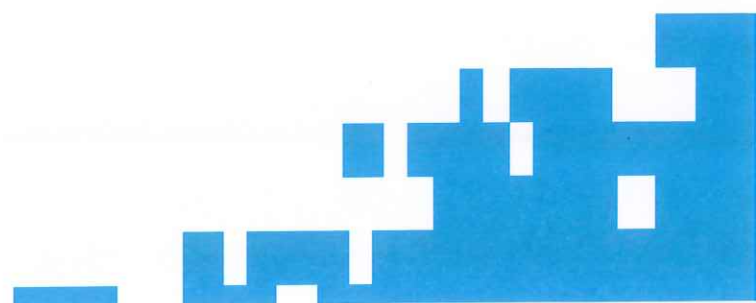




**LAM DONG INVESTMENT
AND HYDRAULIC CONSTRUCTION
JOINT STOCK COMPANY**

AUDITED SEPARATE FINANCIAL STATEMENTS
For the financial year ended 31 December 2024



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MANAGEMENT'S REPORT

Management of Lam Dong Investment and Hydraulic Construction Joint Stock Company (hereinafter referred to as "the Company") hereby presents its report and the audited separate financial statements of the Company for the financial year ended 31 December 2024.

MEMBERS OF THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE AND MANAGEMENT

Members of the Board of Directors during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr. Le Dinh Hien	Chairperson
Mr. Tran Viet Thang	Member
Mr. Ly Chu Hung	Member – Resigned on 10 July 2024
Mr. Phan Cong Ngon	Member
Ms. Ngo Thu Huong	Member – Appointed on 20 April 2024

Members of the Supervisory Committee during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr. Le Huy Sau	Head
Ms. Hoang Thi Lua	Member
Ms. Nguyen Thi Lien	Member

Members of management during the year and on the date of this report include:

<u>Full name</u>	<u>Position</u>
Mr. Le Van Quy	General Director
Mr. Tran Dai Hien	Vice General Director
Mr. Nguyen Van Son	Vice General Director – Appointed on 05 November 2024
Mr. Hau Van Tuan	Finance Director
Ms. Nguyen Thi Thu Huong	Chief Accountant

AUDITOR

The accompanying separate financial statements of the Company for the financial year ended 31 December 2024 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

RESPONSIBILITY OF MANAGEMENT

The Company's management is responsible for preparing the separate financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these separate financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the separate financial statements.
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement the internal control system effectively for a fair preparation and presentation of the separate financial statements so as to mitigate error or fraud.

MANAGEMENT'S REPORT (CONTINUED)

Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the separate financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that the Company has complied with the above requirements in preparing these separate financial statements.

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

For and on behalf of management,



Le Van Quy
General Director

Lam Dong, 25 March 2025

No: 344/2025/KT-RSMHCM**INDEPENDENT AUDITOR'S REPORT**

To: **Shareholders**
The Board of Directors
Management
LAM DONG INVESTMENT AND HYDRAULIC CONSTRUCTION JOINT STOCK COMPANY

Report on the separate financial statements

We have audited the accompanying separate financial statements of Lam Dong Investment and Hydraulic Construction Joint Stock Company (hereinafter referred to as "the Company") prepared on 25 March 2025 as set out from page 05 to page 38, which comprise the statement of financial position as at 31 December 2024, and the income statement and cash-flow statement for the financial year then ended, and the notes to the financial statements.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of Lam Dong Investment and Hydraulic Construction Joint Stock Company as at 31 December 2024, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System issued under Circular 200/2014/TT-BTC dated 22 December 2014 and Circular 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance and relevant legislation as to the preparation and presentation of separate financial statements.

pp GENERAL DIRECTOR

Phan Hoai Nam
Director

Audit Practice Registration Certificate:
3527-2021-026-1
(Under the Power of Attorney No. 10/2024-25/UQ-
RSM dated 31 December 2024 by the General
Director)

Le Vo Thuy Linh
Auditor

Audit Practice Registration Certificate:
3525-2021-026-1

RSM Vietnam Auditing & Consulting Company Limited

Ho Chi Minh, 25 March 2025

As disclosed in Note 2.1 to the separate financial statements, the accompanying separate financial statements are not intended to present the financial position, financial performance, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Expressed in VND

ASSETS	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
A. CURRENT ASSETS	100		196,268,550,297	163,135,154,397
I. Cash and cash equivalents	110	4.1	119,917,252,562	74,493,281,520
1. Cash	111		31,917,252,562	9,493,281,520
2. Cash equivalents	112		88,000,000,000	65,000,000,000
II. Current account receivables	130		61,321,154,069	73,190,943,830
1. Trade receivables	131	4.3	17,580,561,748	31,065,507,500
2. Advances to suppliers	132	4.4	30,787,059,437	27,638,289,744
3. Current loan receivables	135	4.5	15,000,000,000	19,100,000,000
4. Other current receivables	136	4.6	1,481,732,884	1,773,087,036
5. Provision for doubtful debts	137	4.7	(3,528,200,000)	(6,385,940,450)
III. Inventories	140		14,995,413,592	14,607,410,524
1. Inventories	141	4.8	14,995,413,592	14,607,410,524
IV. Other current assets	150		34,730,074	843,518,523
1. Current prepayments	151		34,730,074	-
2. Tax and other receivables from the state budget	153	4.13	-	843,518,523
B. NON-CURRENT ASSETS	200		188,254,888,334	155,438,113,521
I. Fixed assets	220		7,138,991,834	10,322,217,021
1. Tangible fixed assets	221	4.9	4,337,959,576	7,370,434,763
Cost	222		88,258,029,476	88,222,103,550
Accumulated depreciation	223		(83,920,069,900)	(80,851,668,787)
2. Intangible fixed assets	227	4.10	2,801,032,258	2,951,782,258
Cost	228		3,139,364,500	3,139,364,500
Accumulated amortisation	229		(338,332,242)	(187,582,242)
II. Non-current financial investments	250		181,115,896,500	145,115,896,500
1. Investments in subsidiaries	251	4.2	181,115,896,500	145,115,896,500
TOTAL ASSETS (270 = 100 + 200)	270		384,523,438,631	318,573,267,918

(See the next page)

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

Expressed in VND

RESOURCES	Code	Notes	As at 31 Dec. 2024	As at 01 Jan. 2024
C. LIABILITIES	300		198,419,191,416	148,009,466,225
I. Current liabilities	310		198,419,191,416	148,009,466,225
1. Trade payables	311	4.11	20,483,486,799	11,355,121,178
2. Advances from customers	312	4.12	130,732,274,292	125,013,189,735
3. Taxes and amounts payable to the state budget	313	4.13	1,417,326,288	255,083,687
4. Payables to employees	314		2,990,146,125	2,808,125,600
5. Accrued expenses	315	4.14	534,693,767	2,687,665,535
6. Other current payables	319	4.15	170,912,287	306,910,019
7. Current loans and obligations under finance leases	320	4.16	37,030,000,000	40,000,000
8. Current provisions	321	4.17	4,395,410,156	4,671,365,732
9. Bonus and welfare fund	322		664,941,702	872,004,739
D. OWNER'S EQUITY	400		186,104,247,215	170,563,801,693
I. Equity	410	4.18	186,104,247,215	170,563,801,693
1. Owner's contributed capital	411		144,000,000,000	144,000,000,000
2. Share premiums	412		9,052,708,180	9,052,708,180
3. Investment and development fund	418		2,811,093,513	2,030,553,178
4. Retained earnings	421		30,240,445,522	15,480,540,335
Retained earnings of the current year	421b		30,240,445,522	15,480,540,335
TOTAL RESOURCES (440 = 300 + 400)	440		384,523,438,631	318,573,267,918



Le Van Quy

General Director

Lam Dong, 25 March 2025

Nguyen Thi Thu Huong

Chief accountant

INCOME STATEMENT

For the financial year ended 31 December 2024

Expressed in VND

ITEMS	Code	Notes	Year 2024	Year 2023
1. Revenue	01	5.1	100,438,777,546	131,745,479,598
2. Deductions	02	5.2	1,992,487,491	446,125,955
3. Net revenue	10		98,446,290,055	131,299,353,643
4. Cost of sales	11	5.3	86,224,976,471	124,825,705,309
5. Gross profit	20		12,221,313,584	6,473,648,334
6. Finance income	21	5.4	48,324,456,639	42,154,455,010
7. Finance expense	22	5.5	80,451,570	52,140,741
<i>Of which, interest expense</i>	23		2,300,000	15,652,083
8. General and administrative expense	26	5.6	7,462,044,408	13,897,942,607
9. Operating profit/(loss)	30		53,003,274,245	34,678,019,996
10. Other income	31	5.7	1,503,408,812	4,367,550,131
11. Other expense	32	5.8	1,403,027,329	1,977,890,278
12. Net other income/(loss)	40		100,381,483	2,389,659,853
13. Accounting profit/(loss) before tax	50		53,103,655,728	37,067,679,849
14. Current corporate income tax expense	51	5.10	1,263,210,206	(12,860,486)
15. Net profit/(loss) after tax	60		51,840,445,522	37,080,540,335



Le Van Quy
General Director

Lam Dong, 25 March 2025

Nguyen Thi Thu Huong
Chief accountant

CASH FLOW STATEMENT

(Indirect method)

For the financial year ended 31 December 2024

Expressed in VND

ITEMS	Code	Notes	Year 2024	Year 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit /(loss) before taxes	01		53,103,655,728	37,067,679,849
2. Adjustment for:				
Depreciation and amortisation	02	5.9	3,219,151,113	3,699,860,485
Provisions	03		(3,133,696,026)	1,573,237,957
Gains/losses from investment	05		(48,281,141,571)	(43,136,128,331)
Interest expense	06		2,300,000	15,652,083
3. Operating profit /(loss) before adjustments to working capital	08		4,910,269,244	(779,697,957)
Increase or decrease in accounts receivable	09		11,109,754,545	37,230,179,936
Increase or decrease in inventories	10		(388,003,068)	(1,579,757,405)
Increase or decrease in accounts payable (excluding interest expense and CIT payable)	11		13,589,964,706	(30,995,306,860)
Increase or decrease prepaid expenses	12		(34,730,074)	324,074,074
Interest paid	14		(2,300,000)	(15,652,083)
Corporate income tax paid	15		(632,451,987)	(9,742,703)
Other cash outflows from operating activities	17		(507,063,037)	(295,357,094)
Net cash from operating activities	20		28,045,440,329	3,878,739,908
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(35,925,926)	(4,084,508,080)
2. Proceeds from disposals of fixed assets and other long-term assets	22		-	1,013,299,664
3. Loans to other entities and payments for purchase of debt instruments of other entities	23		(9,000,000,000)	(19,000,000,000)
4. Repayments from borrowers and proceeds from sales of debts instruments of other entities	24		13,100,000,000	2,000,000,000
5. Investments in other entities	25		(36,000,000,000)	-
6. Interest and dividends received	27		48,324,456,639	40,636,684,967
Net cash from investing activities	30		16,388,530,713	20,565,476,551

(See the next page)

CASH FLOW STATEMENT

(Indirect method)

For the financial year ended 31 December 2024

Expressed in VND

ITEMS	Code	Notes	Year 2024	Year 2023
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	37,000,000,000	50,000,000
2. Repayment of borrowings	34	6.2	(10,000,000)	(597,000,000)
3. Dividends paid	36		(36,000,000,000)	(28,800,000,000)
Net cash from financing activities	40		990,000,000	(29,347,000,000)
NET INCREASE/(DECREASE) IN CASH				
(50 = 20+30+40)	50		45,423,971,042	(4,902,783,541)
Cash and cash equivalents at beginning of year	60		74,493,281,520	79,396,065,061
CASH AND CASH EQUIVALENTS AT END OF YEAR (70 = 50+60+61)	70	4.1	119,917,252,562	74,493,281,520



Le Van Quy
General Director

Lam Dong, 25 March 2025

Nguyen Thi Thu Huong
Chief accountant

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Structure of ownership

Lam Dong Investment and Hydraulic Construction Joint Stock Company (hereinafter referred to as "the Company") has been incorporated in accordance with Decision No. 82/2000/QĐ-UB dated 27 June 2000 issued by People's Committee of Lam Dong Province, the Business Registration Certificate No. 059247 dated 27 July 2000 and other amended certificates thereafter with the latest one No. 5800000424 dated 25 November 2024 granted by Lam Dong Planning and Investment Department to change legal representative information.

On 13 October 2010, the Company was formally licensed to trade securities on Hanoi Securities Trading Centre in accordance with the Share Listing Registration Certificate No. 04/GCN-SGDHN dated 07 January 2010 issued by the General Director of Hanoi Securities Trading Centre.

The charter capital as stipulated in the Business Registration Certificate is VND 144,000,000,000.

The Company's registered head office is at No. 87 Phu Dong Thien Vuong Street, Ward 08, Da Lat city, Lam Dong province, Vietnam.

The number of employees as at 31 December 2024 was 52 (31 December 2023: 56).

1.2. Business field

Construction.

1.3. Operating industry and principal activities

According to the Business Registration Certificate, the Company is principally engaged in:

- Execution of the irrigational and traffic projects for civil and industrial construction, including water supply and sanitation systems;
- Manufacture and installation of machinery for the irrigational and traffic industries.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a period of 12 months.

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1.5. The Company's structure

As at 31 December 2024, the Company's subsidiaries were as follows:

Name	Operating industry	Address	Voting rights	Per cent capital	Per cent interest
Direct subsidiaries:					
Lam Dong Minerals and Building Materials Joint Stock Company	Mining minerals, producing, and trading construction materials.	87 Phu Dong Thien Vuong Street, Da Lat City, Lam Dong Province.	64.90%	64.90%	64.90%
40 Investment and Construction Joint Stock Company	Construction of irrigation works	201/58 Nguyen Xi Street, Ward 26, Binh Thanh District, Ho Chi Minh City.	51.00%	51.00%	51.00%
40.10 Investment and Construction Joint Stock Company	Construction of irrigation works	201/58 Nguyen Xi Street, Ward 26, Binh Thanh District, Ho Chi Minh City.	99.45%	99.45%	99.45%
Indirect subsidiaries:					
Hiep Thinh Phat Limited Company	Exploitation of stone, sand, gravel, and clay	87 Phu Dong Thien Vuong Street, Da Lat City, Lam Dong Province.	100.00%	100.00%	64.90%
Hiep Thanh Brick Limited Company	Production of construction materials from clay	Hiep Thanh Hamlet, Tam Bo Town, Di Linh District, Lam Dong Province.	94.39%	94.39%	61.26%
LBM Dak Nong Company Limited	Production of concrete and products from cement and plaster	Hamlet 12, Nhan Co Town, Dak R'Lap District, Dak Nong Province.	100.00%	100.00%	64.90%
LBM Tan Phu Single Member Company Limited	Production of concrete and products from cement and plaster	No. 368, Phu Hop B Hamlet, Phu Binh Commune, Tan Phu District, Dong Nai Province.	100.00%	100.00%	64.90%
LBM Loc Son Single Member Company Limited	Producing and trading concrete	Loc Son Industrial Park, Loc Son Ward, Bao Loc City, Lam Dong Province	100.00%	100.00%	64.90%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF SEPARATE PREPARATION

2.1. Accounting standards, accounting system

The accompanying separate financial statements, expressed in VND, are prepared under the historical cost convention, and in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

The accompanying separate financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company's financial year is from 01 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in Vietnamese Dong (VND).

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Use of estimates

The preparation of the separate financial statements requires management to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets and liabilities reported at 31 December 2024 as well as revenues and expenses in the financial statements for the financial year ended 31 December 2024. Although these estimates are based on the management's best knowledge of all relevant information available at the date when the separate financial statements are prepared, this does not prevent actual figures differing from estimates.

3.2. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and current investments for a period not exceeding 3 months or highly liquid investments which are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Cash equivalents are defined the same as those under the Accounting Standard "Statement of cash flows."

3.3. Financial investments

Investments in subsidiaries

Investments are classified as investments in subsidiaries when the Company has the power of control over policies and operating activities, normally evidenced by the holding of more than 50% of the voting rights.

Investments in subsidiaries are accounted for under the cost method which comprise the purchase price plus (+) acquisition related costs (if any). In case of investments of non-monetary assets, the cost of the investments is measured at the fair values of the assets as incurred.

Dividends for the period after the acquisition date are recognised as financial incomes at their fair values when the shareholder's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Recognition principles of provision for securities investment impairment loss

For equity investments in subsidiaries

As of the date of the separate financial statements, provisions for impairment losses on equity investments are recognised if an indication of impairment exists.

Provisions for impairment losses on equity investments in subsidiaries are determined on the basis of the investee's loss.

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

Provisions for doubtful debts

As of the date of the separate financial statements, provisions for doubtful debts are recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might be uncollectible or for uncollectible debts due to liquidation, bankruptcy, or similar difficulties.

The difference between the required balance and the existing balance of provisions for doubtful debts is recorded as a general and administrative expense in the income statement.

3.5. Inventories

Inventory measurement

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

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling, and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

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

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method.

Provisions for decline in value of inventories

As of the date of the separate financial statements, provisions are recognised for obsolete, slow-moving, defective inventory, and for inventory stated at cost higher than net realisable value.

The difference between the required balance and the existing balance of the provisions for a decline in value of inventories is included in cost of sales in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.6. Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair value and deducted from the historical cost of the respective tangible fixed assets.

Depreciation and amortisation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

▪ Machinery and equipment	03 – 07 years
▪ Motor vehicles	05 – 06 years
▪ Office equipment	02 – 05 years

3.7. Intangible fixed assets

Tangible fixed assets are measured at cost less accumulated amortisation.

Tangible fixed asset recognition

The cost of an intangible fixed asset comprises the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use.

Accounting principles for intangible fixed assets

Land use rights

Land use rights are stated at their costs less accumulated amortisation. The Company's land use right pertains to a plot of land located at Land parcel No. 102, Map sheet No. 37, Tien Hoang commune, Cat Tien district, Lam Dong province which the Company can utilise for 20 years. The land use right is amortised using the straight-line method over the period of the right to use the land.

Computer software

Computer software is not an indispensable component of hardware and is recognised as an intangible asset and depreciated over its useful life.

3.8. Liabilities

Liabilities are classified into trade payable and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; the remaining payables are classified as other payables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.9. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

3.10. Provision

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event; a reliable estimate can be made of the amount of the obligation; and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions shall not be recognised for future operating losses.

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

3.11. Owners' equity

The owners' contributed equity

The owners' equity is recognised when contributed.

Share premiums

Share premiums are recognised as the difference between the issue price and the par value of shares, and the difference between the re-purchase price and the re-issue price of treasury shares.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Reserves

Reserves are created at certain percentages of profit after tax as prescribed in the Company's charter.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved the Annual General Meeting of Shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.12. Revenue and other income

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

Revenue from construction contracts

Revenue from construction contracts is recognised in accordance with the accounting policy on construction contracts as Note 3.14 below.

Interest income

Interest income is recognised on an accrual basis by reference to the principal outstanding and at the interest rate applicable.

Income from investments

Dividend income from investments is recognised in the Income statement corresponding to the per cent interest of the Company.

Disposal and sale of fixed assets

Income from disposal and sale of fixed assets is the excess of the proceeds from the disposal and sale of the fixed assets over the carrying amount of the fixed assets and disposal expenses.

3.13. Deductions

Deductions include sale allowances.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

3.14. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the date of the statement of financial position as measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs – except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably:

- Revenue is only recognised to the extent of contract costs incurred that it is probable will be recoverable.
- Contract costs are only recognised as an expense in the period in which they are incurred.

3.15. Cost of sales

Cost of sales and services provided represents total costs of finished products, goods, services, investment properties or manufacturing costs of construction products (for construction entities) which are sold in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.16. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include borrowing costs and other finance expense.

3.17. General and administrative expense

General and administrative expenses represent common expenses, which include payroll costs for office employees (salaries, wages, allowances, etc.); social insurance, health insurance, trade union fees and unemployment insurance; stationery expenses, material expenses, depreciation expenses of fixed assets used for administration activities; land rental, license tax; provision for doubtful debts; utility services (electricity expenses, water expenses, phone, fax, warranty expenses, etc.); sundry expenses.

3.18. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year at 20%.

Value added tax

The goods sold and services rendered by the Company are subject to value added tax at 10%.

For the year 2024 alone, in accordance with Decree 94/2023/NĐ-CP dated 28 December 2023 by the Government detailing the implementation of Resolution No. 110/2023/QH15 passed by the Standing Committee of the National Assembly dated 29 November 2023, the VAT rate of 8% is applicable to certain goods and services from 01 January 2024 to 30 June 2024 and in accordance with Decree 72/2024/NĐ-CP dated 30 June 2024 by the Government detailing the implementation of Resolution No. 142/2024/QH15 passed by the Standing Committee of the National Assembly dated 29 June 2024, the VAT rate of 8% is applicable to certain goods and services from 01 July 2024 to 31 December 2024. In particular, the following goods and services are applicable to VAT rate of 8%:

- Construction and installation;
- Sale of machinery, equipment, and materials.

Other taxes

Other taxes are applicable in accordance with the prevailing tax laws in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment for the Company.

3.19. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION

4.1. Cash and cash equivalents

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Cash in hand	21,672,747	141,392,091
Cash at banks	31,895,579,815	9,351,889,429
Cash equivalents (*)	88,000,000,000	65,000,000,000
Total	<u>119,917,252,562</u>	<u>74,493,281,520</u>

(*) Representing bank deposits for less than 03 months at an interest rate ranging from 2.9% to 3.9% per year.

The year-end value of bank deposits for less than 03 months, amounting to VND 8,000,000,000 at an interest rate of 3.2% per year, was pledged as security for the issuance of advances of the construction work of Dong Thanh and Lam Ha canal system, according to Contract No. 272/HD-TCXD dated 27 December 2022.

The year-end value of bank deposits for 01 month, amounting to VND 37,000,000,000 at an interest rate of 3.9% per year, was pledged as security for loans under Contract No. 02/2024/590363/HDTD dated 02 December 2024 with Joint stock Commercial Bank for Investment and Development of Vietnam.

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LAM DONG INVESTMENT AND HYDRAULIC CONSTRUCTION JOINT STOCK COMPANY

Address: No. 87 Phu Dong Thien Vuong, Ward 08, Da Lat city, Lam Dong province, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.2. Investments in subsidiaries**

	As at 31 Dec. 2024			As at 01 Jan. 2024		
	VND			VND		
	Cost	Fair value	Provisions	Cost	Fair value	Provisions
Lam Dong Minerals and Building Materials Joint Stock Company	110,775,469,000	367,334,000,000	-	110,775,469,000	623,040,000,000	-
40 Investment and Construction Joint Stock Company	34,340,427,500	62,424,000,000	-	34,340,427,500	34,884,000,000	-
40.10 Investment and Construction Joint Stock Company – Refer to Note 7	36,000,000,000	(*)	-	-	-	-
Total	181,115,896,500	429,758,000,000	-	145,115,896,500	657,924,000,000	-

At 31 December 2024, the Company has determined the fair values of investments in Lam Dong Minerals and Building Materials Joint Stock Company, 40 Investment and Construction Joint Stock Company and 40.10 Investment and Construction Joint Stock Company on the basis of prices quoted on the Stock Exchange and the number of shares that the Company holds.

(*) At the reporting date, the Company has not determined the fair value of investment in 40.10 Investment and Construction Joint Stock Company for disclosure in the separate financial statements due to the absence of a quoted market price. Additionally, the Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting Regime do not currently provide guidance on applying valuation techniques to calculate fair value. The fair value of these investments may differ from their carrying amount.

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.3. Current trade receivables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Trade receivables from related parties – Refer to Note 7	2,157,967,483	2,776,309,800
Trade receivables:		
Long An Agricultural Project Management Board Management Unit Investment and Construction Project Agriculture and Rural Development of Tay Ninh	3,811,571,000	-
Transport Construction and Trading Joint Stock Company	3,625,549,400	4,173,979,100
Construction Joint Stock Company 47	3,528,200,000	3,528,200,000
Others (*)	2,935,350,425	-
	1,521,923,440	20,587,018,600
Total	17,580,561,748	31,065,507,500

(*) At 31 December 2024, any component of current trade receivables from other customers was less than 10% of the total current trade receivables.

4.4. Current advances to suppliers

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Advances to related parties – Refer to Note 7	9,998,553,000	4,214,826,758
Advances to suppliers:		
Trong Tin Company Limited (*)	16,423,700,270	17,193,940,780
Others (**)	4,364,806,167	6,229,522,206
Total	30,787,059,437	27,638,289,744

(*) Advances to Trong Tin Lam Dong Company Limited related to Dong Thanh reservoir construction project, according to Contract No. 01/2022/HDKT-LHC-TT dated 17 January 2022, and the KaZam reservoir construction project in Don Duong according to Contract No. 01KZ/2023/HD-LHC-TT dated 29 November 2023.

(**) At 31 December 2024, any component of advances to other suppliers was less than 10% of the total current advances to suppliers.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.5. Current loan receivables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Loan receivables from related parties – Refer to Note 7	15,000,000,000	15,000,000,000
Other current loan receivables	-	4,100,000,000
Total	15,000,000,000	19,100,000,000

4.6. Other current receivables

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Amount	Provisions	Amount	Provisions
Other receivables from related parties – Refer to Note 7	43,315,068	-	111,986,301	-
Other receivables:				
Receivables from employees	1,438,417,816	-	1,655,625,735	-
Other receivables	-	-	5,475,000	-
Total	1,481,732,884	-	1,773,087,036	-

4.7. Doubtful debt

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Cost	Recoverable amount	Cost	Recoverable amount
Overdue trade receivables or overdue amounts loaned and other receivables not yet due but uncollectible	3,528,200,000	-	8,385,940,450	2,000,000,000

Management assessed that the likelihood of recovering overdue receivables was low because the debt had been overdue for many years and difficult to recover.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Overdue trade receivables and overdue amounts loaned are analysed by debtor as follows:

	As at 31 Dec. 2024 VND			As at 01 Jan. 2024 VND		
	Cost	Recoverable amount	Overdue days	Cost	Recoverable amount	Overdue days
Traffic Trade and Project Joint Stock Company	3,528,200,000	-	4 years	3,528,200,000	-	3 years 4 - 5 years
Others	-	-		4,857,740,450	2,000,000,000	
Total	<u>3,528,200,000</u>	<u>-</u>		<u>8,385,940,450</u>	<u>2,000,000,000</u>	

4.8. Inventories

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Cost	Provisions	Cost	Provisions
Work in progress (*)	13,848,094,621	-	13,368,892,513	-
Merchandise	1,147,318,971	-	1,238,518,011	-
Total	<u>14,995,413,592</u>	<u>-</u>	<u>14,607,410,524</u>	<u>-</u>

(*) Of which, work in progress is detailed as below:

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Dong Thanh reservoir	5,801,093,548	7,469,204,899
Tan Phu pumping station trash scraping system package	3,620,160,000	-
Package 15 Tay Ninh – Phase 2	2,016,298,630	-
Ta Hoet reservoir	1,421,318,706	1,365,291,035
Ka Zam reservoir	938,266,152	2,179,724,250
Vuon Chanh infrastructure project – Long An	50,957,585	1,841,152,648
Loc Son project	-	462,519,681
Vam Co Dong canal and construction works – Package 17	-	51,000,000
Total	<u>13,848,094,621</u>	<u>13,368,892,513</u>

LAM DONG INVESTMENT AND HYDRAULIC CONSTRUCTION JOINT STOCK COMPANY

Address: No. 87 Phu Dong Thien Vuong Street, Ward 08, Da Lat city, Lam Dong province, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.9. Tangible fixed assets**

Items	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Cost:				
As at 01 Jan. 2024	76,506,803,822	11,633,299,728	82,000,000	88,222,103,550
Purchase	35,925,926	-	-	35,925,926
As at 31 Dec. 2024	76,542,729,748	11,633,299,728	82,000,000	88,258,029,476
Accumulated depreciation:				
As at 01 Jan. 2024	71,734,166,317	9,059,950,613	57,551,857	80,851,668,787
Depreciation	2,357,269,338	686,683,632	24,448,143	3,068,401,113
As at 31 Dec. 2024	74,091,435,655	9,746,634,245	82,000,000	83,920,069,900
Net book value:				
As at 01 Jan. 2024	4,772,637,505	2,573,349,115	24,448,143	7,370,434,763
As at 31 Dec. 2024	2,451,294,093	1,886,665,483	-	4,337,959,576

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 73,319,325,303.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.10. Intangible fixed assets

Items	Land use rights VND	Computer software VND	Total VND
Cost:			
As at 01 Jan. 2024	3,015,000,000	124,364,500	3,139,364,500
As at 31 Dec. 2024	3,015,000,000	124,364,500	3,139,364,500
Accumulated amortisation:			
As at 01 Jan. 2024	63,217,742	124,364,500	187,582,242
Amortisation	150,750,000	-	150,750,000
As at 31 Dec. 2024	213,967,742	124,364,500	338,332,242
Net book value:			
As at 01 Jan. 2024	2,951,782,258	-	2,951,782,258
As at 31 Dec. 2024	2,801,032,258	-	2,801,032,258

The historical cost of intangible fixed assets fully depreciated but still in use totalled VND 124,364,500.

4.11. Current trade payables

	As at 31 Dec. 2024 VND		As at 01 Jan. 2024 VND	
	Amount	Payable amount	Amount	Payable amount
Trade payables to related parties – Refer to Note 7	1,302,535,622	1,302,535,622	69,622,793	69,622,793
Trade payables:				
VINCI VINA Construction JSC	7,950,072,806	7,950,072,806	977,580,995	977,580,995
Nordic Electromechanical JSC	3,080,141,000	3,080,141,000	-	-
Others (*)	8,150,737,371	8,150,737,371	10,307,917,390	10,307,917,390
Total	20,483,486,799	20,483,486,799	11,355,121,178	11,355,121,178

(*) As at 31 December 2024, any component of current trade payables to others was less than 10% of the total current trade payables.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.12. Current advances from customers

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Management Unit Investment and Construction Project Agriculture and Rural Development of Lam Dong (*)	75,200,000,000	75,200,000,000
Centre of Management and Exploitation of Public Construction Lam Ha (**)	21,600,000,000	21,600,000,000
Centre of Management and Exploitation of Public Construction Don Duong (***)	14,860,915,679	23,837,155,122
Department of Agriculture and Rural Development of Binh Duong Province (****)	16,356,600,000	-
Agriculture Project Management Board of Long An Province	-	4,359,312,000
Others	2,714,758,613	16,722,613
Total	<u>130,732,274,292</u>	<u>125,013,189,735</u>

(*) Advances from Management Unit Investment and Construction Project Agriculture and Rural Development of Lam Dong related to the Ta Hoet, Dinh An project, according to Contract No. 866/2021/HDXL-DTXDCT dated 20 December 2021.

(**) Advances from Management and Exploitation of Public Construction Lam Ha related to Dong Thanh Lam Ha dam construction and Dong Thanh, Lam Ha canal systems, according to Contract No. 272/HD-TCXD dated 27 December 2022.

(***) Advances from Centre of Management and Exploitation of Public Construction Don Duong related to Kazam reservoir construction in Don Duong district, according to Contract No. 21/2023/HĐXD-BQLDA dated 25 September 2023.

(****) Advances from Department of Agriculture and Rural Development of Binh Duong Province related to the work of dredging and reinforcing the Suoi Cai route from the Tho Ut bridge to Dong Nai river, according to Contract No. 41/HD-XD dated 21 December 2024.

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LAM DONG INVESTMENT AND HYDRAULIC CONSTRUCTION JOINT STOCK COMPANY

Address: No. 87 Phu Dong Thien Vuong, Ward 08, Da Lat city, Lam Dong province, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.13. Tax and amounts payable to the state budget**

	As at 31 Dec. 2024		Movements in the year		As at 01 Jan. 2024	
	VND		VND		VND	
	Receivable	Payable	Payable	Paid	Receivable	Payable
Value added tax	-	955,561	734,151,275	207,656,312	525,539,402	-
Corporate income tax	-	984,533,921	1,934,965,029	632,451,987	317,979,121	-
Personal income tax	-	431,836,806	3,050,053,883	2,873,300,764	-	255,083,687
Fees, charges	-	-	7,726,733	7,726,733	-	-
Total	-	1,417,326,288	5,726,896,920	3,721,135,796	843,518,523	255,083,687

4.14. Current accrued expenses

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Accrued expense of Lemon Garden project in Long An	534,693,767	332,634,880
Accrued expense of the other projects	-	2,355,030,655
Total	534,693,767	2,687,665,535

4.15. Current other payables

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Trade union dues	160,236,287	122,457,524
Other payables	10,676,000	184,452,495
Total	170,912,287	306,910,019

LAM DONG INVESTMENT AND HYDRAULIC CONSTRUCTION JOINT STOCK COMPANY

Address: No. 87 Phu Dong Thien Vuong, Ward 08, Da Lat city, Lam Dong province, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.16. Current loans and finance lease liabilities**

Current loans are analysed as follows:

	As at 31 Dec. 2024 VND		Movements in the year VND		As at 01 Jan. 2024 VND	
	Amount	Payable amount	Increase	Decrease	Amount	Payable amount
Bank loans (*)	37,000,000,000	37,000,000,000	37,000,000,000	-	-	-
Individual loans (**)	30,000,000	30,000,000	-	10,000,000	40,000,000	40,000,000
Total	37,030,000,000	37,030,000,000	37,000,000,000	10,000,000	40,000,000	40,000,000

(*) The bank loans represent the loans for the purpose of supplementing working capital, subject to an interest rate of 3.9% per year at BIDV Lam Dong bank and secured by Bank Deposit Contract No: 206/2024/590363/HDTG dated 02 December 2024.

(**) The individual loans represent the loans for the purpose of supplementing working capital, subject to an interest rate according to BIDV Lam Dong bank's working capital loan interest rate and unsecured.

4.17. Current provisions

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Construction warranty provision for the infrastructure investment project of Lemon Garden – Long An	1,295,211,108	1,392,677,483
Construction warranty provision for the Dong Thanh reservoir – Lam Ha	1,177,694,796	1,258,988,318
Construction warranty provision for others construction	1,922,504,252	2,019,699,931
Total	4,395,410,156	4,671,365,732

The construction warranty provisions are estimated as a percentage of revenue, varying by construction contract, but not exceeding 5% in accordance with government regulations.

LAM DONG INVESTMENT AND HYDRAULIC CONSTRUCTION JOINT STOCK COMPANY

Address: No. 87 Phu Dong Thien Vuong, Ward 08, Da Lat city, Lam Dong province, Vietnam.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.18. Owners' equity****4.18.1. Changes in owners' equity**

	Items of owners' equity				Total VND
	Owners' contributed capital VND	Capital surplus VND	Investment and development fund VND	Undistributed earnings VND	
As at 01 Jan. 2023	144,000,000,000	9,052,708,180	6,071,657,587	3,158,895,591	162,283,261,358
Previous year's profits	-	-	-	37,080,540,335	37,080,540,335
Dividend declared from 2022 profit according to the Notice of interim cash dividend payment dated 02 March 2023 of the Board of Directors	-	-	(4,041,104,409)	(3,158,895,591)	(7,200,000,000)
Dividend declared from 2023 profit according to the Notice of interim dividend payment for the first period of 2023 in cash dated 04 August 2023 of the Board of Directors	-	-	-	(21,600,000,000)	(21,600,000,000)
As at 01 Jan. 2024	144,000,000,000	9,052,708,180	6,071,657,587	3,158,895,591	162,283,261,358
Current year's profits	-	-	-	51,840,445,522	51,840,445,522
Dividends declared from profit payments by cash for the second period of 2023 according to Notice No. 04/2024 dated 20 February 2024 of the Board of Directors.	-	-	-	(14,400,000,000)	(14,400,000,000)
Appropriation bonus and welfare fund under Resolution No. 01/NQ-DHDCD24-LHC dated 20 April 2024 of the Board of Directors.	-	-	-	(300,000,000)	(300,000,000)
Appropriation of the fund under Resolution No. 01/NQ-DHDCD24-LHC dated 20 April 2024 of the Board of Directors.	-	-	780,540,335	(780,540,335)	-
Dividends declared from profit payments by cash for the first period of 2024 according to Notice No. 20/2024 dated 12 August 2024 of the Board of Directors.	-	-	-	(21,600,000,000)	(21,600,000,000)
As at 31 Dec. 2024	144,000,000,000	9,052,708,180	2,811,093,513	30,240,445,522	186,104,247,215

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.18.2. Details of owner's equity

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Capital contributed by shareholders	144,000,000,000	144,000,000,000

4.18.3. Shares

	As at 31 Dec. 2024	As at 01 Jan. 2024
Number of ordinary shares registered for issue	14,400,000	14,400,000
Number of ordinary shares sold to public	14,400,000	14,400,000
Number of ordinary shares outstanding	14,400,000	14,400,000
Par value per outstanding share: VND 10,000 per share.		

4.18.4. Dividends

	Year 2024 VND	Year 2023 VND
Dividend payouts	(36,300,000,000)	(28,800,000,000)

4.18.5. Corporate funds

	Other funds VND
As at 01 Jan. 2024	2,030,553,178
Transfers from current year's profits	780,540,335
As at 31 Dec. 2024	2,811,093,513

4.18.6. Off statement of financial position items

	As at 31 Dec. 2024 Foreign currency VND	As at 01 Jan. 2024 Foreign currency VND
Doubtful debts written off:		
Project Management Board for Investment and Construction of Public Works in Da Teh District Tuyen Lam Lake Project Management Board 508 Joint Stock Company	- 2,033,760,000 - 89,104,790 - 57,338,000	- 2,033,760,000 - 89,104,790 - 57,338,000
Total	- 2,180,202,790	- 2,180,202,790

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

	Year 2024 VND	Year 2023 VND
Revenue from construction of irrigation works	98,938,695,998	131,745,479,598
Revenue from construction machinery rental	1,500,081,548	-
Total	100,438,777,546	131,745,479,598
Of which the revenue from selling goods and rendering services to related parties – Refer to Note 7	13,381,670,992	9,406,684,307

Revenue from the construction of irrigation works this year decreased by more than 21% year-on-year, primarily because the older projects have nearly completed all items and been handed over. Meanwhile, there has little new construction activity in the locality.

5.2. Deductions

	Year 2024 VND	Year 2023 VND
Construction contract revenue deductions	1,992,487,491	446,125,955

5.3. Cost of sales

	Year 2024 VND	Year 2023 VND
Cost of construction contracts	86,224,976,471	124,825,705,309

The cost of construction contracts decreased year-on-year due to a decline in revenue in 2024, as disclosed in Note 5.1.

5.4. Finance income

	Year 2024 VND	Year 2023 VND
Dividends, profits received – Refer to Note 7	45,430,602,000	37,642,498,800
Loan interest – Refer to Note 7	611,568,493	111,986,301
Deposit and loan interest	1,837,877,951	4,399,969,909
Interest income from construction warranty funds	444,408,195	-
Total	48,324,456,639	42,154,455,010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.5. Finance expense

	Year 2024 VND	Year 2023 VND
Interest expense	2,300,000	15,652,083
Other financial expenses	78,151,570	36,488,658
Total	80,451,570	52,140,741

5.6. General and administrative expense

	Year 2024 VND	Year 2023 VND
Employee expense	6,119,939,841	6,522,332,904
Material expense	23,640,778	100,272,727
Depreciation expense	861,881,775	770,418,650
Fees, charges	3,000,000	3,000,000
(Revert)/Provision for doubtful debts	(2,857,740,450)	2,192,970,225
Writes-down bad debts	-	89,104,790
Service expense	520,708,544	1,202,690,194
Others	2,790,613,920	3,017,153,117
Total	7,462,044,408	13,897,942,607

General and administrative expenses decreased more than by 46% year-on-year due to the reversal of provisions for doubtful debts that had been fully collected. In addition, outsourcing service expenses declined due to reductions in office rental and appraisal expenses.

5.7. Other income

	Year 2024 VND	Year 2023 VND
Gains from selling materials – Refer to Note 7	1,101,219,226	16,468,637
Gains from disposal and sale of fixed assets – Refer to Note 7	-	727,272,728
Gains from selling materials	152,804,986	2,001,079,401
Gains from disposal and sale of fixed assets	-	254,400,593
Write-offs	130,902,600	948,328,772
Other income	118,482,000	420,000,000
Total	1,503,408,812	4,367,550,131

Other income this year decreased by more than 66% year-on-year, primarily due to a decline in income from selling materials at the construction site.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.8. Other expense

	Year 2024 VND	Year 2023 VND
Cost of materials sold	1,345,219,254	1,878,308,379
Penalties, administrative violations	57,798,444	99,465,002
Other expenses	9,631	116,897
Total	1,403,027,329	1,977,890,278

5.9. Production and business costs by element

	Year 2024 VND	Year 2023 VND
Material expense	72,808,791,901	108,458,868,166
Employee expense	15,599,880,757	15,840,465,957
Depreciation expense	3,219,151,113	3,699,860,485
Provision for doubtful debts	(2,857,740,450)	2,192,970,225
Writes-down bad debts	-	89,104,790
Service expense	1,405,755,292	3,778,794,783
Other expenses	3,990,380,376	7,048,115,444
Total	94,166,218,989	141,108,179,850

5.10. Current corporate income tax expense

CIT expense calculated on the taxable income of the current year is determined as follows:

	Year 2024 VND	Year 2023 VND
Accounting profit before tax for the year	53,103,655,728	37,067,679,849
Add: Adjustments according to CIT law	465,202,715	255,741,947
Less: Adjustments according to CIT law (*)	(46,455,585,651)	(37,642,498,800)
Less: Loss for previous years	-	(1,341,555,539)
Taxable income from business activities	7,113,272,792	(1,660,632,543)
Current CIT rate	20%	20%
Current CIT expense from business activities	1,422,654,558	-
Add: Corporate Income Tax arrears under Decision No. 2417/QD-CTLDO dated 15 September 2023 by Lam Dong Tax Department	-	9,742,703
Add: Corporate Income Tax expense due to the additional adjustment from the previous year	512,310,471	-
Less: Corporate Income Tax expense due to the additional adjustment from the previous year	(671,754,823)	(22,603,189)
Current CIT expense	1,263,210,206	(12,860,486)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The adjustments for the increases (decreases) in the taxable income represent mainly non – tax – deductible items as regulated by CIT law such as administrative penalties, depreciation expenses exceeding VND 1,6 billion, provisions for investments in subsidiaries, provisions for bad debts and profits received from subsidiaries.

(*) Dividends, profits received from subsidiaries

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

6.1. Cash receipts from loans in the year

	Year 2024 VND	Year 2023 VND
Cash receipts from loans under normal contracts	37,000,000,000	50,000,000

6.2. Cash repayments of principal amounts borrowed

	Year 2024 VND	Year 2023 VND
Cash repayment of principal amounts under normal contracts	(10,000,000)	(597,000,000)

7. RELATED PARTIES

List of related parties

Relationship

1. Lam Dong Minerals and Building Materials JSC	Subsidiary
2. 40 Investment and Construction Joint Stock Company	Subsidiary
3. 40.10 Investment and Construction Joint Stock Company	Subsidiary
4. Hiep Thinh Phat Limited Company	Indirect subsidiary
5. Hiep Thanh Brick Limited Company	Indirect subsidiary
6. LBM Dak Nong Limited Company	Indirect subsidiary
7. LBM Tan Phu One Member Company Limited	Indirect subsidiary
8. LBM Loc Son One Member Company Limited	Indirect subsidiary
9. Board of Directors, management and Board of Supervisory	Key management personnel

At the end of the reporting year, the balances with related parties are as follows:

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current trade receivables:		
40 Investment and Construction Joint Stock Company	2,157,967,483	2,690,539,800
Lam Dong Minerals and Building Materials JSC	-	85,770,000
Total – Refer to Note 4.3	2,157,967,483	2,776,309,800

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current advances to suppliers – Refer to Note 4.4:		
40 Investment and Construction Joint Stock Company (*)	9,998,553,000	4,214,826,758
(*) Representing advances according to Contract No. 866/2021/HDXL-ĐTXDCT dated 20 December 2021 for the execution of the Ta Hoet reservoir construction project in Duc Trong district, Lam Dong province.		
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Loan current receivables – Refer to Note 4.5:		
Lam Dong Minerals and Building Materials JSC (*)	15,000,000,000	15,000,000,000
(*) Representing loans from Lam Dong Irrigation Investment and Construction Joint Stock Company, the parent company, to supplement working capital, subject to the same interest rate as working capital loans from BIDV Lam Dong Bank.		
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Interest income from loan receivable – Refer to Note 4.6:		
Lam Dong Minerals and Building Materials JSC	43,315,068	111,986,301
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Current trade payables – Refer to Note 4.11:		
Lam Dong Minerals and Building Materials JSC	(1,302,535,622)	(69,622,793)
	As at 31 Dec. 2024 VND	As at 01 Jan. 2024 VND
Contributed capital investments in subsidiaries – Refer to Note 4.2:		
40.10 Investment and Construction Joint Stock Company	36,000,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the reporting year, the Company has had related party transactions as follows:

	Year 2024 VND	Year 2023 VND
Construction and rendering of services:		
LBM Loc Son One Member Company Limited	9,336,569,000	-
40 Investment and Construction Joint Stock Company	5,093,974,000	6,897,682,000
Lam Dong Minerals and Building Materials JSC	45,318,071	3,350,886,354
Total	14,475,861,071	10,248,568,354

Including:

<i>Construction and rendering of services to related parties net of tax – Refer to Note 5.1</i>	13,381,670,992	9,406,684,307
<i>Taxes on construction and rendering of services to related parties</i>	1,094,190,079	841,884,047

	Year 2024 VND	Year 2023 VND
Sales of materials:		
40 Investment and Construction Joint Stock Company	1,120,416,333	-
Lam Dong Minerals and Building Materials JSC	72,709,051	18,115,500
Total	1,193,125,384	18,115,500

Including:

<i>Sales of material to related parties net of tax – Refer to Note 5.7</i>	1,101,219,226	16,468,637
<i>Taxes on sales of materials to related parties</i>	91,906,158	1,646,863

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Year 2024 VND	Year 2023 VND
Purchase of goods and rendering of services:		
Lam Dong Minerals and Building Materials JSC	7,664,131,643	11,004,662,789
40 Investment and Construction Joint Stock Company	517,058,000	5,330,155,840
Hiep Thinh Phat Limited Company	1,166,400	-
Total	8,182,356,043	16,334,818,629
<i>Including:</i>		
<i>Purchase of fuels, materials and services from related parties net of tax</i>	7,554,703,910	14,943,797,958
<i>Taxes on purchase of fuels, materials and services from related parties</i>	627,652,133	1,391,020,671
	Year 2024 VND	Year 2023 VND
Loan interest income – Refer to Note 5.4:		
Lam Dong Minerals and Building Materials JSC	611,568,493	111,986,301
	Year 2024 VND	Year 2023 VND
Dividends, profits received – Refer to Note 5.4:		
Lam Dong Minerals and Building Materials JSC	45,430,602,000	37,642,498,800
	Year 2024 VND	Year 2023 VND
Acquisitions of contributed capital:		
40 Investment and Construction Joint Stock Company	18.000.000.000	-
	Year 2024 VND	Year 2023 VND
Equity investment in subsidiaries:		
40.10 Investment and Construction Joint Stock Company	18.000.000.000	-

Account receivables from related parties were unsecured and will be paid by cash. No provision for doubtful debts was recognised for the account receivables from related parties.

The price of goods and services provided to related parties is the agreed price published by the Company. The purchase of goods and services from related parties is performed under the agreed price.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Remunerations of the Board of Directors are as follows:

Full name	Position	Year 2024 VND	Year 2023 VND
Mr. Le Dinh Hien	Chairperson of the Board of Directors	777,100,000	1,345,611,727
Mr. Tran Viet Thang	Member of the Board of Directors	120,000,000	120,000,000
Ms. Ngo Thu Huong	Member of the Board of Directors	40,000,000	-
Mr. Tran Hung Phuong	Former member of the Board of Directors	-	45,000,000
Mr. Ly Chu Hung	Member of the Board of Directors	30,000,000	60,000,000
Mr. Phan Cong Ngon	Member of the Board of Directors	60,000,000	60,000,000
Total		1,027,100,000	1,630,611,727

Remunerations of the management are as follows:

Full name	Position	Year 2024 VND	Year 2023 VND
Mr. Le Van Quy	General Director	1,119,252,000	1,117,588,000
Mr. Tran Dai Hien	Vice General Director	579,172,000	603,540,000
Mr. Kim Ngoc Dang	Former Vice General Director	-	10,000,000
Mr. Hau Van Tuan	Finance Director	400,908,000	559,988,000
Ms. Nguyen Thi Thu Huong	Chief Accountant	455,658,000	259,428,000
Total		2,554,990,000	2,550,544,000

Dividend payouts to the Board of Directors, management and key management personnel are as follows:

Full name	Position	Year 2024 VND	Year 2023 VND
Mr. Le Dinh Hien	Chairperson of the Board of Directors	1,072,000,000	2,144,000,000
Mr. Tran Viet Thang	Member of the Board of Directors	432,600,000	1,679,900,000
Mr. Tran Hung Phuong	Former member of the Board of Directors	-	146,500,000
Ms. Ngo Thu Huong	Member of the Board of Directors	127,500,000	-
Mr. Ly Chu Hung	Member of the Board of Directors	2,000,000	20,850,000
Mr. Le Van Quy	General Director	91,600,000	183,200,000
Mr. Hau Van Tuan	Finance Director	37,000,000	69,000,000
Ms. Nguyen Thi Thu Huong	Chief Accountant	21,004,000	42,008,000
Total		1,783,704,000	4,285,458,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Remunerations of the supervisory committee:

Full name	Position	Year 2024 VND	Year 2023 VND
Mr. Le Huy Sau	Head of the Supervisory Committee	60,000,000	60,000,000
Ms. Hoang Thi Lua	Member of the Supervisory Committee	24,000,000	24,000,000
Ms. Nguyen Thi Lien	Member of the Supervisory Committee	24,000,000	24,000,000
Total		108,000,000	108,000,000

Dividends payouts to the supervisory committee:

Full name	Position	Year 2024 VND	Year 2023 VND
Mr. Le Huy Sau	Head of the Supervisory Committee	222,000,000	444,000,000
Ms. Hoang Thi Lua	Member of the Supervisory Committee	328,000,000	656,000,000
Ms. Nguyen Thi Lien	Member of the Supervisory Committee	165,000,000	330,000,000
Total		715,000,000	1,430,000,000

8. EVENTS AFTER THE END OF THE REPORTING YEAR

As at 07 March 2025, the Company successfully sold all investments of 1,836,000 shares in 40 Investment and Construction Joint Stock Company through a negotiated method. Consequently, after 07 March 2025, the Company no longer has any equity relationship with 40 Investment and Construction Joint Stock Company.

Apart from the above event, no other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.



Approved by
Le Van Quy
General Director

Lam Dong, 25 March 2025

Approved by

Nguyen Thi Thu Huong
Chief Accountant