



**CENTRAL AREA ELECTRICAL
MECHANICAL JSC**

Financial statements

For the year ended 31 December 2024

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REPORT OF THE MANAGEMENT

The Management of Central Area Electrical Mechanical Joint Stock Company presents this report together with the audited financial statements for the year ended 31/12/2024.

Overview

Central Area Electrical Mechanical Joint Stock Company (“the Company”) was established through the equitization of a State-owned enterprise (i.e. Electrical Mechanical Enterprise under Power Company No. 3) pursuant to Decision No. 3146/QD-BCN dated 06/10/2005 by the Ministry of Industry. The Company is an independent accounting entity, operating under Enterprise Registration Certificate No. 3203000887 issued on 03/02/2006 by the Department of Planning and Investment of Da Nang City. Since its establishment, the Company has amended its Enterprise Registration Certificate 14 times, most recently on 21/09/2023, and holds Enterprise Code 0400528732. The Company operates in compliance with the Enterprise Law, its Charter, and other relevant legal regulations.

The Company has listed its shares (stock code: CJC) on the Hanoi Securities Trading Center (now the Hanoi Stock Exchange) since 20/11/2006 under Stock Trading Registration Certificate No. 32/TTGDHN-DKGD dated 20/11/2006 issued by the Hanoi Securities Trading Center.

Charter capital of the Company is VND80,000,000,000.

Head office

- Address: Hoa Cam Industrial Zone, Hoa Tho Tay Ward, Cam Le District, Da Nang City
- Tel: (84) 0236. 2218455
- Fax: (84) 0236. 3846224
- Email: codien@cemc.com.vn
- Website: <http://www.cemc.com.vn>

Operating activities

- Manufacture of structural metal products. Details: Manufacture of mechanical products, equipment and structures in the industrial and civil fields. Manufacture of hydro-mechanical equipment for hydropower projects and other mechanical structures. Manufacture of mechanical equipment for thermal power projects;
- Construction of residential buildings. Details: Construction of civil construction projects;
- Construction of electrical works. Details: Construction of electrical lines and substations with voltage of more than 110KV;
- Construction of other civil engineering projects. Details: Construction of other works, except buildings, such as: outdoor sports facilities;
- Construction of telecommunications and communication constructions. Details: Construction and installation of public telecommunications constructions;
- Wholesale of other machinery and equipment. Details: Wholesale, import and export of mechanical and electrical supplies and equipment (excluding goods that foreign-invested economic organizations are not authorized to distribute);
- Wholesale of metals and metal ores. Details: Wholesale of iron, steel and other metals (excluding precious metals);
- Maintenance and repair of motor vehicles and other motor vehicles;
- Renting and leasing of motor vehicles. Details: Rental services of automobiles and motor vehicles;

REPORT OF THE MANAGEMENT (cont'd)

- Repair of machinery and equipment. Details: Repair of pressure-resistant equipment and lifting equipment. Repair and restoration of mechanical products, equipment and structures in the industrial and civil fields;
- Specialized design activities. Details: Design of pressure-resistant equipment and lifting equipment; Design of hydro-mechanical equipment for hydropower projects and other mechanical structures. Design of mechanical equipment for thermal power projects;
- Machining; treatment and coating of metals. Details: Finishing of product surface by: Hot-dip galvanizing, electrogalvanizing, powder coating;
- Manufacture of plastics products. Details: Manufacture of products made of composite materials;
- Technical testing and analysis. Details: Testing of electrical equipment. Ultrasonic testing of metallic materials; Design verification and technical testing of mechanical equipment for hydropower projects, thermal power projects and other structural mechanical equipment. Non-destructive testing of joints;
- Manufacture of lifting and handling equipment. Details: Manufacture of lifting equipment;
- Installation of industrial machinery and equipment. Details: Installation of hydro-mechanical equipment for hydropower projects and other mechanical structures. Installation of mechanical equipment for thermal power projects. Installation of pressure-resistant equipment and lifting equipment;
- Management consultancy activities. Details: Investment advisory services for construction and installation of public telecommunications projects and works; Consulting services and operational assistance for hydropower projects, thermal power projects and other structural mechanical equipment;
- Trading of own or rented property and land use rights. Details: Trading of property; Provision of warehousing services (except investment projects on infrastructure of cemeteries and graveyards for transfer of land use rights together with the infrastructure and activities that foreign-invested economic organizations are not authorized to operate);
- Architectural and engineering activities and related technical consultancy. Details: Consulting, design and supervision of electrical lines and substations with voltage of more than 110KV; preparation of project finalization documents;
- Freight transport by road. Details: Provision of freight transport services using trucks;

Employees

As at 31/12/2024, the Company had 243 employees, including 18 managing officers.

Members of the Board of Directors, Board of Supervisors, Management, and Chief Accountant during the year and up to the reporting date are as follows:

Board of Directors

- | | | |
|------------------------|----------|---------------------------|
| • Mr. Nguyen Huu Thang | Chairman | Reappointed on 28/05/2021 |
| • Mr. Phan Ngoc Hieu | Member | Appointed on 21/05/2021 |
| • Mr. Duong Quoc Tuan | Member | Appointed on 21/05/2021 |
| • Mr. Dang Phan Tuong | Member | Appointed on 21/05/2021 |
| • Mr. Le Thanh Lam | Member | Appointed on 18/05/2023 |

REPORT OF THE MANAGEMENT (cont'd)

- Ms. Nguyen Thi Thanh Duyen Supervisor Reappointed on 21/05/2021
- Ms. Nguyen Thi Yen Vy Supervisor Appointed on 21/05/2021

Management and Chief Accountant

- Mr. Le Thanh Lam General Director Appointed on 01/01/2020
Reappointed on 01/01/2025
- Mr. Ngo Han Deputy General Director Reappointed on 15/04/2021
- Mr. Le Dinh Phuoc Toan Deputy General Director Appointed on 01/03/2024
- Ms. Phan Huynh Tuyet Trinh Chief Accountant Reappointed on 01/03/2022

Independent auditor

These financial statements were audited by AAC Auditing and Accounting Co., Ltd (Head office: Lot 78 – 80, Street 30 Thang 4, Hai Chau District, Da Nang City; Tel: (84) 0236.3655886; Fax: (84) 0236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

Management's responsibility in respect of the financial statements

The Company's Management is responsible for the preparation and fair presentation of these financial statements on the basis of:

- Complying with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and other relevant regulations;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the financial statements on the going concern basis.
- Responsibility for such internal control as the Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Members of the Company's Management, hereby confirm that the accompanying financial statements, including the balance sheet, the income statement, the statement of cash flows, and the notes thereto, give a true and fair view of the financial position of the Company as at 31/12/2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and the statutory requirements relevant to the preparation and presentation of financial statements.

On behalf of the Management ✓



Le Thanh Lam
General Director

Da Nang, 27 March 2025



CÔNG TY TNHH KIỂM TOÁN VÀ KẾ TOÁN AAC

THÀNH VIÊN ĐỘC LẬP CỦA PRIMEGLOBAL
CHUYÊN NGÀNH KIỂM TOÁN - KẾ TOÁN - TÀI CHÍNH

Trụ sở chính: Số 218 (Lô 78-80) Đường 30 Tháng 4, Quận Hải Châu, Thành phố Đà Nẵng

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dng.vnn.vn; Website: http://www.aac.com.vn

No. 518/2025/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders, the Board of Directors, and the Management
Central Area Electrical Mechanical Joint Stock Company**

We have audited the financial statements prepared on 27/03/2025 of Central Area Electrical Mechanical Joint Stock Company (“the Company”) as set out on pages 5 to 31, which comprise the balance sheet as at 31/12/2024, the income statement and the statement of cash flows for the year then ended, and the notes thereto.

Management’s Responsibility

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

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and the statutory requirements relevant to the preparation and presentation of financial statements.

AAC Auditing and Accounting Co., Ltd



Tran Thi Thu Hien – Deputy General Director
Audit Practicing Registration Certificate
No. 0753-2023-010-1

Da Nang, 27 March 2025

Nguyen Quoc Hung – Auditor
Audit Practicing Registration Certificate
No. 4573-2023-010-1

BALANCE SHEET
As at 31 December 2024

Form B 01 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2024 VND	01/01/2024 VND
A. CURRENT ASSETS	100		227,739,089,045	205,945,147,496
I. Cash and cash equivalents	110		30,166,901,118	18,325,247,799
1. Cash	111	5	30,166,901,118	18,325,247,799
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	4,055,590,181
1. Trading securities	121		-	-
2. Held-to-maturity investments	123		-	4,055,590,181
III. Short-term receivables	130		110,705,165,045	132,076,845,892
1. Short-term trade receivables	131	6	99,884,770,799	118,516,853,913
2. Short-term prepayments to suppliers	132	7	9,257,482,425	9,721,886,835
3. Other short-term receivables	136	8.a	3,229,024,075	5,504,217,398
4. Provision for doubtful short-term receivables	137	9	(1,666,112,254)	(1,666,112,254)
IV. Inventories	140	10	82,676,314,948	51,005,049,710
1. Inventories	141		82,676,314,948	51,005,049,710
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		4,190,707,934	482,413,914
1. Short-term prepaid expenses	151	11.a	981,946,579	387,302,383
2. Deductible value-added tax	152		3,073,649,824	-
3. Taxes and amounts receivable from the State	153	12	135,111,531	95,111,531
B. NON-CURRENT ASSETS	200		19,614,310,643	14,604,897,441
I. Long-term receivables	210		1,457,582,722	1,040,351,472
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	8b	1,457,582,722	1,040,351,472
II. Fixed assets	220		14,586,983,990	12,541,693,733
1. Tangible fixed assets	221	13	14,586,693,667	12,529,403,410
- Cost	222		123,615,286,459	118,297,057,828
- Accumulated depreciation	223		(109,028,592,792)	(105,767,654,418)
2. Intangible fixed assets	227	14	290,323	12,290,323
- Cost	228		93,333,653	93,333,653
- Accumulated amortization	229		(93,043,330)	(81,043,330)
III. Investment properties	230		-	-
IV. Non-current assets in progress	240		700,372,820	451,019,003
1. Long-term work in progress	241		-	-
2. Construction in progress	242	15	700,372,820	451,019,003
V. Long-term financial investments	250	16	23,354,439	24,470,881
1. Investments in associates, joint ventures	252		1,774,439,303	1,774,439,303
2. Provision for long-term financial investments	254		(1,751,084,864)	(1,749,968,422)
VI. Other non-current assets	260		2,846,016,672	547,362,352
1. Long-term prepaid expenses	261	11.b	2,846,016,672	547,362,352
2. Other non-current assets	268		-	-
TOTAL ASSETS	270		247,353,399,688	220,550,044,937

BALANCE SHEET (cont'd)

As at 31 December 2024

RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
C. LIABILITIES	300		153,404,447,493	134,420,798,620
I. Current liabilities	310		143,889,449,697	130,347,515,488
1. Short-term trade payables	311	17	32,257,034,945	25,671,263,572
2. Short-term advances from customers	312	18	55,554,701,277	28,857,357,436
3. Taxes and amounts payable to the State	313	12	15,031,168	4,928,594,720
4. Payables to employees	314		5,004,391,716	4,394,433,600
5. Short-term accrued expenses	315	19	2,422,769,410	1,748,122,798
6. Other short-term payables	319	20	568,440,535	340,586,865
7. Short-term loans and finance lease liabilities	320	21	47,253,504,559	63,877,975,545
8. Provision for short-term payables	321	22.a	653,872,330	361,477,195
9. Reward and welfare fund	322		159,703,757	167,703,757
II. Non-current liabilities	330		9,514,997,796	4,073,283,132
1. Long-term trade payables	331		-	-
2. Provision for long-term payables	342	22.b	9,514,997,796	4,073,283,132
D. EQUITY	400		93,948,952,195	86,129,246,317
I. Owners' equity	410		93,948,952,195	86,129,246,317
1. Share capital	411	23	80,000,000,000	80,000,000,000
- Common shares with voting rights	411a		80,000,000,000	80,000,000,000
- Preferred shares	411b		-	-
2. Share premiums	412	23	3,680,199,000	3,680,199,000
3. Undistributed profit after tax	421	23	10,268,753,195	2,449,047,317
- Undistributed profit up to prior year-end	421a		2,449,047,317	(1,547,706,694)
- Undistributed profit for the current year	421b		7,819,705,878	3,996,754,011
II. Other resources and funds	430		-	-
TOTAL RESOURCES	440		247,353,399,688	220,550,044,937



Le Thanh Lam
General Director

Da Nang, 27 March 2025

Phan Huynh Tuyet Trinh
Chief Accountant

Nguyen Thi Thanh Phuc
Preparer

INCOME STATEMENT
For the year ended 31/12/2024

Form B 02 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Cod	Note	Year 2024 VND	Year 2023 VND
1. Revenue from sales and service provision	01	24	387,378,730,941	252,387,561,856
2. Deductions	02		-	-
3. Net revenue from sales and service provision	10		387,378,730,941	252,387,561,856
4. Cost of goods sold	11	25	356,605,810,371	227,127,904,425
5. Gross profit from sales and service provision	20		30,772,920,570	25,259,657,431
6. Financial income	21	26	169,444,788	241,351,389
7. Financial expenses	22	27	4,743,220,734	5,947,964,908
<i>Including: Interest expenses</i>	23		4,656,970,314	5,537,917,047
8. Selling expenses	25	28	5,901,559,799	4,727,360,425
9. Administrative expenses	26	29	16,599,963,839	12,981,185,510
10. Operating profit	30		3,697,620,986	1,844,497,977
11. Other income	31	30	4,255,377,686	2,482,355,553
12. Other expenses	32	31	133,292,794	330,099,519
13. Other profit	40		4,122,084,892	2,152,256,034
14. Accounting profit before tax	50		7,819,705,878	3,996,754,011
15. Current corporate income tax expense	51	32	-	-
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		7,819,705,878	3,996,754,011
18. Basic earnings per share	70	33	977	729
19. Diluted earnings per share	71	33	977	729



Le Thanh Lam
General Director

Da Nang, 27 March 2025

Phan Huynh Tuyet Trinh
Chief Accountant

Nguyen Thi Thanh Phuc
Preparer

STATEMENT OF CASH FLOWS
For the year ended 31/12/2024

Form B 03 - DN
 Issued under Circular No. 200/2014/TT - BTC
 dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
I. Cash flows from operating activities				
1. Cash receipts from sales, service provision and other income	01		432,269,552,585	207,827,237,800
2. Cash paid to suppliers	02		(379,616,703,137)	(205,830,118,472)
3. Cash paid to employees	03		(40,529,438,079)	(29,216,056,708)
4. Loan interest paid	04	19,27	(4,684,351,996)	(5,664,001,852)
5. Other cash receipts from operating activities	06		63,902,469,271	32,361,445,158
6. Other payments for operating activities	07		(41,340,936,259)	(15,630,327,253)
Net cash from operating activities	20		30,000,592,385	(16,151,821,327)
II. Cash flows from investing activities				
1. Purchase and construction of fixed assets and other non-current assets	21	13,14	(5,768,734,948)	(3,303,082,116)
2. Cash paid for loans, acquisition of debt instruments	23		-	(5,769,015,518)
3. Recovery of loans, re-sales of debt instruments	24		4,055,590,181	11,019,425,337
4. Loan interest, dividends and profits received	27	9,26	228,411,420	134,779,256
Net cash from investing activities	30		(1,484,733,347)	2,082,106,959
III. Cash flows from financing activities				
1. Proceeds from stock issuance, capital contribution	31		-	39,880,000,000
2. Proceeds from borrowings	33	21	286,731,129,425	147,451,172,093
3. Repayment of borrowings	34	21	(303,355,600,411)	(174,438,530,627)
Net cash from financing activities	40		(16,624,470,986)	12,892,641,466
Net cash flows for the year	50		11,891,388,052	(1,177,072,902)
Cash and cash equivalents at the beginning of the year	60	5	18,325,247,799	19,498,557,323
Impacts of exchange rate fluctuations	61		(49,734,733)	3,763,378
Cash and cash equivalents at the end of the year	70	5	30,166,901,118	18,325,247,799



Le Thanh Lam
General Director

Da Nang, 27 March 2025

Phan Huynh Tuyet Trinh
Chief Accountant

Nguyen Thi Thanh Phuc
Preparer

NOTES TO THE FINANCIAL STATEMENTS

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Form B 09 - DN

Issued under Circular No. 200/2014/TT – BTC dated 22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

Central Area Electrical Mechanical Joint Stock Company (“the Company”) was established through the equitization of a State-owned enterprise (i.e. Electrical Mechanical Enterprise under Power Company No. 3) pursuant to Decision No. 3146/QD-BCN dated 06/10/2005 by the Ministry of Industry. The Company is an independent accounting entity, operating under Enterprise Registration Certificate No. 3203000887 issued on 03/02/2006 by the Department of Planning and Investment of Da Nang City. Since its establishment, the Company has amended its Enterprise Registration Certificate 14 times, most recently on 21/09/2023, and holds Enterprise Code 0400528732. The Company operates in compliance with the Enterprise Law, its Charter, and other relevant legal regulations.

1.2. Principal scope of business: *Manufacture and installation of mechanical products, equipment and structures.*

1.3. Operating activities

- Manufacture of structural metal products. Details: Manufacture of mechanical products, equipment and structures in the industrial and civil fields. Manufacture of hydro-mechanical equipment for hydropower projects and other mechanical structures. Manufacture of mechanical equipment for thermal power projects;
- Construction of residential buildings. Details: Construction of civil construction projects;
- Construction of electrical works. Details: Construction of electrical lines and substations with voltage of more than 110KV;
- Construction of other civil engineering projects. Details: Construction of other works, except buildings, such as: outdoor sports facilities;
- Construction of telecommunications and communication constructions. Details: Construction and installation of public telecommunications constructions;
- Wholesale of other machinery and equipment. Details: Wholesale, import and export of mechanical and electrical supplies and equipment (excluding goods that foreign-invested economic organizations are not authorized to distribute);
- Wholesale of metals and metal ores. Details: Wholesale of iron, steel and other metals (excluding precious metals);
- Maintenance and repair of motor vehicles and other motor vehicles;
- Renting and leasing of motor vehicles. Details: Rental services of automobiles and motor vehicles;
- Repair of machinery and equipment. Details: Repair of pressure-resistant equipment and lifting equipment. Repair and restoration of mechanical products, equipment and structures in the industrial and civil fields;
- Specialized design activities. Details: Design of pressure-resistant equipment and lifting equipment; Design of hydro-mechanical equipment for hydropower projects and other mechanical structures. Design of mechanical equipment for thermal power projects;
- Machining; treatment and coating of metals. Details: Finishing of product surface by: Hot-dip galvanizing, electrogalvanizing, powder coating;
- Manufacture of plastics products. Details: Manufacture of products made of composite materials;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- Technical testing and analysis. Details: Testing of electrical equipment. Ultrasonic testing of metallic materials; Design verification and technical testing of mechanical equipment for hydropower projects, thermal power projects and other structural mechanical equipment. Non-destructive testing of joints;
- Manufacture of lifting and handling equipment. Details: Manufacture of lifting equipment;
- Installation of industrial machinery and equipment. Details: Installation of hydro-mechanical equipment for hydropower projects and other mechanical structures. Installation of mechanical equipment for thermal power projects. Installation of pressure-resistant equipment and lifting equipment;
- Management consultancy activities. Details: Investment advisory services for construction and installation of public telecommunications projects and works; Consulting services and operational assistance for hydropower projects, thermal power projects and other structural mechanical equipment;
- Trading of own or rented property and land use rights. Details: Trading of property; Provision of warehousing services (except investment projects on infrastructure of cemeteries and graveyards for transfer of land use rights together with the infrastructure and activities that foreign-invested economic organizations are not authorized to operate);
- Architectural and engineering activities and related technical consultancy. Details: Consulting, design and supervision of electrical lines and substations with voltage of more than 110KV; preparation of project finalization documents;
- Freight transport by road. Details: Provision of freight transport services using trucks;

2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 01 January and ends on 31 December.

Financial statements and accounting transactions are expressed in Vietnamese Dong (VND).

3. Applied accounting standards and accounting system

The Company adopts Vietnamese Accounting Standards and Vietnamese Corporate Accounting System as guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 providing amendments and supplements to certain articles of Circular No. 200/2014/TT-BTC promulgated by the Ministry of Finance.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash includes cash on hand and bank demand deposits.

All short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date shall be recognized as cash equivalents.

4.2 Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, held-to-maturity loans to earn profits periodically, and other held-to maturity investments.

Held-to-maturity investments are recorded at book value upon revaluation. Provision for loss of held-to-maturity investments shall be recorded as a decrease directly in the book value of the investments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

In case where held-to-maturity investments are monetary items denominated in foreign currencies, they are revaluated using the buying rate of the commercial bank where the Company regularly conducts transactions at the end of the reporting period.

4.3 Receivables

Receivables include trade receivables and other receivables.

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers;
- Other receivables include non-trade amounts which are not related to trading activities, intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the Company has claimed many times but still has not collected yet or which have not been overdue but the debtor is in the state of insolvency, doing dissolution procedures, missing or running away.

4.4 Inventories

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

Value of inventories is calculated using the weighted average method for raw materials and merchandise goods and the specific identification method for mechanical and construction projects, and accounted for using the perpetual method, with cost determined as follows:

- Materials, goods: Cost comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition;
- Finished products: Cost comprises cost of direct materials and labor plus attributable overhead based on the normal level of activities.

Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made for each kind of inventories when the net realizable value of that kind of inventories is less than cost.

4.5 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Depreciation

Depreciation of tangible fixed assets is calculated on a straight-line basis over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	5 - 25
Machinery, equipment	3 - 10
Motor vehicles, transmission equipment	6 - 8
Office equipment	3

4.6 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state.

Amortization

Intangible fixed assets are amortized on a straight-line basis over their estimated useful lives. The amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/04/2013 by the Ministry of Finance. Details are as follows:

<u>Kind of assets</u>	<u>Amortization period (years)</u>
Computer software	3 - 5

4.7 Investments in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but not control or joint control over those policies. An entity is considered as an associate if the Company holds (directly or indirectly) from 20% to under 50% voting shares of the entity.

Investments in associates are recorded at cost less provision. Dividends and profits received in money or non-monetary asset for the period before the investment date shall be recorded as a decrease in value of investment.

Provision

Provision for investments in associates is made if these investments are impaired or the investees suffer losses leading to the irrecoverability of the Company's investments.

With regards to the investees who are required to prepare the consolidated financial statements, the provision is made based on the consolidated financial statements. For other cases, the provision is made based on the financial statements of the investees.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.8 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenditures that have been incurred but related to the operations of many accounting periods. The Company's primary prepayments are as follows:

- Costs of tools and instruments being put into use are amortized in accordance with the straight-line method for a period ranging from 1 year to 3 years.
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

4.9 Payables

Payables include trade payables and other payables.

- Trade payables are trade-related amounts, arising from trading activities between the company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables based on the remaining terms at the balance sheet date.

Payables are monitored according to their creditors, principal terms, remaining terms and original currencies.

4.10 Accrued expenses

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

4.11 Loans and finance lease liabilities

Loans and finance lease liabilities are recorded at cost and classified into current and non-current liabilities based on the remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies.

Borrowing costs

Borrowing costs comprise interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for the purpose of obtaining a qualifying asset shall be capitalized as part of the cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period.

Capitalization of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.12 Provision for payables

Provision for payables is a present obligation (legal or constructive) of the Company as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. A provision is recognized when a reliable estimate can be made on the amount of the obligation.

4.13 Owners' equity

Share capital represents the amount of capital actually contributed by shareholders.

Share premium

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of shares; the capital component of convertible bonds as they fall due.

Profit distribution

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Company's Charter or Resolutions of the General Meeting of Shareholders.

The dividends to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

4.14 Recognition of revenue and other income

- Revenue from construction contracts is recognized as follows:
 - ✓ Where a construction contract stipulates that the contractor is allowed to make payments according to the set schedule, and when the results of contract performance can be reliably estimated, revenue and costs related to the contract shall be recognized based on the portion of work completed.
 - ✓ Where a construction contract stipulates that the contractor is allowed to make payments according to the value of work completed, and when the results of contract performance can be reliably estimated, revenue and costs related to the contract shall be recognized based on the portion of work completed and certified by the customers during the reporting period.
- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
 - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods.
 - ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
 - ✓ Interest is recognized on the basis of the actual term and interest rates.
 - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4.15 Cost of goods sold

Cost of products, goods sold and services rendered shall be recognized in the correct accounting period in accordance with the matching principle and conservatism principle.

Costs of inventories and services rendered which are incurred in excess of the ordinary level shall be charged out to cost of goods sold in the period, not to the production cost of goods and services.

4.16 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to investing activities.

4.17 Selling expenses, administrative expenses

Selling expenses reflect expenses actually incurred in process of selling products, goods, rendering services.

Administrative expenses recognized are expenses actually incurred related to the overall administration of enterprises.

4.18 Current corporate income tax expense

Current income tax is the tax amount computed based on the taxable income in the period at the tax rates ruling at the balance sheet date. The difference between taxable income and accounting profit is due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

4.19 Financial instruments

Initial recognition

Financial assets

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets comprise cash on hand, cash in bank, held-to-maturity investments, trade receivables and other receivables.

Financial liabilities

A financial liability is recognized initially at cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities comprise borrowings, trade payables, accrued expenses and other payables.

Subsequent measurement

Currently, there has been no requirement for subsequent measurement of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

4.20 Applicable tax rates and charges payable to the State Budget

- Value-added tax (VAT): A VAT rate of 10% is applied to mechanical products and electrical equipment. In 2024, the Company applied a VAT rate of 8% for these products in accordance with National Assembly's Resolution No. 142/2024/QH15 dated 29/06/2024 and Resolution No. 110/2023/QH15 dated 29/11/2023. Other products are subject to the prevailing VAT rates.
- Corporate income tax (CIT): CIT is levied at a rate of 20%.
- Other taxes and obligations are fulfilled in accordance with prevailing regulations.

4.21 Related parties

Parties are considered to be related if one party has the ability to (directly or indirectly) control the other party or exercise significant influence over the other party in making financial or operational decisions.

Currency: VND

5. Cash

	31/12/2024	01/01/2024
Cash on hand	103,857,230	18,966,000
Bank demand deposit	30,063,043,888	18,306,281,799
Total	<u>30,166,901,118</u>	<u>18,325,247,799</u>

6. Short-term trade receivables

	31/12/2024	01/01/2024
Lilama 10 Joint Stock Company	37,058,620,315	53,663,737,168
Central Power Projects Management Board	20,234,615,292	235,766,104
Trung Chinh Trading and Construction Company Limited	6,962,904,630	4,294,988,700
Song Luy Energy Joint Stock Company	4,283,443,910	4,283,443,910
Tan Phuoc Construction Consulting JSC	3,909,288,629	3,949,288,629
Other customers	27,435,898,023	52,089,629,402
Total	<u>99,884,770,799</u>	<u>118,516,853,913</u>

Value of trade receivables pledged as collateral for borrowings as at 31/12/2024 was VND34,940,536,626.

7. Short-term prepayments to suppliers

	31/12/2024	01/01/2024
Song Tien Construction JSC	2,173,678,130	-
MTS JSC	2,170,593,750	-
Hoa Cam Industrial Zone Investment Joint Stock Company	1,596,990,711	1,596,990,711
Other suppliers	3,316,219,834	8,124,896,124
Total	<u>9,257,482,425</u>	<u>9,721,886,835</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

8. Other receivables

a. Short-term

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Accrued interest	-	-	138,312,481	-
Deposits	2,892,526,974	-	4,384,369,558	-
Advances	311,066,934	-	940,440,380	-
Other receivables	25,430,167	-	41,094,979	-
Total	3,229,024,075	-	5,504,217,398	-

b. Long-term

	31/12/2024		01/01/2024	
	Value	Provision	Giá trị	Dự phòng
Deposits	1,457,582,722	-	1,040,351,472	-
Total	1,457,582,722	-	1,040,351,472	-

9. Provision for doubtful short-term debts

	31/12/2024	01/01/2024
Opening balance	1,666,112,254	1,666,112,254
Provision made during the year	-	-
Reversal of provision during the year	-	-
Closing balance	1,666,112,254	1,666,112,254

10. Inventories

	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Materials	14,956,876,288	-	6,958,044,788	-
Tools and instruments	62,581,393	-	10,256,921	-
Work in progress	67,445,025,931	-	43,824,916,665	-
Finished products	90,244,535	-	90,244,535	-
Merchandise goods	121,586,801	-	121,586,801	-
Total	82,676,314,948	-	51,005,049,710	-

- No inventories were unsaleable, of poor quality, or slow-moving as at 31/12/2024.
- No inventories were pledged as security for borrowings as at 31/12/2024.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

11. Prepaid expenses

a. Short-term

	31/12/2024	01/01/2024
Repair expenses	652,163,621	201,135,993
Vehicle inspection and insurance fees	45,042,144	25,965,242
Others	284,740,814	160,201,148
Total	981,946,579	387,302,383

b. Long-term

	31/12/2024	01/01/2024
Tools and instruments pending allocation	1,040,312,554	-
Infrastructure usage expenses	1,018,814,198	-
Asset repair expenses	778,172,304	379,385,173
Other expenses	8,717,616	167,977,179
Total	2,846,016,672	547,362,352

12. Taxes and amounts receivable from/payable to the State

	Opening balance		Amount to be paid	Actual amount paid	Closing balance	
	Receivable	Payable			Receivable	Payable
Value-added tax	-	4,888,744,624	3,609,739,659	8,538,484,283	40,000,000	-
Corporate income tax	95,111,531	-	-	-	95,111,531	-
Personal income tax	-	39,850,096	433,467,885	458,286,813	-	15,031,168
Other taxes	-	-	4,000,000	4,000,000	-	-
Total	95,111,531	4,928,594,720	4,047,207,544	9,000,771,096	135,111,531	15,031,168

The Company's tax returns would be subject to inspection by the tax authorities. The tax amounts reported in these financial statements could be changed upon final determination by the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

13. Tangible fixed assets

	Buildings, architectures VND	Machinery, equipment VND	Motor vehicles, transmission equipment VND	Office equipment VND	Total VND
Cost					
Opening balance	47,658,145,108	56,539,615,131	13,709,276,671	390,020,918	118,297,057,828
Increases	-	1,560,600,000	613,984,000	1,391,042,200	3,565,626,200
Self construction	2,284,349,781	-	-	-	2,284,349,781
Disposals	531,747,350	-	-	-	531,747,350
Closing balance	49,410,747,539	58,100,215,131	14,323,260,671	1,781,063,118	123,615,286,459
Depreciation					
Opening balance	44,035,918,678	48,773,549,930	12,601,229,669	356,956,141	105,767,654,418
Charge for the year	900,573,085	2,364,090,008	477,507,090	50,515,541	3,792,685,724
Disposals	531,747,350	-	-	-	531,747,350
Closing balance	44,404,744,413	51,137,639,938	13,078,736,759	407,471,682	109,028,592,792
Net book value					
Opening balance	3,622,226,430	7,766,065,201	1,108,047,002	33,064,777	12,529,403,410
Closing balance	5,006,003,126	6,962,575,193	1,244,523,912	1,373,591,436	14,586,693,667

- Tangible fixed assets with a carrying amount of VND2,855,045,838 as at 31/12/2024 were pledged as security for borrowings.
- Cost of tangible fixed assets fully depreciated but still in use as at 31/12/2024 was VND88,586,670,717.

14. Intangible fixed assets

	Accounting software VND
Cost	
Opening balance	93,333,653
Increases	-
Decreases	-
Closing balance	93,333,653
Amortization	
Opening balance	81,043,330
Charge for the year	12,000,000
Decreases	-
Closing balance	93,043,330
Net book value	
Opening balance	12,290,323
Closing balance	290,323

Cost of intangible fixed assets fully amortized but still in use as at 31/12/2024 was VND33,333,653.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

15. Construction in progress

	31/12/2024	01/01/2024
Zinc coating workshop repair – Zone A	616,007,505	-
Shot blasting room renovation	84,365,315	84,365,315
Wastewater treatment system	-	357,635,155
Renovation of 2x3T construction work, Lk=16m	-	9,018,533
Total	<u>700,372,820</u>	<u>451,019,003</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

16. Long-term financial investments

	Operational status	% of equity	% of voting rights	31/12/2024			01/01/2024		
				Cost	Provision	Fair value	Cost	Provision	Fair value
Investment in associate				1,774,439,303	1,751,084,864		1,774,439,303	1,749,968,422	
<i>Truong Thong Trading Co., Ltd</i>	<i>Operating</i>	49%	49%	1,774,439,303	1,751,084,864	(*)	1,774,439,303	1,749,968,422	(*)
Total				1,774,439,303	1,751,084,864		1,774,439,303	1,749,968,422	

(*) At the date of these financial statements, the Company has no reliable reference data about the fair value of this investment.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

17. Short-term trade payables

	31/12/2024	01/01/2024
CITICOM Commercial JSC	7,901,709,706	-
Central Vietnam Metal Corporation	6,845,612,793	3,523,572,702
Hoang Vu Chemical & Trading Co., Ltd	2,543,659,680	119,309,760
Viet Star International JSC	1,626,442,115	157,121,800
Other suppliers	13,339,610,651	21,871,259,310
Total	<u>32,257,034,945</u>	<u>25,671,263,572</u>

18. Short-term advances from customers

	31/12/2024	01/01/2024
Song Da N05 Joint-Stock Company	29,961,639,240	10,403,514,714
PC1 Group Joint Stock Company	20,088,000,621	-
Long Viet Joint Stock Company	4,978,897,386	14,943,200,000
Other customers	526,164,030	3,510,642,722
Total	<u>55,554,701,277</u>	<u>28,857,357,436</u>

19. Short-term accrued expenses

	31/12/2024	01/01/2024
Loan interest	55,883,665	83,265,347
Land rent	2,177,714,109	1,451,809,738
Others	189,171,636	213,047,713
Total	<u>2,422,769,410</u>	<u>1,748,122,798</u>

20. Other short-term payables

	31/12/2024	01/01/2024
Trade union fees	197,937,278	197,937,277
Remuneration of the Board of Directors, Board of Supervisor	45,000,000	45,000,000
Other payables	325,503,257	97,649,588
Total	<u>568,440,535</u>	<u>340,586,865</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

21. Short-term loans and finance lease liabilities

	Opening balance	Increases	Decreases	Closing balance
Short-term loans	63,877,975,545	286,731,129,425	303,355,600,411	47,253,504,559
- BIDV - South Da Nang Branch	25,765,334,925	74,883,276,219	72,826,399,049	27,822,212,095
- TPBank - Da Nang Branch	24,994,066,323	92,326,966,576	105,346,981,681	11,974,051,218
- MSB	13,118,574,297	119,520,886,630	125,182,219,681	7,457,241,246
Current portion of long-term loans	-	-	-	-
Total	63,877,975,545	286,731,129,425	303,355,600,411	47,253,504,559

22. Provision for payables

a. Short-term

	31/12/2024	01/01/2024
Provision for product warranties	653,872,330	361,477,195
Total	653,872,330	361,477,195

b. Long-term

	31/12/2024	01/01/2024
Provision for product warranties	9,514,997,796	4,073,283,132
Total	9,514,997,796	4,073,283,132

23. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Share premium	Undistributed profit after tax
As at 01/01/2023	40,000,000,000	3,800,199,000	(29,274,864,496)
Increase in the year	40,000,000,000	-	31,723,911,813
Decrease in the year	-	120,000,000	-
As at 31/12/2023	80,000,000,000	3,680,199,000	2,449,047,317
As at 01/01/2024	80,000,000,000	3,680,199,000	2,449,047,317
Increase in the year	-	-	7,819,705,878
Decrease in the year	-	-	-
As at 31/12/2024	80,000,000,000	3,680,199,000	10,268,753,195

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

b. Shares

	31/12/2024	01/01/2024
	Shares	Shares
Number of shares authorized to be issued	8,000,000	8,000,000
Number of shares issued to the public	8,000,000	8,000,000
- Common shares	8,000,000	8,000,000
- Preferred shares (classified as equity)		-
Number of outstanding shares	8,000,000	8,000,000
- Common shares	8,000,000	8,000,000
- Preferred shares (classified as equity)		
Par value of outstanding shares: VND10,000 each		

c. Undistributed profit after tax

	Year 2024	Year 2023
Profit brought forward	2,449,047,317	(29,274,864,496)
Profit after corporate income tax for the current year	7,819,705,878	3,996,754,011
Distribution of profit (*)	-	-
Accumulated loss written off	-	27,727,157,802
- Write-off using the development investment fund	-	10,743,246,341
- Write-off using other equity	-	16,983,911,461
Undistributed profit after tax	10,268,753,195	2,449,047,317

24. Off-balance sheet items – Foreign currencies

		31/12/2024	01/01/2024
Foreign currency	USD	5,194.68	5,134.28
	LAK	1,342,269,082	-

25. Revenue from sale and service provision

	Year 2024	Year 2023
Sales of mechanical products, electrical equipment	379,707,666,164	248,290,379,634
Sales of supplies, goods and other business activities	7,671,064,777	4,097,182,222
Total	387,378,730,941	252,387,561,856

26. Cost of goods sold

	Year 2024	Year 2023
Cost of mechanical products, electrical equipment	349,334,926,922	223,395,080,789
Cost of supplies, goods and other business activities	7,270,883,449	3,732,823,636
Total	356,605,810,371	227,127,904,425

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

27. Financial income

	Year 2024	Year 2023
Interest income from bank deposits	90,098,939	230,838,597
Foreign exchange gains	79,345,849	10,512,792
Total	<u>169,444,788</u>	<u>241,351,389</u>

28. Financial expenses

	Year 2024	Year 2023
Loan interest	4,656,970,314	5,537,917,047
Prompt payment discount	-	382,600,000
Foreign exchange losses	85,133,978	26,331,419
Provision for investment loss	1,116,442	1,116,442
Total	<u>4,743,220,734</u>	<u>5,947,964,908</u>

29. Selling expenses

	Year 2024	Year 2023
Provision for product warranties	5,901,559,799	4,308,027,925
Brokerage commission	-	419,332,500
Total	<u>5,901,559,799</u>	<u>4,727,360,425</u>

30. Administrative expenses

	Year 2024	Year 2023
Staff costs	8,803,198,555	8,267,687,668
Other expenses	7,796,765,284	4,713,497,842
Total	<u>16,599,963,839</u>	<u>12,981,185,510</u>

31. Other income

	Year 2024	Year 2023
Compensation for failure to meet committed output	4,222,470,000	2,380,125,000
Electricity charge collected from rented canteen	28,841,412	-
Other income	4,066,274	102,230,553
Total	<u>4,255,377,686</u>	<u>2,482,355,553</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

32. Other expenses

	Year 2024	Year 2023
Electricity and water expenses	22,891,599	-
Asset dismantling expenses	26,182,165	-
Loss on asset disposal	-	130,933,537
Other expenses	84,219,030	199,165,982
Total	133,292,794	330,099,519

33. Current corporate income tax expense

	Year 2024	Year 2023
Accounting profit before tax	7,819,705,878	3,996,754,011
Adjustments for taxable income	4,621,807,385	2,794,732,837
Incremental adjustments	4,621,807,385	2,794,732,837
- Non-allowable expenses	3,487,814,436	626,347,679
+ Remuneration of non-executive Board of Directors and Board of Supervisors members	108,000,000	123,000,000
+ Non-deductible interest expenses	946,117,950	2,045,385,158
+ Cost of fixed assets exceeding cap	79,875,000	-
Decremental adjustments	-	-
Total taxable income	12,441,513,263	6,791,486,848
Losses carried forward	(12,441,513,263)	(6,791,486,848)
Current corporate income tax expense	-	-

34. Basic, diluted earnings per share

	Year 2024	Year 2023
Profit after corporate income tax	7,819,705,878	3,996,754,011
Incremental or decremental adjustments to profit after tax	-	-
Profit or loss attributable to common shareholders	7,819,705,878	3,996,754,011
Average number of common shares outstanding	8,000,000	5,482,516
Basic, diluted earnings per share	977	729

35. Operating expenses by elements

	Year 2024	Year 2023
Materials expenses	297,304,889,569	132,437,966,898
Labor costs	44,305,267,245	36,879,890,181
Depreciation and amortization of fixed assets	3,804,685,724	3,720,734,545
Outside service expenses	37,852,759,957	21,895,262,855
Other cash expenses	6,287,397,532	1,559,049,854
Total	389,555,000,027	196,492,904,333

The domestic production cost in 2024 of the Company accounted for 88.44% of the total production and business costs.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

36. Financial instruments

a. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

b. Financial risk management

Financial risks include market risk (including interest rate risk, exchange rate risk, price risk), credit risk and liquidity risk.

Market risk management: The Company's activities expose it primarily to the financial risks of changes in interest rates, exchange rates, and prices.

Interest rate risk management

The Company's interest rate risk mainly derives from interest bearing loans which are arranged. To minimize this risk, the Company has estimated the impact of interest expenses to its periodic business results as well as making analysis and projection to select appropriate time to repay the loans. The Management assesses that uncontrollable risks arising from fluctuations of interest rates are low.

Exchange rate risk management

The Company engages in sale and purchase transactions denominated in foreign currency, resulting in exposures to exchange rate fluctuations. However, the number of such transactions is relative low, and this risk managed by the Company through measures such as optimizing the time for repayment of debts, selecting the appropriate time for foreign currency purchases and payments, projecting future exchange rates and optimizing the use of available funds to balance the exchange rate risk and liquidity risk.

Book value of foreign currency financial instruments at the year-end is as follows:

		31/12/2024	01/01/2024
Foreign currencies	USD	5,194.68	5,134.28
	LAK	1,342,269,082	-

Price risk management

The input materials at the Company are primarily steel and zinc used to manufacture mechanical products for hydropower projects and steel pole products. To manage this risk, the Company seeks suppliers who offer the lowest possible prices and places large orders to take advantage of preferential pricing policies. Additionally, the Company monitors market fluctuations to ensure a consistent source of input materials at the most reasonable price.

Credit risk management

The Company's main customers are entities belonging to Vietnam Electricity such as local power companies, the Southern Vietnam Power Project Management Board and the Hydropower Project Management Boards. These are traditional customers who generate regular transactions, and the Company also has many measures in place to mitigate the credit risk, including regularly monitoring the situation to assess and classify debts, rating debts, actively recovering debts and potentially filing civil lawsuits against debtors who fail to pay on time.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Liquidity risk management

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and the amount of funds that can be generated within that period.

The Company's aggregate financial liabilities are categorized in line with their maturity as follows:

31/12/2024	Within 1 year	Over 1 year	Total
Trade payables	32,257,034,945	-	32,257,034,945
Accrued expenses	2,422,769,410	-	2,422,769,410
Loans and finance lease liabilities	47,253,504,559	-	47,253,504,559
Other payables	370,503,257	-	370,503,257
Total	82,303,812,171	-	82,303,812,171

01/01/2024	Within 1 year	Over 1 year	Total
Trade payables	25,671,263,572	-	25,671,263,572
Accrued expenses	1,748,122,798	-	1,748,122,798
Loans and finance lease liabilities	63,877,975,545	-	63,877,975,545
Other payables	142,649,588	-	142,649,588
Total	91,440,011,503	-	91,440,011,503

The Management assesses that the Company is not exposed to liquidity risk and believes that the Company can generate sufficient funds to meet its financial obligations as they fall due.

The Company's available financial assets are drawn up on a net asset basis as follows:

31/12/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	30,166,901,118	-	30,166,901,118
Trade receivables	98,218,658,545	-	98,218,658,545
Other receivables	2,917,957,141	1,457,582,722	4,375,539,863
Total	131,303,516,804	1,457,582,722	132,761,099,526

01/01/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	18,325,247,799	-	18,325,247,799
Financial investments	4,055,590,181	-	4,055,590,181
Trade receivables	116,850,741,659	-	116,850,741,659
Other receivables	4,563,777,018	1,040,351,472	5,604,128,490
Total	143,795,356,657	1,040,351,472	144,835,708,129

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

37. Segment reporting

Operations	Mechanical products		Other business activities		Total	
	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023
Revenue from sales and service provision	379,707,666,164	248,290,379,634	7,671,064,777	4,097,182,222	387,378,730,941	252,387,561,856
Revenue deductions	-	-	-	-	-	-
Cost of goods sold	349,334,926,922	223,395,080,789	7,270,883,449	3,732,823,636	356,605,810,371	227,127,904,425
Selling expenses	5,901,559,799	4,727,360,425	-	-	5,901,559,799	4,727,360,425
Administrative expenses	16,599,963,839	12,981,185,510	-	-	16,599,963,839	12,981,185,510
Unallocated financial income					169,444,788	241,351,389
Unallocated financial expenses					4,743,220,734	5,947,964,908
Operating profit	7,871,215,604	7,186,752,910	400,181,328	364,358,586	3,697,620,986	1,844,497,977
Other income					4,255,377,686	2,482,355,553
Other expenses					133,292,794	330,099,519
Other profit					4,122,084,892	2,152,256,034
Accounting profit before tax					7,819,705,878	3,996,754,011
Current corporate income tax expense					-	-
Profit after tax					7,819,705,878	3,996,754,011
As at 31 December						
Tangible fixed assets	13,315,167,265	12,529,403,410	1,271,526,402	-	14,586,693,667	12,529,403,410
- Cost	121,853,163,324	107,544,760,972	1,762,123,135	10,752,296,856	123,615,286,459	118,297,057,828
- Accumulated depreciation	(108,537,996,059)	(95,015,357,562)	(490,596,733)	(10,752,296,856)	(109,028,592,792)	(105,767,654,418)
Trade receivables	99,884,770,799	118,516,853,913	-	-	99,884,770,799	118,516,853,913
Trade payables	32,257,034,945	24,933,043,043	-	738,220,529	32,257,034,945	25,671,263,572

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

38. Information on related parties

a. Related parties

	Relationship
Truong Thong Trading Co., Ltd	Associated company
Austdoor Group Joint Stock Company	Common member of the Board of Directors
Austwood Quang Tri Joint Stock Company	Common member of the Board of Directors
Tien Phong Nam Mien Trung Trading and Manufacturing JSC	Common member of the Board of Directors

b. Significant transactions with related parties

	Transaction	Year 2024	Year 2023
Austdoor Group Joint Stock Company	Sale of goods	728.616.120	22.084.569.629
	Contract breach compensation	4.222.470.000	2.380.125.000
	Purchase of goods	-	100.170.000
Austwood Quang Tri JSC	Sale of goods	149.613.889	-
Tien Phong Nam Mien Trung Trading and Manufacturing JSC	Sale of goods	2.332.297.504	-

c. Outstanding balances with related parties

Related party	Item	31/12/2024	01/01/2024
Truong Thong Trading Co., Ltd	Trade receivables	571,751,852	571,751,852
Austdoor Group Joint Stock Company	Trade receivables	1,063,019,998	924,330,440
Tien Phong Nam Mien Trung Trading and Manufacturing JSC	Trade receivables	122,358,601	-

d. Income of key management members

Transactions	Position	Year 2024	Year 2023
Salary of Board of Directors			
- Mr. Nguyen Huu Thang	Chairman (Executive)	393,220,435	373,440,451
Remuneration of Board of Directors			
- Mr. Phan Ngoc Hieu	Member	36,000,000	36,000,000
- Mr. Dang Phan Tuong	Member	36,000,000	36,000,000
- Mr. Duong Quoc Tuan	Member	36,000,000	36,000,000
Salary and remuneration of Board of Supervisors		379,858,445	353,732,895
Salary of Management			
- Mr. Le Thanh Lam	General Director	335,567,074	314,890,948
- Mr. Ngo Han	Deputy General Director	255,987,796	258,248,598
- Mr. Le Dinh Phuoc Toan	Deputy General Director	272,499,659	-
- Ms. Phan Huynh Tuyet Trinh	Chief Accountant	259,325,223	247,877,070

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

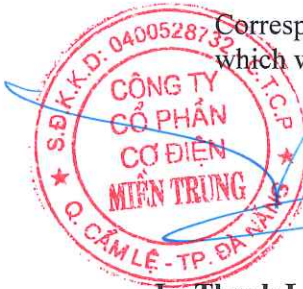
(These notes form part of and should be read in conjunction with the accompanying financial statements)

39. Events after the balance sheet date

There have been no significant events occurring after the balance sheet date which would require adjustments or disclosures to be made in the financial statements.

40. Corresponding figures

Corresponding figures were taken from the financial statements for the year ended 31/12/2023, which were audited by AAC.



Le Thanh Lam
General Director

Da Nang, 27 March 2025

Phan Huynh Tuyet Trinh
Chief Accountant

Nguyen Thi Thanh Phuc
Preparer