

**QUANG NAM TRANSPORTATION
CONSTRUCTION JOINT-STOCK COMPANY**

FINANCIAL STATEMENTS

For Quarter 1 of the year 2025

INDEX

Page

•	Balance Sheet	1
•	Income Statement	3
•	Statement of Cash Flows	4
•	Notes to The Financial Statements	5 - 22

BALANCE SHEET
As at 31 March 2025

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

ASSETS	Code	Note	31/03/2025 VND	01/01/2025 VND
A. CURRENT ASSETS	100		36,038,512,191	49,917,525,409
I. Cash and cash equivalents	110	5	6,980,906,706	7,615,181,604
1. Cash	111		6,980,906,706	7,615,181,604
2. Cash equivalents	112			
II. Short-term financial investments	120		5,877,093,151	10,828,000,000
1. Held-to-maturity investments	123	6	5,877,093,151	10,828,000,000
III. Short-term receivables	130		8,120,654,685	21,367,158,070
1. Short-term trade receivables	131	7	6,351,675,495	20,445,894,594
2. Short-term prepayments to suppliers	132	8	215,083,890	108,563,390
3. Other short-term receivables	136	9a	2,724,355,544	1,983,160,330
4. Provision for short-term doubtful debts	137	10	(1,170,460,244)	(1,170,460,244)
IV. Inventories	140		14,562,237,022	10,107,185,735
1. Inventories	141	11	14,562,237,022	10,107,185,735
2. Provision for decline in value of inventories	149			
V. Other current assets	150		497,620,627	-
1. Short-term prepaid expenses	151	15a	53,308,813	
2. Deductible value added tax	152		444,311,814	
3. Taxes and amounts receivable from the State	153			
B. LONG-TERM ASSETS	200		21,071,766,101	16,819,651,024
I- Long-term receivables	210		2,279,959,001	2,055,901,699
1. Long-term trade receivables	211			
2. Other long-term receivables	216	9b	2,279,959,001	2,055,901,699
II. Fixed assets	220		14,666,619,839	10,258,087,230
1. Tangible fixed assets	221	12	14,421,308,821	10,012,531,257
- Cost	222		80,206,947,020	75,196,972,764
- Accumulated depreciation	223		(65,785,638,199)	(65,184,441,507)
2. Intangible fixed assets	227	13	245,311,018	245,555,973
- Cost	228		258,293,600	258,293,600
- Accumulated amortization	229		(12,982,582)	(12,737,627)
III- Investment property	230			
IV. Long-term assets in progress	240		-	29,827,995
1. Long-term work in process	241		-	-
2. Construction in progress	242			29,827,995
V. Long-term financial investments	250		3,000,000,000	3,000,000,000
1. Investments in subsidiaries	251	14	3,000,000,000	3,000,000,000
VI. Other long-term assets	260		1,125,187,261	1,475,834,100
1. Long-term prepaid expenses	261	15b	1,125,187,261	1,475,834,100
2. Other long-term assets	268			
TOTAL ASSETS	270		57,110,278,292	66,737,176,433



BALANCE SHEET
As at 31 March 2025

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

RESOURCES	Code	Note	31/03/2025 VND	01/01/2025 VND
C.LIABILITIES	300		16,780,354,240	26,140,826,584
I. Current liabilities	310		15,764,935,240	25,125,407,584
1. Short-term trade payables	311	16	5,893,364,290	8,243,044,492
2. Short-term advances from customers	312		804,892,412	595,511,365
3. Taxes and amounts payable to the State	313	17	532,090,515	1,690,819,961
4. Payables to employees	314		410,586,739	1,579,805,673
5. Short-term accrued expenses	315	18	168,308,027	234,419,112
6. Other short-term payables	319	19	3,491,550,211	4,546,320,790
7. Short-term loans and finance lease liabilities	320	20	3,000,000,000	6,813,176,604
8. Provision for short-term payables	321		1,462,230,938	1,420,397,479
9. Reward and welfare fund	322		1,912,108	1,912,108
II. Long-term liabilities	330		1,015,419,000	1,015,419,000
1. Provision for long-term payables	342	21	1,015,419,000	1,015,419,000
D. EQUITY	400		40,329,924,052	40,596,349,849
I. Owners' equity	410	22	39,923,692,663	40,190,118,460
1. Share capital	411	22	27,000,000,000	27,000,000,000
- Common shares with voting rights	411a		27,000,000,000	27,000,000,000
- Preferred shares	411b			
2. Other owners' capital	414		8,379,414,871	8,379,414,871
2. Investment and development fund	418	22	2,561,777,617	2,561,777,617
3. Undistributed profit after tax	421	22	1,982,500,175	2,248,925,972
- Undistributed profit after tax accumulated to the end of previ	421a		2,248,925,972	
- Undistributed profit after tax of current period	421b		(266,425,797)	2,248,925,972
4. Capital expenditure fund	422			
II. Other budget resources, funds	430		406,231,389	406,231,389
1. Budget resources	431		124,245,000	124,245,000
2. Resources financing fixed assets	432		281,986,389	281,986,389
TOTAL RESOURCES	440		57,110,278,292	66,737,176,433

Vo Thi Minh Loan
PREPARER

Dang Tho
CHIEF ACCOUNTANT



Quang Nam Province, 26 April 2025
Nguyen Tuan Anh
GENERAL DIRECTOR



INCOME STATEMENT
Quarter 1 of the year 2025

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

Unit: VND

Items	Item code	Note	Quarter 1/2025	Quarter 1/2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
1. Revenue from sales and service provision	1	23	4,229,198,824	2,078,120,918	4,229,198,824	2,078,120,918
2. Revenue deductions	2	24				
3. Net revenue from sales and service provision	10		4,229,198,824	2,078,120,918	4,229,198,824	2,078,120,918
4. Cost of goods sold	11	25	3,574,805,167	2,549,894,225	3,574,805,167	2,549,894,225
5. Gross profit from sales and service provision	20		654,393,657	(471,773,307)	654,393,657	(471,773,307)
6. Financial income	21	26	110,192,598	82,733,755	110,192,598	82,733,755
7. Financial expenses	22	27	126,707,823	17,623,067	126,707,823	17,623,067
<i>In which: Interest expense</i>	23		43,491,928		43,491,928	
8. Selling expenses	25					
9. Administrative expenses	26		918,873,596	636,649,086	918,873,596	636,649,086
10. Net operating profit	30		(280,995,164)	(1,043,311,705)	(280,995,164)	(1,043,311,705)
11. Other income	31	28	37,636,365	958,387,810	37,636,365	958,387,810
12. Other expenses	32	29	23,066,998	373,591,396	23,066,998	373,591,396
13. Other profit	40		14,569,367	584,796,414	14,569,367	584,796,414
14. Accounting profit before tax	50		(266,425,797)	(458,515,291)	(266,425,797)	(458,515,291)
15. Current corporate income tax	51	30				
16. Deferred corporate income tax expense	52					
17. Profit after tax	60		(266,425,797)	(458,515,291)	(266,425,797)	(458,515,291)

Vo Thi Minh Loan
PREPARER

Dang Tho
CHIEF ACCOUNTANT



Nguyen Tuan Anh
GENERAL DIRECTOR

Quang Nam Province, 26 April 2025

STATEMENT OF CASH FLOWS

Form B 03-DN

Quarter 1 of the year 2025

(Issued under Circular No. 200/2014/TT-BTC
dated 22/12/2014 of the Ministry of Finance)

ITEMS	Code	Quarter 1/2025 VND	Quarter 1/2024 VND
I. Cash flows from operating activities			
1. Profit before tax	01	(266,425,797)	(458,515,291)
2. Adjustments for			
- Depreciation and amortization	02	601,441,647	455,506,039
- Provisions	03	41,833,459	
- Profits/losses from investing activities	05	(110,192,598)	(661,059,194)
- Interest expense	06	43,491,928	
3. Operating profit before changes in working capital	08	310,148,639	(664,068,446)
- Increase/decrease in receivables	09	12,480,754,898	7,921,352,811
- Increase/decrease in inventories	10	(4,455,051,287)	(3,010,459,953)
- Increase/decrease in payables (excluding loan Interest and corporate income tax payable)	11	(5,196,007,369)	(258,948,669)
- Increase/decrease in prepaid expenses	12	297,338,026	749,206,751
- Interest paid	14	(109,603,013)	
- Corporate income tax paid	15	(327,010,745)	(152,249,256)
- Other cash receipts from operating activities	16		
- Other cash payments for operating activities	17		(500,000)
Net cash provided by operating activities	20	3,000,569,149	4,584,333,238
II. Cash flows from investing activities			
1. Cash paid for purchases, construction of fixed assets and other long-term assets	21	(5,009,974,256)	(46,250,000)
2. Proceeds from sales, disposal of fixed assets and other long-term assets	22		604,287,964
3. Cash paid for loans, acquisition of debt instruments	23	(2,049,093,151)	(3,500,000,000)
4. Recovery of loans, resales of debt instruments	24	7,000,000,000	
5. Cash paid for equity investments in other entities	25		
6. Proceeds from loans interest, dividends, shared profit	27	237,399,964	77,529,590
Net cash used in investing activities	30	178,332,557	(2,864,432,446)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33		
2. Repayment of borrowings	34	(3,813,176,604)	
3. Cash paid for dividends, profit to owners	36		
Net cash provided by/(used in) financing activities	40	(3,813,176,604)	-
Net cash flows for the period	50	(634,274,898)	1,719,900,792
Cash and cash equivalents at the beginning of the period	60	7,615,181,604	2,892,130,522
Cash and cash equivalents at the end of the period	70	6,980,906,706	4,612,031,314

Vo Thi Minh Loan
PREPARER

Dang Tho
CHIEF ACCOUNTANT



Quang Nam Province, 26 April 2025

Nguyen Tuan Anh
GENERAL DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

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

Form No. 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

Quang Nam Transportation Construction Joint-Stock Company ("the Company") was incorporated on the basis of equitization of Quang Nam Road Management and Construction Company under Decision No. 5233/QD-UB dated 27 November 2003 of the People's Committee of Quang Nam Province. The Company was granted Business Registration Certificate No. 3303070058 dated 02 January 2004 by Quang Nam Province Planning and Investment Department. Since the establishment date, the Business Registration Certificate has been amended 8 times and the most recent amendment was made on 05 September 2014 with the enterprise code 4000390766. The Company is an independent accounting entity, operating in accordance with the Enterprise Law, the Company's Charter and other relevant regulations.

The Company was approved to list its common shares under the ticker symbol QTC on Hanoi Stock Exchange as per Decision No. 532/QD - TTGDHN dated 29/12/2008 of Hanoi Securities Trading Center (now being Hanoi Stock Exchange). The official trade date is 19/01/2009.

Charter capital: VND27,000,000,000.

1.2. Principal scope of business: Construction, stone exploitation and real estate business

1.3. Operating activities

- Construction of other civil engineering projects: Construction of civil projects, road traffic projects, irrigation projects, hydropower projects, public projects;
- Management consultancy activities: Management, operation and maintenance of road traffic projects;
- Trading of own or rented property and land use rights;
- Short-term accommodation activities;
- Restaurants and mobile food service activities;
- Architectural and engineering activities and related technical consultancy: Preparation of projects, preparation of technical design documents and cost estimates for construction and traffic projects; Supervision of road projects;
- Electrical installation;
- Plumbing, heat and air-conditioning installation;
- Mining and quarrying not elsewhere classified: Exploration, exploitation and production of materials for repair and construction of road traffic systems

1.4. Structure of the Company

The Company has 1 subsidiary: Road Construction and Repair No. 1 Co., Ltd

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

2. Accounting period, currency used in accounting

These financial statements were prepared for the first quarter of the year 2025 (commencing on 01/01/2025 and ending on 31/3/2025).

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

3. Applied accounting standards and accounting system

The Company adopts the Vietnamese Corporate Accounting System which was issued under Circular No. 200/2014/TT-BTC dated 22/12/2014 and Vietnamese Accounting Standards promulgated by the Ministry of Finance.

Form of accounting records: Voucher system.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash includes cash on hand, cash in bank, cash in transit and cash equivalents.

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 Financial investments

Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer is required to repurchase them at a certain time in the future and 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 investments. In particular, if it is evident that the investment is unrecoverable, it shall be treated as follows:

- If the losses are determined reliably, the negative difference between recoverable value and book value shall be recorded to financial expenses;
- If it is impossible to determine the losses reliably, the recovery of investment must be reported on the financial statements and the value of investment shall not be reduced.

Investment in subsidiary

Subsidiary is an enterprise controlled by the Company. The subsidiary relationship is often reflected by the fact that the Company holds (directly or indirectly) over 50% voting shares and has the right to exercise significant influence over the financial policies and operations of the subsidiary.

Investments in subsidiaries are stated 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 subsidiaries is made if these investments are impaired or result in loss, which leads to the loss of equity of the Company. The appropriation of provision is made in

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

conformity with the guidelines of Circular No. 228/2009/TT-BTC dated 7/12/2009 and Circular No. 89/2013/TT-BTC dated 28/6/2013 by the Ministry of Finance.

4.3 Receivables

Receivables includes: trade receivables, 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 the amounts receivable which have been overdue for 6 months or which have not been overdue the debtor has been in the state of insolvency, undergoing dissolution procedures, missing or absconding. The appropriation of provision is made in conformity with the guidelines of Circular No. 228/2009/TT-BTC dated 07/12/2009 of the Ministry of Finance.

Receivables are monitored according to their debtors, principal terms, remaining terms and original currencies.

4.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition. Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Cost of inventories is calculated using the weighted average method and accounted for using the perpetual method.

Provision for decline in value of inventories is made when the net realizable value of inventories is less than cost. The provision is made in accordance with Circular No. 228/2009/TT-BTC dated 7/12/2009 by the Ministry of Finance.

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 derived from the use of those assets. Those incurred costs which do not meet this requirement must be recognized as operational expenses in the period.

Depreciation

Tangible fixed assets are depreciated in accordance with the straight-line method. The depreciation rate is determined based on the cost and estimated useful lives of the assets. The depreciation period is

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	5 – 25
Machinery, equipment	2.5 – 8
Motor vehicles	5 – 8

During the period, the Company accelerated depreciation of a number of assets to ensure more reasonableness in the estimated useful life of these assets.

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.

Land use rights

Intangible fixed assets are land use rights including:

- The land use right allocated by the State with land use fee or receiving the transfer of legal land use right (including term and non-term land use right).
- The right to use the leased land before the effective date of the Land Act 2003 but the rent has been paid for the leasing time or paid in advance for many years but the remaining land lease term paid is at least 05 years and granted with certificate of land use right by the competent authority.

Cost of fixed assets that are land use rights is determined to be the total amount paid to have the legal land use right plus (+) costs of site clearance, ground leveling, registration fee (excluding costs for building works on land) or the value of land use right received as capital contribution.

Amortization

Intangible fixed assets being land use rights with indefinite term are not amortized. For land use rights with definite term, the amortization period is the period in which the Company is allowed to use the land.

Other intangible fixed assets are amortized in accordance with the straight-line method. Amortization rate is based on the cost and estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance.

The amortization period of intangible fixed assets of the Company is as follows:

<u>Kind of asset</u>	<u>Amortization period (years)</u>
Term land use rights	35

4.7 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenses that have been incurred actually but related to the operations of many accounting periods. Based on the nature and extent of the expenses, the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received.

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 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 in the financial statements.

Payables are recognized at the time when the Company's payment obligation arises or when there is certain evidence that a loss is likely to occur.

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

4.9 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. Loans and finance lease liabilities denominated in foreign currency are reevaluated using the selling exchange rate at the end of the year of the commercial bank where the Company regularly conducts transactions.

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.

Capitalisation 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.

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. The Company's major accrued expenses include:

- Charges for granting the mineral mining right are determined by the Company in accordance with the provisions of Decree No. 203/2013/ND-CP but the tax authority has not issued the notice of payment of charges for granting the mineral mining right yet.
- Accrued interests are determined according to the agreed interest rate of each loan contract, loan term and loan principal.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.11 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.

If the provision for payables that needs to be made in current accounting period is greater than the remaining provision for payables in previous accounting period, the difference shall be recorded as operating expenses of the current period. If the provision for payables in current accounting period is smaller than the remaining provision in previous period, the difference shall be reversed decreasing the operating expenses of current period.

4.12 Unearned revenue

Unearned revenue is recognized when the Company receives advance payments for one or many accounting periods for services rendered to customers.

Unearned revenue is amortized over the period for which the Company has received the advance payment.

4.13 Owners' equity

Share capital represents the amount of actually-contributed capital.

Share premium reflects the difference between par value of shares and issue price of shares.

Profit after corporate income tax (excluding foreign exchange gains from revaluation of balances at the balance sheet date) is available for appropriation to funds and to shareholders as provided for in the resolution of annual general shareholders' meeting.

Profit distribution is only carried out when the Company has undistributed profit after tax. The dividend to be paid to the shareholders shall not exceed the undistributed profit after tax.

4.14 Revenue recognition

- Revenue from construction contracts
 - ✓ Where a construction contract stipulates that the contractor gets paid according to the set schedule, and when the construction contract performance result is reliably estimated, the revenues and costs related to the contract shall be recognized by reference to the completed volume.
 - ✓ Where a construction contract stipulates that the contractor gets paid according to the value of performed work volume, and when the contract performance result is reliably determined, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers.
- 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;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

- ✓ 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.
 - ✓ Interests are 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.
- 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 Revenue deductions

Revenue deduction is the construction value that is reduced after finalization.

Revenue deductions arising after the balance sheet date but before the date of issuing the financial statements are considered events requiring adjustments to reduce revenue for the reporting period.

4.16 Cost of goods sold

Cost of goods sold and the corresponding revenue are recorded simultaneously according to the matching principle.

4.17 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, interest on finance lease, payment discounts for buyers, expenses and loss on liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to investing activities.

4.18 Selling expenses, administrative expenses

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

Administrative expenses reflect expenses actually incurred related to the overall administration of the Company.

4.19 Current corporate income tax expense, deferred corporate income tax expense

Corporate income tax expenses comprise current income tax and deferred income tax.

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

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

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 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, short-term deposits, trade receivables, other receivables and financial investments.

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 include loans, trade payables, accrued expenses and other payables.

Subsequent measurement

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

4.21 Tax rates and charges paid to the State Budget that the Company is applying.

- Value Added Tax (VAT): A VAT rate of 8% is applicable to construction activities and 10% rate for construction stone products.
- Corporate Income Tax (CIT): The Company is subject to a CIT rate of 20%.
- Other taxes and charges are paid in accordance with the prevailing regulations.

4.22 Related parties

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

5. Cash and cash equivalents

Unit: VND

	31/3/2025	01/01/2025
Cash on hand	253,576,548	948,591,842
Cash in bank	6,727,330,158	6,666,589,762
Cash equivalents (deposits for no more than 3 months)		
Total	6,980,906,706	7,615,181,604

6. Held-to-maturity investments

	31/3/2025		01/01/2025	
	Cost	Book value	Cost	Book value
Deposits with the remaining term of no more than 12 months	5,877,093,151		10,828,000,000	0
Total	5,877,093,151		10,828,000,000	0

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

7. Short-term trade receivables

	31/3/2025	01/01/2025
Quang Nam Province Transportation Department	190,621,000	4,440,410,000
Tam Ky City Construction Investment Project Management Unit	1,027,873,000	1,027,873,000
Quang Nam Province Traffic Infrastructure Management Center	2,157,685,000	6,063,629,000
Quang Nam Province Traffic Project Management Unit	1,793,818,000	5,128,237,000
Quang Nam Road Construction and Management JSC	67,535,600	2,768,236,000
Others	1,114,142,895	1,017,509,594
Total	6,351,675,495	20,445,894,594

8. Short-term prepayments to suppliers :

	31/3/2025	01/01/2025
Nam Loc Electronic - Automation Co., Ltd		33,000,000
Alpha Sport Technology Co., Ltd		25,000,000
Branch of Thien An Khuong Investment and Construction JSC in Quang Nam	16,944,000	16,944,000
Dong Khoi Phat Trading - Service - Transportation Co., Ltd		22,640,000
Others	198,139,890	10,979,390
Total	215,083,890	108,563,390

9. Other receivables

a. Short-term

	31/3/2025		01/01/2025	
	Value	Provision	Value	Provision
Deposits, collaterals	1,480,168,187		1,480,168,187	
Receivables from construction teams for construction capital	1,108,329,316		225,374,000	
Accrued interest receivable	51,837,238		179,044,604	
Shared dividends, profit			98,573,539	
Other receivables	84,020,803			
Total	2,724,355,544		1,983,160,330	

Of which : Dividend, profit receivable from the related party

	Relationship	31/3/2025	01/01/2025
Road Construction and Repair No. 1 Co., Ltd	Subsidiary		98,573,539

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Long-term

	31/3/2025		01/01/2025	
	Value	Provision	Value	Provision
Deposits, collaterals	2,279,959,001		2,055,901,699	
Total	2,279,959,001	0	2,055,901,699	0

10. Provision for short-term doubtful debts

	31/3/2025	01/01/2025
Provision for overdue receivables:		
- Over 3 years	(1,170,460,244)	(1,170,460,244)
Total	(1,170,460,244)	(1,170,460,244)

11. Inventories

	31/3/2025		01/01/2025	
	Cost	Provision	Cost	Provision
Materials, raw materials	459,324,948		456,425,867	
Tools, instruments	90,974,480		51,900,000	
Work in process	10,644,502,159		9,315,798,487	
Finished products	3,243,190,435		158,816,381	
Merchandise goods	124,245,000		124,245,000	
Total	14,562,237,022		10,107,185,735	

- There are no inventories which are unsold, in poor quality or slow-moving as at 31/3/2025.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/3/2025.

12. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	4,603,903,977	61,057,264,060	9,319,559,762	216,244,965	75,196,972,764
New purchase		5,009,974,256			5,009,974,256
Sale, disposal					0
Balance at 31/3/2025	4,603,903,977	66,067,238,316	9,319,559,762	216,244,965	80,206,947,020
Depreciation					
Beginning balance	3,898,428,837	55,680,177,561	5,540,961,620	64,873,489	65,184,441,507
Charge for the period	21,891,019	401,460,170	167,033,255	10,812,248	601,196,692
Sale, disposal					0
Balance at 31/3/2025	3,920,319,856	56,081,637,731	5,707,994,875	75,685,737	65,785,638,199
Net book value					
Beginning balance	705,475,140	5,377,086,499	3,778,598,142	151,371,476	10,012,531,257
Balance at 31/3/2025	683,584,121	9,985,600,585	3,611,564,887	140,559,228	14,421,308,821

- Cost of tangible fixed assets fully depreciated but still in active use at 31/3/2025 was VND43,821,534,628.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

13. Intangible fixed assets

	Land use right	Long-term land use right (ii)	Total
	VND	VND	VND
Cost			
Beginning balance	224,000,000	34,293,600	258,293,600
Increase in the period			
Decrease in the period			
Balance at 31/3/2025	224,000,000	34,293,600	258,293,600
Amortization			
Beginning balance		12,737,627	12,737,627
Charge for the period		244,955	244,955
Decrease in the period			
Balance at 31/3/2025	0	12,982,582	12,982,582
Net book value			
Beginning balance	224,000,000	21,555,973	245,555,973
Balance at 31/3/2025	224,000,000	21,311,018	245,311,018

- (i) Use right of 200 m² of land in Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province. The Company uses it to build warehouse, house for workers.
- (ii) Use right of 692,8 m² of land in Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province which is valid until March 2047. The Company uses it to build warehouse, house for workers.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

14. Investment in subsidiary

	Status of % of equity operation	% of voting right	31/03/2025		01/01/2025	
			Cost Provision		Cost Provision	
- Road Construction and Repair No. 1 Co., Ltd	Operating	100%	100%	3,000,000,000		3,000,000,000
Total				3,000,000,000		3,000,000,000

The financial statements for the first quarter of 2025 of Road Construction and Repair No. 1 Co., Ltd show that it has operating profit, and the owner's equity is preserved. Therefore, this investment is recorded at cost and no provision is made.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

15. Prepaid expenses

a. Short-term:

	31/3/2025	01/01/2025
Repair costs	53,308,813	
Total	53,308,813	0

b. Long-term:

	31/3/2025	01/01/2025
Charges for granting mineral mining right	569,089,950	758,786,600
Costs of stripping the top layer and entrance to the quarry of 2016	373,406,391	497,875,188
Repair costs	79,016,999	89,311,111
Other long-term prepaid expenses	103,673,921	129,861,201
Total	1,125,187,261	1,475,834,100

16. Short-term trade payables

	31/3/2025	01/01/2025
People's Committee of Dien Ngoc Commune	889,694,244	889,694,244
Gia Loc Work Construction and Equipment Co., Ltd	1,836,000,000	
Quang Nam Road Construction and Management JSC		2,428,718,575
Others	3,167,670,046	4,924,631,673
Total	5,893,364,290	8,243,044,492

17. Taxes and amounts payable to the State

	As at		Amount to be	Actual amount	As at	
	01/01/2025		paid	paid	31/3/2025	
	Receivable	Payable			Receivable	Payable
VAT	922,317,104	89,150,792	1,011,467,896			0
CIT	327,010,745		327,010,745			0
Personal Income Tax	11,619,328	13,512,256	22,888,482			2,243,102
Natural resource tax	378,056,902	569,963,016	515,634,106			432,385,812
Land and housing tax, land rent		14,018,725				14,018,725
Fees, charges and others payable	51,815,882	112,992,861	81,365,867			83,442,876
Total	0	1,690,819,961	799,637,650	1,958,367,096	0	532,090,515

The Company's tax returns would be subject to examination of the tax authority. The tax amounts reported in these financial statements could be changed under decision of the tax authority.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

18. Short-term accrued expenses

	31/3/2025	01/01/2025
Accrued interest payable	23,087,671	89,198,756
Accrued expenses of Dien Nam-Dien Ngoc Urban Area Project	135,438,538	135,438,538
Other accrued expenses	9,781,818	9,781,818
Total	168,308,027	234,419,112

Of which : Accrued interest payable to related party

	Relationship	31/3/2025	01/01/2025
Road Construction and Repair No. 1 Co., Ltd	Subsidiary	23,087,671	85,594,521

19. Other short-term payables

	31/3/2025	01/01/2025
Trade union fee	66,442,923	133,865,893
Payable for construction volume to construction teams	2,324,106,031	3,217,284,585
Short-term deposits, collaterals received	840,000,000	910,000,000
Other payables	261,001,257	285,170,312
Total	3,491,550,211	4,546,320,790

20. Short-term loans and finance lease liabilities

	As at 01/01/2025	Increase in the period	Decrease in the period	As at 31/3/2025
Vietcombank-Quang Nam Branch	3,813,176,604		3,813,176,604	0
Maritime Bank-Quang Nam Province				0
Road Construction and Repair No. 1 Co., Ltd	3,000,000,000			3,000,000,000
Total	6,813,176,604	0	3,813,176,604	3,000,000,000

21. Provision for payables

a. Short-term:

	31/3/2025	01/01/2025
Provision for environmental restoration costs	1,462,230,938	1,420,397,479
Total	1,462,230,938	1,420,397,479

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Long-term:

	31/3/2025	01/01/2025
Provision for construction warranty	1,015,419,000	1,015,419,000
Provision for environmental restoration costs		
Total	1,015,419,000	1,015,419,000

22. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Other owners' capital	Investment and development fund	Undistributed profit after tax	Total
Balance at 01/01/2024	27,000,000,000	8,379,414,871	2,561,777,617	1,825,672,239	39,766,864,727
Increase in the year				2,248,925,972	2,248,925,972
Decrease in the year				1,825,672,239	1,825,672,239
					0
Balance at 31/12/2024	27,000,000,000	8,379,414,871	2,561,777,617	2,248,925,972	40,190,118,460
Balance at 01/01/2025	27,000,000,000	8,379,414,871	2,561,777,617	2,248,925,972	40,190,118,460
Increase in the period				(266,425,797)	(266,425,797)
Decrease in the period					0
Balance at 31/3/2025	27,000,000,000	8,379,414,871	2,561,777,617	1,982,500,175	39,923,692,663

b. Breakdown of share capital

	31/3/2025	01/01/2025
State Capital Investment Corporation	14,526,000,000	14,526,000,000
Other shareholders	12,474,000,000	12,474,000,000
Total	27,000,000,000	27,000,000,000

c. Shares

	31/3/2025	01/01/2025
	Shares	Shares
Number of shares registered for issuance	2,700,000	2,700,000
Number of shares sold to the public	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)		
Number of shares bought back (treasury shares)		
- Common shares		
- Preferred shares (classified as owners' equity)		
Number of outstanding shares	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)		
Par value of outstanding shares : VND10,000 each		

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

23. Revenue from sales and service provision

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Construction revenue		1,139,501,715	0	1,139,501,715
Stone mining revenue	4,110,317,713	810,883,091	4,110,317,713	810,883,091
Other revenue	118,881,111	127,736,112	118,881,111	127,736,112
Total	4,229,198,824	2,078,120,918	4,229,198,824	2,078,120,918

24. Revenue deductions

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Construction volume reduced upon finalization			0	0
Total	0	0	0	0

25. Cost of goods sold

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Cost of construction		987,737,172		987,737,172
Cost of mining stone	3,446,576,483	1,448,989,088	3,446,576,483	1,448,989,088
Cost of others	128,228,684	113,167,965	128,228,684	113,167,965
Total	3,574,805,167	2,549,894,225	3,574,805,167	2,549,894,225

26. Financial income

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Deposit interest, loan interest	110,192,598	82,733,755	110,192,598	82,733,755
Dividend, profit				
Total	110,192,598	82,733,755	110,192,598	82,733,755

27. Financial expenses

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Interest expense	43,491,928		43,491,928	
Bank guarantee fee	83,215,895	17,623,067	83,215,895	17,623,067
Total	126,707,823	17,623,067	126,707,823	17,623,067

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

28. Other income

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Proceeds from disposals of fixed assets		578,325,439	0	578,325,439
Income from compensation insurance for Tra Kot Project		355,864,146	0	355,864,146
Others	37,636,365	24,198,225	37,636,365	24,198,225
Total	37,636,365	958,387,810	37,636,365	958,387,810

29. Other expenses

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Expenses for disposals of fixed assets			0	
Tax fine, tax in arrears		108,255	0	108,255
Construction expense of landslips of Tra Kot Project (insurance compensation)		355,864,146		355,864,146
Others	23,066,998	17,618,995	23,066,998	17,618,995
Total	23,066,998	373,591,396	23,066,998	373,591,396

30. Current corporate income tax expense

	Quarter 1 Year 2025	Quarter 1 Year 2024	Accumulated to 31/3/2025	Accumulated to 31/3/2024
Accounting profit before tax	(266,425,797)	(458,515,291)	(266,425,797)	(458,515,291)
Adjustments to taxable income				
Increasing adjustments	38,813,000	35,608,255	38,813,000	35,608,255
Decreasing adjustments				
Total taxable income	(227,612,797)	(422,907,036)	(227,612,797)	(422,907,036)

Current corporate income tax expense

Of which :

- Current CIT expense arising in current period:
- Adjustment of current CIT expenses of previous
period to current CIT expense of current period

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

31. 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.

32. Corresponding figures

Corresponding figures of the balance sheet were taken from the financial statements for the year ended 31/12/2024 which had been audited and reviewed by AAC. Corresponding figures of the income statement and the statement of cash flows were taken from the financial statements for the first quarter of 2024 prepared by the Company. Some corresponding figures in the financial statements have been restated in order to ensure the comparableness with current period's figures and to conform with the regulations on financial statement preparation of Circular 200/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance on guiding the Corporate Accounting System.




Vo Thi Minh Loan

Preparer



Dang Tho

Chief Accountant



Nguyen Tuan Anh

General Director

Quang Nam Province, 26 April 2025