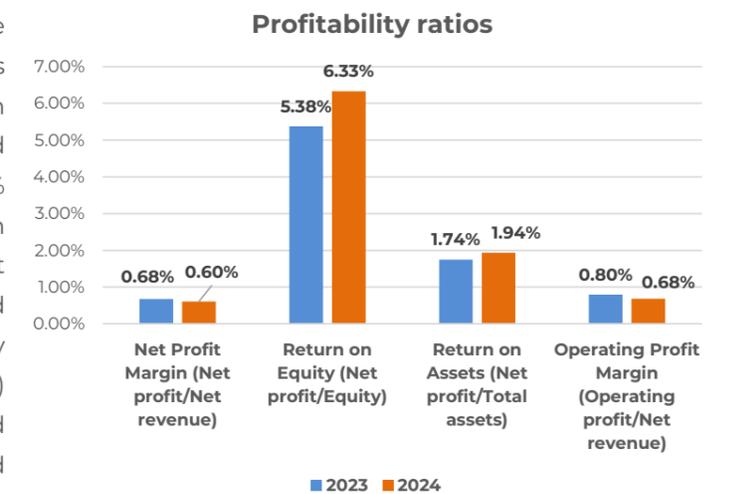
Operating Efficiency ratios

The inventory turnover ratio increased significantly from 6.46 times in 2023 to 9.70 times in 2024. This notable improvement was primarily driven by a 36.44% increase in cost of goods sold (COGS) and a 9.10% decrease in average inventory compared to the previous year. The primary reason lies in the significant improvement in inventory handling and sales execution during the second half of 2024, driven by the positive momentum and recovery trends in both the market and the steel industry.



Profitability ratios

In 2024, the Company observed mixed trends across its profitability indicators. While net profit from core operations continued to grow, certain margin ratios experienced slight declines. Specifically, the return on sales (ROS) decreased from 0.68% to 0.60%, and the operating profit margin declined from 0.80% to 0.68%. These reductions were primarily driven by increases in operating expenses, including cost of goods sold, selling expenses, and general and administrative costs. Conversely, the Company recorded improvements in return on equity (ROE) and return on assets (ROA), which rose to 6.33% and 1.94%, respectively. These gains reflect enhanced efficiency in the utilization of both equity and assets. To sustain and improve profitability, the Company maintains a regular review and analysis of its cost structure, enabling the implementation of effective cost management strategies aimed at optimizing operational performance and improving overall profitability.



Shareholder structure and Changes in Owner's Equity

Shares

- Total number of issued shares: 27,299,999 shares
- Number of outstanding shares: 27,299,999 shares
- Number of treasury shares: 0
- Number of restricted shares: 0
- Par value per share: 10,000 VND per share

Shareholder structure

Calculated as of 13 March 2025

No	Shareholder category	Number of shares	% Charter Capital	No. of shareholders	Shareholder Structure	
					Org.	Indiv.
1	State shareholders	-	-	-	-	-
2	Founding/FDI shareholders	-	-	-	-	-
	- Domestic	-	-	-	-	-
	- Foreign	-	-	-	-	-
3	Major shareholders (owning 5% charter capital or more)	18,623,041	68.22%	2	1	1
	- Domestic	18,623,041	68.22%	2	1	1
	- Foreign	-	-	-	-	-
4	Company labor union	-	-	-	-	-
	- Domestic	-	-	-	-	-
	- Foreign	-	-	-	-	-
5	Treasury shares	-	-	-	-	-
6	Preferred shareholders (if any)	-	-	-	-	-
7	Other shareholders	8,676,958	31.78%	1,217	16	1,201
	- Domestic	8,559,428	31.35%	1,177	8	1,169
	- Foreign	117,530	0.43%	40	8	32
TOTAL		27,299,999	100.00%	1,219	17	1,202
<i>Including: - Domestic</i>		<i>27,182,469</i>	<i>99.57%</i>	<i>1,179</i>	<i>9</i>	<i>1,170</i>
<i>- Foreign</i>		<i>117,530</i>	<i>0.43%</i>	<i>40</i>	<i>8</i>	<i>32</i>



List of Major shareholders

Calculated as of 13 March 2025

No.	Name	Number of shares	% Charter Capital
1	Vietnam Steel Corporation	15,197,741	55.67%
2	Mrs. Nguyen Thi Thuy Ly	3,425,300	12.55%
Total		18,623,041	68.22%

Treasury shares transactions

None

Other securities

None

Environmental and Social impact report

Environmental impact

Ho Chi Minh City Metal Corporation – VNSTEEL primarily operates in the trading sector; therefore, its direct and indirect greenhouse gas emissions are considered minimal. The Company has consistently taken a proactive approach in monitoring and efficiently utilizing energy inputs to reduce operational costs while also minimizing indirect environmental impacts and contributing to a greener environment. In addition, the Company engages in small-scale steel processing activities, which are closely monitored and well-managed by HMC during production to ensure any adverse environmental impact is minimized.

Greenhouse Gas (GHG) Emissions Inventory – Direct and Indirect:

Scope & Category	Unit	Annual Consumption	Emissions per Year (tons CO ₂ eq.)
Scope 1: Direct emissions			
Gasoline used for company vehicles	Liters	10,989	25.27
Diesel used for company vehicles	Liters	2,666	7.25
Diesel used for generators	Liters	1,660	4.46
Diesel used for forklifts	Liters	5,131	14.98
Gas used in refrigeration systems	KG	151	315.29
Emissions from wastewater (per capita)	Persons/month	160	6.64
Total Direct emissions			373.89
Scope 2: Indirect emissions			
Electricity	kWh	1,882,335	1,359.23

The Company firmly believes that sustainable business development must go hand in hand with social and community progress. As part of this commitment, various initiatives have been implemented to minimize greenhouse gas emissions and promote responsible resource consumption. Key measures include:

- Lights and electrical equipment must be turned off when not in use. Awareness is reinforced through posters and signage across all offices and facilities to remind staff about energy and water conservation.
- Promoting energy-saving habits among employees at offices, factories, and branches, as well as among building tenants, encouraging the use of low-energy-consuming devices.
- Regular tracking and analysis of electricity and water consumption to identify usage trends and root causes of fluctuations, allowing for timely corrective actions to optimize consumption.
- Systematic replacement of outdated or damaged lighting fixtures with energy-efficient alternatives.
- Routine inspection and maintenance of machinery and equipment to ensure optimal performance and prevent unnecessary energy use.
- Proper waste segregation and management at the source to minimize environmental discharge and reduce pollution.
- Frequent inspection and upgrading of the wastewater treatment system to ensure discharged water complies with environmental standards and continually improves in quality.
- Recognition and rewards for individuals and teams that introduce innovative energy-saving initiatives, fostering a culture of sustainability and continuous improvement.



Environmental and Social impact report (continued)

Raw material management

The Company's core business activities encompass steel trading, office leasing services, warehouse operations, and steel processing.

In its primary line of business, most steel products are sold in the same packaged form as they are received, with minimal modification. As such, raw material usage is concentrated in the Company's supporting activity—steel processing. This process is tightly managed to ensure efficient and responsible use of materials, with a strong focus on minimizing waste and reducing material loss. Surplus or scrap generated during the steel processing phase is systematically collected and sold as scrap, promoting effective resource utilization. Thanks to these measures, the Company's steel processing operations have negligible environmental impact, aligning with its commitment to sustainable and responsible production practices.

Energy consumption

Direct and Indirect energy consumption

Direct

As a company primarily engaged in trading and service-oriented activities, the Company does not operate heavy machinery or energy-intensive equipment. Electricity is the principal energy source consumed, mainly in office buildings and warehouse facilities.

In 2024, total electricity consumption across the Company – including offices and warehouses – was 1,882,335 kWh. This consumption level is considered reasonable for a trading enterprise and reflects a slight decrease compared to the previous year, indicating progress in energy efficiency.

Indirect

For logistics activities such as importing goods and delivering products to customers, the Company primarily outsources transportation services. These are typically optimized for bulk shipments, resulting in minimal fuel consumption attributable to the Company. Additionally, employee travel is planned efficiently by consolidating business trips based on geographic proximity and specific business requirements, thereby reducing fuel-related costs and limiting emissions.

Energy savings through efficiency initiatives

The Company recognizes the critical importance of efficient energy usage, not only to conserve limited natural resources but also to reduce operating expenses. Employees are encouraged to practice electricity conservation, use energy-saving devices, and participate in initiatives such as Earth Hour. Though modest in scale, these initiatives contribute meaningfully to the Company's broader energy conservation goals and its commitment to environmental sustainability.

Water consumption

Water is a precious and finite resource, essential for life and sustainable development. Although naturally occurring, it must be used responsibly. For the Company, water conservation not only reduces operational costs but also helps protect groundwater reserves, limits river basin pollution, and reduces the energy needed to produce clean water. The Company relies entirely on municipal tap water and does not exploit groundwater sources. In 2024, total water consumption for domestic (non-industrial) purposes was 10,150 m³, marking a slight decrease from 2023. This reduction reflects the Company's continued commitment to efficient water use. To minimize waste, the Company has implemented practical conservation measures and actively promotes awareness among employees regarding the importance of water protection. These efforts have contributed to stable consumption levels over the years and demonstrate the Company's dedication to environmental responsibility.

Compliance with Environmental Protection Laws

The Company strictly complies with all environmental protection regulations issued by the Government of Vietnam and stays updated on new legal requirements. Environmental monitoring is conducted at the legally prescribed frequency, and test results have consistently met the required standards. The Company also submits periodic Environmental Quality Monitoring Reports in accordance with applicable laws.

Key legal compliance measures undertaken by the Company include:

- Contracting licensed service providers for the collection and transportation of both industrial and hazardous waste, in full compliance with legal regulations.
- Implementing waste classification at source, with all waste managed and treated in accordance with environmental standards and regulations.
- Ensuring proper collection, classification, and labeling of solid and hazardous waste, in line with Circular No. 02/2022/TT-BTNMT dated 10 January 2022, which guides the implementation of certain provisions of the Environmental Protection Law.
- Operating wastewater treatment systems effectively to ensure all discharged water meets environmental standards before being released into the environment, as part of the Company's commitment to continual environmental performance improvement.

Report on Community responsibility

Alongside its core business activities, the Company remains committed to supporting the local community. Through various support and sponsorship initiatives targeting disadvantaged individuals, the Company not only helps alleviate hardships but also strengthens its public image as a socially responsible enterprise. Moreover, the Company actively recruits local labor, effectively leveraging the available workforce while generating employment opportunities and contributing to the socio-economic development of the surrounding region.

REPORT & EVALUATION OF THE EXECUTIVE BOARD

- 01 Characteristics of the situation
- 02 Evaluation of business performance results
- 03 Financial position
- 04 Organizational, Policy, and Management Improvements
- 05 Executive Board's explanation regarding the Auditor's opinion
- 06 Future Development Plan
- 07 Executive Board's assessment on Environmental and Social responsibility



Characteristics of the situation

Market situation

The global steel market

The year 2024 was marked by a highly complex, unpredictable, and unstable global situation. The conflict between Russia and Ukraine has intensified, and the geopolitical crisis in the Middle East has unfolded beyond expectations. The global economy is projected to grow by approximately 3.2%, but global trade recovered slowly. Major countries are increasingly implementing anti-dumping tariffs and protective measures for domestic goods.

The global steel industry experienced a challenging year, with global steel consumption decreasing by 1.9% compared to 2023, and the prices of HRC and steel billets continuously fell throughout the year. Notably, the price of HRC fell to approximately \$500 per ton at the end of March and early April, and further dropped to \$460 per ton in early September, marking the lowest price since mid-2020. This represents a decrease of over \$120 per ton since 31 December 2023. The export price of steel billets to the Vietnamese market was around \$455 per ton.

The Chinese real estate market remained sluggish despite the Chinese government's implementation of numerous economic stimulus policies, which have yet to boost demand or instill strong confidence in the market. Consequently, the Chinese steel industry continued to increase its export of low-cost steel globally, exacerbating difficulties for the global steel industry, with the Vietnamese steel sector being particularly hard hit. China's steel exports for the entire year of 2024 exceeded 110 million tons (110.716 million tons), marking a 22.7% increase compared to 2023 and reaching the highest export level since 2016.

By the end of 2024, the demand for stockpiling goods did not increase, and steel inventories remained high. The market showed no signs of improvement, with HRC prices trading at approximately \$490 per ton, nearly \$100 per ton lower than at the beginning of 2024.



The domestic steel market

In 2024, Vietnam experienced a GDP growth reaching 7.09%, with registered FDI surpassing 31 billion USD annually. The country also saw high export growth, with total import-export turnover exceeding the 800 billion USD mark for the year.

However, the real estate market has yet to recover, with many construction contractors facing significant challenges due to depleted financial resources, lack of work, and very low bidding prices in an effort to secure jobs for their workforce, maintain revenue, cash flow, and meet bank obligations. Notably, the scarcity of new project commencements has led to difficulties in domestic steel consumption.

Domestically, the steel industry is facing an oversupply problem, particularly in construction steel products, leading to increasingly fierce competition in terms of pricing and sales policies. To retain customers and market share, manufacturers have at times been compelled to sell products below production costs or reduce production volumes. Consequently, trading companies and first- and second-tier distributors of steel manufacturers must offer the most attractive pricing policies and the best sales prices to retain customers and market share. This sometimes involves selling at no profit or even at a loss to maintain sales volumes for manufacturers. Additionally, there is a substantial risk associated with receivables, as credit sales are used to boost sales, attract customers, and secure individual orders.

In 2024, the Vietnamese steel industry was severely impacted by China's policy of promoting the export of low-cost steel, along with the operations of some plants in Indonesia, which created concerns and uncertainty about a continued sharp decline in steel prices, leading to a negative outlook for the domestic steel industry. Furthermore, since the second quarter of 2024, the Vietnamese steel sector has faced additional challenges due to anti-dumping tariffs imposed by major countries such as the United States, Europe, India, and Canada..

Notably, the prices of HRC and construction steel continuously declined from the beginning of 2024 to September 2024, dropping from 15,500 VND/kg (including VAT) to 13,300-13,500 VND/kg, a decrease of over 2,000 VND/kg. Although there was a brief increase to around 14,500 VND/kg in October 2024, prices again fell to approximately 14,300 VND/kg from November to December, with consumption remaining sluggish.

For construction steel, 2024 was an exceptionally challenging year due to slow consumption, decreased demand, and a continuous sharp drop in prices – ranging from 1,100 VND to 1,400 VND per kilogram, depending on the product.

Characteristics of the situation (continued)

Evaluation of business performance results

The year 2024 was a challenging one for the Company; however, it achieved notable business results. On a positive note, the Company recorded strong growth in both sales volume and revenue. Total sales volume reached 310,678 tons, exceeding the annual plan by 48% and representing a 51% increase compared to 2023. Revenue also saw significant growth, reaching 4,235 billion VND, surpassing the annual target by 40% and rising 36% year-over-year. Net profit after tax amounted to 25.57 billion VND, exceeding the annual target by 60% and increasing 21% compared to 2023. To address market challenges, the Company adopted a proactive approach by accelerating inventory turnover, promoting the sales of alternative product lines, and strengthening collaboration within the VNSTEEL network. Financial management remained a key priority, with continued efforts to balance borrowed and owned capital, strengthen cash flow management, and utilize idle funds effectively. In addition, the Company expanded its credit limits and successfully reduced interest expenses.

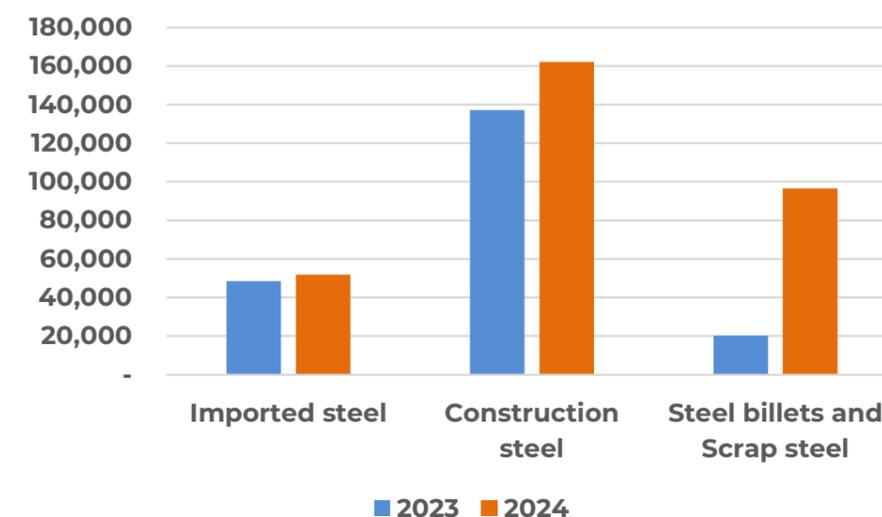
Nonetheless, the Company faced numerous difficulties and challenges. The global and domestic steel markets experienced significant fluctuations, driven by adverse factors such as geopolitical tensions, weakened demand, intensified competition from low-priced imports, and increasing protectionist trade policies. Moreover, the continued stagnation in the real estate sector had a direct impact on business activities. The Company also encountered credit risks and mounting cost pressures.

Overall, despite a volatile environment, the Company delivered positive business outcomes, demonstrating the dedication and adaptability of its leadership and workforce. To ensure sustainable growth, the Company must continue to prioritize risk management, improve operational efficiency, and pursue investments in high-potential projects. The management team is fully aware of the challenges ahead and has developed a concrete plan for 2025, focusing on enhancing governance capabilities, expanding market reach, developing product, strengthening risk control, increasing labor productivity, and expanding the customer base to include manufacturing facilities and construction contractors.

No.	Indicators	Unit	2023	2024	% 2024/2023
1	Production volume				
	· Imported steel	Tons	48,430	51,917	107.20%
	· Construction steel	Tons	137,189	162,166	118.21%
	· Steel billets and Scrap steel	Tons	20,193	96,595	478.36%
2	Net revenue	Billion VND	3,119.52	4,235.46	135.77%
3	After-tax profit	Billion VND	21.15	25.57	120.89%
4	Owner's Equity	Billion VND	403.69	404.24	100.14%
5	Total assets	Billion VND	1,279.88	1,359.53	106.22%
6	After-tax profit/Net revenue	%	0.68%	0.60%	89.04%
7	After-tax profit/Owner's Equity (ROE)	%	5.38%	6.33%	117.66%
8	After-tax profit/Total assets (ROA)	%	1.74%	1.94%	111.49%

TOTAL PRODUCTION VOLUME

(Unit: Tons)



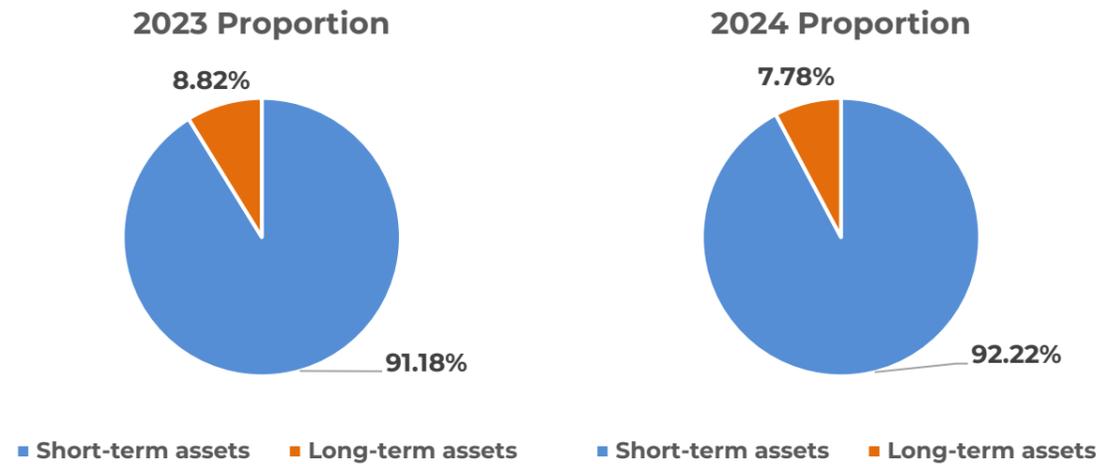
Financial position

Assets overview

Unit: Billion VND

No.	Indicators	2023	2023 Proportion	2024	2024 Proportion	% 2024/2023
1	Short-term assets	1,166.97	91.18%	1,253.74	92.22%	107.44%
2	Long-term assets	112.92	8.82%	105.79	7.78%	93.69%
Total assets		1,279.89	100.00%	1,359.53	100%	106.22%

In 2024, the Company's total assets increased slightly to 1,359.53 billion VND, representing a 6.23% rise compared to 1,279.89 billion VND in 2023, indicating a modest expansion in scale. There was a slight shift in the asset structure, with the proportion of short-term assets increasing from 91.18% to 92.22%, while in contrast the proportion of long-term assets declined from 8.82% to 7.78%.



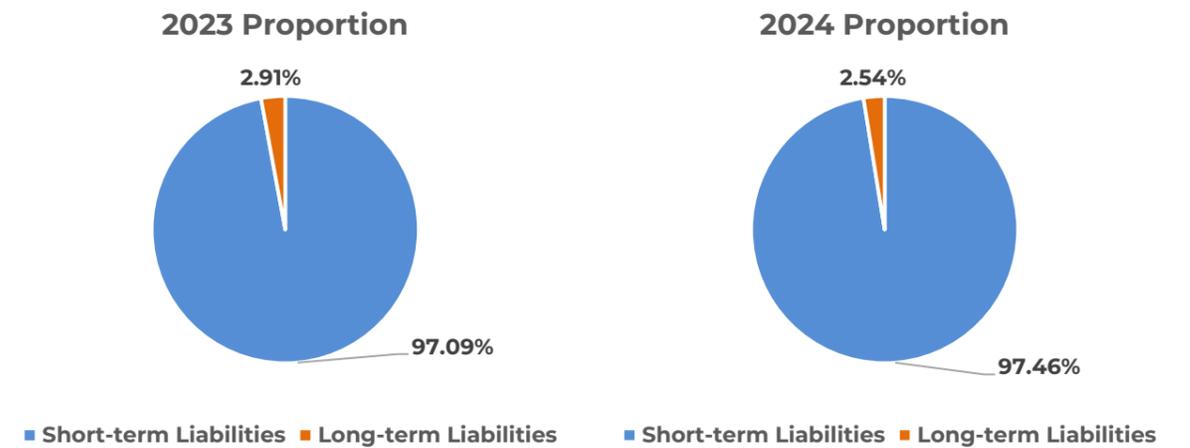
Overall, the Company's short-term assets increased from 1,167 billion VND at the end of 2023 to 1,254 billion VND in 2024, marking a 7.44% rise, equivalent to 87 billion VND. This growth was primarily driven by a significant increase in inventories, which rose from 345 billion VND to 510 billion VND - an increase of 47.82%, equivalent to 165 billion VND—aimed at better supporting the Company's business operations. By comparison, the Company's long-term assets at the end of 2024 did not undergo significant changes compared to the same period in the previous year, recording only a 6.31% decrease from 2023. This decline was primarily due to depreciation of fixed assets and investment properties during the year.

Liabilities overview

Unit: Billion VND

No.	Indicators	2023	2023 Proportion	2024	2024 Proportion	% 2024/2023
1	Short-term Liabilities	850.73	97.09%	931.06	97.46%	109.44%
2	Long-term Liabilities	25.47	2.91%	24.22	2.54%	95.09%
Total Liabilities		876.19	100.00%	955.28	100.00%	109.03%

In 2024, the Company's total liabilities reached 955.28 billion VND, marking a 9.03% increase compared to 876.19 billion VND in 2023. The liability structure remained predominantly composed of short-term liabilities, which rose by 9.44% to 931.06 billion VND, accounting for 97.46% of total liabilities. In contrast, long-term liabilities recorded a slight decline to 24.22 billion VND, representing a 4.91% decrease and constituting only 2.54% of total liabilities. As previously noted, this shift was primarily driven by a significant increase in short-term borrowings and financial lease obligations, as the Company strategically utilized short-term financing to support business expansion and capitalize on market opportunities.



Executive Board's explanation regarding the Auditor's opinion

None

Organizational, Policy, and Management Improvements

Proactive Adaptation – Enhancing Business Efficiency

In response to fluctuations in the imported steel market, the Company adopted a proactive approach by accelerating the sale of inventory to reduce reliance on imported sources. At the same time, it prioritized the expansion of domestic product lines such as steel billets, scrap steel, and SAE 1008 wire rods—products characterized by lower risk and higher operational efficiency.

The Company also reinforced collaboration with other units within the VNSTEEL system to optimize resource utilization and identify new business opportunities.

The Executive Board convened regular specialized meetings with sales teams across the system to evaluate market dynamics, develop sales-boosting strategies, manage receivables, and strengthen direct customer appraisal efforts in line with the principle "seeing is believing." The Company also emphasizes attentive and dedicated customer care and consultation, effective inventory control, and continuous capabilities strengthening for its staff. These initiatives supported the development of a flexible, efficient, and sustainable business foundation.

Financial Proactivity – Tight Control of Cash Flow and Receivables

In 2024, against the backdrop of a stable interest rate environment, the Company proactively managed the balance between borrowed and owned capital, optimized cash flow to reduce financial costs, and ensured timely access to working capital. It expanded unsecured credit lines with VIB (100 billion VND) and TPBank (50 billion VND), while increasing the credit limit with Vietcombank to 200 billion VND—securing adequate funding for ongoing operations.

Interest expenses in 2024 totaled 21.07 billion VND, representing approximately 0.5% of revenue—a 3% decrease from the previous year—attributable to lower lending rates and preferential banking policies. Loan interest rates remained low as well. The average outstanding debt rose to 554 billion VND, reflecting the Company's strategic use of financial instruments and efficient deployment of idle capital to enhance financial performance.

Given the widespread challenges faced by customers—particularly in the construction and steel industries—the Company implemented stricter credit controls. Sales units and personnel were required to closely monitor customer financial health, limit credit risk, and take proactive measures in debt collection. Additionally, the Company conducted targeted reviews of its policies on deposits and guarantees and refined its debt management regulations to better align with prevailing market conditions.



Future Development Plan

Forecast of the Situation in 2025

Advantages

In 2025, with the announcement by newly elected U.S. President Donald Trump of his commitment to ending the Russia-Ukraine conflict and addressing geopolitical issues in the Middle East, the global economy is forecasted to experience a potential upturn, with an estimated growth of 3.2% driven by the recovery of trade growth and better control of inflation.

A highlight of the Vietnamese market in 2025 is its particularly significant role as the final year in the implementation of the 2021-2025 Five-Year Socio-Economic Development Plan. The government has set a target for GDP growth at approximately 8% per year.

Many large-scale public investment projects are set to begin or accelerate their construction and disbursement schedules in 2025. There is a positive trend in foreign investor confidence, with registered FDI inflows into Vietnam increasing, and domestic investors are beginning to show interest in investing and expanding their production activities.

The real estate market is entering a recovery cycle, supported by the legal frameworks established by new laws enacted at the end of October 2024 (Land Law, Real Estate Business Law, and Housing Law).

Vietnam's steel industry has the opportunity to enhance its export activities by entering markets where Chinese steel is subject to anti-dumping tariffs.

HMC boasts a team of experienced leadership and management, along with a dedicated and committed sales force. Additionally, the company has an extensive customer network spanning from the southern region to the Southwest.

The parent company, Vietnam Steel Corporation (VNSTEEL), operates an extensive network for steel production and business operations across the entire country.

Challenges

Global trade is difficult to predict due to President Donald Trump's trade policies in 2025. In the early days of his tenure, the President signed executive orders imposing a 25% tariff on goods from Canada and Mexico, a 10% tariff on goods from China, and a 25% tariff on all aluminum and steel imports into the U.S., escalating trade tensions among countries. Many nations are adopting protectionist trade policies.

The global steel industry continues to face significant challenges due to the negative impacts of the Chinese steel crisis, and Vietnam's domestic steel industry is heavily influenced by China's steel industry.

Vietnam's import and export activities surpassed the \$800 billion mark in 2024, but it will be challenging to maintain this strong growth momentum in the coming year due to the global trend of imposing anti-dumping duties and domestic trade protectionism. Additionally, actions by the U.S. administration under President Donald Trump could pose significant challenges to exports and global trade.

The Chinese real estate market is projected to continue facing difficulties and stagnation in 2025, with China further intensifying its export of cheap steel globally, significantly impacting the Vietnamese steel industry.

Vietnam is currently under anti-dumping investigations on steel products in countries such as the U.S., Canada, the EU, Australia, Malaysia, Thailand, India, and South Korea, among others. These investigations will exert pressure on domestic steel consumption demand.

In 2025, the supply in Vietnam's construction steel market is expected to greatly exceed demand, with no significant improvement in steel consumption. Domestic banks have assessed the steel industry as high-risk and are limiting loan financing. Concurrently, construction steel products from various manufacturers will face increasingly fierce competition in terms of pricing, sales policies, sales volume, and market share.

Steel traders and dealers reported underperformance or losses in 2024, leading to concerns and reluctance to invest in business development and promotion.

Domestic construction contractors are facing severe financial strain due to the burdens of previous years, including lack of work, high loan interest payments, fixed costs, and low bid prices.

The leasing services for premises and warehouses in Ho Chi Minh City are forecasted to remain sluggish in 2025 as businesses downsize production, return rented spaces, or shift to work-from-home models, with offices available for hourly or daily rental.

Key targets for 2025

Amid a mix of favorable conditions, challenges, and uncertainties expected in 2025, VNSTEEL-HOCHIMINH City Metal Corporation has developed its business and investment plan for the year with the following key targets:

- Sales volume: **320,000 tons**
- Revenue: **4,381 billion VND**
- Before-tax profit: **32.5 billion VND**
- After-tax profit: **26 billion VND**
- Dividends: **6% Charter capital**



Executive Board's assessment on Environmental and Social responsibility

Assessment of Environmental indicators

The Executive Board affirms that the Company has demonstrated a strong commitment to environmental stewardship, encompassing energy and water conservation, as well as effective waste management across daily operations and business activities. These initiatives have been implemented in accordance with the Company's strategic plans and are aligned with Government directives and global sustainability practices.

Assessment of Labor-related issues

The Company has effectively executed its labor-related policies, fostering a safe, healthy, and inclusive working environment. It maintains a culture of unity and support, while ensuring comprehensive attention to employee welfare, including salary, bonuses, benefits, labor rights, and health insurance – consistently upholding principles of fairness and regulatory compliance.

Assessment of Corporate responsibility toward the local community

The Executive Board confirms that the Company has fulfilled its corporate responsibilities to the local community through meaningful and sustained engagement and support initiatives that reflect its commitment to social development.



BOARD OF DIRECTORS' ASSESSMENT OF COMPANY PERFORMANCE

- 01 Board of Directors' assessment of the Company's operations
- 02 Board of Directors' assessment of the Executive Board's performance
- 03 Plans and orientation of the Board of Directors



Board of Directors' assessment of the Company's operations

The year 2024 marked a period of achievement for the Company in its business operations. Amid a highly competitive and volatile imported steel market, the Company demonstrated adaptability by proactively accelerating the sale of imported steel inventories, helping ease supply pressures. Simultaneously, the Company strategically shifted its focus toward lower-risk domestic products such as steel billets, scrap steel, and SAE 1008 wire rods. Cooperation within the VNSTEEL system was strengthened to enhance revenue and operational efficiency. The management team held regular strategic meetings to assess market developments and design effective sales-driving initiatives. Additionally, training programs were intensified to improve the competencies and performance of the sales team.

In the real estate leasing segment, despite economic difficulties that caused some tenants to return leased spaces and led to rising maintenance costs due to aging facilities, the Company responded with flexibility by offering rental discounts and upgrading service quality. The Company also organized customer appreciation conferences for tenants of the HMC Building to express gratitude and gather feedback, aiming to better meet customer needs and enhance service quality. As a result, revenue from office and warehouse leasing remained stable, reaching 78.28 billion VND, equivalent to 101% of the previous year's figure. The Company also successfully renewed a six-year lease for the property at 189 Nguyen Thi Minh Khai Street, with terms including a 10% rental increase every two years starting in 2026.

In addition, outsourcing services for customers experienced strong growth in 2024, driven by improvements in marketing efforts and production management. These developments open up further potential for the future expansion of this business segment.

Regarding Finance – Accounting, stable interest rates made it easier for the Company to access funding sources. In 2024, the Company continued to manage its cash flow and capital effectively, while also expanding credit relationships with banks. Although outstanding bank loans increased significantly compared to 2023, interest expenses declined slightly. The Company also made effective use of temporarily idle capital to generate financial income and reduce liquidity risk.

Receivables management was also tightened, with enhanced monitoring of customer payment behaviors and a reduction in sales exceeding approved credit limits. The Company has also strengthened its customer appraisal process and enhanced customer care and consultation efforts to foster closer and more long-lasting relationships with clients. Dedicated meetings were held to review accounts receivable, and targeted solutions were implemented to improve debt recovery. Regulations concerning customer guarantees, asset collateral, and seller deposits were also reviewed and updated. The Company also revised its debt management and payment procedures to better align with current operational realities.

Board of Directors' assessment of the Executive Board's performance

The Executive Board has operated in accordance with its assigned functions and responsibilities, ensuring full compliance with the Company's internal regulations, the Law on Enterprises, and the Company's Charter.

The Board effectively implemented the Resolutions of the Board of Directors and executed the Company's business activities in alignment with the Resolutions of the General Meeting of Shareholders and the Decisions of the Board of Directors.

By proactively monitoring market conditions, the Executive Board developed and applied flexible, rational, and effective management strategies across key operational areas, including imported steel trading, construction steel business, office and warehouse leasing, financial management, and receivables management.

Despite persistent challenges in the steel market and no clear signs of recovery in 2024, the Executive Board demonstrated adaptive and proactive leadership, actively driving sales and maintaining operations across all units. As a result, the Company exceeded planned targets and achieved year-on-year growth.

Plans and orientation of the Board of Directors

- The Board of Directors will continue to operate in accordance with the authority and responsibilities prescribed by Law and the Company's Charter.
- Efforts will be made to improve governance capabilities, effectively manage the company's resources, and leverage these resources for the company's development.
- The implementation and organization of the 2025 General Meeting of Shareholders' Resolutions and Decisions will be carried out, striving to exceed the targets of the 2025 plan.
- Regular direction and supervision of business operations will be maintained. The Board will closely monitor the situation to direct, support, and coordinate with the Company's Executive Board to promptly address and resolve any difficulties and obstacles, thereby promoting the highest efficiency in business and investment activities.
- The Board will continue to enhance market analysis and forecasting capabilities as a basis for directing and managing business operations.
- Investment in upgrading warehouse infrastructure will be increased, and new warehouses will be established in key areas to meet the Company's storage demands and expand warehouse leasing operations.
- The Company's distribution network will be further expanded and developed, with an emphasis on partnerships with major distributors and the development of new products to diversify business portfolio.
- Efforts will also be intensified to monitor and prevent business risks, ensuring capital safety.
- The Board will direct the disclosure of corporate information in accordance with current legal regulations.

CORPORATE GOVERNANCE

- 01 Activities of the Board of Directors
- 02 Activities of the Board of Supervisors
- 03 Transactions, remuneration, and other benefits of the Board of Directors, Executive Board, and Board of Supervisors



Activities of the Board of Directors

Meetings of the Board of Directors

In 2024, the Board of Directors held nine meetings to review, assess, and approve the following key matters:

- Evaluated the performance results for the fourth quarter and the year 2023; outlined directions and tasks for the first quarter of 2024;
- Evaluated the performance results for the first quarter of 2024; outlined directions and tasks for the second quarter of 2024
- Evaluated the performance results for the second quarter and the first half of 2024; outlined directions and tasks for the third quarter and the second half of 2024
- Evaluated the performance results for the third quarter and the first nine months of 2024; outlined directions and tasks for the fourth quarter of 2024.
- Approved the documents and agenda for the 2024 Annual General Meeting of Shareholders.
- Appointed the Chairman of the Board of Directors and the General Director for the 2024-2029 term
- Assigned tasks and responsibilities to the members of the Board of Directors.
- Approved the signing and execution of contracts for the purchase and sale of goods and services with subsidiaries and affiliated companies under Vietnam Steel Corporation.
- Amended the debt management regulations and the grassroots democracy regulations at the workplace.
- Approved loans from banks.
- In addition to regular meetings, to save time and costs, many other matters were decided by the Board of Directors through the collection of members' opinions via email.

No.	Members of the Board of Directors	Number of attended BOD meetings	Meeting attendance rate	Reason for meetings absence
1	Mr. Dương Trung Toan	02/02	100%	
2	Mr. Vo Tri Nghia	09/09	100%	
3	Mr. Truong Ba Liem	01/02	50%	Personal matters
4	Mrs. Cu Thi Thuy Linh	09/09	100%	
5	Mr. Pham Manh Hung	02/02	100%	
6	Mr. Le Van Quang	07/07	100%	
7	Mr. Nguyen Ba An	07/07	100%	
8	Mrs. Nguyen Thuy Ly	07/07	100%	

Resolutions/Decisions of the Board of Directors

No.	Resolution/ Decision No.	Date	Content
1	09/NQ-KK	11/01/2024	Assessment of business results in Q4 and 2023 overall; key tasks for Q1 and 2024
2	24/QĐ-KK	19/02/2024	Finalization of 2023 salary fund
3	29/NQ-KK	29/02/2024	Finalizing the list of shareholders attending the 2024 Annual General Meeting of Shareholders
4	56/NQ-KK	19/4/2024	Assessment of business results in Q1 2024; key tasks for Q2 2024.
5	57/NQ-KK	19/4/2024	Approve the content of documents for the 2024 Annual General Meeting of Shareholders; nomination of candidates for members of the Board of Directors
6	59/NQ-KK	22/04/2024	Nomination of candidates for independent members of the Board of Directors
7	60/NQ-KK	22/04/2024	Signing of credit contracts with banks
8	60a/NQ-KK	22/04/2024	Credit transaction with BIDV
9	62/QĐ-KK	23/04/2024	Election of Chairman of the Board of Directors for the 2024-2029 term
10	63/QĐ-KK	23/04/2024	Dismissal of former General Director
11	64/QĐ-KK	23/04/2024	Appointment of new General Director
12	67/NQ-KK	25/04/2024	Internal audit plans for 2024
13	74/NQ-KK	12/06/2024	Credit limit with Vietcombank.
14	91/NQ-KK	28/06/2024	Selection of auditor for 2024 Financial Statements
15	98/NQ-HMC	17/07/2024	Adjustment of credit limit
16	98A/NQ-HMC	17/07/2024	Use of credit limit at Vietcombank
17	105/NQ-HMC	25/07/2024	Assessment of business results in Q2 2024; key tasks for Q3 2024
18	108/QĐ-HMC	30/07/2024	Approval of 2024 salary fund plan
19	109/QĐ-HMC	30/07/2024	Tasks assignment for members of the Board of Directors
20	111/NQ-HMC	01/08/2024	Transactions of goods with affiliated persons of major shareholders and insiders
21	121/QĐ-HMC	16/08/2024	Promulgation of grassroots democratic regulations at the workplace
22	122/NQ-HMC	22/08/2024	Sending personnel on a business trip to China
23	124/NQ-HMC	28/8/2024	Finalization of shareholders list for 2023 dividends

Activities of the Board of Directors (continued)

Resolutions/Decisions of the Board of Directors (continued)

No.	Resolution/ Decision No.	Date	Content
24	127/NQ-HMC	10/09/2024	Transactions of goods with affiliated organizations of major shareholders.
25	129/NQ-HMC	19/9/2024	Support for people of Lao Cai province affected by natural disasters.
26	136/NQ-HMC	02/10/2024	Signing of credit contracts with banks
27	141/NQ-HMC	24/10/2024	Assessment of business results in Q3 2024; key tasks for Q4 2024
28	145/QĐ-HMC	05/11/2024	Promulgation of regulations on debt management
29	146/NQ-HMC	11/11/2024	Transactions of goods with affiliated organizations of major shareholders
30	156/NQ-HMC	28/11/2024	Transactions of goods with affiliated organizations of major shareholders
31	167/NQ-HMC	26/12/2024	Transactions of goods with affiliated organizations of major shareholders

Activities of the independent Board member

Activities of the independent Board member

The company currently has one independent Board member, Mr. Nguyen Ba An, who exercises his rights and duties in accordance with the Law on Enterprises, the Company's Charter, internal regulations of the company, and other applicable legal documents to Board members:

- Participates in the inspection and supervision of the implementation of the Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors in compliance with current legal regulations, the Company's Charter, and the Company's internal regulations.
- Regularly exchanges and updates information on market conditions, developments, and trend forecasts to provide timely insights to the Executive Board and department heads. Coordinate with the business department in exploring and developing markets.
- Proactively communicates and understands the thoughts and aspirations of employees, and directly conveys them to the General Director. Additionally, facilitates connections among employees to foster understanding, sharing, and better collaboration in work. Contributes suggestions to adjust internal regulations and employee policies; aiming to motivate and enhance the Company's operational efficiency.

Evaluation results by the independent member on the activities of the Company's Board of Directors

Regarding the organization of Board of Directors' meetings

- The meetings of the Board of Directors are convened and conducted in accordance with the Company's Charter and the Law on Enterprises.
- Board meetings focus on long-term strategic orientation, market assessment, and the formulation of critical decisions to facilitate the company's sustainable development.
- The financial reports, market analyses, and business activities presented by the General Director are clear and comprehensive, providing the Board of Directors with sufficient information to make well-informed decisions.
- The members participating in the meeting engage in open, multi-dimensional discussions and constructive debates to identify optimal solutions.
- Significant issues are thoroughly discussed and swiftly resolved, ensuring that the company maintains a consistent direction.

Overall evaluation of the Board of Directors' activities

- The Board of Directors plays a crucial role in strategic orientation, overseeing executive management, and ensuring the sustainable development of the company. Board members are not only responsible for making key decisions but also contribute to shaping corporate culture and maintaining shareholder interests.
- The Board of Directors consistently establishes long-term strategies based on market analysis and the company's development potential.
- Important issues are discussed openly, frankly, democratically and transparently, and are addressed in a timely manner, aiding the company in adapting to changes in the market.
- The Board of Directors comprises of members with high expertise in various fields such as finance, business, marketing, management, and corporate governance, providing a multi-dimensional perspective to decision-making.
- The Board of Directors has effectively fulfilled its role in overseeing the activities of the Executive Board, ensuring that the company operates in compliance with the Charter and regulations, while optimizing business efficiency.
- Overall, the company's Board of Directors operates with great effectiveness, demonstrating strategic vision and the ability to make swift decisions. However, significant improvements in governance methods and internal connectivity are necessary to fully harness the Company's potential, thereby fostering stronger and more sustainable company growth.

List of Board Members Holding Corporate Governance Training Certificates

None

Sub-committees of the Board of Directors

None

Board of Supervisors

Meetings of the Board of Supervisors

No.	Members of the Board of Supervisors	Number of meetings attended	Meeting attendance Rate	Reason for meetings absence
1	Mrs. Hoang Le Anh	2	100%	
2	Mrs. Doan Thi Thanh Thuy	2	100%	
3	Mrs. Truong Thi Tuyet	1	100%	
4	Mr. Ha Van Son	1	100%	

Results of inspection and supervision

Business results for 2024

- In 2024, the company's consumption output increased by 50.95% compared to the previous year, net revenue from sales and service provision increased by 35.77%, and gross profit from sales and service provision increased by 11.44%.
- Total financial income increased slightly by 2.85% compared to the previous year. Specifically, interest income from deposits during the period increased by 47.81%, payment discounts increased by 77.93%, and overdue interest collected from customers decreased by 51.3%.
- Financial expenses decreased by 11.28% compared to the previous year. A positive aspect of financial operations is that interest expenses slightly decreased despite a 35.77% increase in net revenue. Other factors significantly affecting financial expenses include a 206.54% increase in exchange rate losses incurred during the year and a reduction in financial investment provisions.
- Total sales expenses increased by 12.41% compared to the previous year, primarily due to higher transportation costs associated with the increased consumption volume of steel billets (sales of steel billets delivered to the buyer's warehouse, with the volume of steel billets rising by 248% compared to the previous year).
- Administrative expenses increased by 27.81% compared to the previous year, mainly due to higher management staff costs, repair expenses, supplies, and several welfare-related expenses.
- In the business results for 2024, the company achieved an after-tax profit of 25.568 billion VND, exceeding the planned target by 59.8% and marking a 20.89% increase compared to the previous year.

Financial situation

- The company's asset structure did not experience significant fluctuations compared to the beginning of the period. As of 31 December 2024, the company's total assets increased by 6.22% compared to the beginning of the period. Assets with significant changes include: inventory, which increased by 47.79% due to proactive stockpiling, short-term receivables, which increased by 26.51%, and short-term financial investments, which decreased by 59.63%,...
- The company's profitability ratios on total assets/equity increased compared to the previous year. However, the gross/net profit margins decreased compared to the previous year.
- As of 31 December 2024, the current ratio stood at 1.35, equivalent to the figure at the same time of the previous year, indicating good liquidity. The quick ratio decreased to 0.8 (compared to 0.97 in the previous year) due to an increase in inventory.
- The company's operational efficiency indicators in 2024 showed significant improvement compared to the previous year. Notably, the inventory turnover ratio increased from 6.46 in 2023 to 9.70. Both the asset turnover and equity turnover ratios also rose significantly compared to the previous year, reaching 3.21 and 10.48, respectively.
- Regarding the capital structure, the debt-to-equity ratio as of 31 December 2024, was 236.31%, an increase from the beginning of the period (217.05%). The company's liabilities increased by 9.03%, primarily due to higher bank loan balances and an increase in short-term payables to suppliers compared to the beginning of the period.

Transaction with related parties

- Transactions between the Company and certain companies within the parent company system, Vietnam Steel Corporation, have been approved by the General Meeting of Shareholders or the Board of Directors as per their authority and have been promptly disclosed.
- The purchase and sale prices in these transactions are negotiated prices at the time of the transaction.
- The transactions with related parties are fully presented in the company's 2024 Financial Statements and Board of Directors' Report.

Operations of the Board of Directors and the Executive Board

- The members of the Board of Directors and the Executive Board have performed their assigned functions and duties in compliance with the Law on Enterprises and the Company's Charter.
- The Board of Directors regularly organizes periodic meetings to evaluate the company's performance according to the Resolutions issued by the General Meeting of Shareholders and the Board of Directors, identify key tasks for the upcoming period, and discuss with the Executive Board methods to implement the plans. The Board members work diligently and with a sense of responsibility. They promptly direct and address issues within the Board's authority by seeking opinions from members via email or written documents. The Resolutions and Decisions of the Board of Directors are in compliance with the Law on Enterprises and the Company's Charter.
- In 2024, the Executive Board made significant efforts in implementing the Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors; they managed business operations flexibly and effectively, with a focus on controlling deferred sales and managing receivables. They effectively controlled financial costs and cash flow, introduced various solutions to increase revenue and efficiency, and expanded market share. Despite the challenges in the steel market in 2024, the company exceeded its planned targets for revenue, production volume, and profit, achieving high growth compared to the previous year.

Board of Supervisors

Results of inspection and supervision (continued)

Coordination between the Board of Supervisors, the BOD, the Executive Board, and the shareholders

- In 2024, the Board of Supervisors was provided with information and facilitated by the Board of Directors, the Executive Board, and management staff in executing its duties.
- The Chief of the Board of Supervisors participated fully in the Board of Directors' meetings, monthly briefings, and several other company meetings to stay informed about the company's business operations.
- The Board of Supervisors made recommendations and provided feedback on several issues related to the management and operation of the Company's business activities. The Board of Directors and the Executive Board acknowledged and considered these recommendations.
- In 2024, the Board of Supervisors did not receive any requests or recommendations from shareholders.

Recommendations of the Board of Supervisors

To enhance the Company's business efficiency, the Board of Supervisors recommends that the Board of Directors and the Executive Board pay attention to the following issues:

- Strengthen risk management in all stages of the business process: purchasing, delivery, transportation, customer evaluation and approval, sales, debt collection, etc. Special caution is needed when considering granting credit limits to customers, especially those with high-value limits.
- Enhance the quality and effectiveness of internal audit activities to support the improvement and rectification of the Company's management and governance system limitations.
- Regarding the management and utilization of investment properties, strengthen maintenance, repair, and upgrade activities for building components and improve accompanying services to better meet tenant needs and enhance competitiveness with other buildings of the same class.
- Regarding investment activities, it is recommended to pay attention to complying with state regulations in the field of basic construction investment and to closely manage the project implementation process. Consider hiring supervisory consultants and project auditors to control the quality of the activity, ensure compliance with legal regulations on investment and construction management, and provide a basis for approving project settlement.

Transactions, remuneration, and other benefits of the BOD, Executive Board, and Board of Supervisors

Transactions, remuneration, and other benefits

Name	Position	Total Earnings	Note
Board of Directors			
Duong Trung Toan	Chairman of the BOD	165,013,953	Until 23 April 2024
Vo Tri Nghia	Chairman of the BOD	790,154,200	Chairman of the BOD from 23 April 2024, General Director until 23 April 2024
Cu Thi Thuy Linh	Member of the BOD	60,000,000	-
Nguyen Ba An	Member of the BOD	40,000,000	From 23 April 2024
Nguyen Thuy Ly	Member of the BOD	40,000,000	From 23 April 2024
Truong Ba Liem	Member of the BOD	20,000,000	Until 23 April 2024
Pham Manh Hung	Member of the BOD	20,000,000	Until 23 April 2024
Board of Supervisors			
Hoang Le Anh	Chief of the BOS	542,683,209	-
Doan Thi Thanh Thuy	Member of the BOS	42,000,000	-
Ha Van Son	Member of the BOS	28,000,000	From 23 April 2024
Truong Thi Tuyet	Member of the BOS	14,000,000	Until 23 April 2024
Executive Board			
Le Van Quang	Member of the BOD/ General Director	652,821,706	From 23 April 2024
Lai Van Quyen	Deputy General Director	714,447,216	-
Le Thi Nguyet	Deputy General Director	634,094,256	-
Chief Accountant			
Nguyen Thi Hong May	Chief Accountant	545,600,000	-
TOTAL		4,308,814,540	

Transactions, remuneration, and other benefits of the BOD, Executive Board, and Board of Supervisors (continued)

Share transactions by Insiders and Related Parties

(As of December 31, 2024)

No.	Transacting Party	Relationship to Insiders	Number of Shares Held at Beginning of Period		Number of Shares Held at End of Period		Increase/Decrease reasons
			Number of Shares	%	Number of Shares	%	
1	Mrs. Doan Thi Thanh Thuy	Member of the BOS	2,730	0.01%	3,230	0.01%	Purchase
2	Mrs. Nguyen Thuy Ly	Member of the BOS	1,226,800	4.49%	2,855,600	10.46%	Purchase
3	Le Vinh	Child of Mrs. Nguyen Thuy Ly	-	-	14,000	0.05%	Purchase
4	Mrs. Nguyen Thi Hong May	Chief Accountant	-	-	7,300	0.03%	Purchase

Contracts or Transactions with Related Parties of Major Shareholders/Insiders

No.	Organization/Individual name	Relation to the Company	Content	Total transaction value	Approved Resolution/ Decision No.
1	VNSTEEL – Southern Steel Company Limited	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	1,034,119,866,333	61/NQ-KK 23/04/2024
			Sale of goods	195,679,045,760	
2	VNSTEEL – Phu My Flat Steel Company Limited	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	17,478,253,560	181/NQ-KK 22/12/2023
3	VNSTEEL – Thu Duc Steel Joint Stock Company	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	14,135,823,900	181/NQ-KK 22/12/2023
			Sale of goods	13,718,790,204	
4	Vina Kyoei Steel Company Limited	Affiliated company of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	753,817,326,618	61/NQ-KK 23/04/2024
5	Central Vietnam Metal Corporation - CEVIMETAL	Affiliated company of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	25,435,297,671	181/NQ-KK 22/12/2023
			Sale of goods	494,854,422	
6	Binh Tay Steel Wire Netting Joint Stock Company - VIDOTHEP	Affiliated company of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	7,064,999,700	181/NQ-KK 22/12/2023; 156/NQ-HMC 28/11/2024
			Sale of goods	10,550,770,667	

Evaluation of Corporate Governance Compliance

In 2024, VNSTEEL – HOCHIMINH City Metal Corporation made consistent efforts to comply with the corporate governance regulations applicable to listed companies.

The Company's governance practices were carried out in strict accordance with legal regulations, the Company's Charter, and internal policies, with the aim of ensuring smooth operations, meeting shareholder expectations, and facilitating effective oversight.

The Company strictly adhered to information disclosure regulations on the stock market. The General Meeting of Shareholders (GMS) was organized in accordance with the procedures and requirements set out by the Law on Enterprises, the Company Charter, and internal corporate governance regulations.

During the year, the Company engaged an independent audit service provider to conduct an internal audit on the topic "Review and Inspection of the Sales Process."

The Company also reviewed, amended, and supplemented its Debt Management Policy along with several other internal regulations related to business and financial operations.

No.	Organization/Individual name	Relation to the Company	Content	Total transaction value	Approved Resolution/ Decision No.
7	VNSTEEL – Vicasa Steel Joint Stock Company	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Purchase of goods	40,240,874,675	181/NQ-KK 22/12/2023
8	VNSTEEL – Nha Be Steel Joint Stock Company	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Sale of goods	339,383,723,525	181/NQ-KK 22/12/2023; 111/NQ-HMC 01/08/2024
9	Vinatrans International Freight Forwarders JSC	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Purchase of services	385,616,241	181/NQ-KK 22/12/2023
10	Thai Nguyen Iron and Steel Joint Stock Corporation (TISCO)	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Sale of goods	67,124,574,660	181/NQ-KK 22/12/2023; 146/NQ-HMC 11/11/2024
11	VINAUSTEEL Company Limited	Subsidiary of major shareholder (Viet Nam Steel Corporation)	Sale of goods	179,709,303,620	127/NQ-HMC 10/09/2024
12	Mechanical Engineering & Metallurgy JSC	Affiliated company of major shareholder (Viet Nam Steel Corporation)	Sale of goods	664,422,787	181/NQ-KK 22/12/2023
13	Thong Nhat Flat Steel JSC	Affiliated company of major shareholder (Viet Nam Steel Corporation) Related organization of insiders	Purchase of goods	291,626,500	181/NQ-KK 22/12/2023
14	Phuong Nam Hotel – Branch of Vietnam Steel Corporation – JSC	Branch of Viet Nam Steel Corporation (Major shareholder)	Purchase of goods	105,900,000	181/NQ-KK 22/12/2023

AUDITED FINANCIAL STATEMENTS 2024

01 Audit opinion

02 Audited Financial Statements





No.: 280225.001/BCTC.HCM

INDEPENDENT AUDITORS' REPORT

To: Shareholders, the Board of Directors and the Board of Management
VNSTEEL - Hochiminh City Metal Corporation

We have audited the Financial Statements of VNSTEEL - Hochiminh City Metal Corporation prepared on 17 January 2025, as set out on pages 05 to 41, including: Statement of Financial Position as at 31 December 2024, Statement of Income, Statement of Cash Flows for the fiscal year then ended and Notes to the Financial Statements.

The Board of Management's responsibility

The Board of Management responsible for the preparation and presentation of the Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of the Financial Statements and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 entity's preparation and presentation of the Financial Statements that give a true and fair view 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 entity'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.

Auditors' opinion

In our opinion, the Financial Statements give a true and fair view, in all material respects, of the financial position of VNSTEEL - Hochiminh City Metal Corporation as at 31 December 2024, its operations results and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial statements.



Trần Trung Hiếu
Director
Certificate of registration to audit practice
No.: 2202-2023-002-1
Ho Chi Minh City, 28 February 2025

Phạm Văn Sang
Auditor
Certificate of registration to audit practice
No.: 3864-2025-002-1

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Code	ASSETS	Note	31/12/2024 VND	01/01/2024 VND
100	A. CURRENT ASSETS		1,253,735,081,129	1,166,968,741,476
110	I. Cash and cash equivalents	03	96,583,891,064	19,935,854,020
111	1. Cash		96,583,891,064	19,935,854,020
120	II. Short-term financial investments	04	172,500,000,000	427,300,000,000
123	1. Held to maturity investments		172,500,000,000	427,300,000,000
130	III. Short-term receivables		443,661,953,202	350,684,683,188
131	1. Short-term trade receivables	05	470,553,527,419	339,541,228,613
132	2. Short-term prepayments to suppliers	06	8,477,703,355	54,479,623,194
136	3. Other short-term receivables	07	17,613,770,247	11,683,235,696
137	4. Provision for short-term doubtful debts		(52,983,047,819)	(55,019,404,315)
140	IV. Inventories	09	509,514,320,854	344,755,101,610
141	1. Inventories		548,426,207,724	384,507,495,954
149	2. Provision for devaluation of inventories		(38,911,886,870)	(39,752,394,344)
150	V. Other short-term assets		31,474,916,009	24,293,102,658
151	1. Short-term prepaid expenses	14	373,458,904	442,500,000
152	2. Deductible VAT		22,157,415,967	10,758,516,565
153	3. Taxes and other receivables from State budget	17	8,944,041,138	13,092,086,093
200	B. NON-CURRENT ASSETS		105,794,509,702	112,915,168,360
210	I. Long-term receivables		55,800,000	155,800,000
216	1. Other long-term receivables	07	55,800,000	155,800,000
220	II. Fixed assets		24,708,596,886	29,149,242,074
221	1. Tangible fixed assets	11	15,443,411,293	19,693,666,197
222	- Historical costs		79,572,331,325	79,572,331,325
223	- Accumulated depreciation		(64,128,920,032)	(59,878,665,128)
227	2. Intangible fixed assets	12	9,265,185,593	9,455,575,877
228	- Historical costs		12,339,454,427	12,339,454,427
229	- Accumulated amortization		(3,074,268,834)	(2,883,878,550)
230	III. Investment properties	13	65,085,530,136	68,679,043,380
231	- Historical costs		145,463,787,768	145,463,787,768
232	- Accumulated depreciation		(80,378,257,632)	(76,784,744,388)
240	IV. Long-term assets in progress		6,382,906	6,382,906
242	1. Construction in progress	10	6,382,906	6,382,906
250	V. Long-term financial investments	04	15,938,199,774	14,924,700,000
253	1. Equity investments in other entities		37,000,000,000	37,000,000,000
254	2. Provision for devaluation of long-term financial investments		(21,061,800,226)	(22,075,300,000)
270	TOTAL ASSETS		1,359,529,590,831	1,279,883,909,836

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024
(continued)

Code CAPITAL	Note	31/12/2024 VND	01/01/2024 VND
300 C. LIABILITIES		955,284,725,214	876,194,953,509
310 I. Current liabilities		931,061,429,259	850,728,465,319
311 1. Short-term trade payables	15	168,755,120,117	141,174,342,615
312 2. Short-term prepayments from customers	16	2,366,851,546	2,751,832,883
313 3. Taxes and other payables to State budget	17	152,396,068	54,013,460
314 4. Payables to employees		11,593,858,456	16,869,770,589
315 5. Short-term accrued expenses	18	3,164,810,802	3,769,476,055
318 6. Short-term unearned revenue	19	1,754,034,470	1,758,606,772
319 7. Other short-term payables	20	2,985,322,574	150,600,778,698
320 8. Short-term borrowings and finance lease liabilities	21	738,639,333,458	530,692,867,617
322 9. Bonus and welfare funds		1,649,701,768	3,056,776,630
330 II. Non-current liabilities		24,223,295,955	25,466,488,190
337 1. Other long-term payables	20	24,223,295,955	25,466,488,190
400 D. OWNER'S EQUITY		404,244,865,617	403,688,956,327
410 I. Owner's equity	22	404,244,865,617	403,688,956,327
411 1. Contributed capital		272,999,990,000	272,999,990,000
411a Ordinary shares with voting rights		272,999,990,000	272,999,990,000
412 2. Share premium		37,225,230,000	37,225,230,000
414 3. Other capital		11,103,791,589	11,103,791,589
418 4. Development and investment fund		51,331,712,408	51,331,712,408
420 5. Other reserves		1,773,466,830	1,773,466,830
421 6. Retained earnings		29,810,674,790	29,254,765,500
421a RE accumulated to the previous year		4,242,266,300	8,105,369,473
421b RE of the current year		25,568,408,490	21,149,396,027
440 TOTAL CAPITAL		1,359,529,590,831	1,279,883,909,836



Le Thuy Hang
Preparer
Ho Chi Minh City, 17 January 2025

Nguyen Thi Hong May
Chief Accountant

Le Van Quang
General Director

STATEMENT OF INCOME

Year 2024

Code ITEMS	Note	Year 2024 VND	Year 2023 VND
01 1. Revenue from sales of goods and rendering of services	24	4,235,960,388,440	3,120,669,290,401
02 2. Revenue deductions	25	501,049,965	1,150,726,218
10 3. Net revenue from sales of goods and rendering of services		4,235,459,338,475	3,119,518,564,183
11 4. Cost of goods sold	26	4,143,112,994,815	3,036,653,261,485
20 5. Gross profit from sales of goods and rendering of services		92,346,343,660	82,865,302,698
21 6. Financial income	27	37,001,603,066	35,975,319,836
22 7. Financial expenses	28	28,749,466,905	32,404,421,425
23 In which: Interest expense		21,070,400,410	21,762,555,329
25 8. Selling expenses	29	51,580,713,713	45,884,684,870
26 9. General administrative expenses	30	20,099,814,843	15,726,325,123
30 10. Net profit from operating activities		28,917,951,265	24,825,191,116
31 11. Other income	31	1,109,331,352	1,031,586,661
32 12. Other expenses	32	258,748,894	10,376,006
40 13. Other profit		850,582,458	1,021,210,655
50 14. Total profit before tax		29,768,533,723	25,846,401,771
51 15. Current corporate income tax expense	33	4,200,125,233	4,697,005,744
52 16. Deferred corporate income tax expense		-	-
60 16. Profit after corporate income tax		<u>25,568,408,490</u>	<u>21,149,396,027</u>
70 17. Basic earnings per share		937	658



Le Thuy Hang
Preparer
Ho Chi Minh City, 17 January 2025

Nguyen Thi Hong May
Chief Accountant

Le Van Quang
General Director

STATEMENT OF CASH FLOWS

Year 2024
(Under indirect method)

Code ITEMS	Note	Year 2024 VND	Year 2023 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01 1. Profit before tax		29,768,533,723	25,846,401,771
2. Adjustments for			
02 - Depreciation and amortization of fixed assets and investment properties		8,034,158,432	8,268,733,799
03 - Provisions		(3,890,363,744)	(54,344,549,634)
04 - Exchange gains / losses from retranslation of monetary items denominated in foreign currency		4,312,635	(1,569,611,456)
05 - Gains / losses from investment activities		(21,010,309,193)	(14,362,068,629)
06 - Interest expense		21,070,400,410	21,762,555,329
08 3. Operating profit before changes in working capital		33,976,732,263	(14,398,538,820)
09 - Increase, decrease in receivables		(103,783,077,568)	(3,419,626,674)
10 - Increase, decrease in inventories		(163,918,711,770)	305,132,027,715
11 - Increase, decrease in payables (excluding interest payable, corporate income tax payable)		(127,582,913,493)	55,259,669,487
12 - Increase, decrease in prepaid expenses		69,041,096	(12,785,388)
14 - Interest paid		(20,976,466,760)	(21,875,200,532)
15 - Corporate income tax paid		(52,080,278)	(90,973,399)
17 - Other payments on operating activities		(4,579,574,862)	(2,138,908,110)
20 Net cash flow from operating activities		(386,847,051,372)	318,455,664,279
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21 1. Purchase or construction of fixed assets and other long-term assets		-	(3,242,435,715)
22 2. Proceeds from disposals of fixed assets and other long-term assets		-	147,927,273
23 3. Lendings and purchase of debt instruments from other entities		(545,500,000,000)	(597,300,000,000)
24 4. Collection of lendings and resale of debt instrument of other entities		800,300,000,000	179,500,000,000
27 5. Interest and dividend received		22,553,573,841	8,616,580,812
30 Net cash flow from investing activities		277,353,573,841	(412,277,927,630)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
33 1. Proceeds from borrowings		4,308,884,209,977	2,780,789,306,497
34 2. Repayment of principal		(4,100,937,744,136)	(2,718,333,190,750)
36 3. Dividends or profits paid to owners		(21,822,353,520)	(54,828,500)
40 Net cash flow from financing activities		186,124,112,321	62,401,287,247

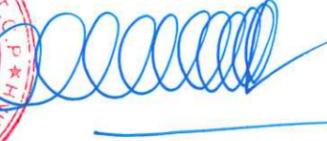
STATEMENT OF CASH FLOWS

Year 2024
(Under indirect method)
(continued)

Code ITEMS	Note	Year 2024 VND	Year 2023 VND
50 Net cash flows in the year		76,630,634,790	(31,420,976,104)
60 Cash and cash equivalents at the beginning of the year		19,935,854,020	51,328,653,179
61 Effect of exchange rate fluctuations		17,402,254	28,176,945
70 Cash and cash equivalents at the end of the year	03	<u>96,583,891,064</u>	<u>19,935,854,020</u>


Le Thuy Hang
Preparer
Ho Chi Minh City, 17 January 2025


Nguyen Thi Hong May
Chief Accountant


Le Van Quang
General Director



NOTES TO THE FINANCIAL STATEMENTS

Year 2024

1 . GENERAL INFORMATION OF THE CORPORATION

Forms of ownership

VNSTEEL - Hochiminh City Metal Corporation which was converted from a State-owned enterprise into a joint stock company on 01 January 2006 and has been operating under the Joint Stock Company Enterprise registration Certificate No. 0300399360 issued by the Ho Chi Minh City Department of Investment and Planning for the first time on 27 December 2005, 15th re-registered on 11 June 2024.

The Corporation's head office is located at: No. 193 Dinh Tien Hoang street, Da Kao ward, district 1, Ho Chi Minh City.

Corporation's Charter capital: VND 272,999,990,000, contributed capital as at 31 December 2024 is VND 272,999,990,000; equivalent to 27,299,999 shares with the par value of VND 10,000 per share.

The total number of employees of the Corporation as at 31 December 2024: 160 people (as at 01 January 2024 is: 158 people).

Business field

Commercial business and services.

Business activities

Main business activities of the Corporation include:

- Wholesale of metals and metal ores;
- Real estate business, land use rights under ownership, use rights or lease.

The Corporation's operation in the fiscal year that affects the Financial Statements

In 2024, the overall situation of the steel industry, both domestically and globally, has yet to return to stable growth. However, measures to expand partnerships and market share have contributed to an increase in revenue from sales of goods by VND 1,115.3 billion compared to the previous year, corresponding to a growth rate of 35.74%. The cost of goods sold also increased by VND 1,106.46 billion, equivalent to a growth rate of 36.44%. As a result, the Gross profit from sales of goods and rendering of services this year increased by VND 9.48 billion, representing a rise of 11.44%.

Additionally, operating expenses increased in line with revenue growth, leading to a rise in the Corporation's Profit after corporate income tax by VND 4.419 billion compared to the previous year, equivalent to an increase of 20.89%

Corporate structure

The Corporation's member entities are as follows:	Address	Main business activities
Metal Trading Enterprise No. 1	Ho Chi Minh	Steel trading business
Metal Trading Enterprise No. 2	Ho Chi Minh	Steel trading business
Metal Trading Enterprise No. 5	Ho Chi Minh	Steel trading business
Metal Trading Enterprise No. 6	Ho Chi Minh	Steel trading business
Metal Trading Enterprise No. 7	Ho Chi Minh	Steel trading business
Metal Trading Enterprise No. 11	Ho Chi Minh	Steel trading business
Western Branch	Can Tho	Steel trading business

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

The annual accounting period commences from 01 January and ends on 31 December.

The Corporation maintains its accounting records in Vietnam Dong (VND).

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Corporation applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21/03/2016 issued by the Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

The Corporation applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Basis for preparation of the Financial Statements

The Financial Statements are presented based on historical cost principle.

The Financial Statements of the Corporation are prepared based on summarization of the financial statements of the independent accounting entities and the head office of the Corporation.

2.4 . Accounting estimates

The preparation of the Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to the preparation and presentation of the Financial Statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the Financial Statements and the reported amounts of revenue and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for doubtful debts
- Provision for devaluation of inventories
- Estimated useful life of fixed assets
- Estimated allocation of prepaid expenses
- Classification and provision of financial investments
- Estimated corporate income tax

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Corporation and that are assessed by the Board of Management to be reasonable under the circumstances.

2.5 . Financial instruments

Initial recognition

Financial assets

Financial assets of the Corporation include cash, trade receivables and other receivables, long-term investments, lendings. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Corporation include borrowings, trade payables and other payables, accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of the fiscal year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present the Financial Statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.6 . Foreign currency transactions

Foreign currency transactions during the year are converted into Vietnam Dong using the actual rate at transaction date

Actual exchange rate when revaluing monetary items denominated in foreign currencies at the reporting date of the Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Corporation regularly conducts transaction;
- For cash deposited in bank, applying the bid rate of the commercial bank where the Corporation opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Corporation regularly conducts transactions.

All exchange differences arising as a result of transactions or revaluation at the balance sheet date shall be recorded into the financial income or expense in the fiscal year.

2.7 . Cash

Cash comprises cash on hand, demand deposits and monetary gold held as a reserve asset, exclusive of gold classified as inventories and used as raw materials for production of goods for sale.

2.8 . Financial investments

Investments held to maturity comprise term deposits held to maturity to earn profits periodically.

Investments in other entities comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments is made at the end of the year as follows:

- Long-term investments (other than trading securities) without significant influence on the investee: if the investment in listed shares or the fair value of the investment is determined reliably, provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, provision shall be made based on the Financial Statements at the provision date of the investee.
- Investments held to maturity: provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.9 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Corporation. The receivables shall be classified into short-term receivables or long-term receivables on the Financial Statements according to their remaining terms at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating the possible losses.

2.10 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated by specification price method.

Inventory is recorded by perpetual method.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

2.11 . Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Subsequent measurement after initial recognition

If these costs ament future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Statement of Income in the year in which the costs are incurred.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful life as follows:

- Buildings, structures	03 - 25	years
- Machinery, equipment	05 - 15	years
- Vehicles, Transportation equipment	05 - 10	years
- Office equipment and furniture	03 - 06	years
- Other fixed assets	04 - 10	years
- Land use rights	36	years
- Management software	03	years

2.12 . Investment properties

Investment properties are initially recognised at historical cost.

Investment properties held for operating lease are recorded at cost, accumulated depreciation and carrying amount.

Investment properties are depreciated using the straight-line method with expected useful life as follows:

- Buildings, structures	30 - 34	years
- Equipment, infrastructure	08 - 12	years

2.13 . Construction in progress

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

2.14 . Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to the Statement of Income on a straight-line basis over the period of the lease.

2.15 . Prepaid expenses

The expenses incurred but related to operating results of several fiscal years are recorded as prepaid expenses and are allocated to the operating results in the following fiscal years.

The calculation and allocation of long-term prepaid expenses to operating expenses in each fiscal year should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses include:

- Prepaid asset rental expenses and guarantee letter issuance costs are recognized at historical cost and allocated using the straight-line method over a useful life ranging from 03 to 12 months.
- Other prepaid expenses are recognized at historical cost and allocated using the straight-line method over their useful life.

2.16 . Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Corporation. The payables shall be classified into short-term payables or long-term payables on the Financial Statements according to their remaining terms at the reporting date.

2.17 . Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings and finance lease liabilities.

2.18 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.19 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting year, but the payments for such goods or services have not been made and other payables such as: interest expenses, transportation costs, selling expenses,... which are recorded as operating expenses of the reporting year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenue and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.20 . Unearned revenue

Unearned revenue include prepayments from customers for one or many fiscal years relating to the Corporation's office and warehouse rental services.

Unearned revenue is transferred to Revenue from sales of goods and rendering of services with the amount corresponding to each fiscal year.

2.21 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

Retained earnings are used to present the Corporation's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Corporation.

Dividends to be paid to shareholders are recognised as a payable in the Statement of Financial Position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

2.22 . Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Corporation and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sales of goods:

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- The Corporation no longer holds the right to manage the goods as the goods owner, or the right to control the goods;

Revenue from rendering of services:

- The percentage of completion of the transaction at the Balance sheet date can be measured reliably;

Financial income

Financial incomes include income from interest and other financial gains by the Corporation shall be recognised when the two (2) conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The amount of the revenue can be measured reliably.

2.23 . Revenue deductions

Revenue deductions from sales of goods and rendering of services arising in the year include: Trade discounts and sales returns.

Trade discounts and sales returns incurred in the same year of sales of goods and rendering of services are recorded as a decrease in revenue in the incurring year. In case goods and services are sold in the previous years, but until the next year they are incurred as deductible items, the Corporation records the decrease in revenue under the following principles: if it is incurred prior to the issuance of the Financial Statements, it is then recorded as a decrease in revenue on the Financial Statements of the reporting year (the previous year); and if it is incurred after the issuance of the Financial Statements, it is recorded as a decrease in revenue of incurring year (the next year).

2.24 . Cost of goods sold and serviced rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

2.25 . Financial expenses

Items recorded into financial expenses comprise:

- Borrowing costs;
- Costs of using Upas LC;
- Provision for losses from investment in other entities, losses from sales of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.26 . Corporate income tax

a) Current corporate income tax expense

Current corporate income tax expense is determined based on taxable income during the year and current corporate income tax rate.

b) Current corporate income tax rate

For the fiscal year ended as at 31/12/2024, the Corporation applies the corporate income tax rate of 20% for the operating activities which has taxable income.

2.27 . Earnings per share

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Corporation (after adjusting for the bonus and welfare funds and allowance for the Board of Executive) by the weighted average number of ordinary shares outstanding during the year.

2.28 . Related parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Corporation's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Corporation or being under the control of the Corporation, or being under common control with the Corporation, including the Corporation's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Corporation, key management personnel of the Corporation, the close family members of these individuals;
- Enterprises due to the above-mentioned individuals directly or indirectly hold an important part of the voting rights or have significant influence on the Corporation.

In considering the relationship of related parties to serve for the preparation and presentation of the Financial Statements, the Corporation should consider the nature of the relationship rather than the legal form of the relationship.

2.29 . Segment information

A segment is a distinguishable component of the Corporation that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other ones.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Corporation in order to help users of the Financial Statements better understand and make more informed judgements about the Corporation as a whole.

3 . CASH

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	1,909,160,384	1,299,163,608
Demand deposits	94,674,730,680	18,636,690,412
	<u>96,583,891,064</u>	<u>19,935,854,020</u>

4 . FINANCIAL INVESTMENTS

a) Held to maturity investments

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Short-term investments				
- Term deposits ^(*)	172,500,000,000	-	427,300,000,000	-
	<u>172,500,000,000</u>	<u>-</u>	<u>427,300,000,000</u>	<u>-</u>

(*) As at 31/12/2024, short-term financial investments amounting to VND 172,500,000,000 were term deposits with durations ranging from 06 to 12 months at commercial banks.

b) Equity investments in other entities

	Stock Code	31/12/2024			01/01/2024		
		Original cost	Provision	Fair value	Original cost	Provision	Fair value
		VND	VND	VND	VND	VND	VND
Investments in other entities							
- VNSTEEL - Nha Be Steel Joint Stock Company - Nhon Trach Branch ⁽¹⁾	TNB	23,000,000,000	(9,447,503,000)	13,552,497,000	23,000,000,000	(8,075,300,000)	14,924,700,000
- Thong Nhat Flat Steel JSC ⁽²⁾	TNS	14,000,000,000	(11,614,297,226)	-	14,000,000,000	(14,000,000,000)	-
		<u>37,000,000,000</u>	<u>(21,061,800,226)</u>	<u>13,552,497,000</u>	<u>37,000,000,000</u>	<u>(22,075,300,000)</u>	<u>14,924,700,000</u>

(1) The fair value of the investment in VNSTEEL - Nha Be Steel JSC (stock code: TNB), which is traded on the UPCoM market, is determined based on the average reference price from 20/11/2024 to 31/12/2024.

(2) The shares of Thong Nhat Flat Steel JSC (stock code: TNS) are traded on the UPCoM market; however, due to very low liquidity and the Corporation's lack of plans to sell these shares in the near future, the Corporation does not estimate the fair value of this investment based on market prices as at 31/12/2024. Instead, a provision for this investment is made based on the Financial Statements as at 31/12/2024.

Detailed information about investments in other entities:

Name of investees	Place of establishment and operation	Rate of interest	Rate of voting rights	Principle activities
VNSTEEL - Nha Be Steel Joint Stock Company - Nhon Trach Branch (TNB)	Ho Chi Minh City	10.00%	10.00%	Steel production and trading
- Thong Nhat Flat Steel JSC	Ba Ria - Vung Tau province	7.00%	7.00%	Flat steel production and trading

VNSTEEL - Hochiminh City Metal Corporation

No. 193 Dinh Tien Hoang street, Da Kao ward, district 1, Ho Chi Minh City

Financial Statements

For the fiscal year ended as at 31/12/2024

5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	115,369,087,743	(32,853,672,833)	36,253,672,833	(36,253,672,833)
- Thong Nhat Flat Steel JSC	32,853,672,833	(32,853,672,833)	36,253,672,833	(36,253,672,833)
- VNSTEEL - Nha Be Steel Joint Stock Company - Nhon Trach Branch	15,390,840,250	-	-	-
- Thai Nguyen Iron and Steel Joint Stock Company	67,124,574,660	-	-	-
Other parties	355,184,439,676	(20,129,374,986)	303,287,555,780	(18,765,731,482)
- Tay Do Steel Co., Ltd	6,717,445,194	-	14,983,344,830	-
- Hong Quyen Trade Services and Import-Export Co., Ltd	25,597,888,722	-	23,201,601,440	-
- CCI Trading Services JSC	29,142,036,066	-	-	-
- Long An Steel and Metal Co., Ltd	22,367,671,224	-	38,188,790,105	-
- Quang Giau Trading Co., Ltd	5,487,213,270	(1,646,163,981)	20,540,835,037	-
- Hung Thinh Long An Steel Trading Co., Ltd	17,652,725,598	-	24,917,827,147	-
- Others	248,219,459,602	(18,483,211,005)	181,455,157,221	(18,765,731,482)
	<u>470,553,527,419</u>	<u>(52,983,047,819)</u>	<u>339,541,228,613</u>	<u>(55,019,404,315)</u>

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	-	-	466,365,779	-
- VNSTEEL - Southern Steel Company	-	-	466,365,779	-
Other parties	8,477,703,355	-	54,013,257,415	-
- Thanh Loi Co., Ltd	1,000,000,000	-	-	-
- Tay Do Steel Co., Ltd	6,435,000,000	-	28,378,703,815	-
- Huynh De Tu Gia Trading Production Co., Ltd	-	-	14,740,000,000	-
- Nam Sai Gon Import Export Trading Co., Ltd	-	-	10,318,000,000	-
- Others	1,042,703,355	-	576,553,600	-
	<u>8,477,703,355</u>	<u>-</u>	<u>54,479,623,194</u>	<u>-</u>

7 . OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
a.1) Details by content				
Receivables from interest of deposits	4,287,041,101	-	5,830,305,749	-
Advances	155,677,341	-	-	-
Deposits	5,198,000,000	-	95,000,000	-
Volume discounts	7,420,131,710	-	4,668,394,990	-
Payment discounts	113,640,250	-	883,128,550	-
Others	439,279,845	-	206,406,407	-
	<u>17,613,770,247</u>	<u>-</u>	<u>11,683,235,696</u>	<u>-</u>
a.2) Details by object				
VNSTEEL - Southern Steel Company	2,464,969,880	-	1,083,893,290	-
Vina Kyoei Steel Limited	5,006,679,100	-	4,467,630,250	-
VAS Nghi Son Group JSC	5,062,122,980	-	-	-
Others	5,079,998,287	-	6,131,712,156	-
	<u>17,613,770,247</u>	<u>-</u>	<u>11,683,235,696</u>	<u>-</u>
b) Long-term				
b.1) Details by content				
Deposits	55,800,000	-	155,800,000	-
	<u>55,800,000</u>	<u>-</u>	<u>155,800,000</u>	<u>-</u>
b.2) Details by object				
Truong Thi Hoang	30,000,000	-	30,000,000	-
Others	25,800,000	-	125,800,000	-
	<u>55,800,000</u>	<u>-</u>	<u>155,800,000</u>	<u>-</u>
c) In which: Other receivables from related parties				
Vina Kyoei Steel Limited	5,006,679,100	-	4,467,630,250	-
VNSTEEL - Southern Steel Company	2,464,969,880	-	1,083,893,290	-
	<u>7,471,648,980</u>	<u>-</u>	<u>5,551,523,540</u>	<u>-</u>

8 . DOUBTFUL DEBTS

	31/12/2024		01/01/2024	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables, overdue debts or not due but irrecoverable debts				
- Thong Nhat Flat Steel JSC	32,853,672,833	-	36,253,672,833	-
- Viet Quang Co., Ltd	10,567,554,451	-	10,597,746,361	-
- Quang Trung Construction Investment JSC	2,368,497,799	-	2,372,428,950	-
- Others	13,057,174,320	5,863,851,584	9,169,563,488	3,374,007,317
	<u>58,846,899,403</u>	<u>5,863,851,584</u>	<u>58,393,411,632</u>	<u>3,374,007,317</u>

9 . INVENTORIES

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Goods in transit	72,437,055,501	(3,230,593,310)	20,422,319,490	(767,542,145)
Raw materials	26,116,438	-	29,467,078	-
Goods	475,963,035,785	(35,681,293,560)	364,055,709,386	(38,984,852,199)
	<u>548,426,207,724</u>	<u>(38,911,886,870)</u>	<u>384,507,495,954</u>	<u>(39,752,394,344)</u>

10 . CONSTRUCTION IN PROGRESS

	31/12/2024	01/01/2024
	VND	VND
- Investment and construction project of office building at Enterprise 5	6,382,906	6,382,906
	<u>6,382,906</u>	<u>6,382,906</u>

11 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, Transportation equipment	Office equipment and furniture	Other fixed assets	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	34,581,440,539	32,863,179,019	9,781,424,889	1,149,756,047	1,196,530,831	79,572,331,325
Ending balance	34,581,440,539	32,863,179,019	9,781,424,889	1,149,756,047	1,196,530,831	79,572,331,325
Accumulated depreciation						
Beginning balance	22,218,490,141	29,401,370,785	6,267,891,534	972,181,197	1,018,731,471	59,878,665,128
- Depreciation in the year	2,479,423,257	668,650,259	923,723,428	123,750,440	54,707,520	4,250,254,904
Ending balance	24,697,913,398	30,070,021,044	7,191,614,962	1,095,931,637	1,073,438,991	64,128,920,032
Carrying amount						
Beginning balance	12,362,950,398	3,461,808,234	3,513,533,355	177,574,850	177,799,360	19,693,666,197
Ending balance	9,883,527,141	2,793,157,975	2,589,809,927	53,824,410	123,091,840	15,443,411,293

In which:

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 38,170,642,872.

12 . INTANGIBLE FIXED ASSETS

	Land use rights (*)	Computer software	Total
	VND	VND	VND
Historical cost			
Beginning balance	11,835,454,427	504,000,000	12,339,454,427
Ending balance	11,835,454,427	504,000,000	12,339,454,427
Accumulated amortization			
Beginning balance	2,379,878,550	504,000,000	2,883,878,550
- Amortization in the year	190,390,284	-	190,390,284
Ending balance	2,570,268,834	504,000,000	3,074,268,834
Carrying amount			
Beginning balance	9,455,575,877	-	9,455,575,877
Ending balance	9,265,185,593	-	9,265,185,593

In which:

- Cost of fully amortized intangible fixed assets but still in use at the end of the year: VND 504,000,000.

(*) The Corporation's land use rights are detailed as follows:

- Lot No. C35/1, Vinh Loc Industrial Park, street No. 7, Vinh Loc A commune, Binh Chanh district, Ho Chi Minh City, with an area of 6,900 m² and a land use term until 07/02/2047;
- Lots No. 24, 26, 28, street No. 12, quarter 4, Linh Trung ward, Thu Duc city, Ho Chi Minh City, with a total area of 332.6 m² and a long-term land use duration.

13 . INVESTMENT PROPERTIES

	Building construction costs	Equipment	Cộng
	VND	VND	VND
Historical cost			
Beginning balance	118,482,444,108	26,981,343,660	145,463,787,768
Ending balance	118,482,444,108	26,981,343,660	145,463,787,768
Accumulated depreciation			
Beginning balance	49,803,400,728	26,981,343,660	76,784,744,388
- Depreciation in the year	3,593,513,244	-	3,593,513,244
Ending balance	53,396,913,972	26,981,343,660	80,378,257,632
Carrying amount			
Beginning balance	68,679,043,380	-	68,679,043,380
Ending balance	65,085,530,136	-	65,085,530,136

Detailed information on investment properties for lease:

- The Corporation's investment properties consist of two rental buildings located at No. 193, Dinh Tien Hoang street, Da Kao ward, district 1, Ho Chi Minh City, and No. 189, Nguyen Thi Minh Khai street, Pham Ngu Lao ward, district 1, Ho Chi Minh City.
- Cost of fully depreciated investment properties but still held to earn rental: is VND 26,981,343,660.
- During the year, rental income from investment properties is: VND 62,844,424,200.
- Rental revenue for each year in future is presented in Note No. 23.
- Fair value of investment properties has not been appraised and determined exactly as at 31/12/2024. However, based on leasing activities and market price of these assets, the Board of Management believed that fair value of investment properties is higher than their carrying amount as the end of the fiscal year.

14 . SHORT-TERM PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Office rental, land lease, asset lease costs	22,500,000	22,500,000
Payment guarantee issuance fee	350,958,904	420,000,000
	<u>373,458,904</u>	<u>442,500,000</u>

15 . SHORT-TERM TRADE PAYABLES

	31/12/2024		01/01/2024	
	Outstanding	Amount	Outstanding	Amount
	balance	can be paid	balance	can be paid
	VND	VND	VND	VND
<i>Related parties</i>	126,213,433,742	126,213,433,742	115,434,288,889	115,434,288,889
Vina Kyoei Steel Limited	88,095,758,025	88,095,758,025	115,358,078,451	115,358,078,451
VNSTEEL - Southern Steel Company	31,052,676,017	31,052,676,017	-	-
Binh Tay Steel Wire Netting Joint Stock Company	7,064,999,700	7,064,999,700	-	-
Vinatrans International Freight Forwarders JSC	-	-	76,210,438	76,210,438
<i>Other parties</i>	42,541,686,375	42,541,686,375	25,740,053,726	25,740,053,726
Arsen International (HK) Ltd	19,088,876,916	19,088,876,916	13,240,267,189	13,240,267,189
Dao Fortune (HK) Ltd	-	-	7,182,555,112	7,182,555,112
Thanh Loi Co., Ltd	-	-	3,396,105,030	3,396,105,030
Tangshan Wuheng Industrial Co., Ltd	10,264,715,654	10,264,715,654	-	-
Song Hau Steel Import Export Co., Ltd	3,580,813,610	3,580,813,610	-	-
Others	9,607,280,195	9,607,280,195	1,921,126,395	1,921,126,395
	<u>168,755,120,117</u>	<u>168,755,120,117</u>	<u>141,174,342,615</u>	<u>141,174,342,615</u>

16 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2024	01/01/2024
	VND	VND
Hitachi Zosen Vietnam Co., Ltd	-	1,307,049,188
Ngoc An Khang Trading Service Technical Co., Ltd	-	509,708,230
Chip Mong Group Co.,Ltd	636,030,233	-
Southern Urban Lighting and Electrical Equipment Production Trading Co., Ltd	637,465,972	-
Others	1,093,355,341	935,075,465
	<u>2,366,851,546</u>	<u>2,751,832,883</u>

17 . TAXES AND OTHER PAYABLES TO STATE BUDGET

	Tax receivables at the beginning of the year	Tax payables at the beginning of the year	Tax payables in the year	Tax paid in the year	Tax receivables at the end of the year	Tax payables at the end of the year
	VND	VND	VND	VND	VND	VND
Value added tax	-	-	62,701,519,578	62,701,519,578	-	-
Corporate income tax	13,092,086,093	-	4,200,125,233	52,080,278	8,944,041,138	-
Personal income tax	-	54,013,460	4,459,750,122	4,361,367,514	-	152,396,068
Land tax and land rental	-	-	13,899,818,890	13,899,818,890	-	-
Other taxes	-	-	400,829,389	400,829,389	-	-
Fees, charges and other payables	-	-	224,091,826	224,091,826	-	-
	<u>13,092,086,093</u>	<u>54,013,460</u>	<u>85,886,135,038</u>	<u>81,639,707,475</u>	<u>8,944,041,138</u>	<u>152,396,068</u>

The Corporation's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Financial Statements could be changed at a later date upon final determination by the tax authorities.

18 . SHORT-TERM ACCRUED EXPENSES

	31/12/2024	01/01/2024
	VND	VND
- Interest expense	532,407,755	438,474,105
- Accrued building expenses	-	106,271,740
- Accrued for electricity, water and telephone expenses	12,360,453	6,507,008
- Accrued for inspection and freight forwarding costs	874,071,490	218,763,573
- Interest on sales staff's deposits	245,077,798	380,073,645
- Accrued for UPAS L/C transaction costs	-	1,818,677,294
- Accrued for transaction costs for sales staff	994,958,784	473,982,354
- Others	505,934,522	326,726,336
	<u>3,164,810,802</u>	<u>3,769,476,055</u>

19 . SHORT-TERM UNEARNED REVENUE

	31/12/2024	01/01/2024
	VND	VND
- Unearned revenue	1,754,034,470	1,758,606,772
	<u>1,754,034,470</u>	<u>1,758,606,772</u>

20 . OTHER PAYABLES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
a.1) Details by content		
- Short-term deposits, collateral received	2,569,366,000	2,847,713,000
- Dividend, profit payables	99,196,530	81,550,850
- Payables to banks for L/C payments to suppliers	-	147,530,743,114
- Others	316,760,044	140,771,734
	<u>2,985,322,574</u>	<u>150,600,778,698</u>
a.2) Details by object		
- Mekong Ready-Mix Concrete Co., Ltd	721,554,000	786,164,000
- Design and Creative Associates Co., Ltd	396,240,000	396,240,000
- Nippon Steel Trading Corporation	-	69,092,052,683
- Arsen International (HK) Ltd	-	27,186,070,773
- Others	1,867,528,574	53,140,251,242
	<u>2,985,322,574</u>	<u>150,600,778,698</u>
b) Long-term		
b.1) Details by content		
- Long-term deposits, collateral received	24,223,295,955	25,466,488,190
	<u>24,223,295,955</u>	<u>25,466,488,190</u>
b.2) Details by object		
- Vietnam USA Society International English JSC	10,416,000,000	10,416,000,000
- VAS Nghi Son Group JSC	2,485,896,425	2,485,896,425
- Kanadevia Vietnam Co., Ltd	818,334,006	1,044,436,494
- Others	10,503,065,524	11,520,155,271
	<u>24,223,295,955</u>	<u>25,466,488,190</u>

21 . SHORT-TERM BORROWINGS

	01/01/2024		During the year		31/12/2024	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
- Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch ⁽¹⁾	110,339,855,861	110,339,855,861	2,286,409,445,521	2,257,885,303,418	138,863,997,964	138,863,997,964
- Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh City Branch ⁽²⁾	280,468,970,511	280,468,970,511	1,508,893,776,156	1,387,214,959,323	402,147,787,344	402,147,787,344
- Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch ⁽³⁾	96,651,299,000	96,651,299,000	450,760,519,815	412,604,739,150	134,807,079,665	134,807,079,665
- Ho Chi Minh City Development Joint Stock Commercial Bank	43,232,742,245	43,232,742,245	-	43,232,742,245	-	-
- Vietnam International Commercial Joint Stock Bank – Head Office Corporate Banking Business Center ⁽⁴⁾	-	-	62,820,468,485	-	62,820,468,485	62,820,468,485
	<u>530,692,867,617</u>	<u>530,692,867,617</u>	<u>4,308,884,209,977</u>	<u>4,100,937,744,136</u>	<u>738,639,333,458</u>	<u>738,639,333,458</u>

Detailed information on short-term borrowings:

No.	Contract	Interest rate	Term	Guarantee	Purpose	31/12/2024	01/01/2024
						VND	VND
(1)	<i>Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch</i>						
	Borrowing limit contract No. 24.350025/2024-HDCVHM/NHCT900-KIMKHI dated 21/06/2024	Details according to each debt instrument	Specified in each debt instrument, but not exceeding 04 months	Unsecured	Supplementing working capital for business operations	138,863,997,964	110,339,855,861

21 . SHORT-TERM BORROWINGS

Detailed information on short-term borrowings (continued):

No.	Contract	Interest rate	Term	Guarantee	Purpose	31/12/2024	01/01/2024
						VND	VND
(2)	<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Ho Chi Minh City Branch</i>						
	Credit limit contract No. 01/2024/94697/HDTD dated 23/09/2024	Details according to each debt instrument	According to each specific credit agreement	Unsecured	Supplementing working capital for business operations, guarantees, and L/C issuance	402,147,787,344	280,468,970,511
(3)	<i>Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch</i>						
	Credit contract No. 62/98202/24-DN2/N-CTD dated 24/07/2024; Borrowing limit contract No. 62/98202/24-DN2/N-HM/01 dated 24/07/2024	Details according to each debt instrument	Specified in each debt instrument, but not exceeding 04 months	Unsecured	Supplementing working capital for business operations	134,807,079,665	96,651,299,000
(4)	<i>Vietnam International Commercial Joint Stock Bank – Head Office Corporate Banking Business Center</i>						
	Credit contract No. 1005838.24 dated 15/10/2024	Details according to each debt instrument	12 months	Unsecured	Supplementing working capital, issuing and providing borrowings for the settlement of import L/Cs and domestic L/Cs to support steel production and trading activities	62,820,468,485	-
						<u>738,639,333,458</u>	<u>487,460,125,372</u>

22 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share premium	Other capital	Development and investment fund	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND
Beginning balance of the previous year	272,999,990,000	37,225,230,000	7,588,967,893	54,846,536,104	1,773,466,830	8,105,369,473	382,539,560,300
Profit of the previous year	-	-	-	-	-	21,149,396,027	21,149,396,027
Increase assets from the development and investment fund	-	-	3,514,823,696	(3,514,823,696)	-	-	-
Ending balance of the previous year	272,999,990,000	37,225,230,000	11,103,791,589	51,331,712,408	1,773,466,830	29,254,765,500	403,688,956,327
Beginning balance of the current year	272,999,990,000	37,225,230,000	11,103,791,589	51,331,712,408	1,773,466,830	29,254,765,500	403,688,956,327
Profit of the current year	-	-	-	-	-	25,568,408,490	25,568,408,490
Cash dividend distribution (*)	-	-	-	-	-	(21,839,999,200)	(21,839,999,200)
Appropriation to the bonus and welfare funds (**)	-	-	-	-	-	(3,172,500,000)	(3,172,500,000)
Ending balance of the current year	272,999,990,000	37,225,230,000	11,103,791,589	51,331,712,408	1,773,466,830	29,810,674,790	404,244,865,617

(*) According to the Resolution of the General Meeting of Shareholders No. 61/NQ-KK dated 23/04/2024, the Corporation announces the profit distribution for 2023 as follows:

	Rate (%)	Amount VND
Net Profit after tax	100.00	29,254,765,500
Bonus and welfare funds	10.84	3,172,500,000
Dividend payment	74.65	21,839,999,200
- Dividend payment in cash (at a rate of 8% of charter capital, equivalent to VND 800 per share) (**)	74.65	21,839,999,200
Retained earnings	14.50	4,242,266,300

(**) According to the Announcement No. 1592/TB-SGDHCM dated 05/09/2024 regarding the record date for cash dividend payment, the final registration date is 17/09/2024, the payment date is 27/09/2024.

b) Details of contributed capital

	Rate (%)	31/12/2024 VND	Rate (%)	01/01/2024 VND
- Vietnam Steel Corporation	55.67	151,977,410,000	55.67	151,977,410,000
- Mrs. Nguyen Thuy Ly	11.17	30,495,000,000	6.97	19,021,000,000
- Other shareholders	33.16	90,527,580,000	37.36	102,001,580,000
	100.00	272,999,990,000	100.00	272,999,990,000

c) Capital transactions with owners and distribution of dividends and profits

	Year 2024 VND	Year 2023 VND
Owner's contributed capital		
- At the beginning of the year	272,999,990,000	272,999,990,000
- At the end of the year	272,999,990,000	272,999,990,000
Distributed dividends and profit		
- Dividend payable at the beginning of the year	81,550,850	136,379,350
- Dividend payable in the year	21,839,999,200	-
+ Dividend payable from last year's profit	21,839,999,200	-
- Dividend paid in cash in the year	(21,822,353,520)	(54,828,500)
+ Dividend paid from last year's profit	(21,822,353,520)	(54,828,500)
- Dividend payable at the end of the year	99,196,530	81,550,850

d) Share

	31/12/2024	01/01/2024
Quantity of Authorized issuing shares	27,299,999	27,299,999
Quantity of issued shares	27,299,999	27,299,999
- Common shares	27,299,999	27,299,999
Quantity of outstanding shares in circulation	27,299,999	27,299,999
- Common shares	27,299,999	27,299,999
Par value per share: VND 10,000		

e) Corporation's reserves		
	31/12/2024	01/01/2024
	VND	VND
Development and investment fund	51,331,712,408	51,331,712,408
Other reserves	1,773,466,830	1,773,466,830
	<u>53,105,179,238</u>	<u>53,105,179,238</u>

23 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Operating asset for leasing

The Corporation leases office space at the buildings located at No. 193 Dinh Tien Hoang street, Da Kao ward, district 1 and 189 Nguyen Thi Minh Khai street, Pham Ngu Lao ward, district 1, Ho Chi Minh City under operating lease agreements. As at 31/12/2024, total future minimum lease income under operating lease contracts are presented as follows:

	31/12/2024	01/01/2024
	VND	VND
- Under 1 year	26,552,892,631	39,602,899,705
- From 1 year to 5 years	26,692,315,625	30,567,617,268
- Over 5 years	297,447,851	

b) Operating leased assets

The Corporation has signed annual land lease agreements with the following details:

+ The land lease agreements for the properties at No. 193, Dinh Tien Hoang street, Da Kao ward, district 1, Ho Chi Minh City, and No. 189, Nguyen Thi Minh Khai street, Pham Ngu Lao ward, district 1, Ho Chi Minh City have a lease term from 2009 to 2046 for the purpose of office rental investment. The total leased land area is 66,527.7 m². Under these agreements, the Corporation is required to pay annual land rental fees until the contract expiration date in accordance with the prevailing government regulations.

+ The land lease agreement in Linh Trung ward, Thu Duc district had a lease term from 2015 to 2020 for the purpose of warehousing. The total leased land area is 64,020.7 m². As at 31/12/2024, the Corporation is in the process of completing legal procedures to extend the land lease in Linh Trung ward, Thu Duc district and the application for the extension of the land lease agreement, the extension of the Land Use Right Certificate, the assets attached to the land has been received and processed by the Ho Chi Minh City Department of Natural Resources and Environment under the Receipt No. 24/BNHS-TCTLN dated 10/10/2024. Currently, the annual land rental fee is being paid in accordance with the annual land rental notification issued by the Thu Duc city Tax Sub-Department.

c) Foreign currencies		
	31/12/2024	01/01/2024
- United States dollar (USD)	43,314.02	4,424.50
- European Union Euro (EUR)	200.28	200.04

d) Monetary gold		
	31/12/2024	01/01/2024
- Monetary gold (Bare)	123.00	138.00

e) Doubtful debts written off		
	31/12/2024	01/01/2024
	VND	VND
- Doubtful debts written off	39,877,104,210	39,877,104,210
	<u>39,877,104,210</u>	<u>39,877,104,210</u>

24 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2024	Year 2023
	VND	VND
Revenue from sales of goods	4,155,850,455,966	3,041,515,362,878
Revenue from rendering of services	80,109,932,474	79,153,927,523
	<u>4,235,960,388,440</u>	<u>3,120,669,290,401</u>
In which: Revenue from related parties (Detailed as in Note No. 40)	<u>733,932,259,678</u>	<u>113,214,497,341</u>

25 . REVENUE DEDUCTIONS

	Year 2024	Year 2023
	VND	VND
Trade discounts	412,542,000	643,984,000
Sales returns	88,507,965	506,742,218
	<u>501,049,965</u>	<u>1,150,726,218</u>

26 . COSTS OF GOODS SOLD

	Year 2024	Year 2023
	VND	VND
Cost of goods sold	4,106,429,370,700	3,058,371,089,483
Cost of services rendered	37,524,131,589	33,353,739,709
(Reversal)/ Provision for devaluation of inventories	(840,507,474)	(55,071,567,707)
	<u>4,143,112,994,815</u>	<u>3,036,653,261,485</u>
In which: Purchase from related parties Total purchase value: (Detailed as in Note No. 40)	<u>1,720,986,663,690</u>	<u>1,543,055,875,764</u>

27 . FINANCE INCOME

	Year 2024	Year 2023
	VND	VND
Interest income	21,010,309,193	14,214,141,356
Payment discount, interest from deferred payment sales	13,330,643,948	16,982,268,934
Gain on exchange difference in the year	2,660,649,925	2,790,448,775
Gain on exchange difference at the year - end	-	1,569,611,456
Others	-	418,849,315
	<u>37,001,603,066</u>	<u>35,975,319,836</u>
In which: Financial income received from related parties (Detailed as in Note No. 40)	<u>6,972,602,487</u>	<u>4,337,535,730</u>

28 . FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expense	21,070,400,410	21,762,555,329
Upas LC costs	4,093,546,381	5,505,316,601
Loss on exchange difference in the year	4,330,582,233	1,412,732,152
Loss on exchange difference at the year - end	4,312,635	-
(Reversal)/ Provision for impairment loss from investment	(1,013,499,774)	3,332,700,000
Others	264,125,020	391,117,343
	<u>28,749,466,905</u>	<u>32,404,421,425</u>

29 . SELLING EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	492,094,363	584,060,045
Labour expenses	24,805,074,850	25,850,129,942
Depreciation expenses	3,595,433,649	3,831,527,360
Expenses of outsourcing services	15,463,649,051	7,768,242,215
Other expenses in cash	7,224,461,800	7,850,725,308
	<u>51,580,713,713</u>	<u>45,884,684,870</u>

30 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	487,700,604	270,763,326
Labour expenses	11,587,852,617	10,945,640,988
Depreciation expenses	438,972,521	451,992,464
(Reversal) / Provision expenses	(2,036,356,496)	(2,605,681,927)
Tax, charge and fees	139,984,372	114,859,189
Expenses of outsourcing services	4,060,171,856	2,746,679,822
Other expenses in cash	5,421,489,369	3,802,071,261
	<u>20,099,814,843</u>	<u>15,726,325,123</u>

31 . OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Value of surplus goods received into inventories	148,533,162	256,721,794
Fines, compensation payments, demurrage fees collected	935,539,899	427,637,594
Gain from liquidation, disposal of fixed assets	-	147,927,273
Others	25,258,291	199,300,000
	<u>1,109,331,352</u>	<u>1,031,586,661</u>

32 . OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
Fines	258,748,894	10,376,006
	<u>258,748,894</u>	<u>10,376,006</u>

33 . CURRENT CORPORATE INCOME TAX EXPENSE

	Year 2024	Year 2023
	VND	VND
Total profit before tax	29,768,533,723	25,846,401,771
Increase	1,304,706,898	1,460,486,896
- <i>Unreasonable expenses (welfare, remuneration, fines, etc.)</i>	1,304,706,898	1,460,486,896
Decrease	(11,057,515,857)	(4,672,464,638)
- <i>Unrealised exchange gain</i>	(17,402,254)	(28,176,945)
- <i>Carried forward interest expense from previous years</i>	(11,040,113,603)	(4,644,287,693)
Taxable income	20,015,724,764	22,634,424,029
Current corporate income tax expense (tax rate 20%)	<u>4,003,144,953</u>	<u>4,526,884,806</u>

33 . CURRENT CORPORATE INCOME TAX EXPENSE (continued)

	Year 2024	Year 2023
	VND	VND
Adjustment of CIT expense in previous years to CIT expense in the current year	196,980,280	170,120,938
Tax payable at the beginning of the year	(13,092,086,093)	(17,698,118,438)
Tax paid in the year	(52,080,278)	(90,973,399)
CIT payable at the end of the year	<u>(8,944,041,138)</u>	<u>(13,092,086,093)</u>

34 . BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the Corporation are calculated as follows:

	Year 2024	Year 2023
	VND	VND
Net profit after tax	25,568,408,490	21,149,396,027
Adjustment	-	(3,172,500,000)
- <i>Dividends of common shares</i>	-	(3,172,500,000)
Profit distributed to common shares	25,568,408,490	17,976,896,027
Average number of outstanding common shares in circulation in the year	27,299,999	27,299,999
Basic earnings per share	<u>937</u>	<u>658</u>

The Corporation has not planned to make any distribution to Bonus and welfare funds, bonus for the Board of Executive from the net profit after tax at the date of preparing the Financial Statements.

As at 31 December 2024, the Corporation does not have shares with dilutive potential for earnings per share.

35 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024	Year 2023
	VND	VND
Raw materials	1,238,049,899	1,064,157,643
Labour expenses	50,942,893,248	48,641,821,514
Depreciation expenses	8,034,158,432	8,268,733,799
Expenses of outsourcing services	38,222,933,311	27,469,964,735
Other expenses in cash	12,802,981,751	12,125,753,938
(Reversal) / Provision expenses	(2,036,356,496)	(2,605,681,927)
	<u>109,204,660,145</u>	<u>94,964,749,702</u>

36 . FINANCIAL INSTRUMENTS
Financial risk management

Financial risks that the Corporation may face risks including: market risk, credit risk and liquidity risk. The Corporation has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of Management of the Corporation is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Corporation may face with the market risk such as: changes in prices, exchange rates and interest rates.

Price risk:

The Corporation bears price risk of equity instruments from short-term and long-term investments in securities due to the uncertainty of future prices of the securities. As regards, long-term securities held for long-term strategies, at the end of the fiscal year, the Corporation has no plan to sell these investments.

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2024				
Long-term investments	-	-	13,552,497,000	13,552,497,000
	<u>-</u>	<u>-</u>	<u>13,552,497,000</u>	<u>13,552,497,000</u>
As at 01/01/2024				
Long-term investments	-	-	14,924,700,000	14,924,700,000
	<u>-</u>	<u>-</u>	<u>14,924,700,000</u>	<u>14,924,700,000</u>

Exchange rate risk:

The Corporation bears the risk of interest rates due to the transaction made in a foreign currency other than Vietnam Dong such as: borrowings, revenue, cost, importing materials, good, machinery and equipment, etc.

Interest rate risk:

The Corporation bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Corporation has time or demand deposits, borrowings and debts subject to floating interest rates. The Corporation manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to perform its contractual obligations. The Corporation has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, lendings and other financial instruments), detailed as follows:

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2024				
Cash	94,674,730,680	-	-	94,674,730,680
Trade receivables, other receivables	435,184,249,847	55,800,000	-	435,240,049,847
Lendings	172,500,000,000	-	-	172,500,000,000
	<u>702,358,980,527</u>	<u>55,800,000</u>	<u>-</u>	<u>702,414,780,527</u>
As at 01/01/2024				
Cash	18,636,690,412	-	-	18,636,690,412
Trade receivables, other receivables	296,205,059,994	155,800,000	-	296,360,859,994
Lendings	427,300,000,000	-	-	427,300,000,000
	<u>742,141,750,406</u>	<u>155,800,000</u>	<u>-</u>	<u>742,297,550,406</u>

Liquidity risk

Liquidity risk is the risk that the Corporation has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Corporation mainly arises from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2024				
Borrowings and debts	738,639,333,458	-	-	738,639,333,458
Trade payables, other payables	171,740,442,691	24,223,295,955	-	195,963,738,646
Accrued expenses	3,164,810,802	-	-	3,164,810,802
	<u>913,544,586,951</u>	<u>24,223,295,955</u>	<u>-</u>	<u>937,767,882,906</u>
As at 01/01/2024				
Borrowings and debts	530,692,867,617	-	-	530,692,867,617
Trade payables, other payables	291,775,121,313	25,466,488,190	-	317,241,609,503
Accrued expenses	3,769,476,055	-	-	3,769,476,055
	<u>826,237,464,985</u>	<u>25,466,488,190</u>	<u>-</u>	<u>851,703,953,175</u>

The Corporation believes that risk level of loan repayment is controllable. The Corporation has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

37 . ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

	Year 2024 VND	Year 2023 VND
a) Proceeds from borrowings during the year		
Proceeds from ordinary contracts	4,308,884,209,977	2,780,789,306,497
b) Actual repayments on principal during the year		
Repayment on principal from ordinary contracts	4,100,937,744,136	2,718,333,190,750

38 . SUBSEQUENT EVENTS AFTER THE FISCAL YEAR

There have been no significant events occurring after the end of the fiscal year, which would require adjustments or disclosures to be made in the Financial Statements.

39 . SEGMENT REPORTING

Under business fields

	Steel and construction materials business operations	Office and warehouse rental operations	Grant total
	VND	VND	VND
Net revenue from sales of goods to external parties	4,155,349,406,001	80,109,932,474	4,235,459,338,475
Gross profit from sales of goods and rendering of services	49,760,542,775	42,585,800,885	92,346,343,660
The total cost of acquisition of fixed assets	-	-	-
Segment assets	947,885,865,716	65,859,333,189	1,013,745,198,905
Unallocated assets	-	-	345,784,391,926
Total assets	947,885,865,716	65,859,333,189	1,359,529,590,831
Segment liabilities	177,438,319,880	19,271,828,195	196,710,148,075
Unallocated liabilities	-	-	758,574,577,139
Total liabilities	177,438,319,880	19,271,828,195	955,284,725,214

Under geographical areas

As the Corporation's entire business operations take place within the territory of Vietnam, the Corporation does not present segment reporting by geographical area.

40 . TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Corporation are as follows:

Related parties	Relation
- Vietnam Steel Corporation	Parent Company
- VNSTEEL - Nha Be Steel Joint Stock Company - Nhon Trach Branch	Sister Company
- VNSTEEL - Vicasa Joint Stock Company	Sister Company
- VNSTEEL - Thu Duc Steel Joint Stock Company	Sister Company
- VNSTEEL - Southern Steel Company	Sister Company
- VNSTEEL - Phu My Flat Steel Company Limited	Sister Company
- Vinatrans International Freight Forwarders JSC	Sister Company
- Vinausteel Company Limited	Sister Company
- Thai Nguyen Iron and Steel Joint Stock Company	Sister Company
- Phuong Nam Hotel - Branch of Vietnam Steel Corporation	Branch of Parent Company
- Thong Nhat Flat Steel JSC	Associate of Parent Company
- Binh Tay Steel Wire Netting Joint Stock Company	Associate of Parent Company
- Vina Kyoei Steel Limited	Associate of Parent Company
- Mechanical Engineering and Metallurgy Joint-Stock Company	Associate of Parent Company
- Central Vietnam Metal Corporation	Associate of Parent Company

In addition to the information with related parties presented in the above Notes, the Corporation has transactions during the year with related parties as follows:

	Year 2024 VND	Year 2023 VND
Revenue from sales of goods and rendering of services	733,932,259,678	113,214,497,341
- VNSTEEL - Southern Steel Company	177,890,041,600	102,977,614,000
- Mechanical Engineering and Metallurgy Joint-Stock Company	604,020,717	134,499,303
- VNSTEEL - Thu Duc Steel Joint Stock Company	12,471,627,458	497,114,346
- Central Vietnam Metal Corporation	449,867,656	3,713,726,400
- Vinausteel Company Limited	163,372,094,200	-
- Binh Tay Steel Wire Netting Joint Stock Company	9,591,609,697	5,891,543,292
- Thai Nguyen Iron and Steel Joint Stock Company	61,022,340,600	-
- VNSTEEL - Nha Be Steel Joint Stock Company - Nhon Trach Branch	308,530,657,750	-
Purchase of goods and services	1,720,986,663,690	1,543,055,875,764
- VNSTEEL - Southern Steel Company	940,108,969,395	707,071,543,250
- VNSTEEL - Thu Duc Steel Joint Stock Company	12,850,749,000	-
- Vina Kyoei Steel Limited	685,288,478,742	743,854,336,982
- VNSTEEL - Phu My Flat Steel Company Limited	15,889,321,417	1,404,432,040
- Vinatrans International Freight Forwarders JSC	357,052,075	70,565,220
- Binh Tay Steel Wire Netting Joint Stock Company	6,422,727,000	-
- Central Vietnam Metal Corporation	23,122,997,882	82,440,791,806
- VNSTEEL - Vicasa Joint Stock Company	36,583,197,623	8,214,206,466
- Thong Nhat Flat Steel JSC	265,115,000	-
- Phuong Nam Hotel - Branch of Vietnam Steel Corporation	98,055,556	-
Income from payment discounts and deposits interest	6,972,602,487	4,337,535,730
- VNSTEEL - Southern Steel Company	6,972,602,487	3,918,686,415
- Vina Kyoei Steel Limited	-	418,849,315
Dividend payment	12,158,192,800	-
- Vietnam Steel Corporation	12,158,192,800	-
Transactions with other related parties:		
	Year 2024 VND	Year 2023 VND
Remuneration to key management personnel		
- Mr. Vo Tri Nghia	790,154,200	647,186,000
- Mr. Duong Trung Toan	165,013,953	663,783,417
- Mr. Le Van Quang	652,821,706	-

Transactions with other related parties: (continued)

		Year 2024	Year 2023
		VND	VND
- Mr. Nguyen Ba An	Member of BoD (Appointed on 23/04/2024)	40,000,000	-
- Mrs. Nguyen Thuy Ly	Member of BoD (Appointed on 23/04/2024)	40,000,000	-
- Mrs. Cu Thi Thuy Linh	Member of BoD (Appointed on 23/04/2024)	60,000,000	60,000,000
- Mr. Truong Ba Liem	Member of BoD (Resigned on 23/04/2024)	20,000,000	60,000,000
- Mr. Pham Manh Hung	Member of BoD (Resigned on 23/04/2024)	20,000,000	60,000,000
- Mr. Lai Van Quyen	Vice General Director	714,447,216	593,163,200
- Mrs. Le Thi Nguyet	Vice General Director	634,094,256	533,172,077
- Mrs. Hoang Le Anh	Head of Control Department (Appointed on 23/04/2024)	542,683,209	471,485,029
- Mr. Ha Van Son	Member of the Board of Supervision (Appointed on 23/04/2024)	28,000,000	-
- Mrs. Truong Thi Tuyet	Member of the Board of Supervision (Resigned on 23/04/2024)	14,000,000	42,000,000
- Mrs. Doan Thi Thanh Thuy	Member of the Board of Supervision (Appointed on 23/04/2024)	42,000,000	42,000,000
- Mrs. Nguyen Thi Hong May	Chief Accountant	545,600,000	431,749,500

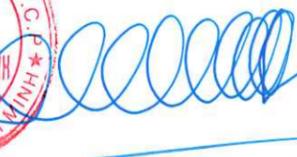
In addition to the above related parties' transactions, other related parties do not have any transactions during the year and have no balance at the end of the fiscal year with the Corporation.

41 . COMPARATIVE FIGURES

The comparative figures are figures in the Financial Statements for the fiscal year ended as at 31 December 2023, which was audited by AASC Auditing Firm Company Limited.


Le Thuy Hang
 Preparer
 Ho Chi Minh City, 17 January 2025


Nguyen Thi Hong May
 Chief Accountant


Le Van Quang
 General Director





ANNUAL REPORT 2024

Ho Chi Minh City, March 28, 2025

VNSTEEL - HOCHIMINH CITY METAL CORPORATION

Legal Representative

General Director



Le Van Quang