

**TRUONG SON INVESTMENT AND
CONSTRUCTION JOINT STOCK COMPANY**

Audited financial statements
For the year ended 31 December 2024



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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Truong Son Investment and Construction Joint Stock Company (hereinafter called "the Company") presents this report together with the financial statements of the Company for the year ended 31 December 2024.

GENERAL INFORMATION

Truong Son Investment and Construction Joint Stock Company (hereinafter called "the Company") is a Joint Stock Company established and operating in Vietnam under the Certificate of Business Registration No.-0700210210 for the first time on 29 August 2002 and the 16th amendment dated 23 November 2023 issued by the Ha Nam Department of Planning and Investment. The Company was converted from a limited liability company to a joint stock company under the 11th amended Business Registration Certificate dated 14 January 2019.

THE MEMBERS OF THE BOARD OF MANAGEMENT, THE BOARD OF SUPERVISORS, AND THE BOARD OF GENERAL DIRECTORS

The members of the Board of Management, the Board of Supervisors, and the Board of General Directors of the Company during the year and to the date of this statement are as follows:

The Board of Management

Full name	Position
Mr. Nguyen Van Truong	Chairman
Mr. Dang Van Thuyet	Vice Chairman (appointed on 22 April 2024)
Mr. Doan Van Thanh	Member
Mr. Nguyen Xuan Chinh	Member
Mr. Dang Tran Thanh	Independent Member

The Board of Supervisors

Full name	Position
Mrs. Chu Hai Yen	Head of BOS
Mrs. Hoang Thi Thao	Member
Mr. Nguyen Van Thoa	Member

The Board of General Directors

Full name	Position
Mr. Doan Van Thanh	General Director
Mr. Le Son Tung	Deputy General Director

Legal representatives

The legal representative of the Company during the year and to the date of this statement is Mr. Nguyen Van Truong – Chairman.

Mr. Doan Van Thanh is authorized by Mr. Nguyen Van Truong to sign the Financial Statements for the year ended 31 December 2024 according to Power of Attorney No. 02/TS-UQ dated 02 January 2023.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)

AUDITORS

International Auditing and Valuation Company Limited has been appointed to audit the financial statements of the Company for the year ended 31 December 2024.

DISCLOSURE OF THE BOARD OF GENERAL DIRECTORS 'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board of General Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, The Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of General Directors of the Company is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of General Directors approves the attached financial statements. The financial statements reflected truly and fairly the Company's financial position as at 31 December 2024, as well as the financial performance and cash flows for the year ended 31 December 2024, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

COMMITMENT ON INFORMATION DISCLOSURE

The Board of General Directors confirms to have complied with Decree 155/2020/ND-CP dated 31 December 2020 elaborating some articles of the Law on Securities and the Company does not violate the obligation to disclose information under Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding some articles on disclosure of information on the securities market.

For and on behalf of The Board of General Directors,



Mr. Doan Van Thanh
General Director
Hanam, 10 March 2025

No: 26063/2024/BCTC/IAV

INDEPENDENT AUDITORS' REPORT

To: **The shareholders**
The Board of Management, the Board of Supervisors, and the Board of General Directors
Truong Son Investment and Construction Joint Stock Company

We have audited the accompanying financial statements of Truong Son Investment and Construction Joint Stock Company (hereinafter called "the Company"), prepared on 10 March 2025, as set out from page 5 to page 44, which comprise the statement of financial position as at 31 December 2024, the statement of income, and statement of cash flows for the year then ended, and the notes to the financial statements.

The Board of General Directors's Responsibility

The Board of General Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as The Board of General Directors determines is necessary to enable the preparation 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 Board of General Directors, 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.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Other Matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another independent audit firm. The auditor expressed an unmodified opinion on those statements.



A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke.

NGUYEN MINH TU
Deputy Director
Audit Practising Registration Certificate
No. 2721-2023-283-1

NGUYEN KI ANH
Auditor
Audit Practising Registration Certificate
No. 3331-2022-283-1

INTERNATIONAL AUDITING AND VALUATION COMPANY LIMITED

Hanoi, 10 March 2025

STATEMENT OF FINANCIAL POSITION

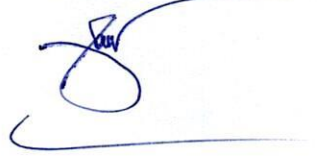
As at 31 December 2024

ASSETS	Codes	Notes	Closing balance VND	Opening balance VND
A. SHORT-TERM ASSETS	100		449,292,431,882	381,351,719,144
I. Cash and cash equivalents	110	4.1	123,206,220,051	65,860,531,119
1. Cash	111		123,206,220,051	65,860,531,119
II. Short-term investments	120		3,142,990,803	3,011,575,963
1. Held-to-maturity investments	123	4.2	3,142,990,803	3,011,575,963
III. Short-term receivables	130		234,659,240,978	219,778,781,801
1. Short-term trade receivables	131	4.3	232,604,528,858	206,379,686,589
2. Short-term advances to suppliers	132	4.4	5,292,625,370	14,482,451,260
3. Other short-term receivables	136	4.5	450,000,000	60,272,100
4. Short-term allowance for doubtful debts	137	4.6	(3,687,913,250)	(1,143,628,148)
IV. Inventories	140	4.7	86,397,093,362	92,475,545,321
1. Inventories	141		86,397,093,362	92,475,545,321
V. Other short-term assets	150		1,886,886,688	225,284,940
1. Taxes and other receivables from the State budget	153	4.8	1,886,886,688	225,284,940
B. LONG-TERM ASSETS	200		193,837,714,002	203,869,910,171
I. Long-term receivables	210		8,570,974,558	9,770,974,558
1. Long-term trade receivables	211	4.3	8,570,974,558	9,770,974,558
II. Fixed assets	220		148,128,126,640	157,171,725,046
1. Tangible fixed assets	221	4.9	148,128,126,640	157,171,725,046
- Cost	222		300,074,915,995	290,199,199,465
- Accumulated depreciation	223		(151,946,789,355)	(133,027,474,419)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		32,490,867,752	32,348,339,963
1. Construction in progress	242	4.10	32,490,867,752	32,348,339,963
V. Long-term financial investments	250		-	-
VI. Other long-term assets	260		4,647,745,052	4,578,870,604
1. Long-term prepaid expenses	261	4.11	4,647,745,052	4,578,870,604
TOTAL ASSETS (270 = 100 + 200)	270		643,130,145,884	585,221,629,315

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

RESOURCES	Codes	Notes	Closing balance VND	Opening balance VND
C. LIABILITIES	300		246,892,686,417	212,359,287,531
I. Short-term liabilities	310		240,775,138,194	203,360,827,216
1. Short-term trade payables	311	4.12	128,459,388,230	53,583,564,019
2. Short-term advances from customers	312	4.13	32,413,201,236	45,625,994,429
3. Taxes and amounts payable to the State budget	313	4.8	2,965,964,261	4,979,065,576
4. Short-term accrued expenses	315	4.14	256,441,873	240,418,658
5. Short-term borrowings and finance lease liabilities	320	4.15	76,666,375,198	98,918,017,138
6. Bonus and welfare fund	322		13,767,396	13,767,396
II. Long-term liabilities	330		6,117,548,223	8,998,460,315
1. Long-term borrowings and finance lease liabilities	338	4.15	6,117,548,223	8,998,460,315
D. EQUITY	400		396,237,459,467	372,862,341,784
I. Owner's equity	410	4.16	396,237,459,467	372,862,341,784
1. Owner's contributed capital	411		350,000,000,000	350,000,000,000
- Ordinary shares with voting rights	411a		350,000,000,000	350,000,000,000
2. Retained earnings	421		46,237,459,467	22,862,341,784
- Retained earnings accumulated to the prior year end	421a		22,862,341,784	12,951,380,756
- Retained earnings of the current year	421b		23,375,117,683	9,910,961,028
II. Other resources and funds	430		-	-
TOTAL RESOURCES (440=300+400)	440		643,130,145,884	585,221,629,315




Preparer
 Nguyen Thi Hang



Chief Accountant
 Dang Thi Chinh




 General Director
 Doan Van Thanh
 Hanam, Vietnam
 10 March 2025

STATEMENT OF INCOME
 For the year ended 31 December 2024

ITEMS	Codes	Notes	Current year	Prior year
			VND	VND
1. Gross revenue from goods sold and services rendered	01	5.1	654,222,770,225	369,631,248,427
2. Deductions	02	5.2	1,556,018,323	416,358,198
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		652,666,751,902	369,214,890,229
4. Cost of goods sold and services rendered	11	5.3	593,252,259,362	325,946,441,324
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		59,414,492,540	43,268,448,905
6. Financial income	21	5.4	492,282,398	284,073,163
7. Financial expenses	22	5.5	5,212,631,201	9,276,680,434
<i>In which: Interest expense</i>	23		5,212,631,201	9,276,680,434
8. Selling expenses	25	5.6	6,754,266,953	8,133,930,543
9. General and administration expenses	26	5.7	18,721,365,513	13,055,183,024
10. Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		29,218,511,271	13,086,728,067
11. Other income	31	5.8	390,168,229	414,683,882
12. Other expenses	32	5.9	49,597,556	486,206,219
13. Other profit/ (losses) (40 = 31 - 32)	40		340,570,673	(71,522,337)
14. Accounting profit before tax (50=30+40)	50		29,559,081,944	13,015,205,730
15. Current corporate income tax expense	51	5.10	6,015,964,261	2,996,244,702
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		23,543,117,683	10,018,961,028
18. Basic earnings per share	70	5.11	668	283
19. Diluted earnings per share	71	5.11	607	283

Preparer
 Nguyen Thi Hang

Chief Accountant
 Dang Thi Chinh

General Director
 Doan Van Thanh
 Hanam, Vietnam
 10 March 2025



STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

(Indirect method)

ITEMS	Codes Notes	Current year VND	Prior year VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	29,559,081,944	13,015,205,730
2. Adjustments for:			
- Depreciation and amortisation of fixed assets and investment properties	02	20,571,601,286	20,925,457,081
- Allowances and provisions	03	2,544,285,102	574,637,668
- Foreign exchange (gains)/losses arising from translating foreign currency items	04	10,611,182	-
- (Gains)/losses from investing activities	05	(749,105,112)	5,113,195,255
- Interest expense	06	5,212,631,201	9,276,680,434
3. Operating profit before changes in working capital	08	57,149,105,603	48,905,176,168
- Change in receivables	09	(17,886,346,027)	(7,088,091,392)
- Change in inventories	10	6,078,451,959	7,062,747,111
- Change in payables (excluding accrued loan interest and corporate income tax payable)	11	57,308,880,498	9,040,043,540
- Change in prepaid expenses	12	(68,874,448)	(2,220,976,072)
- Interest paid	14	(5,276,607,986)	(9,036,261,776)
- Corporate income tax paid	15	(5,824,510,855)	(1,276,296,658)
Net cash flows from operating activities	20	91,480,098,744	45,386,340,921
II. CASH FLOWS FROM INVESTING			
1. Acquisition and construction of fixed assets and other long-term assets	21	(9,720,223,338)	(17,669,506,439)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	357,500,000	557,732,000
3. Cash outflow for lending, buying debt instruments of other entities	23	(22,223,843,437)	-
4. Cash recovered from lending, selling debt instruments of other entities	24	22,092,428,597	-
5. Interest earned, dividends and profits received	27	492,282,398	78,189,682
Net cash flows from investing activities	30	(9,001,855,780)	(17,033,584,757)

STATEMENT OF CASH FLOWS (Continued)

For the year ended 31 December 2024
 (Indirect method)

ITEMS	Codes	Notes	Current year VND	Prior year VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	167,355,870,334	230,811,827,257
2. Repayment of borrowings	34	6.2	(192,488,424,366)	(227,904,792,906)
Net cash flows from financing activities	40		(25,132,554,032)	2,907,034,351
Net increase/(decrease) in cash for the year	50		57,345,688,932	31,259,790,515
Cash and cash equivalents at the beginning of the year	60		65,860,531,119	34,600,740,604
Effects of changes in foreign exchange rates	61		-	-
Cash and cash equivalents at the end of the year (70=50+60+61)	70		123,206,220,051	65,860,531,119

Preparer
 Nguyen Thi Hang

Chief Accountant
 Dang Thi Chinh



General Director
 Doan Van Thanh
 Hanam, Vietnam
 10 March 2025

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

1.1. Structure of ownership

Truong Son Investment and Construction Joint Stock Company (hereinafter called "the Company") is a Joint Stock Company established and operating in Vietnam under the Certificate of Business Registration No.0700210210 for the first time on 29 August 2002 and the 16 amendment dated 23 November 2023 issued by the Ha Nam Department of Planning and Investment. The Company was converted from a limited liability company to a joint stock company under the 11th amended Business Registration Certificate dated 14 January 2019.

The Company's charter capital is 350,000,000,000 VND (In words: Three hundred fifty billion VND). The actual contributed charter capital as of 31 December 2024, is 350,000,000,000 VND, equivalent to 35,000,000 shares, with a par value of 10,000 VND per share.

The number of employees as at 31 December 2024 was 147 people (01 January 2024: 110 people).

1.2. Business area

The Company's main business area are electrical construction and production of prestressed concrete poles and piles..

1.3. Business activities

During the year, the Company's main business activities are:

- Construction of electrical works, specifically: Construction of electrical works up to 500kV (excluding the construction and operation of multi-purpose hydropower plants and nuclear power plants of significant economic and social importance);
- Production of concrete and concrete products, cement, and gypsum;
- Road freight transport;
- Electricity production (excluding transmission and dispatch of the national power system; excluding the construction and operation of multi-purpose hydropower plants and nuclear power plants of significant economic and social importance); and
- Wholesale of construction materials and other installation equipment.

1.4. Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months.

1.5. Statement on the comparability of information in the Financial Statements

The figures in the Financial Statements for the fiscal year ending 31 December 2024, are comparable to the corresponding figures of the previous year.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

2.1. Accounting convention

The accompanying financial statements, expressed in Vietnamese Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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

2.2. Going concern assumption

There have been no events that cast significant doubt on its ability to continue as a going concern. The company neither intends nor is forced to cease operations, or significantly scale back its operations

2.3. Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires The Board of General Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on The Board of General Directors's best knowledge, actual results may differ from those estimates.

3.2. Applicable Accounting Standards and Policies

Accounting Regime Applied

The Company applies the Corporate Accounting Regime issued under Circular No. 200/2014/TT-BTC dated 22 December 2014, of the Ministry of Finance and Circular No. 53/2016/TT-BTC dated 21 March 2016, of the Ministry of Finance amending and supplementing certain provisions of Circular No. 200/2014/TT-BTC.

Statement of Compliance with Accounting Standards and Accounting Regime

The Company has applied the Vietnamese Accounting Standards and the guidance documents issued by the Government. The financial statements are prepared and presented in full compliance with the requirements of each standard, the circulars guiding the implementation of the standards, and the current Corporate Accounting Regime.

3.3. Transactions in foreign currencies

Transactions arising in currencies other than the Company's accounting currency (USD) are accounted for at the actual exchange rate on the date of the transaction according to the following principles:

- Operations giving rise to receivables are accounted for at the buying exchange rate of the commercial bank where the Company appoints customers to pay;
- Operations giving rise to payables are accounted for at the selling exchange rate of the commercial bank where the Company plans to transact; and
- For purchases of assets or expenses to be paid immediately in foreign currency (not using accounts payable): purchasing foreign exchange rate of commercial banks where the company makes the payment.

Foreign exchange rate used to reassess the balance of monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are determined according to the following principles:

- For monetary items denominated in foreign currencies are classified as other assets: purchasing foreign exchange rate of the Bank company regularly traded; and
- For monetary items denominated in foreign currencies are classified as liabilities: selling foreign exchange rate of Bank company regularly traded.

All actual exchange rate differences arising during the year and differences due to reassessment of foreign currency balances at the end of the period are accounted for in the results of operations.

3.4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.5. Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the statement of income on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less allowance for doubtful debts.

Allowance for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

3.6. Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less allowance for doubtful debts.

The provision for doubtful debts is established for receivables that are overdue according to economic contracts, loan agreements, contract commitments, or debt commitments, as well as for receivables that are not yet due but are unlikely to be collected. In this context, the provision for overdue receivables is based on the original repayment term of the principal as stated in the sales contract, without considering any extensions of debt between the parties, as well as receivables that are not yet due but for which the debtor has gone bankrupt, is in the process of liquidation, is missing, or has fled.

3.7. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The cost of inventory is determined using the weighted average method. The net realizable value is established by estimating the selling price less the estimated costs to complete the product, along with the marketing, selling, and distribution costs incurred.

Cost is calculated using the weighted average method.

Method of determining the value of unfinished goods at the end of the period:

- Production costs of unfinished business are collected for each project that is not yet completed or recognized revenue, corresponding to the volume of work remaining at the end of the period.
- Production costs of unfinished business are gathered based on the actual costs incurred for each type of unfinished product.

The provision for the decline in inventory value established at the end of the period is the difference between the cost of inventory and the net realizable value when the cost exceeds the net realizable value.

3.8. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs (if applicable).

Tangible fixed assets are depreciated using the straight-line method based on their estimated useful life, as detailed below:

	<u>Years</u>
Buildings and structures	05 – 50 years
Machinery and equipment	03 – 15 years
Office equipment	06 – 15 years
Motor vehicles	03 – 07 years

3.9. Construction in progress

Construction in progress includes fixed assets that are being purchased or constructed but are not yet completed as of the end of the fiscal period and is recorded at cost. This cost includes expenses for construction, machinery installation, and other direct costs. Construction in progress is only depreciated when these assets are completed and put into use.

3.10. Prepaid expenses

Prepaid expenses are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepaid expenses of the Company include the following expenses:

Tools and equipment

The tools and equipment have been put into use and are amortized to expense under the straight-line method to time allocation not too 36 months.

Infrastructure rental costs and land clearance compensation costs

The industrial park infrastructure rental cost represents the expenses incurred for leasing infrastructure on a 6,240m² land plot. The cost starts to be allocated when the project is put into use and is amortized using the straight-line method. The land clearance compensation cost represents the amount paid to compensate and clear land for residents on the 15,648m², 27,158m², and 6,240m² land plots.

3.11. Accounts payable and accrued expenses

Payables and accrued expenses are recognized as the amount of money to be paid in the future related to the goods and services received. Payable expenses are recognized based on a reasonable estimate of the payable.

Payables are classified as payable to suppliers, accrued expenses, and other payables according to the following principles:

- Payables to suppliers reflect the trade payables arising from commercial transactions between the Company and the seller, which is an independent entity of the Company, including the number of payables on imports through trustees.
- Accrued expenses reflect the payables for goods and services received from the seller or provided for the buyer, for which no invoices have yet been received from suppliers. Those payables also reflect the number of payables to employees on vacation wages, production, and business costs that must accrue. When these expenses actually incur, if there is a difference compared to the accrued amount, the accountant will record an additional expenses or reduce the expense corresponding to the difference.

- Other payables reflect non-commercial receivables, not related to the purchase and sale transactions.

3.12. Borrowings and finance lease liabilities

Borrowings are tracked according to each object, each contract and the repayment term. In case of borrowings in foreign currency, detailed tracking is done in the original currency.

3.13. Borrowing costs

Borrowing costs are recognised in the statement of income in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

3.14. Owner's equity

Capital is recorded according to the amount actually invested by shareholders.

3.15. Distribution of net profits

Undistributed after-tax profit reflects the company's business results (profit or loss) after corporate income tax, as well as the distribution of profit or loss handling. In cases where dividends or profits are paid to shareholders in excess of the undistributed after-tax profit, this is recorded as a reduction in contributed capital. The undistributed after-tax profit may be distributed to investors based on their capital contribution ratio, pending approval from the General Meeting of Shareholders and after allocating funds according to the company's charter and Vietnamese legal regulations.

Dividends payable to shareholders are recognized as payables on the company's separate Balance sheet following the dividend announcement by the Board of Management and the record date notification from the Vietnam Securities Depository Center.

3.16. Revenue and earnings

Revenue from sales of finished goods and merchandise goods

Revenue from sales of finished goods and merchandise goods is recorded when simultaneously satisfy the following conditions:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Company retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from service rendered

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the statement of financial position date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The percentage of completion of the transaction at the statement of financial position date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The completed portion of the service provided is determined using the percentage – of completion method.

Revenue from sales from construction contract

- In cases where a construction contract specifies that the contractor is to be paid according to a scheduled progress plan, and when the contract performance can be reliably estimated, the revenue from the construction contract is recognized in proportion to the work completed, as determined by the company on the date of the financial statement. This recognition is independent of whether the progress billing has been issued or the amount on the invoice.
- When the outcome of a construction contract cannot be reliably estimated, revenue is only recognized to the extent of the incurred contract costs that are reasonably certain to be recovered. Contract costs are recognized as expenses in the year in which they are incurred.

Financial income

Interest

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

Dividends and profits received

Dividends and profit shared are recognized when the Company receive the notice of dividends or profit from the capital contribution. Dividends which received by shares, only follow up the number of shares increases, no recognition of the value of shares.

Revenue deductions

Sales revenue deductions for goods and services provided during the year include sales discounts and sales returns.

Sales discounts and returns that occur in the same period as the sale of products, goods, or services are deducted from revenue in the period they arise. If these deductions relate to products, goods, or services sold in previous periods, they are recorded as follows: if they occur before the issuance of the financial statements, they are deducted from revenue on the financial statement for the reporting period; if they occur after the issuance of the financial statements, they are deducted from revenue in the period in which they arise.

3.17. Cost of goods sold and service rendered

Cost of goods sold includes the cost of products, goods and service rendered during the year and is recorded in accordance with revenue during the year. The cost of direct raw materials consumed in excess of normal levels, labor costs, and fixed general production costs that are not allocated to the value of warehoused products must be immediately calculated into the cost of goods sold (after minus compensation, if any) even when the products and goods have not been determined to be consumed.

Cost of goods sold deductions arising during the year include sales discounts and sales returns.

3.18. Selling expenses

Selling expenses reflect the actual costs incurred during the sale of goods or provision of services. These primarily include material costs, packaging expenses, depreciation of fixed assets, outsourced service costs, and other cash expenses.

3.19. Administration expenses

Administrative expenses reflect the actual costs incurred during the general management of the Company. These primarily include costs related to salaries of management staff; social insurance, health insurance, union dues, and unemployment insurance for management employees; office material costs; depreciation expenses; provisions; outsourced services; and other expenses.

3.20. Financial expenses

Financial expenses include the following costs:

- Expenses or losses related to financial investment activities;
- Borrowing costs;
- Losses from the liquidation, transfer of short-term securities, and transaction costs for selling securities;
- Provisions for declines in the value of trading securities, provisions for losses on investments in other entities, and losses incurred from selling foreign currency, foreign exchange rates, etc.

These expenses are recognized based on the total incurred during the period and are not offset against financial revenue.

3.21. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of income because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using statement of financial position liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

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

3.22. Basic earnings per share

Basic Earnings Per Share is calculated by dividing the profit or loss after tax allocated to the common shareholders of the company (after adjusting for the allocation to the Reward and Welfare Fund and the Executive Board's Reward Fund) by the weighted average number of common shares outstanding during the year.

Diluted Earnings Per Share (EPS) is calculated by dividing the profit or loss after tax allocated to the common shareholders of the company (after adjusting for the allocation to the Reward and Welfare Fund, the Executive Board's Reward Fund, and dividends on convertible preferred stock) by the weighted average number of common shares that would be issued if all potential dilutive common shares were converted into common stock.

3.23. Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. [Depending on each company, items to be included or excluded, the listing of financial assets should be thoroughly reviewed and presented consistently with those in Note 52. Financial assets of the Company comprise cash, cash equivalents, trade and other receivables, deposits, financial investments and derivative financial instruments.

Financial liabilities: At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accrued expenses, obligations under finance leases, borrowings and derivative financial instruments.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

3.24. Related parties

The parties are considered to be related if that party has the ability to control or significantly influence the other party in making decisions on financial policies and operations. Parties are considered a related party of the Company in case that party is able to control the company or to cause material effects on the financial decisions.

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

Related parties of the Company include:

- Enterprises that directly or indirectly control the Company through one or more intermediaries, or are controlled by the Company, or share common control with the Company, including parent companies, subsidiaries, and affiliated companies;
- Individuals who directly or indirectly hold voting rights in the Company that have significant influence over the Company, key management personnel of the Company, and close family members of these individuals;
- Enterprises that are directly or indirectly controlled by the aforementioned individuals who hold significant voting rights or have significant influence over the Company.

4. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF FINANCIAL POSITION

4.1. Cash and cash equivalents

	Closing balance VND	Opening balance VND
Cash	4,209,971,972	4,963,628,769
Demand deposits in banks	118,996,248,079	60,896,902,350
	123,206,220,051	65,860,531,119

4.2. Held-to-maturity investments

	Closing balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
Short-term	3,142,990,803	3,142,990,803	3,011,575,963	3,011,575,963
Term deposits in bank (i)	3,142,990,803	3,142,990,803	3,011,575,963	3,011,575,963
	3,142,990,803	3,142,990,803	3,011,575,963	3,011,575,963

(i) As of 31 December 2024, short-term financial investments consist of term deposits with maturities ranging from 6 months to 12 months, totaling VND 3,142,990,803, deposited at Military Commercial Joint Stock Bank (MB Bank) with an interest rate ranging from 5.4% per annum to 6.3% per annum.

4.3. Trade receivables

4.3.1. Short-term trade receivables

	Closing balance VND	Opening balance VND
Power Development Project Management Board	39,870,524,133	430,828,844
Pacific Joint Stock Company	14,466,122,442	17,466,122,442
Tan Viet Trading and Construction Installation Investment Joint Stock Company	14,409,993,836	6,412,398,804
Nam Viet Ha Noi Investment Joint Stock Company	13,843,152,480	19,843,152,480
Ha Dong Construction and Trading Joint Stock Company	9,335,105,910	4,954,861,050
My Duc Electricity Company	9,299,665,933	-
Hai Pha Viet Nam Company Limited	1,200,000,000	400,000,000
Receivables from other customers	130,179,964,124	156,872,322,969
	232,604,528,858	206,379,686,589

4.3.2. Long-term trade receivables

	Closing balance VND	Opening balance VND
Hai Pha Viet Nam Company Limited (i)	8,570,974,558	9,770,974,558
	8,570,974,558	9,770,974,558

(i) According to Contract No. 03/2020/HĐXL/HP-TS dated 01 August 2020, and Annex No. 01 dated 02 January 2022, as well as Annex No. 02 dated 25 December 2023, Hai Pha Vietnam Co., Ltd. shall make payments to the Company in accordance with the debt repayment schedule specified in the contract annexes or based on the payment schedule of the main contractor by the investor, whichever comes first.

The detailed payment schedule as specified in the contract and its annexes is as follows:

	Debt due
Year 2025	1,200,000,000
Year 2026	3,200,000,000
Year 2027	5,370,974,558
Total	<u>9,770,974,558</u>

4.4. Short-term advances to suppliers

	Closing balance VND	Opening balance VND
Truong Tinh Cable And Wired Company Limited	1,663,432,536	-
Kien Giang Mechanical Joint Stock Company	1,058,400,000	-
Duc Khai Investment Trading Company Limited	686,027,559	-
Tien Phat Investment Construction Company Limited	775,202,091	775.202.091
Dai Dung Mechanical Electrical Joint Stock Company	-	6.705.199.487
GVI Joint Stock Company	-	4.471.089.168
Ngai Cau Building and Commercial Investment Joint Stock Company	-	1.443.539.760
Others	1,109,563,184	1.087.420.754
	<u>5,292,625,370</u>	<u>14,482,451,260</u>

4.5. Short-term other receivables

	Closing balance		Opening balance	
	Value VND	Allowance VND	Value VND	Allowance VND
Deposits	-	-	60,272,100	-
Other receivables	450,000,000	-	-	-
<i>Power Development Project Management Board (i)</i>	450,000,000	-	-	-
	<u>450,000,000</u>	<u>-</u>	<u>60,272,100</u>	<u>-</u>

(i) Advance payment to the Power Development Project Management Board to pay compensation for site clearance of VT2, VT7A, 7B, 7C for households according to Official Dispatch No. 2053/BDADL-DHDA1 dated 14 June 2024.

TRUONG SON INVESTMENT AND CONSTRUCTION JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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4.6. Bad debts

	Closing balance			Opening balance		
	Overdue	Cost	Recoverable amount	Overdue	Cost	Recoverable amount
	VND	VND	VND	VND	VND	VND
Bad debts of other Companies or Individuals						
SAS Construction Joint Stock Company	2 - 3 years	838,949,825	(838,949,825)	1- 2 years	838,949,825	(419,474,913)
Hoang Tien Phat Investment and Construction Joint Stock Company	1 - 2 years	1,524,079,470	(762,039,735)		1,524,079,470	-
Industrial Construction and Production Investment Joint Stock Company	1 - 2 years	431,124,400	(215,562,200)		431,124,400	-
Duc Viet Investment Joint Stock Company	2 - 3 years	492,488,510	(492,488,510)	1- 2 years	492,488,510	(246,244,255)
Tan Viet Phat Trading Construction and Production Company Limited	2 - 3 years	689,306,000	(344,653,000)		689,306,000	-
Alpha Building Joint Stock Company	2 - 3 years	243,387,000	(243,387,000)	1- 2 years	243,387,000	(121,693,500)
K18 Construction and Consulting Joint Stock Company	Over 3 years	283,780,000	(283,780,000)	Over 3 years	283,780,000	(283,780,000)
Sunrise Transport and Trading Company Limited	Over 3 years	72,435,480	(72,435,480)	Over 3 years	72,435,480	(72,435,480)
ACG Equipment and Construction Joint Stock Company	1 - 2 years	394,070,000	(197,035,000)		394,070,000	-
SATURN Vietnam Joint Stock Company	1 - 2 years	475,165,000	(237,582,500)		475,165,000	-
		5,444,785,685	(3,687,913,250)		5,444,785,685	(1,143,628,148)

TRUONG SON INVESTMENT AND CONSTRUCTION JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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4.7. Inventories

	Closing balance		Opening balance	
	Value VND	Allowance VND	Value VND	Allowance VND
Raw materials	17,530,705,822	-	33,026,928,507	-
Work in progress	58,523,886,964	-	27,098,111,617	-
+ 110kV Long Xuyen 2 – An Chau – Cai Dau line	13,363,253,762	-	-	-
+ 110kV Tinh Bien - Ha Tien line	12,207,781,428	-	-	-
+ Project of installing the second transformer at 220KV Thai Thuy + Nha Be transformer station	9,184,551,393	-	-	-
+ Project: 500KV Duc Hoa - Chon Thanh transmission line	8,529,095,221	-	6,483,740,253	-
+ Construction of electrical works in communes: An Binh, Thong Nhat, Dong Tam and Hung Thi, Lac Thuy district	1,377,083,240	-	5,537,225,103	-
+ Upgrading the 220kV Pha Lai - Bac Giang 1-circuit line into 2-circuit	3,393,741,418	-	2,479,156,105	-
+ Package KFW-HNPC-DA-W01: Construction and installation of Hanoi Power Grid Improvement Sub-project Phase 3 - Dong Anh	2,390,498,844	-	-	-
+ Supply PHC-D350A piles under contract No. 01-2023/HDMB/CDI-TS dated July 10, 2023 for CDI Joint Stock Company	-	-	4,515,882,382	-
+ Other works	8,077,881,658	-	8,082,107,774	-
Finished goods	10,309,043,076	-	32,350,505,197	-
Merchandise	33,457,500	-	-	-
	86,397,093,362	-	92,475,545,321	-

TRUONG SON INVESTMENT AND CONSTRUCTION JOINT STOCK COMPANY
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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4.8. Taxes and amounts payables to the State budget

	Opening balance		Movement in the year		Closing balance	
	Taxes Payable VND	Taxes Receivable VND	Amount payable VND	Amount paid VND	Taxes Payable VND	Taxes Receivable VND
VAT on domestic sales	2,202,713,610	-	52,490,032,306	54,692,745,916	-	-
Special consumption tax (i)	-	-	1,194,812,663	3,081,699,351	-	1,886,886,688
Import and export tax	-	-	3,357,749,214	3,357,749,214	-	-
Corporate income tax	2,774,510,855	-	6,015,964,261	5,824,510,855	2,965,964,261	-
Personal income tax	1,841,111	-	15,000	1,856,111	-	-
Tax on use of natural resources	-	-	-	-	-	-
Rental charges	-	225,284,940	1,193,037,000	967,752,060	-	-
Fees, charges and other payables	-	-	31,128,000	31,128,000	-	-
	4,979,065,576	225,284,940	64,285,738,444	67,960,441,507	2,965,964,261	1,886,886,688

(i) The Company declares VAT on out-of-province construction business activities as prescribed and deducts it from the VAT payable at the head office.

The Company's tax settlement will be subject to inspection by the tax authorities. Since the application of tax regulations to various types of transactions can be interpreted in different ways, the tax amount presented in the Interim Financial Statements may be subject to change at the discretion of the tax authorities.

TRUONG SON INVESTMENT AND CONSTRUCTION JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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4.9. Increases, decreases in tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
COST					
Opening balance	124,386,679,816	120,054,223,917	44,791,996,005	966,299,727	290,199,199,465
Increase in the year	7,061,784,807	2,478,727,995	1,621,764,364	688,448,455	11,850,725,621
- <i>Transfer from construction in progress</i>	7,061,784,807	2,478,727,995	-	-	9,540,512,802
- <i>Purchase in the year</i>	-	-	1,621,764,364	688,448,455	2,310,212,819
Decrease in the year	-	-	1,975,009,091	-	1,975,009,091
- <i>Liquidation or transfer</i>	-	-	1,975,009,091	-	1,975,009,091
Closing balance	131,448,464,623	122,532,951,912	44,438,751,278	1,654,748,182	300,074,915,995
ACCUMULATED DEPRECIATION					
Opening balance	57,230,196,197	49,786,645,125	25,229,037,254	781,595,843	133,027,474,419
Increase in the year	6,925,336,704	10,946,491,467	2,591,905,013	107,868,102	20,571,601,286
- <i>Depreciation charged</i>	6,925,336,704	10,946,491,467	2,591,905,013	107,868,102	20,571,601,286
Decrease in the year	-	-	1,652,286,350	-	1,652,286,350
- <i>Liquidation or transfer</i>	-	-	1,652,286,350	-	1,652,286,350
Closing balance	64,155,532,901	60,733,136,592	26,168,655,917	889,463,945	151,946,789,355
NET BOOK VALUE					
- Opening balance	67,156,483,619	70,267,578,792	19,562,958,751	184,703,884	157,171,725,046
- Closing balance	67,292,931,722	61,799,815,320	18,270,095,361	765,284,237	148,128,126,640
Cost of tangible fixed assets that have been fully depreciated but are still in use:					
- Opening balance	21,545,581,899	13,293,028,152	11,688,817,462	510,508,818	47,037,936,331
- Closing balance	21,545,581,899	19,427,059,697	13,878,744,553	638,990,636	55,490,376,785
Net book value at the end of the period of tangible fixed assets used to mortgage or pledge to secure the loan:					
- Opening balance	48,056,258,972	55,771,905,969	8,498,090,815	-	112,326,255,756
- Closing balance	43,925,487,536	47,248,591,600	7,998,203,119	-	99,172,282,255

4.10. Construction in progress

	Closing balance VND	Opening balance VND
	-	-
Construction of Truong Son Trade and General Center (i)	31,945,835,029	31,803,307,240
- Construction of Truong Son Commercial Center - Area A	11,469,043,741	11,469,043,741
- Construction of Truong Son Commercial Center - Area B1	17,301,815,750	17,301,815,750
- Construction of Truong Son Commercial Center - Area B2	3,174,975,538	3,032,447,749
Renovation and major repair of prestressed concrete pile and column manufacturing factory	545,032,723	545,032,723
- Construction of a domestic wastewater treatment plant with a capacity of 30m ³ /day and night under the project "Factory for manufacturing prestressed concrete columns and piles" (ii)	545,032,723	545,032,723
	<u>32,490,867,752</u>	<u>32,348,339,963</u>

(i) Investment project to build Truong Son Trade and General Center:

- Project name: Investment in building Truong Son Trade and General Center;
- Location: Kim Binh Commune, Phu Ly City, Ha Nam Province;
- Objective: Investment in building a general trade center providing restaurant services and car showrooms serving about 25,000 visitors/year, trading about 150 used and new cars/year to meet the needs of food and beverage services, means of transportation for tourists and people in the area. Contributing to increasing profits for enterprises, revenue for local budgets, job creation, socio-economic development;
- Total project investment capital: VND 71,425,000,000;
- Project status as of 31 December 2024: The project is in phase 2 of construction of concrete piles for the foundation, reaching 10% of the plan. The project is proposed to be extended for use for 24 months from the date of the Decision to extend the land use of the People's Committee of Ha Nam province according to the report No. 438/TTr-STN&MT dated 20 October 2023 of the Department of Natural Resources and Environment of Ha Nam province.

(ii) Item "Domestic wastewater treatment plant with a capacity of 30m³/day/night under the project "Prestressed concrete column and pile manufacturing factory":

- Project name: Renovation and repair of the prestressed concrete column and pile manufacturing factory;
- Item name: Construction of wastewater treatment tank;
- Location: Chau Son Industrial Park, Phu Ly city, Ha Nam province;
- Total investment capital of the item: VND 518,723,787;
- Project status as of 31 December 2024: The item has been completed, however, the Provincial Police have not yet issued a license. After being granted a license, the project will be put into operation.

4.11. Long-term prepaid expenses

	Closing balance VND	Opening balance VND
Tools and equipments	178,621,293	138,456,504
Repair and renovation costs	207,055,559	55,000,000
Industrial zone infrastructure rental costs	4,262,068,200	4,385,414,100
	4,647,745,052	4,578,870,604

4.12. Short-term trade payables

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
GVI Joint Stock	15,933,044,060	15,933,044,060	-	-
Dong Anh Steel Tower Manufacturing Co,LTD	8,924,379,171	8,924,379,171	-	-
Dai Long Trading Manufacturing Electric Wire and Cable Co,LTD	7,954,063,260	7,954,063,260	-	-
Duc Tham Electrical Construction and Trading Services Co,LTD	6,418,327,579	6,418,327,579	1,849,070,563	1,849,070,563
Ngai Cau Building and Commercial Investment JSC	5,936,780,926	5,936,780,926	-	-
Duyen Ha Co,LTD	3,618,449,062	3,618,449,062	6,825,930,491	6,825,930,491
HBT Global Co,LTD	1,352,109,066	1,352,109,066	2,368,133,822	2,368,133,822
Ha Thanh Development and Investment Construction JSC	2,122,436,198	2,122,436,198	5,914,218,167	5,914,218,167
Others	76,199,798,908	76,199,798,908	36,626,210,976	36,626,210,976
	128,459,388,230	128,459,388,230	53,583,564,019	53,583,564,019

4.13. Short- term advances from customers

	Closing balance <i>VND</i>	Opening balance <i>VND</i>
Southern Power Corporation	14,222,290,281	21,692,492,885
Ha Nam Electricity Company - Branch of Northern Electricity Corporation	5,632,367,504	-
Power Transmission Project Management Board - Branch of National Power Transmission Corporation	4,261,788,170	7,396,132,544
Bac Ninh Electricity Company - Branch of Northern Power Corporation	3,370,079,187	-
Brach of Southern Power Corporation - Southern Power Project Management Board	-	13,487,369,000
Others	4,926,676,094	3,050,000,000
	32,413,201,236	45,625,994,429

4.14. Short-term accrued expenses

	Closing balance <i>VND</i>	Opening balance <i>VND</i>
Advance deduction of interest expenses	176,441,873	240,418,658
Other accounts	80,000,000	-
	256,441,873	240,418,658

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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4.15. Borrowings and finance lease liabilities
4.15.1. Short-term borrowings and finance lease liabilities

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term borrowings	92,505,389,566	92,505,389,566	167,355,870,334	186,075,796,794	73,785,463,106	73,785,463,106
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanam Branch (i)	53,418,863,255	53,418,863,255	51,471,011,282	88,571,324,312	16,318,550,225	16,318,550,225
Military Commercial Joint Stock Bank - Hanam Branch (ii)	23,116,708,695	23,116,708,695	82,682,948,856	67,616,226,072	38,183,431,479	38,183,431,479
Joint Stock Commercial Bank for Foreign of Vietnam - Hanam Branch (iii)	15,969,817,616	15,969,817,616	33,201,910,196	29,888,246,410	19,283,481,402	19,283,481,402
Current portion of long-term borrowings (see Note 4.15.2)	6,412,627,572	6,412,627,572	2,880,912,092	6,412,627,572	2,880,912,092	2,880,912,092
Short-term borrowings and finance lease liabilities	98,918,017,138	98,918,017,138	170,236,782,426	192,488,424,366	76,666,375,198	76,666,375,198

Supplementary Information on Short-term borrowings:

- (i) Short-term borrowings at Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch
These borrowings were granted under Credit Agreement No. 01/2024/3586897/HĐTD dated 23 October 2024, with a revolving credit limit of VND 200,000,000,000 and a credit term of 12 months. The purpose of the borrowings is to supplement working capital, issue guarantees, and open Letters of Credit (L/Cs). The borrowing term and interest rate are specified in each individual debt agreement. The borrowings are secured by:
- Mortgage Contracts No. 01/2019/3586897/HĐBĐ and No. 02/2019/3586897/HĐBĐ dated 11 June 2019, between the Company and the Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch (the mortgagee). Under Mortgage Contract No. 01/2019/3586897/HĐBĐ, the collateral consists of all buildings constructed on Plot No. 25, Map Sheet No. 1, located in Chau Son Industrial Park, Chau Son Ward, Phu Ly City, Ha Nam Province, as per the Certificate of Land Use Rights, Ownership of Housing, and Other Attached Assets No. CR

160620 issued by the Ha Nam Department of Natural Resources and Environment on 15 March 2019. Under Mortgage Contract No. 02/2019/3586897/HDBĐ, the collateral consists of all machinery and equipment belonging to two production lines for pre-stressed concrete electricity poles of the Company, as detailed in the annex to the contract. The total value of the pledged assets is VND 8,000,000,000.

- Mortgage Contracts No. 01/2020/3586897/HDBĐ and No. 02/2020/3586897/HDBĐ dated 2 July 2020, between the Company and the Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch, including third-party collateral. Under Mortgage Contract No. 01/2020/3586897/HDBĐ, the collateral consists of all receivables arising from Construction Contract No. 75/2020/PCQN/HĐ-TCXD dated May 5, 2020, between Truong Son Investment and Construction Joint Stock Company and Quang Ninh Power Company for the execution of package NPC-KFW3-QN-W01, with a total pledged value of VND 23,291,140,727. Under Mortgage Contract No. 02/2020/3586897/HDBĐ, the collateral consists of 50% of inventory in the form of finished electricity poles in circulation during production and business operations, as reflected in the accounting books and/or warehouse records of the Mortgageor.

(ii) Short-term borrowings at Military Commercial Joint Stock Bank – Ha Nam Branch. These borrowings were granted under Credit Agreement No. 236630.24.770.2145251.TD dated 15 August 2024, with a total credit limit of VND 310,000,000,000 and a borrowing limit of VND 80,000,000,000 for a 12-month credit period. The purpose of the borrowings is to supplement working capital for construction activities and the production of electricity poles and pre-stressed centrifugal concrete piles. The borrowing term and interest rate are specified in each individual debt agreement. The borrowings are secured by:

- Goods and receivables under the Construction Contract No. 16/HĐXL-2023 dated 22 March 2023, 224/2022/HĐXL/BDAXD-KHVT dated 21 December 2022, 320/2021/HĐTCXD-BDADL-KHVT dated 14 December 2021, 189.211/NPTPMB-TS-AI dated 28 December 2021, 01/PCVP-XLKFW3.2-2021 dated 24 September 2021, 43/2020/HĐ-EVN HANOI PMB dated 14 August 2020, 62/EVNHANOIDPBM/ADB-HNPC-CM-W01 dated 28 September 2020, 56/2020/HĐTCXD-BDADL-KHVT dated 17 April 2020, 89/07/23/PCTH-HT-TS-CĐMB dated 4 August 2023, 087.231/NPTPMB-TS.T&D dated 8 September 2023, 16/2023/HĐ-ALĐMN-TRUONGSON dated 11 October 2023, 237/12/23/PCTH-TS dated 12 December 2023, 243/12/23/PCTH-TS dated 14 December 2023, 66A3/2023/HĐXL-PCHY-DT dated 20 December 2023, 115/2023/HĐTCXD-BDADL-KHVT dated 15 December 2023, 23/2023/HĐ-ALĐMN-TRUONGSON dated 25 December 2023, 2401/500NDI-PN/XL52-221 dated 29 January 2024, 09/2024/HĐXL-PCHN dated 19 February 2024; Goods and receivables arising from the MB financing plan under the Mortgage Contract No. 236675.24.770.2145251.BD dated 15 August 2024.

- Machinery and equipment pledged under Mortgage Contracts No. 47453.19.770.2145251.BĐ dated 6 November 2019; No. 2662.20.770.2145251.BĐ dated 17 January 2020; No. 21170.19.770.2145251.BĐ dated 10 June 2019; No. 48578.21.770.2145251.BĐ dated 9 September 2021; and No. 48491.21.770.2145251.BĐ dated 7 September 2021.

- Property rights arising from Land Lease Contract No. 13/HĐTD dated March 13, 2019, and the Certificate of Land Use Rights, Ownership of Housing, and Other Attached Assets No. LD 70523 issued by the Ha Nam Department of Natural Resources and Environment on 4 July 2023. Additionally, real estate pledged under Certificate No. LD 770523 and Land Lease Contract No. 13H/ĐTD dated 13 March 2019.

(iii) Short-term borrowings at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ha Nam Branch. These borrowings were granted under Credit Agreement No. 11/24/HĐCTD/HNA dated 18 October 2024, with a credit limit of VND 25,000,000,000 and a 12-month credit period. The purpose of the borrowings is to supplement working capital for production and business activities. The borrowing term and interest rate are specified in each individual debt agreement. The borrowings are secured by:

- Mortgage Contract No. 328/20/HĐTCXJ50 signed on 9 September 2020, between the Joint Stock Commercial Bank for Foreign Trade of Vietnam and Mr. Nguyen Van Truong and Mrs. Hoang Kim Hue (related parties).

- Machinery and equipment pledged under Mortgage Contract No. 365/22/HĐTC/NQ71 signed on 26 September 2022, between the bank and the Company. The collateral consists of a steel cage welding machine for electricity poles with a maximum length of Lmax = 12m (integrated with both conventional steel and pre-stressed steel welding heads), owned by the Mortgageor.
- Inventory pledged under Mortgage Contract No. 498/234DTC/HNA signed on 31 October 2023. The collateral consists of circulating inventory during production and business operations, including raw materials, supplies, semi-finished products, finished goods, stockpiles, and any other goods used or consumable in the Company's production and business activities.

4.15.2. Long-term borrowings and finance lease liabilities

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
<i>Long-term borrowings</i>	15,411,087,887	15,411,087,887	-	6,412,627,572	8,998,460,315	8,998,460,315
Military Commercial Joint Stock Bank - Hanam Branch (iv)	12,211,087,887	12,211,087,887	-	4,812,627,572	7,398,460,315	7,398,460,315
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanam Branch (v)	3,200,000,000	3,200,000,000	-	1,600,000,000	1,600,000,000	1,600,000,000
	15,411,087,887	15,411,087,887	-	6,412,627,572	8,998,460,315	8,998,460,315
<i>In which:</i>						
Amount due for settlement within 12 months:	6,412,627,572	6,412,627,572			2,880,912,092	2,880,912,092
Long-term borrowings	6,412,627,572	6,412,627,572			2,880,912,092	2,880,912,092
Military Commercial Joint Stock Bank - Hanam Branch (iv)	4,812,627,572	4,812,627,572			2,080,912,092	2,080,912,092
Military Commercial Joint Stock Bank - Hanam Branch (v)	1,600,000,000	1,600,000,000			800,000,000	800,000,000
Long-term borrowings and finance lease liabilities	8,998,460,315	8,998,460,315			6,117,548,223	6,117,548,223

Supplementary Information on Long-term borrowings:

- (iv) Long-term borrowings at Military Commercial Joint Stock Bank – Ha Nam Branch under the following credit agreements:
- Credit Agreement No. 21175.19.770.2145251.TD dated 10 June 2019, for the purpose of providing medium- and long-term financing for the payment of investment costs related to machinery and equipment for the expansion project of the "Prestressed Concrete Pole and Pile Production Plant" at Chau Son Industrial Park, Chau Son Ward, Phu Ly City, Ha Nam Province. Borrowing limit: VND 66,560,846,660, maximum borrowing term: 84 months. Lending interest rate: As stipulated in each debt acknowledgment. The borrowing is secured by:
 - The entire 100% new machinery and equipment line under the "Prestressed Concrete Pole and Pile Production Plant" project at Chau Son Industrial Park, Chau Son Ward, Phu Ly City, Ha Nam Province;
 - Future machinery and equipment under Contract No. HDKT/HP-TS-10042019 dated 10 April 2019, between Truong Son Investment and Construction Joint Stock Company and Hung Phat Lang Son Construction and Trading Co., Ltd., including attached appendices;
 - Real estate under Land Use Right Certificate No. CR160619 issued by the Department of Natural Resources and Environment of Ha Nam Province on 15 March 2019, for Truong Son Investment and Construction Joint Stock Company. The real estate is Lot No. 24, owned by the company in Chau Son Industrial Park, Chau Son Ward, Phu Ly City, Ha Nam Province.
 - Credit Agreement No. 48488.21.770.2145251.TD dated 7 September 2021, for the purpose of partially financing the cost of purchasing machinery and equipment under Contract No. 02.21TS/HDKT/DP dated 25 June 2021, signed between Truong Son Investment and Construction Joint Stock Company and Dia Phong Technology Joint Stock Company. Borrowing limit: VND 1,252,790,000, maximum borrowing term: 36 months, lending interest rate: As stipulated in each debt acknowledgment. The borrowing is secured by machinery and equipment, including one steel cage welding machine for electric poles and one steel cutting machine for the synchronized steel cage welding system, under Contract No. 02.21TS/HDKT/DP dated 25 June 2021, signed between Truong Son Investment and Construction Joint Stock Company and Dia Phong Technology Joint Stock Company.
 - Credit Agreement No. 37664.21.770.2145251.TD dated 7 July 2021, for the purpose of medium-term financing for the payment of mold equipment and jig sets under Contract No. YJT-JM2021-61 dated 14 April 2021, signed between Truong Son Investment and Construction Joint Stock Company and Yogiart International Limited. Borrowing limit: VND 1,541,862,224, maximum borrowing term: 36 months, lending interest rate: As stipulated in each debt acknowledgment. The borrowing is secured by:
 - Machinery and equipment under Contract No. 190419/HDKT/TS-DP dated 19 April 2019, and attached appendices signed between Truong Son Investment and Construction Joint Stock Company and Dia Phong Technology Joint Stock Company;
 - HKT90 concrete batching plant with a capacity of 90m³/h under Contract No. 2204/2019/HDKT/HKT dated 22 April 2019, and attached appendices signed between Truong Son Investment and Construction Joint Stock Company and HKT Mechanical Equipment and Technology Co., Ltd.;
 - Prestressed concrete pile production line under Contract No. HDKT/HP-TS-10042019 dated 10 April 2019, and attached appendices signed between Truong Son Investment and Construction Joint Stock Company and Hung Phat Lang Son Construction and Trading Co., Ltd.;



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- Fluidized bed boiler system with a capacity of 4 tons/hour under Contract No. HDKT/BNC&TS-768/2019 dated 26 April 2019, and attached appendices signed between Truong Son Investment and Construction Joint Stock Company and Bao Ngoc Boiler Service Co., Ltd.
- (v) Long-term borrowings at Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch under Credit Agreement No. 01/2021/3586897/HĐTD dated 14 April 2021, for the purpose of investing in the Rooftop Solar Power Project for Truong Son Investment and Construction Joint Stock Company's factory. Borrowing limit: VND 8,000,000,000; Maximum borrowing term: 60 months; Lending interest rate: Adjusted every six months on the first day of January and July each year. The interest rate from 1 January 2024, to 30 June 2024, is 8.4% per annum. The borrowing is secured by:
 - Mortgage Contract No. 01/2017/3586897/HĐBĐ dated 30 June 2017, and No. 02/2017/3586897/HĐBĐ dated 30 June 2017, between Mr. Nguyen Van Truong and Ms. Hoang Kim Hue (related parties) and the Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch;
 - Mortgage Contract No. 02/2017/3586897/HĐBĐ dated 30 June 2017, between Mr. Nguyen Van Truong and Ms. Hoang Kim Hue (related parties) and the Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch;
 - Mortgage Contract No. 01/2019/3586897/HĐBĐ dated 11 June 2019, between Truong Son Investment and Construction Joint Stock Company and the Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch;
 - Mortgage Contract No. 02/2019/3586897/HĐBĐ dated 11 June 2019, between Truong Son Investment and Construction Joint Stock Company and the Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Nam Branch;
 - Mortgage Contract for assets formed from the Rooftop Solar Power Project No. 01/2021/3586897/HĐBĐ dated 13 April 2021.

4.15.3. Long-term borrowings are repaid according to the following schedule:

	Closing balance VND	Opening balance VND
On demand or within one year	2,880,912,092	6,412,627,572
In the second year	6,117,548,223	5,978,758,572
In the third to fifth year inclusive	-	3,019,701,743
	8,998,460,315	15,411,087,887
Less: Amount due for settlement within 12 months (shown under short-term borrowings)	2,880,912,092	6,412,627,572
Amount due for settlement after 12 months	6,117,548,223	8,998,460,315

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4.16. Owner's equity

4.16.1. Reconciliation table of equity

	Owner's contributed capital	Retained earnings	Total
	VND	VND	VND
Prior year's opening balance	350,000,000,000	12,951,380,756	362,951,380,756
- Profit for the year	-	10,018,961,028	10,018,961,028
- Remuneration for the Board of Directors and the Supervisory Board	-	(108,000,000)	(108,000,000)
Prior year's closing balance	350,000,000,000	22,862,341,784	372,862,341,784
Current year's opening balance	350,000,000,000	22,862,341,784	372,862,341,784
- Profit for the year	-	23,543,117,683	23,543,117,683
- Remuneration for the Board of Directors and the Supervisory Board (*)	-	(168,000,000)	(168,000,000)
Current year's closing balance	350,000,000,000	46,237,459,467	396,237,459,467

(*) The company pays remuneration to the Board of Directors and the supervisory Board in accordance with the resolution of the Annual General Meeting of shareholders No.50/NQ-TSA issued on 26 April 2024.

4.16.2. Details of owner's investment capital

	Closing balance		Opening balance	
	Actual contributed capital VND	Ratio %	Actual contributed capital VND	Ratio %
Mr Nguyen Van Truong	70,000,000,000	20.00%	70,000,000,000	20.00%
Mrs Hoang Kim Hue	35,000,000,000	10.00%	35,000,000,000	10.00%
Mrs Hoang Dieu Linh	17,500,000,000	5.00%	17,500,000,000	5.00%
Other shareholders	227,500,000,000	65.00%	227,500,000,000	65.00%
	350,000,000,000	100.00%	350,000,000,000	100.00%

4.16.3. Capital transactions with owners and dividend distribution, profit sharing

	Current year VND	Prior year VND
Owner's invested equity	-	-
Capital contribution at the beginning of the year	350,000,000,000	350,000,000,000
Contributed capital increased during the year	-	-
Contributed capital decreased during the year	-	-
Capital contribution at the end of the year	350,000,000,000	350,000,000,000
Dividends and distributed profits	-	-

4.16.4. Shares

	Closing balance VND	Opening balance VND
- Number of shares registered for issuance	35,000,000	35,000,000
- Number of shares issued to the public	35,000,000	35,000,000
+ <i>Ordinary shares</i>	35,000,000	35,000,000
+ <i>Preference shares</i>	-	-
- Number of shares repurchased	-	-
+ <i>Ordinary shares</i>	-	-
+ <i>Preference shares</i>	-	-
- Number of outstanding shares in circulation	35,000,000	35,000,000
+ <i>Ordinary shares</i>	35,000,000	35,000,000
+ <i>Preference shares</i>	-	-

An ordinary share has par value of 10,000 VND/share.

4.16.5. Profits distribution

	Current year VND	Prior year VND
Undistributed profit at the beginning of the year	22,862,341,784	12,951,380,756
Profit from business activities in the year	23,543,117,683	10,018,961,028
Other adjustments to increase profit	-	-
Other items adjusted to increase profits	-	-
Dividends or distributed profits to funds during the year	46,405,459,467	22,970,341,784
Distribution of funds and dividends, including:		
- Dividends this year	(168,000,000)	(108,000,000)
	(168,000,000)	(108,000,000)
Remaining undistributed profit	46,237,459,467	22,862,341,784

5. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF INCOME

5.1. Revenue from goods sold and services rendered

	Current year VND	Prior year VND
Revenue from sale of goods	291,197,777,283	197,761,151,871
Revenue from construction activities	363,024,992,942	171,870,096,556
	654,222,770,225	369,631,248,427

5.2. Deductions

	Current year VND	Prior year VND
Sales discounts	1,409,974,323	74,693,898
Sales returns	146,044,000	341,664,300
	1,556,018,323	416,358,198

5.3. Cost of goods sold and services rendered

	Current year VND	Prior year VND
Cost of construction activities	331,446,045,136	159,320,615,569
Cost of finished goods sold	261,806,214,226	166,625,825,755
	593,252,259,362	325,946,441,324

5.4. Financial income

	Current year VND	Prior year VND
Bank and loan interest	492,282,398	284,073,163
	492,282,398	284,073,163

5.5. Financial expenses

	Current year VND	Prior year VND
Interest expense	5,212,631,201	9,276,680,434
	<u>5,212,631,201</u>	<u>9,276,680,434</u>

5.6. Selling expenses

	Current year VND	Prior year VND
The cost of raw materials, packaging	3,815,526,183	47,002,273
Staff costs	-	4,612,635,788
The cost of tools, tools, utensils	49,647,491	-
Depreciation expense of fixed assets	438,954,757	1,444,087,697
Cost of outsourced services	595,094,892	173,583,099
Other expenses in cash	1,855,043,630	1,856,621,686
	<u>6,754,266,953</u>	<u>8,133,930,543</u>

5.7. General and administration expenses

	Current year VND	Prior year VND
Management staff costs	7,524,145,527	6,413,356,942
Cost of materials management	968,963,091	1,157,710,588
Cost of tools, instruments and supplies	1,092,270,093	-
Fixed asset depreciation expense	1,642,668,326	1,607,738,791
Taxes, charges and fees	1,196,037,000	416,403,396
Provisions expenses	2,544,285,102	574,637,668
Cost of outsourced services	2,402,817,581	1,678,888,000
Other expenses in cash	1,350,178,793	1,206,447,639
	<u>18,721,365,513</u>	<u>13,055,183,024</u>

5.8. Other income

	Current year VND	Prior year VND
Income from liquidated rubber trees	256,822,714	410,840,342
<i>Income from collapsed rubber trees</i>	579,545,455	557,732,000
<i>Income from liquidation of salvage latex</i>	(322,722,741)	(146,891,658)
Income from business cooperation activities	102,000,000	-
Others	31,345,515	3,843,540
	<u>390,168,229</u>	<u>414,683,882</u>

5.9. Other expenses

	Current year VND	Prior year VND
Cost of liquidating rubber trees	49,499,356	425,544,179
Cost of collapsed rubber trees	98,200	60,662,040
	<u>49,597,556</u>	<u>486,206,219</u>

5.10. Corporate income tax expense

	Current year VND	Prior year VND
Corporate income tax expense based on taxable profit in the current year (i)	6,015,964,261	2,996,244,702
Total current corporate income tax expense	6,015,964,261	2,996,244,702

(i) The current corporate income tax expense for the year was computed as follows:

	Current year VND	Prior year VND
Profit/(Loss) before tax	29,559,081,944	13,015,205,730
- Adjustments increase	520,739,363	857,348,546
+) <i>Expenses are not deductible</i>	49,882,223	348,194,179
+ <i>Depreciation exceeding the original cost</i>	470,857,140	509,154,367
- Adjustments decrease	-	-
Profits subject to corporate income tax	30,079,821,307	13,872,554,276
Income from business activities is subject to a tax rate of 20%	30,079,821,307	13,872,554,276
Estimated corporate income tax payable	-	-
Corporate income tax expenses from business activities are subject to a tax rate of 20%	6,015,964,261	2,774,510,855
Corporate income tax expense based on taxable profit in the current year	6,015,964,261	2,774,510,855
Adjustments of prior years' Corporate Income Tax expenses recognized in the current year's tax expense"	-	221,733,847
Total current Corporate Income Tax expense	6,015,964,261	2,996,244,702

5.11. Deferred corporate income tax expense

	Current year	Prior year
a) Basic earnings per share	-	-
Accounting profit after corporate income tax (VND)	23,543,117,683	10,018,961,028
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:	(168,000,000)	(108,000,000)
- <i>Increasing adjustments (VND)</i>	-	-
- <i>Decreasing adjustments (VND)</i>	(168,000,000)	(108,000,000)
Profit or loss attributable to ordinary shareholders (VND)	23,375,117,683	9,910,961,028
<i>Average ordinary shares in circulation for the year (shares)</i>	35,000,000	35,000,000
Basic earnings per share (VND/Share)	668	283
b) Diluted earnings per share		
<i>Number of additional shares expected to be issued (i)</i>	3,500,000	3,500,000
Diluted earnings per share (VND/Share)	607	257

(i) The company is implementing a plan to offer 3,500,000 shares, equivalent to a par value of VND 35,000,000,000, in accordance with the resolution of the General Meeting of shareholders No.06/NQ-TS dated 5 January 2024 and the resolution of the Board of Directors No.164/NQ-HDQT dated 23 December 2024.

5.12. Production cost by nature

	Current year VND	Prior year VND
Raw materials and consumables	697,559,592,509	223,659,621,620
Staff costs	63,391,770,140	36,656,139,145
Cost of tools, instruments and supplies	2,120,250,314	-
Depreciation expense of fixed assets	20,571,601,286	20,925,457,081
Taxes, charges and fees	1,196,037,000	-
Provisions expenses	2,544,285,102	-
Cost of outsourced services	15,958,676,217	35,315,198,932
Other expenses in cash	10,203,591,420	5,744,649,739
	813,545,803,988	322,301,066,517

6. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF CASH FLOWS

6.1. Actual amounts of borrowings received during the year

	Current year VND	Prior year VND
Proceeds from borrowings under normal contracts	167,355,870,334	230,811,827,257
	167,355,870,334	230,811,827,257

6.2. Actual amounts of principal paid during the year

	Current year VND	Prior year VND
Repayment of borrowings under normal contracts	192,488,424,366	227,904,792,906
	192,488,424,366	227,904,792,906

7. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF CASH FLOWS

7.1. Capital Risk Management

The Company manages its capital to ensure that it can continue as a going concern while maximizing shareholder value through the optimization of the capital and debt balance.

Financial Leverage Ratio

The Company's financial leverage ratio as of the end of the reporting period is as follows:

	Current year VND	Prior year VND
Borrowings	82,783,923,421	107,916,477,453
Less: Cash and cash equivalents	123,206,220,051	65,860,531,119
Net debt	(40,422,296,630)	42,055,946,334
Equity	396,237,459,467	372,862,341,784
Net debt to equity ratio	(0,1)	0,11

7.2. Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

7.3. Categories of financial instruments

	Carrying amounts	
	Closing balance VND	Opening balance VND
Financial assets		
Cash and cash equivalents	123,206,220,051	65,860,531,119
Trade and other receivables	237,937,590,166	215,067,305,099
Short-term financial investments	3,142,990,803	3,011,575,963
	364,286,801,020	283,939,412,181
	Carrying amounts	
	Closing balance VND	Opening balance VND
Financial liabilities		
Trade payables, Other payables	128,459,388,230	53,583,564,019
Accrued expenses	256,441,873	240,418,658
Borrowings and lease	82,783,923,421	107,916,477,453
	211,499,753,524	161,740,460,130

The Company has not assessed the fair value of financial assets and financial liabilities as of the end of the reporting period due to the absence of specific guidance on fair value determination under Circular No. 210/2009/TT-BTC, issued by the Ministry of Finance on 6 November 2009 ("Circular 210"), as well as the current regulations. Circular 210 requires the application of International Financial Reporting Standards (IFRS) for the presentation and disclosure of financial instruments but does not provide equivalent guidance on the measurement and recognition of financial instruments, including the application of fair value, in alignment with IFRS.

7.4. Financial Risk Management Objectives

The Company has established a risk management system to identify and assess risks to which it is exposed, develop policies and procedures to control risks at an acceptable level. The risk management system is periodically reviewed to reflect changes in market conditions and the Company's operations.

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

Market risk

The Company's business activities are primarily exposed to risks arising from changes in interest rates and prices. The Company does not implement hedging measures for these risks due to the lack of an active market for financial instruments.

Interest rate risk management

The Company is exposed to interest rate risk from its interest-bearing borrowings. This risk is managed by maintaining a reasonable level of borrowings and analyzing market competition to secure the most favorable interest rates from appropriate lending sources.

Credit Risk

Credit risk arises when a customer or counterparty fails to fulfill its contractual obligations, leading to financial losses for the Company. The Company has an appropriate credit policy and regularly monitors the situation to assess whether it is exposed to credit risk. The Company does not have any significant credit risk with customers or counterparties because its receivables are diversified across a large number of customers operating in various industries and geographical areas.

Liquidity risk management

The objective of liquidity risk management is to ensure that sufficient funding is available to meet current and future financial obligations. Liquidity is also managed to maintain an adequate surplus between maturing liabilities and assets within the period, based on the capital the Company expects to generate during that period. The Company's policy is to regularly monitor current and projected liquidity requirements to ensure the Company maintains an adequate cash reserve, access to borrowings, and sufficient capital contributions from shareholders to meet short-term and long-term liquidity requirements.

The tables below provide details of the remaining contractual maturities of non-derivative financial assets and financial liabilities, along with the agreed repayment periods. These tables are presented based on the undiscounted cash flows of financial assets and liabilities, with the earliest possible payment date for the Company. The presentation of non-derivative financial assets is necessary to understand the Company's liquidity risk management, as liquidity is managed on a net liability and asset basis.

	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Closing balance				
Cash and cash equivalents	123,206,220,051	-	-	123,206,220,051
Trade and other receivables	229,366,615,608	8,570,974,558	-	237,937,590,166
Short-term financial	3,142,990,803	-	-	3,142,990,803
	355,715,826,462	8,570,974,558	-	364,286,801,020

	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Closing balance				
Trade payables, Other payables	128,459,388,230	-	-	128,459,388,230
Accrued expenses	256,441,873	-	-	256,441,873
Borrowings and lease	76,666,375,198	6,117,548,223	-	82,783,923,421
	205,382,205,301	6,117,548,223	-	211,499,753,524

	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Opening balance				
Cash and cash equivalents	65,860,531,119	-	-	65,860,531,119
Trade and other receivables	205,296,330,541	9,770,974,558	-	215,067,305,099
Short-term financial	3,011,575,963	-	-	3,011,575,963
	274,168,437,623	9,770,974,558	-	283,939,412,181

	Less than 1 year VND	From 1 - 5 years VND	Sau 05 năm VND	Tổng VND
Opening balance				
Trade payables, Other payables	53,583,564,019	-	-	53,583,564,019
Accrued expenses	240,418,658	-	-	240,418,658
Borrowings and lease	98,918,017,138	8,998,460,315	-	107,916,477,453
	152,741,999,815	8,998,460,315	-	161,740,460,130

The Board of Directors assesses the liquidity risk at a low level. The Board of Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

8. OTHER INFORMATION

8.1. Commitments

Operating lease commitment

Operating lease payments represent:

- Land lease contract No. 86/HĐTĐ dated 19 November 2021, between the Company and the People's Committee of Ha Nam Province for the lease of 6,240 m² of land at Chau Son Industrial Park, Phu Ly City, Ha Nam Province. The lease price is VND 9,000/m²/year, fixed for five years, with annual land rental payments. The lease term expires on 19 November 2059.
- Land lease contract No. 03/HĐTĐ dated 28 January 2019, between the Company and the People's Committee of Ha Nam Province for the lease of 21,296 m² of land in Kim Binh Commune, Phu Ly City. The lease price is VND 18,720/m²/year, fixed for five years, with annual land rental payments. The lease term expires on 6 December 2067.
- Land lease contract No. 12/HĐTĐ dated 13 March 2019, between the Company and the People's Committee of Ha Nam Province for the lease of 27,158 m² of land at Chau Son Industrial Park, Phu Ly City, Ha Nam Province. The lease price is VND 12,000/m²/year, fixed until 12 August 2020, with annual rental payments. The lease term expires on 6 August 2060.
- Land lease contract No. 13/HĐTĐ dated 13 March 2019, between the Company and the People's Committee of Ha Nam Province for the lease of 15,648 m² of land at the Southwest Industrial Cluster of Phu Ly City, Chau Son Commune, Phu Ly City, Ha Nam Province. The lease price is VND 12,000/m²/year, fixed until 31 December 2019, with annual rental payments. The lease term expires on 6 August 2060.

8.2. Events arising after the end of the year

No significant events have occurred since the end of the financial year ended December 31, 2024, that would require adjustment or disclosure in the notes to the financial statements.

8.3. Transactions and balances with related parties

The related parties with the Company include key management members, the individuals involved with key management members and other related parties.

8.3.1. Transactions and balances with key management members, the individuals involved with key management members.

Key management members include members of The Board of Management, the Board of Supervisors, and the Executive Board (The Board of General Directors / The Board of Directors / General Director, Chief Financial Officer, Chief Accountant). Individuals associated with key management members are close members in the family of key management members.

Income of key management members:

	Content	Current year VND	Prior year VND
The Board of Directors			
Mr Nguyen Van Truong	Chairman	191,266,460	178,524,000
Mr Doan Van Thanh	Member cum General Director	195,265,421	156,420,600
Mr Dang Van Thuyet	Member	193,996,914	155,667,400
Mr Nguyen Xuan Chinh	Member	193,458,914	155,667,400
		24,000,000	12,000,000
The Board of Supervisors			
Mrs Chu Hai Yen	Head of BOS	116,223,456	62,159,200
Mrs Hoang Thi Thao	Member	115,845,056	69,142,400
Mr Nguyen Van Thoa	Member	116,052,256	81,155,200
The Board of Management and the Chief Accountant			
Mr Le Son Tung	Deputy General Director	172,706,575	143,667,400
Mrs Dang Thi Chinh	Chief Accountant	159,253,234	133,963,000
		<u>1,478,068,286</u>	<u>1,148,366,600</u>

Transactions with key members of management and individuals related to key members of management.

The Company does not have transactions related to sales and provision of services to key management members and individuals related to key management members.

8.4. Information of Department

According to Circular 20/2006/TT-BTC dated 20 March 2006 of the Ministry of Finance providing guidance on the implementation of six (06) accounting standards issued under Decision No.12/2005/QĐ-BTC dated 15 February 2005 of the Ministry of Finance, the company's management decision are primarily based on the types of products and services its provides rather than the geographical areas in which they are offered. Therefore, the company's primary reporting is based on business segments.

PRIOR YEAR

Items	Construction and	Sale of Goods and	Unallocated	Total
	Installation	Finished Products	Activities	
	VND	VND	VND	VND
Net external sales	171,795,402,658	197,419,487,571	-	369,214,890,229
Net inter-segment sales	-	-	-	-
Operating profit	12,474,787,089	30,793,661,816	-	43,268,448,905
Total expenditures on acquisition of fixed assets	-	-	11,083,983,610	11,083,983,610
Segment assets	134,599,862,025	200,134,006,476	-	334,733,868,501
Unallocated assets	-	-	250,487,760,814	250,487,760,814
Total assets	134,599,862,025	200,134,006,476	250,487,760,814	585,221,629,315
Segment liabilities	77,470,947,606	36,259,496,844	-	113,730,444,450
Unallocated liabilities	-	-	98,628,843,081	98,628,843,081
Total liabilities	77,470,947,606	36,259,496,844	98,628,843,081	212,359,287,531

TRUONG SON INVESTMENT AND CONSTRUCTION JOINT STOCK COMPANY
 NOTES TO THE FINANCIAL STATEMENTS (Continued)


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CURRENT YEAR

Items	Construction and	Sale of Goods and	Unallocated	Total
	Installation	Finished Products	Activities	
	VND	VND	VND	VND
Net external sales	361,615,018,619	291,051,733,283	-	652,666,751,902
Net inter-segment sales	-	-	-	-
Operating profit	30,168,973,483	29,245,519,057	-	59,414,492,540
Total expenditures on acquisition of fixed assets	-	-	11,850,725,621	11,850,725,621
Segment assets	226,390,692,417	182,214,233,465	-	408,604,925,882
Unallocated assets	-	-	234,525,220,002	234,525,220,002
Total assets	226,390,692,417	182,214,233,465	234,525,220,002	643,130,145,884
Segment liabilities	47,683,981,106	38,379,228,285	-	86,063,209,391
Unallocated liabilities	-	-	160,872,589,466	160,829,477,026
Total liabilities	47,683,981,106	38,379,228,285	160,872,589,466	246,892,686,417

8.5. Comparative figures

The comparative figures are data on the financial statements 2023 of the Company audited by ASCO Auditing and Valuation Company Limited.



Preparer
Nguyen Thi Hang



Chief Accountant
Dang Thi Chinh



General Director
Doan Van Thanh
Ha Nam, Vietnam
10 March 2025

