

No. 09/2025/CBTT-HSV

Hanoi, on 28 May 2025

PERIODIC DISCLOSURE OF FINANCIAL STATEMENTS
REVIEWED 2024

To: Hanoi Stock Exchange

Complying with the provisions of Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the securities market, HSV Vietnam Group Joint Stock Company discloses information on the reviewed Financial Statements (FS) for 2024 with the Hanoi Stock Exchange as follows:

1. Name of organization: HSV Vietnam Group Joint Stock Company

- Stock code: HSV
- Address: No. 68 Luu Huu Phuoc, Cau Dien Ward, Nam Tu Liem District, Hanoi
- Tel: 024 6686 1968 Fax:
- Email: info@hsvvietnam.com Website: <https://hsvvietnam.com/>

2. Contents of information to be announced:

- Audited and reviewed financial statements in 2024
- ✓ Separate financial statements (TCNY does not have subsidiaries and superior accounting units have affiliated units); ☒
- ✓ Consolidated financial statements (TCNY has subsidiaries); ☐
- ✓ General financial statements (TCNY has an accounting unit under its own accounting apparatus). ☐

- Cases subject to explanation of causes:

+ The audit organization gives an opinion that is not a fully accepted opinion on the financial statements (for the audited financial statements in 2024):

Yes ☐ No ☒

Written explanation in case of accumulation:

Yes ☐ No ☐

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

Yes ☐ No ☒

Written explanation in case of accumulation:

Yes ☐ No ☐

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

Yes ☒ No ☐

Written explanation in case of accumulation:

Yes ☐ No ☐



+ Profit after tax in the reporting period suffers a loss, transferred from profit in the same reporting period of the previous year to loss in this period or vice versa:

Yes ☐

No ☒

Written explanation in case of accumulation:

Yes ☐

No ☐

This information has been published on the company's website on: 28/03/2025 at the link: <https://hsvvietnam.com/>

We would like to commit that the information published above is true and fully responsible before the law for the content of the disclosed information.

Attachments:

- Audited financial statements in 2024;
- Explanatory document 2803/2025/CV- GTHN

HSV VIETNAM GROUP JOINT STOCK COMPANY

Legal representative

(Signing, clearly stating their full names, positions, and seals)



TỔNG GIÁM ĐỐC
Nguyễn Văn Quân



FINANCIAL STATEMENTS

HSV VIETNAM GROUP JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2024

(audited)



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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management HSV Vietnam Group Joint Stock Company ("the Company") presents its report and the Company's Financial Statements for the fiscal year ended as at 31/12/2024.

THE COMPANY

HSV Vietnam Group Joint Stock Company was established and operates under the Certificate of Business Registration of Joint Stock Company No. 0106358846 issued by the Department of Planning and Investment of Hanoi City for the first time on November 8, 2013, the seventeenth most recent change on August 3, 2023 and the change in business registration content on August 21, 2024.

The Company's head office is located at: No. 68 Luu Huu Phuoc, Cau Dien ward, Nam Tu Liem district, Hanoi city.

THE BOARD OF DIRECTORS, THE BOARD OF MANAGEMENT AND BOARD OF THE AUDIT COMMITTEE

Members of the Board of Directors during the year and to the reporting date are:

Ms. Nguyen Thi Quyen	Chairman
Mr. Nguyen Van Quan	Member
Mr. Tran Ba Dung	Member
Ms. Nguyen Thi Huong	Member

Members of the Board of Management operated the Company during the year and to the reporting date are:

Mr. Nguyen Van Quan	General Director
Ms. Nguyen Thi Quyen	Deputy General Director

Members of the Audit Committee under the Board of Directors are:

Ms. Nguyen Thi Huong	Head of Audit Committee
Mr. Tran Ba Dung	Member

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and until the preparation of Financial Statements is Mr. Nguyen Van Quan - General Director.

AUDITORS

The auditors of AASC Auditing Firm Company Limited have taken audit of Financial Statements for the Company.

STATEMENT OF THE BOARD OF MANAGEMENT' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Management of the Company is responsible for the Financial Statements which give a true and fair view of the financial position of the Company, its operating results and its cash flows for the year. In preparing those Financial Statements, the Board of Management of the Company is required to:

- Establish and maintain an internal control system which is determined necessary by the Board of Management and Board of Directors to ensure the preparation and presentation of Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare and present the Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of 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.

The Board of Management of the Company is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Financial Statements comply with the current State's regulations. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Management of the Company confirms that Financial Statements give a true and fair view of the financial position of the Company as at 31 December 2024, its operation results and cash flows year of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Other commitments

The Board of Management commits that the Company complies with Decree 155/2020/ND-CP dated December 31, 2020 detailing the implementation of a number of articles of the Securities Law and the Company does not violate the obligation to disclose information as prescribed in Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the stock market and Circular No. 68/2024/TT-BTC dated September 18, 2024 of the Ministry of Finance on amending and supplementing a number of articles of Circular No. 96/2020/TT-BTC.



On behalf of the Board of Management

Nguyen Van Quan
General Director

Hanoi, 24 March 2025

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, the Board of Directors and the Board of Management
HSV Vietnam Group Joint Stock Company**

We have audited the accompanying Financial Statements of the Company prepared on 24 March 2025, from page 06 to page 39, including: Statement of Financial Position as at 31 December 2024, Statement of Income, Statement of Cash flows, Notes to the Financial Statements for the fiscal year as at 31 December 2024.

The Board Of Management' Responsibility

The Board of Management the Company is responsible for the preparation and presentation of Financial Statements of the Company that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards and ethical requirements; plan and perform the audit to obtain reasonable assurance about whether the Financial Statements of the Company 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 auditor's 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 auditor considers internal control relevant to the Company's preparation and presentation Financial Statements that give a true and fair view 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 Management, as well as evaluating the overall presentation of the Financial Statements.

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

Auditor's 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 31/12/2024, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Emphasis of Matter

We would like to draw readers' attention to Note 32 of the Financial Statements, which states that as of December 31, 2024, the Company has not completed the capital increase according to Proposal No. 11/2024/TTr-HĐQT-HSV dated July 29, 2024 approved by the General Meeting of Shareholders.

This matter of emphasis does not alter our unqualified opinion.

AASC Auditing Firm Company Limited



Nguyen Ngoc Lan
Deputy General Director
Registered Auditor
No. 1427-2023-002-1
Hanoi, 25 March 2025

Bui Thi Loan
Auditor
Registered Auditor
No. 4927-2022-002-1

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Code	ASSETS	Note	31/12/2024	01/01/2024
			VND	VND
100	A. CURRENT ASSETS		379,172,131,258	247,918,103,117
110	I. Cash and cash equivalents	03	33,802,962,537	21,874,053,838
111	1. Cash		4,302,962,537	1,874,053,838
112	2. Cash equivalents		29,500,000,000	20,000,000,000
120	II. Short-term investments	04	56,600,000,000	-
123	1. Held-to-maturity investments		56,600,000,000	-
130	III. Short-term receivables		226,725,845,388	168,381,685,432
131	1. Short-term trade receivables	05	126,191,826,387	85,826,077,541
132	2. Short-term prepayments to suppliers	06	95,476,235,395	70,219,115,773
135	3. Short-term loan receivables		-	15,000,000,000
136	4. Other short-term receivables	07	9,500,337,945	900,260,274
137	5. Provision for short-term doubtful debts		(4,442,554,339)	(3,563,768,156)
140	IV. Inventories	09	61,821,877,501	57,225,213,945
141	1. Inventories		61,821,877,501	57,225,213,945
150	V. Other short-term assets		221,445,832	437,149,902
151	1. Short-term prepaid expenses	12	219,445,832	437,149,902
153	2. Taxes and other receivables from the State budget	14	2,000,000	-
200	B. NON-CURRENT ASSETS		24,705,211,861	79,760,258,854
220	I. Fixed assets		24,501,765,721	79,501,036,508
221	1. Tangible fixed assets	10	14,376,826,123	19,372,295,077
222	- Historical cost		23,168,745,579	25,724,655,970
223	- Accumulated depreciation		(8,791,919,456)	(6,352,360,893)
227	2. Intangible fixed assets	11	10,124,939,598	60,128,741,431
228	- Historical cost		10,723,424,696	60,530,464,305
229	- Accumulated amortization		(598,485,098)	(401,722,874)
260	II. Other long-term assets		203,446,140	259,222,346
261	1. Long-term prepaid expenses	12	203,446,140	259,222,346
270	TOTAL ASSETS		403,877,343,119	327,678,361,971

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024
(Continued)

Code	CAPITAL	Note	31/12/2024 VND	01/01/2024 VND
300	C. LIABILITIES		230,633,763,666	158,273,300,667
310	I. Current Liabilities		230,633,763,666	158,273,300,667
311	1. Short-term trade payables		-	6,292,586,100
313	2. Taxes and other payables to State budget	14	1,610,758,969	1,298,225,876
314	3. Payables to employees		1,850,625	447,190,483
315	4. Short-term accrued expenses	15	203,546,843	237,057,538
320	5. Short-term borrowings and finance lease liabilities	13	228,817,607,229	149,998,240,670
400	D. OWNER'S EQUITY		173,243,579,453	169,405,061,304
410	I. Owner's equity	16	173,243,579,453	169,405,061,304
411	1. Contributed capital		157,499,940,000	157,499,940,000
411a	Ordinary shares with voting rights		157,499,940,000	157,499,940,000
421	2. Retained earnings		15,743,639,453	11,905,121,304
421a	Retained earnings accumulated till to the previous year		11,728,871,632	8,274,614,499
421b	Retained earnings of the current year		4,014,767,821	3,630,506,805
440	TOTAL CAPITAL		403,877,343,119	327,678,361,971

Preparer

Tran Thi Hong

Tran Thi Hong

Chief Accountant

Nguyen Thi Khuyen

Nguyen Thi Khuyen



Nguyen Van Quan

STATEMENT OF INCOME

Year 2024

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
01	1. Revenue from sales of goods and rendering of services	18	918,600,210,086	683,425,105,653
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		918,600,210,086	683,425,105,653
11	4. Cost of goods sold and services rendered	19	897,038,571,443	656,629,971,313
20	5. Gross profit from sales of goods and rendering of services		21,561,638,643	26,795,134,340
21	6. Financial income	20	4,029,847,228	3,658,195,376
22	7. Financial expense	21	10,989,430,061	12,952,371,286
23	In which: Interest expense		10,535,812,265	12,952,368,190
25	8. Selling expense	22	1,432,667,601	3,942,971,601
26	9. General and administrative expenses	23	7,008,653,660	8,667,568,386
30	10. Net profit from operating activities		6,160,734,549	4,890,418,443
31	11. Other income	24	608,546,918	6,399,889
32	12. Other expenses	25	1,717,538,691	146,448,276
40	13. Other profit		(1,108,991,773)	(140,048,387)
50	14. Total net profit before tax		5,051,742,776	4,750,370,056
51	15. Current corporate income tax expense	26	1,036,974,955	1,119,863,251
52	16. Deferred corporate income tax expense	27	-	-
60	17. Profit after corporate income tax		4,014,767,821	3,630,506,805
70	18. Basic earnings per share	28	255	231

Preparer

Tran Thi Hong

Tran Thi Hong

Chief Accountant

Nguyen Thi Khuyen

Nguyen Thi Khuyen

General Director



Nguyen Van Quan

STATEMENT OF CASH FLOWS

Year 2024
(Indirect method)

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		5,051,742,776	4,750,370,056
	2. Adjustment for		11,641,554,823	11,724,946,908
02	- Depreciation and amortization of fixed assets and investment properties		2,882,701,846	2,950,665,493
03	- Provisions		878,786,183	(684,921,006)
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency		(164,148,564)	(88,091,644)
05	- Gains / losses from investment activities		(2,491,596,907)	(3,405,074,125)
06	- Interest expense		10,535,812,265	12,952,368,190
08	3. Operating profit before changes in working capital		16,693,297,599	16,475,316,964
09	- Increase/ decrease in receivables		(65,360,719,904)	9,419,833,174
10	- Increase/ decrease in inventories		(4,596,663,556)	16,285,885,761
11	- Increase/ decrease in payables (excluding interest payable/ corporate income tax payable)		(6,394,632,769)	4,861,422,098
12	- Increase/ decrease in prepaid expenses		273,480,276	(27,153,258)
14	- Interest paid		(10,517,194,760)	(12,956,505,218)
15	- Corporate income tax paid		(1,296,112,923)	(852,391,897)
20	Net cash flow from operating activities		(71,198,546,037)	33,206,407,624
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		-	(53,099,402,160)
22	2. Proceeds from disposals of fixed assets and other long-term assets		42,330,821,784	363,888,889
23	3. Loans and purchase of debt instruments from other entities		(112,930,000,000)	(89,950,000,000)
24	4. Collection of loans and resale of debt instrument of other entities		71,330,000,000	97,950,000,000
25	5. Equity investments in other entities		-	(6,000,000,000)
26	6. Proceeds from equity investment in other entities		-	6,180,000,000
27	7. Interest and dividend received		3,577,266,393	3,149,815,547
30	Net cash flow from investing activities		4,308,088,177	(41,405,697,724)

STATEMENT OF CASH FLOWS

Year 2024
(Indirect method)

Code	ITEMS	Note	Year 2024	Year 2023
			VND	VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings		624,819,239,180	483,072,281,199
34	2. Repayment of principal		(545,999,872,621)	(500,865,984,529)
40	Net cash flow from financing activities		78,819,366,559	(17,793,703,330)
50	Net cash flows in the year		11,928,908,699	(25,992,993,430)
60	Cash and cash equivalents at the beginning of the year		21,874,053,838	47,867,047,268
61	Effect of exchange rate fluctuations		-	-
70	Cash and cash equivalents at the end of the year		33,802,962,537	21,874,053,838

Preparer

Tran Thi Hong

Tran Thi Hong

Chief Accountant

Nguyen Thi Khuyen

Nguyen Thi Khuyen



Nguyen Van Quan

NOTES TO THE FINANCIAL STATEMENTS

Year 2024

1. GENERAL INFORMATION

Form of ownership

HSV Vietnam Group Joint Stock Company was established and operates under the Certificate of Business Registration of Joint Stock Company No. 0106358846 issued by the Department of Planning and Investment of Hanoi City for the first time on November 8, 2013, the seventeenth most recent change on August 3, 2023 and the change in business registration content on August 21, 2024.

The Company's head office is located at: No. 68 Luu Huu Phuoc, Cau Dien ward, Nam Tu Liem district, Hanoi city.

Charter capital of the Company is: VND 157,499,940,000; equivalent 15,749,994 shares, par value of one share is VND 10,000.

The number of employees of the Company as at 31 December 2024 is: 15 people (as at 01 January 2024 is: 14 people).

Business field

Commerce.

Business activities

The main activities of the Company are: Wholesale of scrap, metal and non-metal waste, steel billets, robusta coffee, cashew nuts and some other agricultural products.

The Company's operation in the period that affects the Financial Statements

In 2024, the Company's sales and service revenue reached VND 918.6 billion, an increase of 34.41%, equivalent to an increase of VND 235.18 billion compared to last year; meanwhile, the cost of goods sold reached VND 897.04 billion, an increase of 36.61%, equivalent to an increase of VND 240.41 billion compared to last year. Due to the impact of higher fluctuations in cost of goods sold than the increase in revenue, the Gross Profit to Revenue ratio decreased slightly by 1.57% compared to 2023. The main reason is that the Company did not stockpile Robusta coffee in advance but purchased it for commercial business from April 2024 when Robusta coffee prices increased. According to the Vietnam Commodity Exchange (MXV), Robusta coffee prices continuously set new records in July, August, September and November, twice as high as at the beginning of the year and up 125% over the same period in 2023.

Corporate structure

The Company's member entities are as follows:	Address	Main business activities
Factory (Notice of termination of business location from February 12, 2025)	Nguyen Thai Hoc Street, Quarter 1, Long Phuoc Ward, Phuoc Long Town, Binh Phuoc Province, Vietnam	Wholesale cashew nuts
Transaction office (Notice of termination of business location from December 12, 2024)	Lot B10 - BT3 My Dinh II Urban Area Project, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City	Wholesale of scrap, metal and non-metal waste, steel billets, robusta coffee, cashew nuts and fresh durian

The Company's member entities	Address	Main business activities
Warehouse	Van Minh Industrial Park, Village 1, Phung Xa Commune, Thach That District, Hanoi City	Wholesale of scrap, metal and non-metal waste, steel billets

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY AT THE COMPANY

2.1. Accounting period and accounting currency

Annual accounting period of the Company commences from 1 January and ends as at 31 December. the Company maintains its accounting records in Vietnam Dong (VND)

2.2. Standards and Applicable Accounting Policies

Applicable Accounting Policies

the Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

the Company applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3. Accounting estimates

The preparation of Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the end of the the fiscal year and the reported amounts of revenues and expenses during the fiscal year.

The estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated time of prepaid expense;
- Estimated income tax.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on Financial Statements of the Company and that are assessed by the Board of Management of the Company to be reasonable under the circumstance.

2.4. Financial Instruments

Initial recognition

Financial assets

Financial assets of the Company include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Company include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of the fiscal year because the Circular No.210/2009/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.5. Foreign currency transactions

Foreign currency transactions during the fiscal year are transferred into Vietnam Dong using the actual rate at transaction date.

Actual exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Company regularly conducts transaction;
- For cash deposited in bank, applying the bid rate of the commercial bank where the Company opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Company regularly conducts transactions.

All exchange differences arising as a result of transactions or revaluation at the balance sheet date will be recorded into the financial income or expense in the fiscal year.

2.6. Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.7. Financial investments

Trading securities are initially recognized at original cost which includes purchase prices plus any directly attributable transaction costs such as brokerage, transaction fee, cost of information provision, taxes, bank's fees and charges. After initial recognition, trading securities are measured at original cost less provision for diminution in value of trading securities. Upon liquidation or transfer, cost of trading securities is determined using first in first out method.

Investments held to maturity comprise term deposits held to maturity to earn profits periodically and other held to maturity investments.

Provision for devaluation of investments is made at the end of the year as follows:

- Investments in trading securities: provision shall be made on the basis of the excess of original cost of the investments recorded in the accounting book over their market value at the provision date.
- Investments held to maturity: provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.8. Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Company. The receivables shall be classified into short-term receivables or long-term receivables on the Financial Statements according to their remaining terms at the reporting date.

Provision for doubtful debts is made for the following amounts: Overdue receivables recorded in economic contracts, loan agreements, contractual commitments or debt commitments and receivables that are not yet due for payment but are unlikely to be recovered. In particular, the provision for overdue receivables is based on the principal repayment period according to the original sales contract, not taking into account debt extensions between the parties and receivables that are not yet due for payment but the debtor has gone bankrupt or is in the process of dissolution, missing, absconding or the expected level of loss that may occur.

2.9. Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

2.10. Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

Subsequent measurement after initial recognition

If these costs augment future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Statements of Income in the year in which the costs are incurred.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings, structures	30 Years
- Other Machinery, equipment	05 - 10 Years
- Vehicles, Transportation equipment	06 - 10 Years
- Office equipment and furniture	03 - 06 Years
- Perennial plant	10 Years
- Land use rights have a limited term	22 Years
- Long-term land use rights	No depreciation

2.11. Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to Statement of Income on a straight-line basis over the period of the lease.

2.12. Prepaid expenses

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting previous.

The calculation and allocation of long-term prepaid expenses to operating expenses in the fiscal year should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses of the Company include:

- Tools and supplies include assets which are possessed by the the Company in an ordinary course of business, with historical cost of each asset less than 30 million dongs and and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis from 01 to 03 years.
- Prepaid factory rental costs are recognized in the income statement on a straight-line basis over the term of the lease.
- Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis from 01 to 03 years.

2.13. Payables

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Company. The payables shall be classified into short-term payables or long-term payables on the Financial Statements according to their remaining terms at the reporting date.

2.14. Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings.

2.15. Borrowing costs

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.16. Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as interest expenses,... which are recorded as operating expenses of the year.

The recording of accrued expenses as operating expenses during the year shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.17. Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Retained earnings are used to present the Company's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Company.

2.18. Revenue

Revenue is recognized to extent that it is probable that the economic benefits will flow to the Company. Revenue is measured at the fair value of the consideration received excluding discounts, sales discounts, and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sale of goods:

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- The Company no longer holds the right to manage the goods as the goods owner, or the right to control the goods.

Financial income

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The amount of the revenue can be measured reliably.

2.19. Cost of goods sold

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

2.20. Financial expenses

Items recorded as financial expenses include:

- Borrowing costs;
- Losses arising from selling foreign currency, exchange rate losses...

The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.21. Corporate income tax

a) Current corporate income tax expenses and deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate.

b) Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for the operating activities which has taxable income for the fiscal year ended as at 31/12/2024.

2.22. Earnings per share

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund and allowance for Board of Management) by the weighted average number of ordinary shares outstanding during the year.

2.23. Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. the Company's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Company or being under the control of the Company, or being under common control with the Company, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Company that have a significant influence on the Company, key management personnel including directors and employees of the Company, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Financial Statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

2.24. Segment information

A segment is a distinguishable component of the Company that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other ones.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company in order to help users of financial statements better understand and make more informed judgements about the Company as a whole.

3. CASH AND CASH EQUIVALENTS

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	1,096,110,269	180,127,837
Demand deposits	3,206,852,268	1,693,926,001
Cash equivalents	29,500,000,000	20,000,000,000
	<u>33,802,962,537</u>	<u>21,874,053,838</u>

As of December 31, 2024, cash equivalents are term deposits from 01 month to 03 months with a value of VND 29,500,000,000 deposited at Vietnam Joint Stock Commercial Bank for Industry and Trade with interest rates from 1.6%/year to 1.9%/year.

As at December 31, 2024, cash equivalents worth VND 29,500,000,000 were used as collateral for short-term/long-term loans from banks (see details in Note 13).

4. FINANCIAL INVESTMENTS

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Short-term investments	56,600,000,000	-	-	-
- Term deposits	56,600,000,000	-	-	-
	<u>56,600,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

As of December 31, 2024, investments held to maturity are term deposits from 06 months to 12 months with a value of VND 56,600,000,000 deposited at commercial banks with interest rates from 4.2%/year to 5.05%/year.

As at December 31, 2024, held-to-maturity investments worth VND 56,600,000,000 were used as collateral for short-term/long-term loans from banks (see details in Note 13).

5. SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Related parties</i>	-	-	-	-
<i>Others</i>	126,191,826,387	(1,773,813,339)	85,826,077,541	(1,015,027,156)
- Viet Anh - Vinh Phuc Trading and Business Joint Stock Company	-	-	12,354,546,970	-
- HKL Investment and Development Joint Stock Company	25,648,558,050	-	21,083,139,480	-
- Gia Trung Steel Joint Stock Company	23,018,075,825	-	24,528,247,606	-
- Manh Cuong Agricultural Products Processing Group Joint Stock Company	-	-	9,531,663,000	-
- Hong Minh Phuc Company Limited	14,293,485,450	-	2,533,524,500	-
- Other customers	63,231,707,062	(1,773,813,339)	15,794,955,985	(1,015,027,156)
	126,191,826,387	(1,773,813,339)	85,826,077,541	(1,015,027,156)

6. SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Related parties</i>	-	-	-	-
<i>Others</i>	95,476,235,395	(2,668,741,000)	70,219,115,773	(2,548,741,000)
- Duc An Steel Production and Trading Company Limited	-	-	4,026,971,255	-
- HTM Production, Trade and Investment Company Limited	-	-	19,899,493,999	-
- VINCI Vietnam Trading and Construction Company Limited	2,368,741,000	(2,368,741,000)	2,368,741,000	(2,368,741,000)
- Loc Phat Trading and Development Company Limited	4,000,000,000	-	11,650,000,000	-
- Ngoc Lan Trading and Business Company Limited	-	-	19,065,878,275	-
- Thanh Cong Construction Investment Development and Transport Service Trading Company Limited	14,366,193,375	-	-	-
- Hoang Bach General Trading Company Limited	19,406,631,750	-	-	-
- Vinh Loc Trading Service Company Limited	22,901,794,000	-	-	-
- Tan Tai Agricultural Products - Food Company Limited	17,291,209,400	-	-	-
- Others	15,141,665,870	(300,000,000)	13,208,031,244	(180,000,000)
	95,476,235,395	(2,668,741,000)	70,219,115,773	(2,548,741,000)

7. OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
- Mortgages	60,000,000	-	60,000,000	-
- Receivables from Real Estate Transfer	8,668,000,000	-	-	-
- Interest receivable from savings and loans	772,337,945	-	740,260,274	-
- Deposit receivable after contract expires	-	-	100,000,000	-
	9,500,337,945	-	900,260,274	-

8. DOUBTFUL DEBTS

	31/12/2024		01/01/2024	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
- Total value of receivables and debts that are overdue or not due but are difficult to be recovered				
+ <i>Trade receivables</i>	3,547,626,677	1,773,813,338	3,383,423,853	2,368,396,697
Guangxi Youchen Mport And Export CO.,LTD	3,547,626,677	1,773,813,338	3,383,423,853	2,368,396,697
+ <i>Other receivables</i>	2,968,741,000	300,000,000	2,968,741,000	420,000,000
VINCI Vietnam Trading and Construction Company Limited	2,368,741,000	-	2,368,741,000	-
Minh Chau Hy Company Limited	600,000,000	300,000,000	600,000,000	420,000,000
	6,516,367,677	2,073,813,338	6,352,164,853	2,788,396,697

9. INVENTORIES

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Raw materials	-	-	79,909,543	-
- Goods	61,821,877,501	-	57,145,304,402	-
	61,821,877,501	-	57,225,213,945	-

10. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Fixed assets used in management	Other tangible fixed assets	Total
	VND	VND	VND	VND	VND	VND
Fixed asset costs						
Beginning balance of the year	3,362,692,695	5,494,666,667	15,062,732,160	704,564,448	1,100,000,000	25,724,655,970
- Liquidation, disposal	(1,442,960,391)	-	(1,112,950,000)	-	-	(2,555,910,391)
Ending balance of the year	1,919,732,304	5,494,666,667	13,949,782,160	704,564,448	1,100,000,000	23,168,745,579
Accumulated depreciation						
Beginning balance of the year	300,739,695	960,804,221	4,511,203,625	398,645,606	180,967,746	6,352,360,893
- Depreciation in the year	115,432,802	748,848,588	1,602,903,510	108,754,718	110,000,004	2,685,939,622
- Liquidation, disposal	(107,262,314)	-	(139,118,745)	-	-	(246,381,059)
Ending balance of the year	308,910,183	1,709,652,809	5,974,988,390	507,400,324	290,967,750	8,791,919,456
Net carrying amount						
Beginning balance of the year	3,061,953,000	4,533,862,446	10,551,528,535	305,918,842	919,032,254	19,372,295,077
Ending balance of the year	1,610,822,121	3,785,013,858	7,974,793,770	197,164,124	809,032,250	14,376,826,123

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 8,639,018,259

- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 291,027,273

11. INTANGIBLE FIXED ASSETS

The Company's intangible fixed assets as of December 31, 2024 include:

- The value of long-term land use rights of apartment 905 + 906 in apartment building C6-K1, My Dinh I New Urban Area has an original price of VND 466,904,696 and a remaining value of VND 466,904,696;
- Land use right value of land plot No. 248, Phu Cat commune, Quoc Oai, Hanoi according to land use right transfer contract No. 001754, book No. 01/2021_TP/CC-SCC/HĐGD dated October 25, 2021:
 - + Long-term residential land: 300 m2 with original price of VND 5,960,544,705 and remaining value of VND 5,960,544,705;
 - + Land for perennial crops: 903.2 m2 (term until October 15, 2043) with original price of VND 4,295,975,295 and remaining value of VND 3,697,490,197, depreciation in the year is VND 196,762,224;
- Remaining value at the end of the year of intangible fixed assets used as mortgages and pledges to secure loans: VND 10,124,939,598.

During the year, the Company liquidated the long-term land use rights of the villa located at Lot B10 - BT3 of My Dinh II Urban Area Project, My Dinh II Ward, Nam Tu Liem District, Hanoi City according to the General Director's report 2110/TTHDQT dated October 21, 2024 and approved by the Board of Directors according to Resolution No. 09/2024/NQ-HĐQT-HSV dated October 22, 2024 with a transfer value of VND 50,468,000,000. As of December 31, 2024, the remaining value receivable from the transfer of Land Use Rights is VND 8,668,000,000.

12. PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
- Warehouse and factory rental costs	80,000,000	327,272,728
- Dispatched tools and supplies	-	11,311,364
- Insurance premiums	119,060,241	3,969,000
- Others	20,385,591	94,596,810
	219,445,832	437,149,902
b) Long-term		
- Major repair costs of fixed assets	24,345,140	121,725,656
- Dispatched tools and supplies	98,549,698	121,789,935
- Others	80,551,302	15,706,755
	203,446,140	259,222,346

HSV Vietnam Group Joint Stock Company

No. 68 Luu Huu Phuoc, Cau Dien ward, Nam Tu Liem district, Hanoi city

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for the fiscal year ended as at 31/12/2024

13. SHORT -TERM BORROWINGS

	During the year				31/12/2024	
	01/01/2024		Amount can be		Amount can be	
	Value	paid	Increase	Decrease	Value	paid
	VND	VND	VND	VND	VND	VND
+ Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch ⁽¹⁾	149,998,240,670	149,998,240,670	529,880,648,080	500,011,199,371	179,867,689,379	179,867,689,379
+ Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch ⁽²⁾	-	-	39,949,917,850	-	39,949,917,850	39,949,917,850
+ Vietnam Prosperity Joint Stock Commercial Bank ⁽³⁾	-	-	54,988,673,250	45,988,673,250	9,000,000,000	9,000,000,000
+ KB Vietnam Securities Joint Stock Company ⁽⁴⁾	-	-	9,734,940,549	9,734,940,549	-	-
	149,998,240,670	149,998,240,670	634,554,179,729	555,734,813,170	228,817,607,229	228,817,607,229

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Detailed information on Short-term borrowings:
Detailed information on Short-term borrowings from banks and credit institutions is as follows:

Related parties

Others
(1) Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch

VND According to each debt paper

(i) 150,000,000,000 149,998,240,670

VND According to each debt paper

(i) 29,867,689,379

VND According to each debt paper

(ii) 39,949,917,850

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	Interest		Credit limit	Date due	Loan purpose	Guarantee	31/12/2024	01/01/2024
	Currency	Rate						
(3) Vietnam Prosperity Joint Stock Commercial Bank								
- Credit Line Agreement BCLC-1571-01 dated January 3, 2024	VND	According to each debt paper	160,000,000,000	Not exceeding 04 months	Supplement working capital, issue guarantees to serve business operations	(iii)	9,000,000,000	-

228,817,607,229 149,998,240,670

(4) Advance payment for securities sales 2 days before the time the money is transferred to the securities account and the Company pays interest at the interest rate prescribed by the Securities Company.

- (i) Loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch are secured by the borrower's assets, including:
- Toyota Fortuner car with license plate number 30E-52687 according to Contract No. FORTUNER/2017/HĐTC-NHCT326/OTO-GANGTHEP dated October 16, 2017, the value of the mortgaged property at this time is 1,100,000,000 VND;
 - Apartment No. 905 and Land Use Rights at Apartment Building C6-K1, My Dinh I New Urban Area, Cau Dien Ward, Nam Tu Liem District, Hanoi City according to Contract 0603/2018/HĐBĐ/NHCT326 dated March 6, 2018, the value of the mortgaged property at this time is VND 3,363,200,000;
 - Apartment No. 601 and Land Use Rights at MD Complex Tower Mixed-Use Project, Cau Dien Ward, My Dinh I Urban Area, Nam Tu Liem District, Hanoi of Mr. Nguyen Duc Nam and Ms. Do Thi Thanh Nhan according to Apartment Mortgage Contract 04/2018/HĐBĐ/NHCT326 dated April 4, 2018, the value of the mortgaged property at this time is VND 4,263,480,000;
 - Camry car with license plate 30F-17082 according to Contract No. 04/2018/HĐBĐ/NHCT326-GANGTHEPHN dated May 15, 2018, the value of the mortgaged property at this time is 800,000,000 VND;
 - Lexus car with license plate 30H-299.15 according to Mortgage Contract No. 01/2022/HĐBĐ/NHCT326-GTHN-LEXUS dated February 16, 2022; mortgaged property value is VND 10,500,000,000;
 - Apartment No. 906 and Land Use Rights at Apartment Building C6-K1, My Dinh I Urban Area, Cau Dien Ward, Nam Tu Liem District, Hanoi according to Apartment Mortgage Contract 2103/2019/HĐBĐ/NHCT326-GANGTHEPHN dated March 21, 2019, the value of the mortgaged property is VND 4,528,000,000;
 - Land use rights at Village 3, Phu Cat Commune, Quoc Oai District, Hanoi City according to Mortgage Contract No. 1529, Book No. 02/2022 TP/CC-SCC/HĐGD dated March 11, 2022; value of mortgaged property is VND 13,235,200,000;
 - Term deposit contract No. 326/2023/33464 dated October 3, 2023 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch for the amount of VND 10,000,000,000 for a term of 3 months, based on Deposit Pledge Contract No. 0310/2023/HĐBĐ/NHCT326-33464;

HSV Vietnam Group Joint Stock Company**Financial Statements**

No. 68 Luu Huu Phuoc, Cau Dien ward, Nam Tu Liem district, Hanoi city

for the fiscal year ended as at 31/12/2024

- Term deposit dated April 8, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 8,700,000,000, term of 12 months, based on Valuable Papers Pledge Contract No. 01/2024/HDBD/NHCT326-HSV-8.700TR;
 - Term deposit dated July 15, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 2,700,000,000, term of 01 month, based on Valuable Papers Pledge Contract No. 01/2024/HDBD/NHCT326-HSV-2.700TR;
 - Term deposit dated September 13, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 2,800,000,000, term of 01 month, based on Valuable Papers Pledge Contract No. 01/2024/HDBD/NHCT326-HSV-2.800TR;
 - Term deposit dated November 13, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 20,000,000,000, term of 12 months, based on Valuable Papers Pledge Contract No. 01.10/2024/HDBD/NHCT326-HSV-20.000TR;
 - Term deposit dated November 13, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 2,000,000,000, term of 01 month, based on Valuable Papers Pledge Contract No. 02.10/2024/HDBD/NHCT326-HSV-2.000TR;
 - Term deposit dated November 13, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 3,000,000,000, term of 01 month, based on Valuable Papers Pledge Contract No. 03.10/2024/HDBD/NHCT326-HSV-3.000TR;
 - Term deposit dated November 13, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 4,000,000,000, term of 01 month, based on Valuable Papers Pledge Contract No. 04.10/2024/HDBD/NHCT326-HSV-4.000TR;
 - Term deposit dated November 13, 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch in the amount of VND 5,000,000,000, term of 01 month, based on Valuable Papers Pledge Contract No. 05.10/2024/HDBD/NHCT326-HSV-5.000TR;
- (ii) Loans from Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch are secured by the borrower's assets, including:
- Term deposit contract No. 20241121/040/03HDTG dated November 21, 2024 at Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch for an amount of VND 2,000,000,000 for a term of 6 months, based on Deposit mortgage contract No. REF2432092524/HDTG/GTCG/258156/1 dated November 22, 2024;
 - Term deposit contract No. 20241126/040/01HDTG dated November 26, 2024 at Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch for an amount of VND 6,000,000,000 for a term of 6 months, based on Deposit mortgage contract No. REF2432092524/HDTG/GTCG/259274/1 dated November 27, 2024;
 - Term deposit contract No. 20241128/040/01HDTG dated November 28, 2024 at Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch for an amount of VND 3,000,000,000 for a term of 6 months, based on Deposit mortgage contract No. REF2432092524/HDTG/GTCG/259680/1 dated November 28, 2024;
 - Term deposit contract No. 20241219/040/01HDTG dated December 19, 2024 at Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch for an amount of VND 3,000,000,000 for a term of 6 months, based on Deposit mortgage contract No. REF2432092524/HDTG/GTCG/263170/1 dated December 19, 2024;
 - Term deposit contract No. 20241220/040/02HDTG dated December 20, 2024 at Southeast Asia Commercial Joint Stock Bank - Vinh Phuc Branch for an amount of VND 1,900,000,000 for a term of 6 months, based on Deposit mortgage contract No. REF243092524/HDTG/GTCG/263658/1 dated December 23, 2024;

- (iii) Loans from Vietnam Prosperity Joint Stock Commercial Bank are secured by the borrower's assets, including:
- Term deposit contract No. 310310034 dated January 8, 2024 at Vietnam Prosperity Joint Stock Commercial Bank for the amount of VND 4,000,000,000 for a term of 6 months, based on Deposit mortgage contract No. 02/2023/HDTC/HSV;
 - Term deposit contract No. 310310492 dated January 8, 2024 at Vietnam Prosperity Joint Stock Commercial Bank for the amount of VND 3,500,000,000 for a term of 6 months, based on Deposit mortgage contract No. 02/2024/HDTC/HSV;
- Bank loans are secured by mortgage/pledge/guarantee contracts with the lender and have been fully registered as secured transactions.

14. TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Opening receivable	Opening payables	Payables in the year	Actual payment in the year	Closing receivables	Tax payable at the end of the year
	VND	VND	VND	VND	VND	VND
- Value-added tax	-	173,200,657	692,934,237	298,270,479	-	567,864,415
- Corporate income tax	-	1,119,863,251	1,213,224,627	1,296,112,923	-	1,036,974,955
- Personal income tax	-	5,161,968	15,068,857	17,346,245	-	2,884,580
- Land tax and land rental	-	-	3,182,296	3,182,296	-	-
- Other taxes	-	-	3,000,000	5,000,000	2,000,000	-
- Fees, charges and other payables	-	-	125,581,538	122,546,519	-	3,035,019
	-	1,298,225,876	2,052,991,555	1,742,458,462	2,000,000	1,610,758,969

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Financial Statements could be changed at a later date upon final determination by the tax authorities.

15. ACCRUED EXPENSES

	31/12/2024	01/01/2024
	VND	VND
- Interest expense	203,546,843	184,929,338
- Gasoline costs	-	52,128,200
	<u>203,546,843</u>	<u>237,057,538</u>

16. OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Retained earnings	Total
	VND	VND	VND
Beginning balance of the previous year	157,499,940,000	8,274,614,499	165,774,554,499
Increase in capital in previous year	-	3,630,506,805	3,630,506,805
Ending balance of previous year	<u>157,499,940,000</u>	<u>11,905,121,304</u>	<u>169,405,061,304</u>
Beginning balance of the current period	157,499,940,000	11,905,121,304	169,405,061,304
Increase in capital in current year	-	-	-
Profit for current year	-	4,014,767,821	4,014,767,821
Other decrease	-	(176,249,672)	(176,249,672)
Ending balance of the current year	<u>157,499,940,000</u>	<u>15,743,639,453</u>	<u>173,243,579,453</u>

b) Details of Contributed capital

	Ending the year	Rate	Beginning the year	Rate
	VND	%	VND	%
Nguyen Hong Tao	9,297,650,000	5.9	7,342,650,000	4.7
Nguyen Van Quan	8,325,000,000	5.3	8,325,000,000	5.3
Others	139,877,290,000	88.8	141,832,290,000	90
	<u>157,499,940,000</u>	<u>100.0</u>	<u>157,499,940,000</u>	<u>100.0</u>

c) Capital transactions with owners and distribution of dividends and profits

	Year 2024	Year 2023
	VND	VND
Owner's contributed capital		
- At the beginning of the year	157,499,940,000	157,499,940,000
- At the end of the year	157,499,940,000	157,499,940,000
Distributed dividends and profit:		
- Dividend payable at the beginning of the year	-	-
- Dividend payable in the year	-	-
- Dividends and profits paid in cash in the year	-	-
- Dividend paid in cash in the year	-	-
- Dividend payable at the end of the year	-	-

d) Share

	31/12/2024	01/01/2024
Quantity of Authorized issuing shares	15,749,994	15,749,994
Quantity of issued shares	15,749,994	15,749,994
- Common shares	15,749,994	15,749,994
Quantity of outstanding shares in circulation	15,749,994	15,749,994
- Common shares	15,749,994	15,749,994
Par value per share: (VND):	10,000	10,000

17. OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Outsourced assets

The Company signed Office Lease Contract No. 161B/HĐTVP-MHDI3/GTHN, Contract Appendix No. 01/PLHĐ/161B/HĐTVP-MHDI3/GTHN and Contract Appendix No. 02/PLHĐ/161B/HĐTVP-MHDI3/GTHN with MHDI3 Housing and Urban Development Investment Joint Stock Company to lease an office on the first floor with an area of 277 m2 at No. 68 Luu Huu Phuoc Street, Nam Tu Liem District, Hanoi. The lease term is 01 year from June 30, 2024 to June 30, 2025, accordingly, the Company must pay the Office rent periodically every 6 months until the contract expires as prescribed.

The Company signed Factory Lease Contract No. 010724/HĐTK/HSV-CTK with Chu Thi Kien to lease a factory with an area of 1,000 m2 in Van Minh Industrial Park, Thach That District, Hanoi City. The lease term is 01 year from July 1, 2024 to June 30, 2025, accordingly, the Company must pay monthly factory rent until the contract expires as prescribed.

The Company leases assets such as offices and factories under operating leases. As of December 31, 2024, future rental payments under operating leases are presented as follows:

	31/12/2024	01/01/2024
	VND	VND
- Under 1 year	355,920,000	360,000,000

b) Foreign currencies

	Unit	31/12/2024	01/01/2024
- US Dollars (\$)	USD	74.04	154.34

18. TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2024	Year 2023
	VND	VND
	-	-
Revenue from the sale of scrap iron and steel	630,091,840,916	547,345,038,139
Revenue from the sale of agricultural products	274,354,403,170	136,080,067,514
Sales revenue	14,153,966,000	-
	918,600,210,086	683,425,105,653

19. COST OF GOODS SOLD

	Year 2024	Year 2023
	VND	VND
Cost of Scrap Steel Sold	611,377,092,960	546,195,373,075
Cost of Agricultural Products	271,839,459,390	112,214,546,400
Cost of sales	13,822,019,093	-
Provision for devaluation of inventories	-	(1,779,948,162)
	897,038,571,443	656,629,971,313

20. FINANCIAL INCOME

	Year 2024	Year 2023
	VND	VND
Interest income	3,579,344,064	3,349,134,541
Gain from disposal of financial investments	256,354,600	180,000,000
Dividends or profits received	30,000,000	-
Gain on exchange difference in the year	-	40,969,191
Gain on exchange difference at the year-end	164,148,564	88,091,644
	4,029,847,228	3,658,195,376

21. FINACIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expenses	10,535,812,265	12,952,368,190
Loss from disposal of financial investments	422,926,250	-
Loss on exchange difference in the year	-	3,096
Other financial expenses	30,691,546	-
	10,989,430,061	12,952,371,286

22. SELLING EXPENSES

	Year 2024	Year 2023
	VND	VND
	-	-
Depreciation expenses	462,893,532	460,576,008
Expenses of outsourcing services	969,774,069	3,432,395,593
Other expenses in cash	-	50,000,000
	1,432,667,601	3,942,971,601

23. GENERAL AND ADMINISTRATIVE EXPENSE

	Year 2024	Year 2023
	VND	VND
Labour expenses	2,251,117,041	2,716,326,615
Depreciation expenses	1,995,080,686	2,220,171,701
Provision expenses	878,786,183	1,195,027,156
Office supplies costs	267,786,934	315,754,548
Tax, Charge, Fee	8,182,296	2,000,000
Expenses of outsourcing services	1,240,204,235	1,499,652,751
Other expenses in cash	367,496,285	718,635,615
	7,008,653,660	8,667,568,386

24. OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Collected fines	608,378,984	-
Others	167,934	6,399,889
	608,546,918	6,399,889

25. OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
Residual value and costs from sale and liquidation of fixed assets	1,117,747,157	-
Costs of sale and liquidation of fixed assets	-	124,060,416
Loss from depreciation expenses of assets don't participate in production	424,727,628	-
Fines	138,573,238	704,872
Others	36,490,668	21,682,988
	1,717,538,691	146,448,276

26. CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2024 VND	Year 2023 VND
Total profit before tax	5,051,742,776	4,750,370,056
Increase	780,943,550	848,946,197
- <i>Ineligible expenses</i>	123,843,550	848,946,197
- <i>Depreciation expenses of assets don't participate in production</i>	657,100,000	-
Decrease	(647,811,548)	-
- <i>Dividend payment</i>	(30,000,000)	-
- <i>Interest expense exceeds 30% of Ebitda in 2022, 2023 carryover</i>	(617,811,548)	-
Taxable income	5,184,874,778	5,599,316,253
Current corporate income tax expense (tax rate 20%)	1,036,974,955	1,119,863,251
Additional corporate income tax payable according to Administrative Penalty Decision No. 63540/QD-CTHN-TTKT7-XPVPHC dated November 29, 2024	176,249,672	-
Total current corporate income tax expenses	1,213,224,627	1,119,863,251
Tax payable at the beginning of the year	1,119,863,251	852,391,897
Tax paid in the year	(1,296,112,923)	(852,391,897)
Corporate income tax payable at the end of the year	1,036,974,955	1,119,863,251

27. DEFERRED INCOME TAX

The portion of loan interest cost which is non-deductible under Decree No. 132/2020/ND-CP dated 05 November 2020 issued by the Ministry of Finance is carried forward to the next taxable period for the determination of total loan interest cost deductible if total loan interest cost deductible in the next taxable period is lower than the amount prescribed. The loan interest costs may be carried forward for a maximum consecutive period of 05 years, counting from the year following the year in which non-deductible loan interest costs arise. The actual loan interest costs carried forward to subsequent years for tax purposes will depend on the examination and approval of the tax authorities and may differ from the amounts presented in the Financial Statements. The loan interest costs exceeding 30% of EBITDA under regulations of the Decree No. 132/2020/ND-CP dated 05 November 2020 issued by the Ministry of Finance, are estimated to be offset against the Company's future taxable income as follows:

Year of incurrence of non-deductible interest expenses	Inspection status of tax authorities	Loan interest costs exceeding 30% of EBITDA which non-deductible in the following years	Non-deductible loan interest costs that have been used	Non-deductible loan interest costs will be carried forward to the next tax years
		VND	VND	VND
2020	Inspected	-	-	-
2021	Inspected	-	-	-
2022	Inspected	1,544,528,869	617,811,548	926,717,321
2023	Inspected	-	-	-
2024	Not inspected	-	-	-

The Board of Management of the Company assesses that the Company's ability to carry forward these non-deductible loan interest costs to subsequent years is uncertain. Therefore, no deferred tax assets related to these amounts have been recognized in the Statement of Financial Position of this year.

28. BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the Company are calculated as follows:

	Year 2024	Year 2023
	VND	VND
Net profit after tax	4,014,767,821	3,630,506,805
Profit distributed to common shares	4,014,767,821	3,630,506,805
Average number of outstanding common shares in circulation in the year	15,749,994	15,749,994
Basic earnings per share	255	231

The Company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Management from the net profit after tax at the date of preparing Financial Statements.

As at 31 December 2024, the Company does not have shares with dilutive potential for earnings per share.

29. BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024	Year 2023
	VND	VND
Raw materials	267,786,934	315,754,548
Labour expenses	2,251,117,041	2,716,326,615
Depreciation expenses	2,457,974,218	2,950,665,493
Provision expenses	878,786,183	1,195,027,156
Expenses of outsourcing services	2,209,978,304	4,084,994,623
Other expenses in cash	375,678,581	770,635,615
	8,441,321,261	12,033,404,050

30. FINANCIAL INSTRUMENTS

Financial risk management

Financial risks that the Company may face risks including: market risk, credit risk and liquidity risk.

the Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. the Board of Management of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company may face with the market risk such as: exchange rates and interest rates.

Exchange rate risk:

The Company bears the risk of interest rates due to the transaction made in a foreign currency other than VND such as: borrowings and debts, revenue, cost, importing materials, good, machinery and equipment...

Interest rate risk:

the Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. the Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. the Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments), detailed as follows:

	Under 1 year	From 1 to 5 years	Over 5 years	Total
	VND	VND	VND	VND
As at 31/12/2024				
Cash and cash equivalents	32,706,852,268	-	-	32,706,852,268
Trade and other receivables	133,918,350,993	-	-	133,918,350,993
Loans	56,600,000,000	-	-	56,600,000,000
	223,225,203,261	-	-	223,225,203,261
As at 01/01/2024				
Cash and cash equivalents	21,693,926,001	-	-	21,693,926,001
Trade and other receivables	85,711,310,659	-	-	85,711,310,659
Loans	15,000,000,000	-	-	15,000,000,000
	122,405,236,660	-	-	122,405,236,660

Liquidity Risk:

Liquidity risk is the risk that the Company will have difficulty in meeting its financial obligations when they fall due due to lack of funds. The Company's liquidity risk arises mainly from the fact that its financial assets and financial liabilities have different maturities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5 years	Over 5 years	Total
	VND	VND	VND	VND
As at 31/12/2024				
Borrowings and debts	228,817,607,229	-	-	228,817,607,229
Trade and other payables	-	-	-	-
Accrued expenses	203,546,843	-	-	203,546,843
	229,021,154,072	-	-	229,021,154,072
As at 01/01/2024				
Borrowings and debts	149,998,240,670	-	-	149,998,240,670
Trade and other payables	6,292,586,100	-	-	6,292,586,100
Accrued expenses	237,057,538	-	-	237,057,538
	156,527,884,308	-	-	156,527,884,308

The Company believes that risk level of loan repayment is low. The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

31. ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

	Year 2024	Year 2023
	VND	VND
a) Actual borrowing amount received during the year		
Proceeds from borrowing under normal contracts;	624,819,239,180	483,072,281,199
b) Amount actually paid back in principal during the year		
Amount paid back in principal under the regular contract;	545,999,872,621	500,865,984,529
c) Amount of money spent on loans during the year		
Cash spent on loans, purchasing debt instruments of other entities;	112,930,000,000	89,950,000,000
d) Loan recovery amount during the year		
Loans recovered, resale of debt instruments of other entities;	71,330,000,000	97,950,000,000

32. OTHER INFORMATIONS

During the year, the Company approved Document No. 11/2024/TTr-HĐQT-HSV dated July 29, 2024 on the Plan for issuing shares to increase charter capital in 2024, replacing Document No. 09/2024/TTr-HĐQT-HSV dated April 22, 2024 as follows:

- Number of additional shares issued corresponding to the increased charter capital: 12,000,000 shares equivalent to 120,000,000,000 VND;
- Distribution objects: Partners and investors with sufficient financial capacity and desire to contribute capital to the Company, priority is given to investors who commit to accompany the Company long-term and are able to support the Company in management, technology, improving the Company's competitiveness and brand in the market;
- Capital usage plan: Invest in purchasing 100% of equity capital of H2 Vietnam Transport Company Limited and repay bank debt;

As of December 31, 2024, the Company has not completed the capital increase as approved in the Proposal.

33. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

On February 12, 2025, HSV Vietnam Group Joint Stock Company terminated its factory business operations at Nguyen Thai Hoc Street, Quarter 1, Long Phuoc Ward, Long Phuoc Town, Binh Phuoc Province according to Notice No. 1129/25 dated January 16, 2025 of the Business Registration Office - Department of Planning and Investment of Binh Phuoc Province.

Other than the event disclosed above, there have been no material events occurring after the balance sheet date that require adjustment to or disclosure in these Financial Statements.

34. SEGMENT REPORTING

Under business fields:

	Scrap steel business VND	Agricultural product business VND	Other business VND	Grand Total VND
Net Revenue from External Sales	630,091,840,916	274,354,403,170	14,153,966,000	918,600,210,086
Cost of Goods Sold	611,377,092,960	271,839,459,390	13,822,019,093	897,038,571,443
Profit from business activities	18,714,747,956	2,514,943,780	331,946,907	21,561,638,643
Segment assets	118,578,853,691	43,786,292,147	-	162,365,145,838
Unallocated assets				241,512,197,281
Total assets	118,578,853,691	43,786,292,147	-	403,877,343,119
Segment liabilities	219,298,938,115	50,127,639,779	5,833,794,880	44,293,844,899
Unallocated liabilities				186,339,918,767
Total liabilities	219,298,938,115	50,127,639,779	5,833,794,880	230,633,763,666

Because the Company's main activities take place in Vietnam, the Company does not prepare segment reports by geographical area.

35. TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Company are as follows:

Related parties	Relationship
Nguyen Thi Quyen	Chairman of the Board of Directors
Nguyen Van Quan	Member of the Board of Directors
Tran Ba Dung	Member of the Board of Directors
Nguyen Thi Huong	Member of the Board of Directors
Nguyen Thi Khuyen	Chief Accountant (Appointed on 05/01/2024)
Nguyen Thi Thu Trang	Chief Accountant (Resigned on 05/01/2024)

In addition to the information with related parties presented in the above Notes, during the year the Company has transactions with related parties as follows:

Remuneration of key management persons

	Position	Year 2024 VND	Year 2023 VND
Remuneration of the Board of Directors			
- Nguyen Thi Quyen	Chairman of the Board of Directors	60,000,000	60,000,000
- Nguyen Van Quan	Member of the Board of Directors	36,000,000	36,000,000
- Tran Ba Dung	Member of the Board of Directors	36,000,000	24,000,000
- Nguyen Thi Huong	Member of the Board of Directors	24,000,000	36,000,000
		156,000,000	156,000,000
Salary, reward of General Director and the other manager			
- Nguyen Van Quan	General Director	257,449,950	245,562,040
- Nguyen Thi Quyen	Vice Director	188,631,202	213,730,526
- Nguyen Thi Thu Trang	Chief Accountant (Resigned on 05/01/2024)	-	15,052,156
- Nguyen Thi Khuyen	Chief Accountant (Appointed on 05/01/2024)	174,746,198	-
		620,827,350	474,344,722

In addition to the above related parties' transactions, other related parties did not have any transactions during the year and have no balance at the end of the fiscal year with the Company.

36. COMPARATIVE FIGURES

Comparative figures are figures on the Financial Statements for the fiscal year ending December 31, 2023 audited by AASC Auditing Company Limited.

Preparer

Thong

Tran Thi Hong

Chief Accountant

Khuyen

Nguyen Thi Khuyen

Hanoi, 24 March 2025

General Director



Nguyen Van Quan