

DS3 JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No.: 25/CBTT

Quang Ninh, date 28 month 03, 2025

REGULAR INFORMATION ANNOUNCEMENT ON FINANCIAL STATEMENT

To: Hanoi Stock Exchange

Implementing the regulations in Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding information disclosure on the stock market, DS3 Joint Stock Company carries out the information announcement of Financial Statement (FS) for the year ended 31 December 2024 with the Hanoi Stock Exchange is as follows:

1. Organization name:

- Stock code: DS3
- Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province
- Tel: 02033 835 799 Fax: 02033 836 927
- Email: ds3@ds3.vn Website: <http://ds.vn/>

2. Content of information announcement:

- Financial Statement for the year ended 31 December 2024

Separate financial statements (Listed organizations have no subsidiaries and the superior accounting unit has affiliated units);

Consolidated financial statements (Listed organizations have no subsidiaries);

General financial statements (Listed organizations have an affiliated accounting unit that organizes its own accounting apparatus).

- Cases requiring an explanation of the cause:

+ The auditing organization gives an opinion that is not a full acceptance opinion on the financial statements (for audited financial statements in 2024):

Yes No

Explanation document in case of accumulation includes:

Yes No

+ Profit after tax in the reporting period has a difference of 5% or more before and after audit, moving from loss to profit or vice versa (for audited financial statements in 2024):

Yes No

Explanation document in case of accumulation includes:

Yes No

+ Profit after corporate income tax in the business results report of the reporting period changes by 10% or more compared to the same period report last year:

Yes No

Explanation document in case of accumulation includes:

Yes No

+ Profit after tax in the reporting period is lost, changing from profit in the same period last year to loss in this period or vice versa:

Yes No

Explanation document in case of accumulation includes:

Yes No

This information was announced on the company's website on: 19/03/2025 at the link: <https://ds3.vn/quan-he-co-dong/>

3. Report on transactions worth 35% or more of total assets in 2024.

In case of listed organization has a transaction, please fully report the following contents:

- Transaction content:

- Proportion of transaction value/total asset value of the enterprise (%) (based on the most recent year's financial statement):

- Transaction completion date:

We hereby commit that the information published above is true and take full responsibility before the law for the content of the published information.

Attach document:

- Financial Statement for year 2024;

- Explanation document.

INFORMATION ANNOUNCEMENT

AUTHORIZED PERSON

(Sign, write full name, position, seal)



Hoang Thanh Tung

DS3 JOINT STOCK COMPANY
COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024, audited by

NHAN TAM VIET AUDITING COMPANY LIMITED

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REPORT OF THE BOARD OF DIRECTORS

The Company's Executive Board presents its report together with the audited combined financial statements for the financial year ended December 31, 2024.

Business highlights

DS3 Joint Stock Company (formerly known as River Management Joint Stock Company No. 3) was originally the River Management Section No. 3, under the Vietnam Inland Waterways Administration. The company was converted to a joint stock company under Decision No. 4010/QĐ-BGTVT issued by the Ministry of Transport on October 25, 2005. It operates under Business Registration Certificate No. 22.03.000524, first issued on January 4, 2006, by the Department of Planning and Investment of Quảng Ninh Province. The initial charter capital was VND 18,344,450,000.

During its operation, the Company has been issued additional Business Registration Certificates by the Quang Ninh Department of Planning and Investment eight times to update changes in its legal representative. The 8th amended Business Registration Certificate, No. 5700102567, was issued by the Quang Ninh Department of Planning and Investment on April 27, 2024.

Charter capital according to the 8th Business Registration Certificate: VND 106,697,300,000

Paid-in charter capital as of December 31, 2024: VND 106,697,300,000

Head office:

Address : Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province, Vietnam
Telephone : 0203 835 799
Tax code : 5 7 0 0 1 0 2 5 6 7

Financial Situation and Business Operations

The financial situation as of December 31, 2024, along with the business performance and cash flows for the fiscal year ending on the same date, is presented in the Financial Statements attached to this report (from page 07 to page 44).

Significant events occurring after the end of the financial year

The Company's Executive Board confirms that no events have occurred after December 31, 2024, up to the date of this report that have not been considered for adjustment or disclosure in the combined financial statements.

Board of Directors

<u>Full name</u>	<u>Position</u>
Mr Hoang Ha Phuong	Chairman of the Board of Directors
Mr Dao Vu Chinh	Member of the Board of Directors
Mr Nguyen Van Dung	Member of the Board of Directors
Mrs Le Thi Minh Thu	Member of the Board of Directors (Non-executive)
Mr Nguyen Quang Hai	Member of the Board of Directors (Non-executive)

DS3 JOINT STOCK COMPANY
REPORT OF THE BOARD OF DIRECTORS (CONT)

Supervisory Board

<u>Full name</u>	<u>Position</u>
Mrs Le Thuy Diep	Head of the Board
Mrs Nguyen Thi Minh Ngoc	Member
Mrs Hoang Thi Thu Hao	Member

Board of General Directors

<u>Full name</u>	<u>Position</u>
Mr Dao Vu Chinh	General Director
Mr Hoang Thanh Tung	Deputy General Director

Chief Accountant

<u>Full name</u>	<u>Position</u>
Mrs Luu Thi Ly	Chief Accountant

Auditor

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

Statement of Responsibility of the Executive Board for the Financial Statements

The Company's Executive Board is responsible for preparing the Financial Statements that fairly and accurately reflect the Company's financial position, business performance, and cash flows for the year. During the preparation of the Financial Statements, the Company's Executive Board commits to complying with the following requirements:

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

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

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

DS3 JOINT STOCK COMPANY
REPORT OF THE BOARD OF DIRECTORS (CONT)

Other commitments

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

Quang Ninh, March 19, 2025
On behalf of the Executive Board
General Director



Đào Vũ Chinh

No : 0807.03.02/2024/BCTC- NTV2

SEPARATE AUDITOR'S REPORT
Regarding the combined financial statements for the year 2024

Dear : **Board of Members and Board of General Directors**
DS3 JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of DS3 Joint Stock Company, prepared on March 19, 2025, from pages 07 to 44, including the consolidated balance sheet as of December 31, 2024, the consolidated income statement, the consolidated cash flow statement for the financial year ended on the same date, and the notes to the consolidated financial statements.

Responsibility of the Board of Director

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

Responsibility of the Auditor

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

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

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

Auditor's Opinion

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of DS3 Joint Stock Company as of December 31, 2024, as well as its operating results and cash flows for the financial year then ended, in accordance with Vietnamese accounting standards, the Vietnamese enterprise accounting system, and relevant legal regulations on the preparation and presentation of combined financial statements.

Hanoi, March 19, 2025

NHAN TAM VIET AUDITING CO.,LTD
Deputy General Director

Auditor



Nguyen Thi Hanh

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

Pham Van Tuan

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

DS3 JOINT STOCK COMPANY

Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province, Vietnam

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

COMBINED BALANCE SHEET

As of December 31, 2024

Unit: VND

ASSET	Code	Explanation	Year-end Balance	Beginning Balance
A - SHORT-TERM ASSETS	100		40,828,087,403	48,212,246,296
I. Cash and cash equivalents	110	V.1	5,650,243,915	6,274,469,705
1. Cash	111		5,650,243,915	6,274,469,705
2. Cash equivalents	112		-	-
II. Short-term financial investment	120		-	-
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123		-	-
III. Short-term receivables	130		26,347,209,511	37,882,903,329
1. Short-term trade receivables	131	V.2	37,397,361,394	64,587,424,583
2. Short-term vendor advance	132	V.3	7,102,008,320	471,801,078
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress	134		-	-
5. Short-term loan receivable	135		-	-
6. Other short-term receivables	136	V.4a	10,096,266,838	694,389,610
7. Provision for doubtful short-term receivables	137	V.5	(28,248,427,041)	(27,870,711,942)
8. Assets missing pending resolution	139		-	-
IV. Inventory	140	V.6	5,232,353,361	2,789,411,857
1. Inventory	141		8,904,870,516	9,227,179,345
2. Provision for inventory write-down	149		(3,672,517,155)	(6,437,767,488)
V. Other short-term assets	150		3,598,280,616	1,265,461,405
1. Short-term prepaid expenses	151	V.11a	65,105,030	-
2. Deductible value added tax	152		3,485,558,913	1,210,370,211
3. Taxes and other amounts receivable from the State	153	V.14	47,616,673	55,091,194
4. Government bond repurchase transaction	154		-	-
5. Other short-term assets	155		-	-

DS3 JOINT STOCK COMPANY

Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province, Vietnam

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Combined Balance Sheet (continued)

ASSET	Code	Explanation	Year-end Balance	Beginning Balance
B - LONG-TERM ASSETS	200		115,544,660,790	88,148,578,778
I. Long-term receivables	210		47,000,000,000	61,263,333,322
1. Long-term receivables from customers	211		-	-
2. Long-term prepayment to seller	212		-	-
3. Working capital in affiliated units	213		-	-
4. Long-term internal receivables	214		-	-
5. Long-term loan receivable	215		-	-
6. Other long-term receivables	216	V.4b	47,000,000,000	61,263,333,322
7. Provision for doubtful long-term receivables	219		-	-
II. Fixed assets	220		1,296,556,428	2,089,277,559
1. Tangible fixed assets	221	V.7	1,296,556,428	2,089,277,559
<i>Original price</i>	222		15,222,691,967	15,222,691,967
<i>Accumulated depreciation</i>	223		(13,926,135,539)	(13,133,414,408)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227		-	-
<i>Original price</i>	228		-	-
<i>Accumulated depreciation</i>	229		-	-
III. Investment real estate	230	V.8	56,086,798,054	-
Original price	231		56,841,914,721	-
Accumulated depreciation	232		(755,116,667)	-
IV. Long-term unfinished assets	240		-	23,070,936,689
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242	V.9	-	23,070,936,689
V. Long-term financial investment	250	V.10	980,000,000	980,000,000
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252		-	-
3. Investing in other entities	253		980,000,000	980,000,000
4. Long-term financial investment reserve	254		-	-
5. Held to maturity investment	255		-	-
VI. Other long-term assets	260		10,181,306,308	745,031,208
1. Long-term prepaid expenses	261	V.11b	10,181,306,308	745,031,208
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spare	263		-	-
4. Other long-term assets	268		-	-
TOTAL ASSETS	270		156,372,748,193	136,360,825,074

DS3 JOINT STOCK COMPANY

Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province, Vietnam

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Combined Balance Sheet (continued)

CAPITAL SOURCE	Code	Explanation	Year-end Balance	Beginning Balance
C - LIABILITIES PAYABLE	300		64,839,876,777	53,654,623,631
I. Short-term debt	310		22,606,129,454	41,654,623,631
1. Short-term trade payables	311	V.12	10,642,690,022	17,307,566,160
2. Short-term advance payment buyer	312	V.13	2,950,538,500	4,772,960,000
3. Taxes and other payments to the State	313	V.14	-	-
4. Payable to workers	314		2,208,107,183	1,916,669,436
5. Short-term payable expenses	315	V.15	691,168,172	1,170,436,985
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress sc	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.16	425,193,872	5,689,349,889
10. Short-term loans and finance leases	320	V.17a	5,385,965,544	10,470,000,000
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322	V.18	302,466,161	327,641,161
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
II. Long-term debt	330		42,233,747,323	12,000,000,000
1. Long-term trade payables	331		-	-
2. Long term prepayment buyer	332		-	-
3. Long-term payable expenses	333		-	-
4. Internal payable on working capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term loans and financial leases	338	V.17b	42,233,747,323	12,000,000,000
9. Convertible bonds	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term payables provision	342		-	-
13. Science and Technology Development Fund	343		-	-

DS3 JOINT STOCK COMPANY

Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province, Vietnam

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Combined Balance Sheet (continued)

CAPITAL SOURCE	Cod e	Explanat ion	Year-end Balance	Beginning Balance
D - OWNER'S EQUITY	400		91,532,871,416	82,706,201,443
I. Equity	410	V.19	91,532,871,416	82,706,201,443
1. Owner's equity	411		106,697,300,000	106,697,300,000
- Common shares with voting rights	411a		106,697,300,000	106,697,300,000
- Preferred stock	411b		-	-
2. Capital surplus	412		-	-
3. Bond conversion option	413		-	-
4. Other owners' equity	414		-	-
5. Treasury stock	415		-	-
6. Asset revaluation difference	416		-	-
7. Exchange rate difference	417		-	-
8. Development investment fund	418		2,155,617,066	2,155,617,066
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		(17,320,045,650)	(26,146,715,623)
- Undistributed profit after tax accumulated to the end of period	421a		(26,146,715,623)	(28,975,446,015)
- Undistributed profit this period	421b		8,826,669,973	2,828,730,392
12. Source of capital for basic construction investment	422		-	-
II. Other funding sources and funds	430		-	-
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
TOTAL CAPITAL	440		156,372,748,193	136,360,825,074

Prepared by



Tran Thi Khanh Ly

Chief Accountant



Luu Thi Ly

Prepared on 19 March, 2025

General Director



Dao Vu Chinh

DS3 JOINT STOCK COMPANY

Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province, Vietnam

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

COMBINED INCOME STATEMENT

Year 2024

Unit: VND

INDICATORS	Co de	Explan ation	Unit: VND	
			This year	Last year
1. Sales and service revenue	01	VI.1	51,242,863,961	31,956,928,203
2. Revenue deductions	02		-	2,313,166,364
3. Net revenue from sales and services	10		51,242,863,961	29,643,761,839
4. Cost of goods sold	11	VI.2	36,627,819,015	29,708,498,341
5. Gross profit from sales and service provision	20		14,615,044,946	(64,736,502)
6. Financial revenue	21	VI.3	2,968,686	6,180,935,508
7. Financial costs	22	VI.4	1,678,137,110	8,281,428
Including: interest expense	23		1,678,137,110	1,149,757,533
8. Cost of sales	25		-	-
9. Business management costs	26	VI.5	4,248,616,061	4,080,733,742
10. Net operating profit	30		8,691,260,461	2,027,183,836
11. Other income	31	VI.6	193,946,212	1,217,020,000
12. Other costs	32	VI.7	58,536,700	415,473,444
13. Other profits	40		135,409,512	801,546,556
14. Total accounting profit before tax	50		8,826,669,973	2,828,730,392
15. Current corporate income tax expense	51	VI.8	-	-
17. Profit after corporate income tax	60		8,826,669,973	2,828,730,392
18. Basic Earnings Per Share	70	VI.9	827	265
19. Diluted earnings per share	71	VI.9	827	265

Prepared by



Tran Thi Khanh Ly

Chief Accountant



Luu Thi Ly

Prepared on 19 March, 2025

General Director



Dao Vu Chinh

DS3 JOINT STOCK COMPANY

Address: Group 2, Area 2, Hong Ha Ward, Ha Long City, Quang Ninh Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

COMBINED CASH FLOW STATEMENT

(Under direct method)

Year 2024

Unit: VND

ITEM	Code	Note	<u>Current year</u>	<u>Previous year</u>
I. Lưu chuyển tiền từ hoạt động kinh doanh				
1. Revenues from sales and service provisions and other revenues	01		80,621,318,845	6,267,172,000
2. Cash paid to suppliers of goods and services	02		(54,245,728,757)	(15,936,144,503)
3. Amounts paid to employees	03		(3,064,806,922)	(3,170,587,604)
4. Interest paid	04		(2,157,405,923)	-
5. Enterprise income tax paid	05		-	-
6. Other receipts from trading	06		12,898,855,737	1,799,415,456
7. Other expenditures on trading	07		(13,555,743,569)	(7,650,802,259)
Net cash flows from operating activities	20		<u>20,496,489,411</u>	<u>(18,690,946,910)</u>
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21		(46,272,340,587)	(9,268,634,234)
2. Gains from disposal and liquidation of and other long-term assets	22		-	-
3. Loans given and purchases of debt instruments of other entities	23		-	-
4. Recovery of loan given and disposals debt instruments of other entities	24		-	-
5. Investments in other entities	25		-	(7,350,000,000)
6. Withdrawals of investments in other entities	26		-	18,520,000,000
7. Receipts of loans given, dividends and profit shared	27		1,912,519	935,508
Net cash flows from investing activities	30		<u>(46,270,428,068)</u>	<u>1,902,301,274</u>

DS3 JOINT STOCK COMPANY

Address: Group 2, Area 2, Hong Ha Ward, Ha Long City, Quang Ninh Province

COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Combined cash flow statement (continued)

ITEM	Code	Note	<u>Current year</u>	<u>Previous year</u>
III. Cash flows from financial activities				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayments of capital contributions to owners and re-purchase of stocks already issued	32		-	-
3. Receipts from loans	33		49,074,712,867	28,310,000,000
4. Payment of loan principal	34		(23,925,000,000)	(6,890,000,000)
5. Payment of financial lease debts	35		-	-
6. Dividends and profit shared to the owners	36		-	-
<i>Net cash flows from financial activities</i>	40		<u>25,149,712,867</u>	<u>21,420,000,000</u>
Net cash flows during the year	50		(624,225,790)	4,631,354,364
Beginning cash and cash equivalents	60	V.1	6,274,469,705	1,643,115,341
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	<u><u>5,650,243,915</u></u>	<u><u>6,274,469,705</u></u>

Prepared by


Tran Thi Khanh Ly

Chief Accountant


Luu Thi Ly

Prepared on 19 March 2025

General Director

**Đào Vũ Chính**

DS3 JOINT STOCK COMPANY

Address: Group 2, Zone 2, Hong Ha Ward, Ha Long City, Quang Ninh Province

COMBINED FINANCIAL STATEMENTS

For the financial year ended December 31, 2024

NOTES TO THE COMBINED FINANCIAL STATEMENTS**NOTES TO THE COMBINED FINANCIAL STATEMENTS****2024****I. OPERATION FEATURES**

1. **Ownership form** : Joint Stock Company
2. **Business Sector** : Management and maintenance of inland waterways; consulting on the development of plans and organizing, regulating, and controlling to ensure inland waterway traffic.
3. **Business Activities** :
- The Company's business activities include:
- State management activities in specialized economic sectors. Details: Management and maintenance of inland waterways; Consulting, developing plans, and organizing; Regulating and controlling to ensure inland waterway traffic;
 - Cargo handling;
 - Short-term accommodation services;
 - Restaurants and mobile food services;
 - Services related to promotion and organization of tour travel;
 - Services directly supporting inland waterway transportation. Details: Inland waterway pilot services; Dredging, salvage, and removal of obstacles in inland waterways;
 - Construction of railway and road works;
 - Sauna, massage, and similar health-enhancing services (excluding sports activities). Details: Massage;
 - Shipbuilding and floating structures;
 - Other supporting services related to transportation. Details: Shipping agency services;
 - Inland waterway passenger transportation;
 - "Construction of other civil engineering works. Details: Construction of waterways, ports, and river structures, tourist ports, sluices, embankment maintenance, hydrographic posts, river political works...; Production and repair of inland waterway signaling installations; Construction of industrial and civil works;
 - Repair and maintenance of transportation vehicles (excluding cars, motorcycles, motorbikes, and other motorized vehicles)/.
4. **Usual Production and Business Cycle:** within 12 months
5. **Employees**
As of the end of the fiscal year, the company has 42 employees working (the number at the beginning of the year was 35 employees)
6. **Corporate Structure:**
- Affiliated units:*
- | Unit name | Address |
|---|--|
| Mechanical Enterprise Construction | Group 1, Area 2, Hong Ha Ward, Ha Long City, Quang Ninh Province |
| Branch of the River Management Joint Stock Company No. 3 in Hanoi | No. 6, Luong Ngoc Quyen Street, Hang Buom Ward, Hoan Kiem District, Hanoi City |

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(*) The company has decided to temporarily suspend production and business activities at the Branch of the River Management Joint Stock Company No. 3 in Hanoi from August 15, 2024, to August 14, 2025, according to Official Letter No. 57/CV-DS3 dated August 15, 2024.

7. **Statement on the comparability of information in the financial statements:** The consolidated financial statements of the Company for the fiscal year ending December 31, 2024, are fully consistent and ensure comparability with the consolidated financial statements of the Company for the fiscal year ending December 31, 2023.

II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. Fiscal year

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

2. Standard currency unit used in accounting

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

III. ACCOUNTING STANDARDS AND SYSTEM APPLIED

1. Accounting System Applied

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

2. Statement of Compliance with Accounting Standards and Accounting System

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

3. Accounting method applied

The company uses the general journal accounting method on a computer.

IV. ACCOUNTING POLICIES

1. Basis of preparing financial statements

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

2. Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, money in transit, and short-term investments with a maturity date or redemption period of no more than 3 months from the purchase date, easily convertible into a known amount of cash, and subject to minimal risk of conversion.

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3. Financial Investments

Investments in associates

Associate company

An associate company is a company in which the company has significant influence but does not have control over the financial and operating policies. Significant influence is evidenced by the right to participate in making decisions on the financial and operating policies of the investee company, but without controlling these policies.

Investments in associate companies are initially recognized at cost, including the purchase price or capital contribution plus any directly attributable costs related to the investment. In the case of investments made with non-monetary assets, the investment cost is recognized at the fair value of the non-monetary assets at the time of the transaction.

Dividends and profits from periods before the investment is acquired are accounted for as a reduction in the value of the investment itself. Dividends and profits from periods after the investment is acquired are recognized as revenue. Stock dividends are only tracked by the increase in the number of shares, without recognizing the value of the received shares or recognizing them at par value.

4. Receivables

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

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

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

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

- For overdue receivables:
 - 30% of the value for receivables overdue from 6 months to less than 1 year.
 - 50% of the value for receivables overdue from 1 year to less than 2 years.
 - 70% of the value for receivables overdue from 2 years to less than 3 years.
 - 100% of the value for receivables overdue for 3 years or more.

For receivables that are not yet overdue but are unlikely to be recovered: the provision is established based on the estimated potential loss.

5. Principles for Inventory Recognition

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

The cost of inventories is determined as follows:

- Raw materials, goods: include purchase costs and other directly attributable costs incurred to bring the inventory to its current location and condition.
- Finished goods include the cost of raw materials, direct labor, and related manufacturing overhead allocated based on normal operating capacity, as well as land use right costs, direct

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costs, and related overhead incurred during the investment and construction of real estate finished goods.

- Work in progress: includes only the costs of direct raw materials (or other relevant cost elements, as appropriate).

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

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

6. Recognition principle for tangible fixed assets

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the company to acquire the asset and bring it into a condition ready for use. Costs incurred after initial recognition are only added to the cost of tangible fixed assets if these costs are expected to result in future economic benefits from the use of the asset. Costs that do not meet this condition are immediately recognized as expenses.

When tangible fixed assets are sold or disposed of, the cost and accumulated depreciation are removed, and any resulting gain or loss from the disposal is recognized as income or expense in the year.

Tangible fixed assets are depreciated using the straight-line method based on the estimated useful life. The depreciation periods for various types of tangible fixed assets are as follows:

<u>Type of fixed assets</u>	<u>Number of years</u>
Buildings and structures	05 - 25
Machinery and equipment	03 - 07
Transportation vehicles and transmission equipment	03 - 11

7. Recognition principle for investment property

Investment property refers to land use rights, buildings, parts of buildings, or infrastructure owned or leased by the company for the purpose of earning rental income or capital appreciation. Investment property is presented at cost less accumulated depreciation. The cost of investment property includes all expenses the company incurs or the fair value of considerations exchanged to acquire the investment property up to the point of purchase or completion of construction.

Costs related to investment property incurred after initial recognition are recognized as expenses, unless these costs are expected to result in future economic benefits that exceed the initial assessed value of the investment property, in which case they are added to the cost of the investment property.

When investment property is sold, the cost and accumulated depreciation are removed, and any resulting gain or loss is recognized as income or expense in the year.

"The transfer from owner-occupied property or inventory to investment property only occurs when the owner ceases using the asset and starts leasing it to others, or when the construction phase ends. The transfer from investment property to owner-occupied property or inventory occurs only when the owner begins using the asset or starts preparing it for sale. The transfer from investment property to owner-occupied property or inventory does not change the cost or the carrying value of the property at the date of transfer.

If the company has investment property used for leasing, it is presented as follows:

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Investment property used for leasing is depreciated using the straight-line method based on the estimated useful life. The depreciation period/ratio for the investment property is as follows:

<u>Type of fixed assets</u>	<u>Number of years/Rate</u>
Buildings	25
Machinery and equipment	07-10
Other management vehicles and tools	6-10
Other types of tangible fixed assets	6

8. Prepaid expenses

Prepaid expenses are recognized as costs that have been incurred but relate to the operating results of multiple accounting years, with these costs being allocated to the operating expenses of future accounting years.

Tools and equipments

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

Major repair costs

Repair costs are allocated to expenses using the straight-line method, with the allocation period not exceeding 3 years.

Other expenses

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

9. Accounting principles for payables and accrued expenses

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

The classification of payables as trade payables, accrued expenses, and other payables is carried out according to the following principles:

- Trade payables reflect amounts owed for commercial transactions arising from the purchase of goods, services, and assets, where the seller is an independent entity from the parent company/business, including payables related to imports through agents.
- Accrued expenses reflect amounts owed for goods or services received from the seller or provided to the buyer but not yet paid due to the absence of an invoice or insufficient accounting documentation, as well as amounts owed to employees for salaries, vacation pay, and other production or business expenses that need to be accrued.

Other payables reflect amounts owed that are non-commercial in nature and not related to the purchase, sale, or provision of goods and services.

10. Recognition principles for borrowings

The company must track the detailed repayment term of borrowings. Borrowings with a repayment period of more than 12 months from the reporting date are classified as long-term borrowings.

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Borrowings due for repayment within the next 12 months from the reporting date are classified as short-term borrowings for payment planning.

11. Owners' Equity

Owner's Contributed Capital

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

Undistributed profits

Recognition of business results (profit or loss) after corporate income tax and the distribution of profits or handling of losses by the company.

Other funds

The funds are set up and used according to the Company's Charter and the resolutions of the Annual General Meeting of Shareholders.

Dividend

Dividends are recognized as liabilities when declared.

12. Principles and methods of revenue recognition

a) Revenue from providing services

Revenue from providing services is recognized when all of the following conditions are met:

- Revenue is determined with reasonable certainty;
- There is a possibility of obtaining economic benefits from the service transaction;
- The portion of work completed as of the balance sheet date can be determined;
- The costs incurred for the transaction and the costs to complete the service transaction can be determined./.

b) Revenue from financial activities

Revenue arising from interest, dividends, and other financial activity revenues is recognized when both of the following two conditions are met:

- There is a possibility of obtaining economic benefits from the transaction;
- Revenue is determined with reasonable certainty./.

13. Construction contract

When the results of performing the contract can be reliably estimated, then:

- For construction contracts where the contractor is paid according to the planned schedule, revenue and costs related to the contract are recognized in proportion to the portion of work completed, as determined by the Company.
- For construction contracts where the contractor is paid based on the value of the completed work, revenue and costs related to the contract are recognized in proportion to the portion of work completed, as confirmed by the customer and reflected on the issued invoice

14. Principles of accounting for cost of goods sold.

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

For direct material costs that exceed normal levels, labor costs, and fixed manufacturing overhead costs not allocated to the value of products in inventory, accounting must immediately charge these

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costs to the cost of goods sold (after deducting any compensation, if applicable), even if the products or goods have not been recognized as sold.

The provision for inventory write-down is included in the cost of goods sold based on the inventory quantity and the difference between the net realizable value being lower than the cost of inventory. When determining the amount of inventory that needs a provision for write-down, accounting must exclude the inventory already under contract for sale (with a net realizable value not less than the carrying amount) but not yet delivered to the customer, if there is reliable evidence that the customer will not abandon the contract.

14. Principles of accounting for administrative expenses

Administrative expenses reflect the general management costs of the enterprise, including wages for management staff (salaries, wages, allowances, etc.); social insurance, health insurance, union fees, unemployment insurance for management staff; office materials, tools, depreciation of fixed assets used for enterprise management; land rental, business license tax; provision for doubtful accounts; outsourced services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); other cash expenses (hospitality, customer meetings, etc.).

15. Principles and methods of recognizing current corporate income tax expense

Corporate income tax expense is the current income tax, calculated based on taxable income. Taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses, as well as adjustments for tax-exempt income and carryforward losses.

The company is obligated to pay corporate income tax at a rate of 20%.

16. Financial instruments

i. Financial assets

Classification of financial assets

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

Financial assets are recognized at fair value through the profit and loss statement

Financial assets are classified as recognized at fair value through the profit and loss statement if they are held for trading or are designated as such at the time of initial recognition.

Financial assets are classified into the group of securities held for trading if:

- Acquired or created primarily for the purpose of selling in the short term;
- The company intends to hold them for the purpose of short-term profit;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

Held-to-maturity investments

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

Loans and receivables

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

Available-for-sale financial assets

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

The initial carrying amount of a financial asset

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

ii. Financial liabilities

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

Financial liabilities measured at fair value through profit or loss

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

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

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

Financial liabilities measured at amortized cost

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

The effective interest rate method is the method of calculating the amortized value of a financial liability or a group of financial liabilities and allocating interest income or interest expense in the relevant period. The effective interest rate is the rate that discounts the estimated cash flows to be paid or received in the future over the expected life of the financial instrument or a shorter period, if necessary, to bring it back to the current net carrying amount of the financial liability.

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The initial carrying amount of a financial liability

At initial recognition, financial liabilities are determined at the issue price plus any directly attributable costs incurred in issuing the financial liability.

iii. Equity instruments

Equity instruments are contracts that evidence the residual interests in the assets of the company after deducting all liabilities.

17. Related parties

Parties are considered related if one party has the ability to control or exercise significant influence over the other party in making financial and operating policy decisions. Parties are also considered related if they are under joint control or share significant common influence.

In considering the relationship of related parties, the nature of the relationship is emphasized more than the legal form.

Transactions with related parties during the year are presented in Note VIII.1

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET****1. Cash and cash equivalents**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Cash	40,270,250	1,767,079,690
Non-term bank deposits	5,609,973,665	4,507,390,015
Total	<u>5,650,243,915</u>	<u>6,274,469,705</u>

2. Short-term receivables from customers

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Original Cost</u>	<u>Provision</u>	<u>Original Cost</u>	<u>Provision</u>
<i>Receivables from related parties</i>	-	-	28,370,730,458	-
Nalico Construction Investment Joint Stock Company	-	-	28,370,730,458	-
<i>Receivables from other customers</i>	37,397,361,394	(28,248,427,041)	36,216,694,125	(27,870,711,942)
AST Tourism Joint Stock Company	25,413,305,138	(25,413,305,138)	25,413,305,138	(25,413,305,138)
Ha Long Bay Management Board	3,033,426,203	-	3,790,469,274	-
Van Don Infrastructure Investment and Development Co., Ltd	1,489,970,000	-	1,489,970,000	-
75 Bridge Construction Joint Stock Company	1,386,238,000	(1,386,238,000)	1,440,747,000	(1,008,522,901)
Quan Minh Limited Liability Company	1,448,883,903	(1,448,883,903)	1,448,883,903	(1,448,883,903)
Other customers	4,625,538,150	-	2,633,318,810	-
Total	<u>37,397,361,394</u>	<u>(28,248,427,041)</u>	<u>64,587,424,583</u>	<u>(27,870,711,942)</u>

3. Short-term prepayments to suppliers

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Original Cost</u>	<u>Provision</u>	<u>Original Cost</u>	<u>Provision</u>
<i>Prepayments to other suppliers</i>	7,102,008,320	-	471,801,078	-
Five-Star Vietnam Construction Joint Stock Company	6,000,000,000	-	-	-
An Phu Duong Single-Member Limited Liability Company	998,108,320	-	-	-
MP Architecture Limited Liability Company	-	-	165,969,078	-
Vuong Hong Phat Mechanical and Technical Services Limited Liability Company	-	-	173,712,000	-
Other customers	103,900,000	-	132,120,000	-
Total	<u>7,102,008,320</u>	<u>-</u>	<u>471,801,078</u>	<u>-</u>

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**4. Other receivables****a) Short-term**

	Year-end Balance		Beginning Balance	
	Value	Provision	Value	Provision
Receivables from other organizations and individuals	10,096,266,838	-	694,389,610	-
Advance	70,098,919	-	23,400,000	-
Deposit, collateral	1,798,800,516	-	517,300,000	-
Mrs Nguyen Thi Viet Loan - Deposit, collateral (*)	8,083,333,322	-	-	-
Other short-term receivables	144,034,081	-	153,689,610	-
Total	10,096,266,838	-	694,389,610	-

b) Long-term

	Year-end Balance		Beginning Balance	
	Value	Provision	Value	Provision
Receivables from other organizations and individuals	47,000,000,000	-	61,263,333,322	-
Mrs Nguyen Thi Viet Loan - Deposit, collateral (*)	26,000,000,000	-	34,083,333,322	-
Song Hong Construction Trade Investment Joint Stock Company (**)	21,000,000,000	-	21,000,000,000	-
Mr. Do Quang Khue (***)	-	-	6,180,000,000	-
Total	47,000,000,000	-	61,263,333,322	-

(*) According to Deposit Contract No. 19A/2017/HĐĐC-ĐS3 signed on June 1, 2017, regarding the rental of a hotel business location at No. 06 Luong Ngoc Quyen, Hang Buom Ward, Hoan Kiem District, Hanoi. The deposit amount is 40 billion VND for a period of 20 years, to ensure the performance of the Hotel Business Location Rental Contract at No. 06 Luong Ngoc Quyen, Hoan Kiem, Hanoi, Contract No. 19/2016/HĐTKS-ĐS3 signed on October 22, 2016, between Mrs. Nguyen Thi Viet Loan and the River Management Joint Stock Company No. 3 (DS3). The deposit is gradually released monthly and is deducted to fulfill the rental payment obligations starting from June 2017. If during the contract period, DS3 refuses the agreed obligations, the entire deposit will be forfeited; if Mrs. Nguyen Thi Viet Loan refuses the agreed obligations, in addition to the refund of the deposit, a penalty equal to the deposit amount must be paid.

According to Minutes No. 02/2020/HĐTKD.DS3 dated July 1, 2020, signed between the River Management Joint Stock Company No. 3 and Mrs. Nguyen Thi Viet Loan, both parties agreed to temporarily suspend the Business Location Rental Contract starting from July 1, 2020, until a decision is made to either continue the contract or terminate the Business Location Rental Contract No. 19/2016/HĐTKS.DS3 dated October 22, 2016, at No. 06 Luong Ngoc Quyen Street, Hang Buom Ward, Hoan Kiem District, Hanoi.

According to the 2024 Payment Extension Minutes, Mrs. Nguyen Thi Viet Loan will repay the deposit to DS3 Joint Stock Company according to the following schedule:

- 1st payment: a payment of 8,083,333,322 VND no later than December 31, 2025.
- 2nd payment: a payment of 12,000,000,000 VND no later than December 31, 2026.
- 3rd payment: a payment of 14,000,000,000 VND no later than December 31, 2027.

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(**) According to Investment Contribution Contract No. 12/2021/HĐHTĐT signed on December 1, 2021, between the River Management Joint Stock Company No. 3 (DS3) and the Sông Hồng Construction Trade Investment Joint Stock Company. According to the contract, DS3 agrees to use the legal status of the Song Hong Construction Trade Investment Joint Stock Company to sign contracts and work with other related parties to implement the Project of Rebuilding the Old D3-D4 Giảng Võ Apartment Complex into a high-rise complex with functions such as offices, residential apartments, resettlement houses, and shopping centers (for sale and lease), according to the approved planning by the competent authorities, on the land area of 7,133 m² at the D3-D4 Apartment Complex, Giang Vo Ward, Ba Dinh District, Hanoi. DS3 will contribute capital by 1.5% of the total investment capital of the project, which is 2,000,000,000,000 VND, equaling 30,000,000,000 VND, divided into two installments: The first installment is 21,000,000,000 VND immediately after signing the contract, and the second installment is the remaining 9,000,000,000 VND after 90% of the construction work is completed.

(***) Receivables from the capital contribution transfer of An Phu Duong Single-Member Limited Liability Company.

5. Provision for doubtful receivables

Details can be found in Appendix 01 (page 43)

The movement of the provision for doubtful receivables is as follows:

	<u>This year</u>	<u>Previous year</u>
Beginning Balance	(27,870,711,942)	(27,476,786,325)
Provision made during the year	(377,715,099)	(743,925,617)
Provision reversal during the year	-	350,000,000
Year-end Balance	<u>(28,248,427,041)</u>	<u>(27,870,711,942)</u>

6. Inventory

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Original Cost</u>	<u>Provision</u>	<u>Original Cost</u>	<u>Provision</u>
Raw materials, supplies	77,872,146	(77,872,146)	77,872,146	(77,872,146)
Work-in-progress production and business costs	8,826,998,370	(3,594,645,009)	9,149,307,199	(6,359,895,342)
Total	<u>8,904,870,516</u>	<u>(3,672,517,155)</u>	<u>9,227,179,345</u>	<u>(6,437,767,488)</u>

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**7. Tangible fixed assets**

	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Transportation and transmission equipment</u>	<u>Total</u>
Original Cost				
Beginning Balance	3,891,732,521	787,083,065	10,543,876,381	15,222,691,967
Year-end Balance	<u>3,891,732,521</u>	<u>787,083,065</u>	<u>10,543,876,381</u>	<u>15,222,691,967</u>
<i>Including:</i>				
<i>Fully depreciated but still in use</i>	1,607,085,980	787,083,065	7,785,609,512	10,179,778,557
				-
Amortized value				
Beginning Balance	3,573,950,243	787,083,065	8,772,381,100	13,133,414,408
Depreciation during the year	152,309,769	-	640,411,362	792,721,131
Year-end Balance	<u>3,726,260,012</u>	<u>787,083,065</u>	<u>9,412,792,462</u>	<u>13,926,135,539</u>
Remaining Value				
Beginning Balance	317,782,278	-	1,771,495,281	2,089,277,559
Year-end Balance	<u>165,472,509</u>	<u>-</u>	<u>1,131,083,919</u>	<u>1,296,556,428</u>

8. Investment properties

	<u>Original cost</u>	<u>Depreciation value</u>	<u>Remaining value</u>
Beginning Balance	-	-	-
Completed construction investment	56,841,914,721	755,116,667	56,086,798,054
Year-end Balance	<u>56,841,914,721</u>	<u>755,116,667</u>	<u>56,086,798,054</u>

Investment properties refer to all buildings, machinery, and equipment belonging to the complex of service, commercial, and hotel buildings in Hồng Hà Ward, Ha Long City.

The company is pledging and mortgaging the investment property of the service, commercial, and hotel complex in Hồng Hà Ward, Ha Long City, with a book value at the end of the fiscal year of VND 56,086,798,054 to secure a loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Thành An Branch (Note V.17).

According to the provisions of Vietnamese Accounting Standard No. 05 – Investment Properties, the fair value of the investment property as of December 31, 2024, needs to be disclosed. However, the company has not yet determined this fair value, so the fair value of the investment property as of December 31, 2024, has not been presented in the Notes to the Financial Statements. In order to determine this fair value, the company will need to hire an independent consulting firm to assess the fair value of the investment property. Currently, the company has not found a suitable consulting firm to perform this task.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**9. Work-in-progress construction**

	<u>Beginning Balance</u>	<u>Expenses incurred during the year</u>	<u>Transferred to Investment Properties</u>	<u>Transferred to long-term prepaid expenses</u>	<u>Year-end Balance</u>
Commercial and Hotel Building Project in Hong Ha Ward	23,070,936,689	44,193,006,001	(56,841,914,721)	(10,422,027,969)	-
Total	<u>23,070,936,689</u>	<u>44,193,006,001</u>	<u>(56,841,914,721)</u>	<u>(10,422,027,969)</u>	<u>-</u>

10. Long-term financial investments

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Original Cost</u>	<u>Provision</u>	<u>Original Cost</u>	<u>Provision</u>
<i>Other investments</i>	<i>980,000,000</i>	-	<i>980,000,000</i>	-
Duong An Phu Two-Member Limited Liability Company (*)	980,000,000	-	980,000,000	-
Total	<u>980,000,000</u>	<u>-</u>	<u>980,000,000</u>	<u>-</u>

(*) As of December 31, 2024, DS3 Joint Stock Company has contributed an amount of VND 980,000,000, representing 10% of the charter capital of Duong An Phu Single-Member Limited Liability Company.

11. Prepaid expenses**a) Short-term**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Tools and equipment	9,635,000	-
Insurance expenses	35,200,000	-
Other short-term prepaid expenses	20,270,030	-
Total	<u>65,105,030</u>	<u>-</u>

b) Long-term

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Tools and equipment	48,238,001	88,276,136
Hotel equipment, furniture (*)	9,553,525,638	-
Repair costs	579,542,669	548,478,262
Other long-term prepaid expenses	-	108,276,810
Total	<u>10,181,306,308</u>	<u>745,031,208</u>

(*) Hotel equipment and furniture in the Service, Commercial, and Hotel Complex at Hong Ha Ward, Ha Long City, are being mortgaged for a loan from the Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (note V.17)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**12. Short-term payables to suppliers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Payables to other suppliers</i>	<i>17,307,566,160</i>	<i>17,307,566,160</i>
Manh Hung Waterway Safety Joint Stock Company	2,527,032,727	2,527,032,727
Five-Star Vietnam Construction Joint Stock Company	-	3,783,370,487
Number 7 Inland Waterway Maintenance and Management Joint Stock Company	1,282,394,613	1,282,394,613
Minh Ky Manufacturing and Service Co., Ltd	129,311,759	3,081,267,000
Dai Liem Construction Joint Stock Company	960,787,721	2,153,263,408
Phu Minh Construction Investment and Trade Limited Liability Company	3,293,621,541	3,509,835,943
Other suppliers	2,449,541,661	970,401,982
Total	<u>10,642,690,022</u>	<u>17,307,566,160</u>

13. Short-term advance payment by the buyer

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Amount capable of repaying debt</u>	<u>Value</u>	<u>Amount capable of repaying debt</u>
<i>Advance payments from other customers</i>	<i>2,950,538,500</i>	<i>2,950,538,500</i>	<i>4,772,960,000</i>	<i>4,772,960,000</i>
Thai Yen Investment and Construction Joint Stock Company	2,300,000,000	2,300,000,000	2,300,000,000	2,300,000,000
Trung Chinh Trade and Construction Limited Liability Company	-	-	1,928,914,000	1,928,914,000
Tien Yen District Investment and Construction Project Management Board	650,538,500	650,538,500	-	-
Other subjects	-	-	544,046,000	544,046,000
Total	<u>2,950,538,500</u>	<u>2,950,538,500</u>	<u>4,772,960,000</u>	<u>4,772,960,000</u>

14. Taxes and other amounts payable to the state

	<u>Beginning Balance</u>	<u>The number incurred during the year</u>		<u>Year-end Balance</u>
	<u>Accounts receivable</u>	<u>Amount payable</u>	<u>Amount paid</u>	<u>Accounts receivable</u>
Corporate income tax	14,783,707	-	-	14,783,707
Personal income tax	40,307,487	7,474,521	-	32,832,966
Other types of taxes	-	3,000,000	(3,000,000)	-
Total	<u>55,091,194</u>	<u>10,474,521</u>	<u>(3,000,000)</u>	<u>47,616,673</u>

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

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)***Value-added tax***

The company pays value-added tax (VAT) using the deduction method with tax rates of 8% and 10%.

Corporate income tax

The company must pay corporate income tax on taxable income at a tax rate of 20%.

Other types of taxes

The company declares and pays in accordance with regulations.

15. Short-term accrued expenses

It is the interest on loans payable to the parties as follows:

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Amounts payable to related parties</i>	647,732,053	1,170,436,985
Mr Nguyen Quang Hai	115,093,150	92,531,506
Mr Hoang Ha Phuong	53,786,301	125,415,069
Nalico Investment and Construction Joint Stock Company	478,852,602	952,490,410
<i>Amounts payable to other organizations and individuals</i>	43,436,119	-
Vietnam Joint Stock Commercial Bank for Industry and Trade	43,436,119	-
Total	<u>691,168,172</u>	<u>1,170,436,985</u>

16. Other short-term payables

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Amounts payable to other entities and individuals</i>	425,193,872	5,689,349,889
Trade union funds	63,685,735	89,663,770
Song Hong Investment, Trade, and Construction Joint Stock Company	215,000,000	215,000,000
An Phu Two-member Limited Liability Company	-	5,000,000,000
Other short-term payables	146,508,137	384,686,119
Total	<u>425,193,872</u>	<u>5,689,349,889</u>

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**17. Loans****a) Short-term loans**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Amount capable of repaying the debt</u>	<u>Value</u>	<u>Amount capable of repaying the debt</u>
<i>Short-term loans and finance lease liabilities payable to related parties</i>	<i>700,000,000</i>	<i>700,000,000</i>	<i>10,470,000,000</i>	<i>10,470,000,000</i>
Mr Nguyen Quang Hai (1)	450,000,000	450,000,000	450,000,000	450,000,000
Mr Hoang Ha Phuong	-	-	1,970,000,000	1,970,000,000
Mr Dao Vu Chinh (2)	250,000,000	250,000,000	-	-
Nalico Construction Investment Joint Stock Company (3)	-	-	8,050,000,000	8,050,000,000
<i>Long-term loans due for repayment (note V.17b)</i>	<i>4,685,965,544</i>	<i>4,685,965,544</i>	<i>-</i>	<i>-</i>
Total	5,385,965,544	5,385,965,544	10,470,000,000	10,470,000,000

(1) It is a loan to Mr. Nguyen Quang Hai with a maximum loan term of 12 months. The contract appendix dated December 29, 2023, extends the loan until January 1, 2025, and changes the interest rate to 5% per year.

(2) It is a loan to Mr. Dao Vu Chinh according to the contract dated December 30, 2024, with a loan term of 10 days and an interest rate of 0%.

(3) "It is a loan to Nalico Construction Investment Joint Stock Company according to Contract No. 04/HDVV/NLC-DS3 dated November 17, 2023, with a maximum loan amount of 10,000,000,000 VND, a maximum loan term of 12 months from the disbursement date, and an interest rate of 11% per year. The contract appendix No. 01 dated November 10, 2024, extends the loan term until June 30, 2026. The contract appendix dated December 31, 2023, changes the interest rate to 5% per year.

Details of the incurred amounts for the loans are as follows:

	<u>Beginning Balance</u>	<u>The loan amount incurred during the year</u>	<u>Transfer from long-term loans and debts</u>	<u>The loan amount repaid during the year</u>	<u>Year-end Balance</u>
Short-term loans payable to related parties					
Individuals	2,420,000,000	9,025,000,000	-	(10,745,000,000)	700,000,000
Nalico Construction Investment Joint Stock Company	8,050,000,000	-	-	(8,050,000,000)	-
Long-term loan due for repayment	-	-	4,685,965,544	-	4,685,965,544
Total	10,470,000,000	9,025,000,000	4,685,965,544	(18,795,000,000)	5,385,965,544

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**b) Long-term loans**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Capable of repaying the debt</u>	<u>Value</u>	<u>Capable of repaying the debt</u>
Long-term bank loan				
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch (Hanoi) (1)</i>	34,363,747,323	34,363,747,323	-	-
Long-term loans payable to related parties				
<i>Nalico Construction Investment Joint Stock Company (2)</i>	7,870,000,000	7,870,000,000	12,000,000,000	12,000,000,000
Total	<u>42,233,747,323</u>	<u>42,233,747,323</u>	<u>12,000,000,000</u>	<u>12,000,000,000</u>

(1) It is a loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch according to the investment project loan agreement No. 2003/2024-HDDCVADDDT/NHCT320-DS3 dated March 18, 2024. The committed loan amount does not exceed 40,000,000,000 VND and does not exceed 54.5% of the total actual investment cost for the project. The loan purpose is to pay for reasonable, valid, and legal expenses to invest in the construction of the Service, Commercial, and Hotel Project in Hong Ha Ward, Ha Long City. The loan term is 84 months, calculated from the day after the first disbursement date. The interest rate for the loan is specified in each promissory note.

The loan is secured by the following asset mortgage agreements:

- According to the asset mortgage agreement No. 1503/2024/HĐBĐ/NHCT320-CR079033 dated March 19, 2024, the third-party mortgaged asset is the land use rights, homeownership, and assets attached to the land in Ho Son Commune, Tam Dao District, Vinh Phuc Province; according to the certificate No. CR 079033, registry number SC 02039 issued by the Department of Natural Resources and Environment of Vinh Phuc Province on March 1, 2019, in the name of Mrs. Do Thi Thuy Hang. The mortgaged asset value is 12,563,000,000 VND.

- According to the mortgage contract for future assets number 2503/2024/HĐBĐ/NHCT320-DS3 dated March 28, 2024, the mortgaged assets include all movable assets currently existing and those that will be formed in the future from the Service, Commercial, and Hotel project located in Hong Ha Ward, Ha Long City. The value of the mortgaged assets is 13,945,000,000 VND.

(2) This is a loan from Nalico Construction Investment Joint Stock Company according to Loan Agreement No. 03/HĐCV/NLC-DS3 dated May 30, 2023, for the amount of 19,000,000,000 VND, with a maximum term of 36 months and an interest rate of 12% per annum. The purpose of the loan is to repay the capital contribution of An Phu Limited Liability Company to DS3 Joint Stock Company according to Business Cooperation Agreement No. 18.1/2018/HĐHTKD-ĐS3-AP signed on August 24, 2018, between DS3 Joint Stock Company and An Phu Limited Liability Company, for the amount of 11,289,950,000 VND; to pay for the transfer of ownership interest in An Phu Single Member Limited Liability Company with a value of 7,350,000,000 VND, and to supplement working capital for business operations.

The contract appendix dated December 31, 2023, changes the interest rate to 6% per annum.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)

The details of the incurred amounts for the loans are as follows:

	Beginning Balance	The loan amount incurred during the year	The loan amount repaid during the year	Transferred to short-term loans and liabilities	Year-end Balance
Long-term loan from the bank		- 39,049,712,867		(4,685,965,544)	34,363,747,323
Long-term loan from related parties	12,000,000,000	1,000,000,000	(5,130,000,000)	-	7,870,000,000
Total	12,000,000,000	40,049,712,867	(5,130,000,000)	(4,685,965,544)	42,233,747,323

18. Reward and welfare fund

	Year-end Balance	Beginning Balance
Beginning Balance	327,641,161	366,541,161
Increase due to appropriation from profits	-	-
Fund disbursement	(25,175,000)	(38,900,000)
Year-end Balance	302,466,161	327,641,161

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

	Owner's capital contribution	Development investment fund	Undistributed after-tax profit	Total
Beginning balance of the previous year	106,697,300,000	2,155,617,066	(28,975,446,015)	79,877,471,051
Office profit from the previous year	-	-	2,828,730,392	2,828,730,392
Ending balance of the previous year	106,697,300,000	2,155,617,066	(26,146,715,623)	82,706,201,443
Beginning balance of the current year	106,697,300,000	2,155,617,066	(26,146,715,623)	82,706,201,443
Profit for the current year	-	-	8,826,669,973	8,826,669,973
Ending balance of the current year	106,697,300,000	2,155,617,066	(17,320,045,650)	91,532,871,416

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**b) Shares**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Number of shares registered for issuance	10,669,730	10,669,730
Number of shares issued/sold to the public	10,669,730	10,669,730
- <i>Common shares</i>	10,669,730	10,669,730
- <i>Preferred shares</i>		
Number of shares repurchased	-	-
- <i>Common shares</i>		
- <i>Preferred shares</i>		
Number of shares outstanding	10,669,730	10,669,730
- <i>Common shares</i>	10,669,730	10,669,730
- <i>Preferred shares</i>		

Par value of outstanding shares: 10,000 VND.

c) Details of owner's capital contribution as of December 31, 2024:

Shareholder	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	Capital contribution (VND)	Rate (%)	Capital contribution (VND)	Rate (%)
Mr Pham Van Pha	-	0%	15,000,000,000	14.06%
Mr Nguyen Quang Hai	5,500,000,000	5.16%	5,500,000,000	5.15%
Mr Hoang Ha Phuong	24,407,000,000	22.87%	24,407,000,000	22.88%
Other shareholders	76,790,300,000	71.97%	61,790,300,000	57.91%
Total	106,697,300,000	100,00%	106,697,300,000	100.00%

VI. ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED INCOME STATEMENT**1. Revenue**

	<u>This year</u>	<u>Previous year</u>
Revenue from sales and provision of services	51,242,863,961	31,956,928,203
<i>Revenue from management, maintenance, consulting supervision, and waterway installation</i>	6,054,737,966	300,000,000
<i>Construction revenue</i>	41,338,188,623	31,656,928,203
<i>Revenue from asset leasing services, hotels</i>	3,849,937,372	-
Revenue deductions	-	(2,313,166,364)
<i>Sales returns</i>	-	(2,313,166,364)
Net revenue	51,242,863,961	29,643,761,839

In which, revenue from construction with related parties is as follows:

	<u>This year</u>	<u>Previous year</u>
Nalico Construction Investment Joint Stock Company	38,580,296,029	28,584,009,683

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)

2. Cost of goods sold	This year	Previous year
Cost of management, maintenance, consulting supervision, and waterway installation	5,807,160,933	165,008,016
Provision/Reversal of provision for inventory obsolescence	(2,765,250,333)	6,437,767,488
Cost of construction	31,661,836,727	23,105,722,837
Cost of asset leasing services, hotels	1,924,071,688	-
Total	36,627,819,015	29,708,498,341
3. Financial income	This year	Previous year
Interest income from deposits	2,968,686	935,508
Gains from the liquidation of investments	-	6,180,000,000
Total	2,968,686	6,180,935,508
4. Financial expenses	This year	Previous year
Interest expenses	1,678,137,110	1,149,757,533
Provision for impairment of trading securities and investment losses	-	941,946,076
Reversal of provision for impairment of trading securities and investment losses	-	(2,083,422,181)
Total	1,678,137,110	8,281,428
5. General and Administrative Expenses	This year	Previous year
Employee expenses	1,758,940,180	2,013,133,263
Office supplies expenses	675,453,929	311,844,761
Depreciation expense of fixed assets	398,256,011	614,124,332
Taxes, fees, and charges	190,603,200	10,176,050
Provision for doubtful receivables	377,715,099	743,925,617
Reversal of provision for doubtful receivables	-	(350,000,000)
Outsourced service expenses	164,481,313	657,824,861
Other expenses	683,166,329	79,704,858
Total	4,248,616,061	4,080,733,742
6. Other income	This year	Previous year
Grant income for office repairs	-	700,000,000
Other income items	193,946,212	517,020,000
Total	193,946,212	1,217,020,000

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**7. Other Expenses**

	<u>This year</u>	<u>Previous year</u>
Penalties and late fees	8,236,700	221,382,533
Other expenses	50,300,000	194,090,911
Total	<u>58,536,700</u>	<u>415,473,444</u>

8. Current Corporate Income Tax Expenses

Corporate income tax payable for the year is calculated as follows:

	<u>This year</u>	<u>Previous year</u>
Total accounting profit before tax at the Company's office	8,826,669,973	2,828,730,392
Adjustments to increase or decrease accounting profit to determine the taxable income for corporate income tax:		
Increases adjustments	58,536,700	221,382,533
<i>Tax penalties and back taxes at the office</i>	58,536,700	221,382,533
Decreases adjustments	-	-
Taxable income	<u>8,885,206,673</u>	<u>3,050,112,925</u>
Carried forward losses from previous years	<u>(8,885,206,673)</u>	<u>(3,050,112,925)</u>
Taxable income	-	-
<i>Corporate income tax rate</i>	20%	20%
<i>Corporate income tax at the standard tax rate</i>	-	-
Current corporate income tax expense	<u>-</u>	<u>-</u>

9. Basic/Diluted Earnings per Share

	<u>This year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	8,826,669,973	2,828,730,392
Adjustments to increase or decrease accounting profit to determine the profit allocated to common stockholders:		
- <i>Provision for bonus and welfare fund</i>	-	-
Profit allocated to common stockholders	<u>8,826,669,973</u>	<u>2,828,730,392</u>
Weighted average common shares outstanding during the year	<u>10,669,730</u>	<u>10,669,730</u>
Basic/diluted earnings per share	<u>827</u>	<u>265</u>

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

	<u>This year</u>	<u>Previous year</u>
Common shares outstanding at the beginning of the year	10,669,730	10,669,730
Weighted average common shares outstanding during the year	<u>10,669,730</u>	<u>10,669,730</u>

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**10. Production and Business Expenses by Element**

	<u>This year</u>	<u>Previous year</u>
Material costs	2,638,314,753	711,057,768
Labor costs	3,290,824,860	3,911,649,923
Depreciation expense of fixed assets	1,547,837,798	959,677,078
Outsourced service costs	33,119,873,916	23,228,719,408
Provision for doubtful receivables	377,715,099	743,925,617
Reversal of provision for doubtful receivables	-	(350,000,000)
Reversal of provision for inventory	(2,765,250,333)	-
Other expenses	2,344,810,154	342,070,729
Total	<u>40,554,126,247</u>	<u>29,547,100,523</u>

VII. SUPPLEMENTARY INFORMATION ON ITEMS PRESENTED IN THE CONSOLIDATED CASH FLOW STATEMENT**1. Non-Cash Transactions**

During the year, the Company incurred the following non-cash transactions:

	<u>This year</u>
Interest income from escrow deposits added to principal	1,056,167

VIII. OTHER INFORMATION**1. Related Party Information**

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

A, Transactions and Balances with Key Management Personnel and Individuals Related to Key Management Personnel

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

Transactions with key management personnel and individuals related to key management personnel

	<u>This year</u>	<u>Previous year</u>
Mr Nguyen Quang Hai - Member of the Board of Directors		
<i>Loan payable</i>	-	-
<i>Repayment of loan</i>	-	300,000,000
<i>Income from office repair support</i>	-	300,000,000
<i>Interest payable on loans</i>	22,56,644	92,531,506
Mr Hoang Ha Phuong - Chairman of the Board of Directors		
<i>Loan payable</i>	8,680,000,000	1,970,000,000
<i>Repayment of loan</i>	10,650,000,000	-
<i>Income from office repair support</i>	-	400,000,000
<i>Interest payable on loans</i>	77,787,671	125,415,069
<i>Paying interest on loans</i>	149,416,439	-

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**Mr Hoang Thanh Tung – Deputy General Director**

<i>Loan payable</i>	-	90,000,000
<i>Repayment of loan</i>	-	90,000,000
<i>Advance payment</i>	3,340,000,000	-
<i>Reimbursement</i>	3,340,000,000	-

Mr Dao Vu Chinh - Board member and General Director

<i>Advance payment</i>	2,000,000,000	-
<i>Reimbursement</i>	2,000,000,000	-
<i>Loan payable</i>	345,000,000	-
<i>Repayment of loan</i>	95,000,000	-

The outstanding debts with key management members and individuals related to key management members are presented in the notes in Section V.15; V.17a.

The receivables from key management members and individuals related to key management members are unsecured and will be settled in cash. No provision for doubtful debts has been made for the receivables from key management members and individuals related to key management members.

Guarantee commitments

The mortgaged asset is real estate located in Ho Son Commune, Tam Dao District, Vinh Phuc Province, owned by Mrs. Do Thi Thuy Hang, the wife of Mr. Hoang Ha Phuong, a key management member, which is being mortgaged by the Company to secure loans at the Vietnam Joint Stock Commercial Bank for Industry and Trade – Thanh An Branch (note V.17).

The income of key management members

Full name	This year	Previous year
Mr Dao Vu Chinh – Member of Board of Director and General Director	315,469,524	218,475,293
Mr Hoang Thanh Tung – Deputy General Director	169,660,261	188,147,063
Mr Nguyễn Quang Hai - Member of Board of Director	-	67,818,589
Mr Nguyen Danh Trung – Director, dismissed on April 18, 2023	-	48,789,742
Mrs Le Thi Minh Thu – Member of Board of Director	-	68,076,214
Mrs Bui Nhat Le - Chief Accountant, dismissed on April 26, 2023	-	54,660,296
Mr Pham Van Tien – External Director	88,384,056	44,938,077
Mrs Luu Thi Ly – Chief Accountant	121,659,380	70,166,026

B, Transactions with other related parties

Other related parties of the Company include:

Other related parties	Relationship
Nalico Construction Investment Joint Stock Company	Mr. Hoang Ha Phuong, Chairman of the Board of Directors of DS3, is also the Chairman of the Board of Directors of Nalico

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)*Transactions with other related parties*

The main transactions that occurred during the year between the Company and other related parties are as follows:

	<u>This year</u>	<u>Previous year</u>
Nalico Construction Investment Joint Stock Company		
<i>Payable loan amount</i>	1,000,000,000	26,250,000,000
<i>Repayment of loans</i>	13,180,000,000	6,500,000,000
<i>Payable loan amount</i>	973,304,657	952,490,410
<i>Repayment of loans</i>	1,446,942,465	-
<i>Receivables from construction contract packages</i>	41,666,719,711	30,870,730,458
<i>Collection of payment for construction contract packages</i>	70,037,450,169	2,500,000,000

The outstanding debts with other related parties are presented in the notes in Section V.15; V.17./.

2. Information about the divisions/departments

Information about the divisions is presented by business segment and geographical area. The primary segment reporting is based on business sectors, following the organizational structure and internal management system of the Company. This is because the Company's business activities are organized and managed according to the nature of the products and services provided. Each division operates as a business unit offering different products and serving different markets, as the risks and profitability of the Company are primarily affected by differences in the products and services it provides.

A, Information about business segments

The company has the following main business segments:

- + The sector of management, maintenance, supervision consulting, and installation of waterway systems
- + The construction sector
- + The sector of asset leasing services and hotel management

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Information about business results, fixed assets, other long-term assets, and the value of significant non-cash expenses of the division by business sector of the Company is as follows:

	Management, Maintenance, Consulting, and Installation in the Waterway Sector	Construction Sector	Asset Leasing and Hotel Services Sector	Total
This year				
Net revenue from sales and provision of services to external parties	6,054,737,966	41,338,188,623	3,849,937,372	51,242,863,961
Net revenue from sales and provision of services between divisions	-	-	-	-
Total net revenue from sales and provision of services	6,054,737,966	41,338,188,623	3,849,937,372	51,242,863,961
Departmental expenses	(3,041,910,600)	(31,661,836,727)	(1,924,071,688)	(36,627,819,015)
Business results by division	3,012,827,366	9,676,351,896	1,925,865,684	14,615,044,946
Unallocated expenses by division				(4,248,616,061)
Profit from business operations				10,366,428,885
Financial revenue				2,968,686
Financial expenses				(1,678,137,110)
Other revenue				193,946,212
Other expenses				(58,536,700)
Current corporate income tax expenses				-
Net profit after corporate income tax				8,826,669,973
The total costs incurred to acquire fixed assets and other long-term assets				55,203,142,391
The total depreciation expense and amortization of long-term prepaid expenses				3,121,699,088

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

B, Information about geographical areas

All of the Company's activities take place within the territory of Vietnam.

3. Financial risk management

The Company's activities give rise to the following financial risks: credit risk, liquidity risk, and market risk. The management is responsible for establishing policies and controls to mitigate financial risks, as well as monitoring the implementation of the established policies and controls.

A, Credit risk

Credit risk refers to the possibility that a counterparty may fail to meet its obligations in accordance with agreed terms, resulting in a financial loss for the Company.

Công ty có các rủi ro tín dụng phát sinh chủ yếu từ các khoản phải thu khách hàng, tiền gửi ngân hàng.

Receivables from customers

To manage accounts receivable, the management has issued a sales and service provision policy with strict regulations on the target customers, sales quotas, credit limits, and payment terms. On a monthly basis, the management conducts checks to ensure compliance with this sales policy. Additionally, the accounting department regularly monitors accounts receivable to follow up on collections.

The Company's receivables from customers are primarily related to government entities and related parties, which means the credit risk associated with these receivables is low.

Bank deposits

The Company's bank deposits, both term and non-term deposits, are held at domestic banks. The management does not perceive any significant credit risk from these bank deposits.

B, Liquidity Risk

Liquidity risk is the risk that the Company may face difficulties in fulfilling its financial obligations due to insufficient cash.

The liquidity risk of the Company mainly arises from the mismatched maturity dates of financial assets and financial liabilities.

The Company manages liquidity risk through measures such as regularly monitoring current and projected payment requirements to maintain an appropriate level of cash and loans, and supervising actual cash flows against projections to minimize the impact of cash flow fluctuations.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)

The payment terms of the non-derivative financial liabilities (excluding interest payable) are based on the contract payment terms and have not been discounted as follows:

	<u>From 1 year or less</u>	<u>Over 1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Year-end Balance				
Loans and debts	5,385,965,544	42,233,747,323	-	47,619,712,867
Accounts payable to suppliers	10,642,690,022	-	-	10,642,690,022
Other payables	3,324,469,227	-	-	3,324,469,227
Total	<u>19,353,124,793</u>	<u>42,233,747,323</u>	-	<u>61,586,872,116</u>
Beginning Balance				
Loans and debts	10,470,000,000	12,000,000,000	-	22,470,000,000
Accounts payable to suppliers	17,307,566,160	-	-	17,307,566,160
Other payables	8,776,456,310	-	-	8,776,456,310
Total	<u>36,554,022,470</u>	<u>12,000,000,000</u>	-	<u>48,554,022,470</u>

The management believes that the risk level associated with debt repayment is low. The company is capable of paying off its maturing debts from cash flow generated by its business operations and proceeds from maturing financial assets. The company has sufficient access to capital sources, and loans maturing within the next 12 months can be extended with the current lenders.

C, Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

Market risk related to the company's operations includes: interest rate risk and commodity/raw material price risk.

Interest rate risk

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

The company's interest rate risk is primarily related to time deposits.

Commodity/raw material price risk

The company is exposed to the risk of fluctuations in commodity/raw material prices. The company manages this risk by closely monitoring relevant market information and conditions to effectively manage the timing of purchases, production planning, and inventory levels.

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COMBINED FINANCIAL STATEMENTS

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)**4. Fair value of financial assets and liabilities**

	Book Value		Fair Value	
	Year-end Balance	Beginning Balance	Year-end Balance	Beginning Balance
<i>Financial Assets</i>				
Cash and Cash equivalents	5,650,243,915	6,274,469,705	5,650,243,915	6,274,469,705
Receivable from Customers	9,148,934,353	36,716,712,641	9,148,934,353	36,716,712,641
Other Receivables	57,096,266,838	61,957,722,932	57,096,266,838	61,957,722,932
Available-for-Sale Financial Assets	980,000,000	980,000,000	980,000,000	980,000,000
Total	72,875,445,106	105,928,905,278	72,875,445,106	105,928,905,278
<i>Financial Liabilities</i>				
Loans and debts	47,619,712,867	22,470,000,000	47,619,712,867	22,470,000,000
Accounts payable to suppliers	10,642,690,022	17,307,566,160	10,642,690,022	17,307,566,160
Other Payables	3,324,469,227	8,776,456,310	3,324,469,227	8,776,456,310
Total	61,586,872,116	48,554,022,470	61,586,872,116	48,554,022,470

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

The company uses the following methods and assumptions to estimate the fair value of financial assets and financial liabilities:

- The fair value of cash and cash equivalents, accounts receivable, loans, other receivables, borrowings, accounts payable to suppliers, and other short-term payables is equivalent to their book value (after deducting provisions for estimated uncollectible amounts) due to their short-term nature.
- The fair value of held-to-maturity investments and available-for-sale financial assets listed on the stock market is the published transaction price as of the end of the financial year/accounting year. For held-to-maturity investments and available-for-sale financial assets that are not listed but have transaction prices published by three securities companies as of the end of the financial year, the fair value of these investments is the average price based on the transaction prices published by the three securities companies.
- The fair value of loans, accounts receivable, other receivables, borrowings, accounts payable to suppliers, and other long-term payables, as well as held-to-maturity investments that are not listed on the stock market and do not have transaction prices published by three securities companies, is estimated by discounting cash flows using the interest rate applicable to debts with similar characteristics and remaining maturity periods.

The company has not conducted an official evaluation of available-for-sale financial assets that are not listed and do not have transaction prices published by three securities companies. However, the management assesses that the fair value of these financial assets does not differ materially from their book value.

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COMBINED FINANCIAL STATEMENTS

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NOTES TO THE COMBINED FINANCIAL STATEMENTS(CONT)

5. Subsequent events after the end of the financial year

No events have occurred after the end of the financial year that require adjustments to the figures or disclosure in the consolidated financial statements.

6. Other informations

The comparative figures are taken from the consolidated financial statements for the financial year ended December 31, 2023, which have been audited by Nhan Tam Viet Audit LLC.

Prepared by



Tran Thi Khanh Ly

Chief Accountant



Luu Thi Ly

Prepared on March 19, 2025

General Director



M.S.D.N: 5700102567
CÔNG TY
CỔ PHẦN
DS3
TP. HA LONG - T. QUANG NINH

Dao Vu Chinh

Appendix 01: Details of Bad Debts and Provision for Doubtful Receivables

Appendix 01: Details of Bad Debts and Provision for Doubtful Accounts Receivable

	Year-end Balance		Beginning Balance			
	Overdue Time	Original Cost	Provision	Overdue Time	Original Cost	Provision
Short-term Trade Receivables		28,248,427,041	(28,248,427,041)		28,302,936,041	(27,870,711,942)
AST Tourism Joint Stock Company	Debts Unlikely to Be Collected	25,413,305,138	(25,413,305,138)	Debts Unlikely to Be Collected	25,413,305,138	(25,413,305,138)
Cau 75 Construction Joint Stock Company	Debts Overdue for More Than 3 Years	1,386,238,000	(1,386,238,000)	Debts Overdue from 2 to 3 Years	1,440,747,000	(1,008,522,901)
Quang Minh Limited Liability Company	Debts Overdue for More Than 3 Years	1,448,883,903	(1,448,883,903)	Debts Over 3 Years	1,448,883,903	(1,448,883,903)
Total Provision for Short-term Doubtful Receivables		28,248,427,041	(28,248,427,041)		28,302,936,041	(27,870,711,942)