



AAC AUDITING AND ACCOUNTING CO., LTD
A member of PrimeGlobal

**CONSTRUCTION JOINT STOCK
COMPANY**

Financial statements
For the year ended 31/12/2024



**QUANG NAM TRANSPORTATION
CONSTRUCTION JOINT STOCK
COMPANY**

Financial statements

For the year ended 31/12/2024

CONTENTS	Page
Report of the Management	1 - 3
Independent Auditors' Report	4 - 5
Financial statements	
• Balance sheet	6 - 7
• Income statement	8
• Statement of cash flows	9
• Notes to the financial statements	10 - 33

REPORT OF THE MANAGEMENT

The Management of Quang Nam Transportation Construction Joint-Stock Company presents this report together with the audited financial statements for the year ended 31/12/2024.

Overview

Quang Nam Transportation Construction Joint-Stock Company ("the Company") was incorporated on the basis of equitization of Quang Nam Road Management and Construction Company under Decision No. 5233/QD-UB dated 27/11/2003 of the People's Committee of Quang Nam Province. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate No. 3303070058 dated 02/01/2004 of Quang Nam Province Planning and Investment Department, the Enterprise Law, the Company's Charter and other relevant regulations. Since the establishment date, the Business Registration Certificate has been amended 8 times and the most recent amendment was made on 05/09/2014 with the enterprise code 4000390766.

Charter capital: VND27,000,000,000 of which the capital portion of State Capital Investment Corporation accounts for 53.8%.

The Company has been listing its common shares on Hanoi Stock Exchange as per Decision No. 532/QD – TTGDHN dated 29/12/2008 of Hanoi Securities Trading Center (now being Hanoi Stock Exchange) with the ticker symbol QTC.

Head office

- Address: 10 Nguyen Du Street, An My Ward, Tam Ky City, Quang Nam Province, Viet Nam.
- Tel: (84) 0235.3851577
- Fax: (84) 0235.3852098
- Website: www.cotracoqna.vn

Principal scope of business

- Construction of civil projects, road traffic projects, irrigation projects, hydropower projects, public projects;
- Management, operation and maintenance of road traffic projects;
- Preparation of projects, preparation of technical design documents and cost estimates for construction and traffic projects; Supervision of road projects;
- Exploration, exploitation and production of materials for repair and construction of road traffic systems.

Employees

As at 31/12/2024, the Company had 67 employees including 4 managing officers.

Members of the Board of Directors, Supervisory Board, Management and Chief Accountant during the year and up to this reporting date are:

REPORT OF THE MANAGEMENT (cont'd)***Board of Directors***

• Mr. Pham Ngoc Tien	Chairman	Appointed on 27/06/2024
• Mr. Nguyen Van Sy	Chairman	Re-appointed on 28/06/2019 Resigned on 27/06/2024
	Member	Re-appointed on 26/06/2024
• Mr. Nguyen Tuan Anh	Vice Chairman	Re-appointed on 27/06/2024
• Mr. Le Van Xi	Member	Re-appointed on 26/06/2024
• Mr. Nguyen Duc Hieu	Member	Re-appointed on 26/06/2024
• Mr. Nguyen Cao Cuong	Member	Re-appointed on 28/06/2019 Resigned on 26/06/2024
• Mr. Doan Van Dung	Member	Re-appointed on 28/06/2019 Resigned on 26/06/2024

Supervisory Board

• Mr. Le Ngoc Hung	Head of Supervisory Board	Re-appointed on 26/06/2024
• Mr. Doan Van Dung	Member	Appointed on 26/06/2024
• Ms. Nguyen Thi Ngoc Le	Member	Re-appointed on 26/06/2024
• Mr. Nguyen Van Hieu	Member	Re-appointed on 28/06/2019 Resigned on 26/06/2024

Management and Chief Accountant

• Mr. Nguyen Tuan Anh	General Director	Re-appointed on 27/06/2024
• Mr. Nguyen Van Sy	Vice General Director	Re-appointed on 04/07/2024
• Mr. Nguyen Cao Cuong	Vice General Director	Re-appointed on 04/07/2024
• Mr. Dang Tho	Chief Accountant	Re-appointed on 04/07/2024
	Vice General Director	Re-appointed on 11/07/2019 Resigned on 04/07/2024

Independent auditor

These financial statements were audited by AAC Auditing and Accounting Company Ltd (Head office: Lot 78-80, Street 30/4, Hai Chau District, Da Nang City; Tel: (84) 236.3655886; Fax: (84) 236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).



REPORT OF THE MANAGEMENT (cont'd)**The Management's responsibility in preparation of the financial statements**

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

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

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

On behalf of the Management



Nguyễn Tuan Anh
General Director

Quang Nam Province, 27 March 2025





No. 532/2025/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders, Board of Directors and Management**
Quang Nam Transportation Construction Joint-Stock Company

We have audited the financial statements which were prepared on 27/03/2025 of Quang Nam Transportation Construction Joint-Stock Company ("the Company") as set out on pages 6 to 33, which comprise the balance sheet as at 31/12/2024, the income statement, the statement of cash flows for the year then ended, and the notes thereto.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2024, and its financial performance and its cash flows for the year then ended in accordance with 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 draw attention to the matter presented in Note 3, the accompanying financial statements are the separate financial statements for the year ended 31/12/2024 of the parent company. These separate financial statements should be read together with the consolidated financial statements for the year ended 31/12/2024 in order for users to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

Our opinion is not qualified in respect of this matter.



AAC Auditing and Accounting Co., Ltd.

Lam Quang Tu – Deputy General Director
Audit Practicing Registration Certificate
No. 1031-2023-010-1

Da Nang City, 27 March 2025

A blue ink signature of Nguyen Van Thien.

Nguyen Van Thien – Auditor
Audit Practicing Registration Certificate
No. 3108-2025-010-1

BALANCE SHEET
As at 31 December 2024

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

ASSETS	Code	Note	31/12/2024 VND	01/01/2024 VND
A. CURRENT ASSETS	100		49.917.525.409	32.365.537.084
I. Cash and cash equivalents	110		7.615.181.604	2.892.130.522
1. Cash	111	5	7.615.181.604	692.130.522
2. Cash equivalents	112		-	2.200.000.000
II. Short-term financial investments	120		10.828.000.000	5.228.000.000
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6	10.828.000.000	5.228.000.000
III. Short-term receivables	130		21.367.158.070	18.206.026.891
1. Short-term trade receivables	131	7	20.445.894.594	18.723.036.544
2. Short-term prepayment to suppliers	132	8	108.563.390	94.927.070
3. Other short-term receivables	136	9a	1.983.160.330	558.523.521
4. Provision for short-term doubtful debts	137	10	(1.170.460.244)	(1.170.460.244)
IV. Inventories	140	11	10.107.185.735	5.752.523.056
1. Inventories	141		10.107.185.735	5.752.523.056
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		-	286.856.615
1. Short-term prepaid expenses	151		-	286.856.615
2. Other current assets	155		-	-
B. LONG-TERM ASSETS	200		16.819.651.024	19.509.677.977
I. Long-term receivables	210		2.055.901.699	3.156.441.740
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	9b	2.055.901.699	3.156.441.740
II. Fixed assets	220		10.258.087.230	8.613.009.957
1. Tangible fixed assets	221	12	10.012.531.257	8.366.474.164
- Cost	222		75.196.972.764	74.663.954.769
- Accumulated depreciation	223		(65.184.441.507)	(66.297.480.605)
2. Intangible fixed assets	227	13	245.555.973	246.535.793
- Cost	228		258.293.600	258.293.600
- Accumulated amortization	229		(12.737.627)	(11.757.807)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		29.827.995	-
1. Long-term work in process	241		-	-
2. Construction in progress	242		29.827.995	-
V. Long-term financial investments	250		3.000.000.000	3.000.000.000
1. Investment in subsidiary	251	14	3.000.000.000	3.000.000.000
2. Provision for long-term financial investments	254		-	-
VI. Other long-term assets	260		1.475.834.100	4.740.226.280
1. Long-term prepaid expenses	261	15	1.475.834.100	4.740.226.280
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		66.737.176.433	51.875.215.061

BALANCE SHEET (cont'd)

As at 31 December 2024

RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
C. LIABILITIES	300		26,140,826,584	11,702,118,945
I. Current liabilities	310		25,125,407,584	10,502,384,074
1. Short-term trade payables	311	16	8,243,044,492	5,058,838,091
2. Short-term advances from customers	312		595,511,365	343,895,115
3. Taxes and amounts payable to the State	313	17	1,690,819,961	900,398,466
4. Payables to employees	314		1,579,805,673	794,991,473
5. Short-term accrued expenses	315	18	234,419,112	145,220,356
6. Other short-term payables	319	19	4,546,320,790	3,254,628,465
7. Short-term loans and finance lease liabilities	320	20	6,813,176,604	-
8. Provision for short-term payables	321	21.a	1,420,397,479	-
9. Reward and welfare fund	322		1,912,108	4,412,108
II. Long-term liabilities	330		1,015,419,000	1,199,734,871
1. Long-term trade payables	331		-	-
2. Provision for long-term payables	342	21.b	1,015,419,000	1,199,734,871
D. EQUITY	400		40,596,349,849	40,173,096,116
I. Owners' equity	410	22	40,190,118,460	39,766,864,727
1. Share capital	411	22	27,000,000,000	27,000,000,000
- Common shares with voting rights	411a		27,000,000,000	27,000,000,000
- Preferred shares	411b		-	-
2. Other owners' capital	414	22	8,379,414,871	8,379,414,871
3. Investment and development fund	418	22	2,561,777,617	2,561,777,617
4. Undistributed profit after tax	421	22	2,248,925,972	1,825,672,239
- Undistributed profit after tax up to prior year-end	421a		-	-
- Undistributed profit after tax of current period	421b		2,248,925,972	1,825,672,239
II. Other budget resources, funds	430		406,231,389	406,231,389
1. Budget resources	431		124,245,000	124,245,000
2. Resources financing fixed assets	432		281,986,389	281,986,389
TOTAL RESOURCES	440		66,737,176,433	51,875,215,061



Nguyen Tuan Anh
General Director

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer

Quang Nam Province, 27 March 2025

INCOME STATEMENT
For the year ended 31/12/2024

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

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
1. Revenue from sales and service provision	01	24	74,110,410,430	80,747,978,301
2. Revenue deductions	02	25	143,612,205	281,778,316
3. Net revenue from sales and service provision	10		73,966,798,225	80,466,199,985
4. Cost of goods sold	11	26	66,452,655,117	72,857,303,925
5. Gross profit from sales and service provision	20		7,514,143,108	7,608,896,060
6. Financial income	21	27	498,488,592	401,333,228
7. Financial expenses	22	28	180,984,665	429,655,041
Including: Interest expense	23		103,385,493	289,999,076
8. Selling expenses	25		-	-
9. Administrative expenses	26	29	5,119,681,631	5,571,745,371
10. Operating profit	30		2,711,965,404	2,008,828,876
11. Other income	31	30	1,190,085,599	716,416,786
12. Other expenses	32	31	784,154,123	274,654,361
13. Other profit	40		405,931,476	441,762,425
14. Accounting profit before tax	50		3,117,896,880	2,450,591,301
15. Current corporate income tax expense	51	32	868,970,908	624,919,062
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		2,248,925,972	1,825,672,239



Nguyen Tuan Anh
General Director

Quang Nam Province, 27 March 2025

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer

STATEMENT OF CASH FLOWS

For the year ended 31/12/2024

Form No. B 03 - DN

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

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
I. Cash flows from operating activities				
1. Profit before tax	01		3,117,896,880	2,450,591,301
2. Adjustments for				
- Depreciation and amortization	02	12.13	1,940,047,361	1,848,319,584
- Provisions	03		1,236,081,608	84,783,040
- Profits/losses from investing activities	05		(1,264,146,986)	(654,294,028)
- Interest expense	06	28	103,385,493	289,999,076
3. Operating profit before changes in working capital	08		5,133,264,356	4,019,398,973
- Increase/decrease in receivables	09		(2,101,721,242)	7,466,199,838
- Increase/decrease in inventories	10		(4,354,662,679)	8,806,602,967
- Increase/decrease in payables (excluding loan interest and corporate income tax payable)	11		6,127,989,182	(2,343,075,727)
- Increase/decrease in prepaid expenses	12		3,497,136,295	(529,243,946)
- Interest paid	14	18,28	(14,186,737)	(458,694,246)
- Corporate income tax paid	15	17	(753,249,256)	(1,258,241,857)
- Other cash receipts from operating activities	16		60,119,837	673,941,976
- Other cash payments for operating activities	17		(74,252,239)	(53,265,217)
Net cash provided by operating activities	20		7,520,437,517	16,323,622,761
II. Cash flows from investing activities				
1. Purchases, construction of fixed assets and other long-term assets	21	12.13	(3,640,915,154)	(1,394,142,985)
2. Sales, disposal of fixed assets and other long-term assets	22		845,733,419	280,427,275
3. Cash paid for loans, acquisition of debt instruments	23	6	(12,500,000,000)	(3,000,000,000)
4. Recovery of loans, resales of debt instruments	24	6	6,900,000,000	-
5. Received loan interest, dividends, profits	27	9.27	539,618,696	233,881,684
Net cash used in investing activities	30		(7,855,563,039)	(3,879,834,026)
III. Cash flows from financing activities				
1. Proceeds from loans	33	20	6,813,176,604	13,464,018,710
2. Repayment of loans	34	20	-	(21,213,162,287)
3. Dividend, profit paid to owners	36	22	(1,755,000,000)	(2,160,000,000)
Net cash provided by/(used in) financing activities	40		5,058,176,604	(9,909,143,577)
Net cash flows for the year	50		4,723,051,082	2,534,645,158
Cash and cash equivalents at the beginning of the year	60	5	2,892,130,522	357,485,364
Impacts of exchange rate fluctuations	61		-	-
Cash and cash equivalents at the end of the year	70	5	7,615,181,604	2,892,130,522



Nguyễn Tuan Anh

General Director

Quang Nam Province, 27 March 2025

Dang Tho

Chief Accountant

Vo Thi Minh Loan

Preparer

NOTES TO THE FINANCIAL STATEMENTS

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

Form No. B 09 - DN
Issued under Circular
No. 200/2014/TT - BTC dated
22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

Quang Nam Transportation Construction Joint-Stock Company ("the Company") was incorporated on the basis of equitization of Quang Nam Road Management and Construction Company under Decision No. 5233/QD-UB dated 27/11/2003 of the People's Committee of Quang Nam Province. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate No. 3303070058 dated 02/01/2004 of Quang Nam Province Planning and Investment Department, the Enterprise Law, the Company's Charter and other relevant regulations. Since the establishment date, the Business Registration Certificate has been amended 8 times and the most recent amendment was made on 05/09/2014 with the enterprise code 4000390766.

Charter capital: VND27,000,000,000.

1.2. Principal scope of business

- Construction of other civil engineering projects: Construction of civil projects, road traffic projects, irrigation projects, hydropower projects, public projects;
- Management consultancy activities: Management, operation and maintenance of road traffic projects;
- Architectural and engineering activities and related technical consultancy: Preparation of projects, preparation of technical design documents and cost estimates for construction and traffic projects; Supervision of road projects;
- Mining and quarrying n.e.c: Exploration, exploitation and production of materials for repair and construction of road traffic systems.

1.3. Business structure

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

2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 1 January and ends on 31 December.

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

3. Applied accounting standards and accounting system

The Company adopts the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System which is guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 amending and adding some articles of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance.

Currently, the Company has a subsidiary; According to current regulations, the Company is required to prepare the separate financial statements of the parent company and consolidated financial statements for the year 2024. Users should read the separate financial statements of the parent company together with the consolidated financial statements for the year 2024 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash includes cash on hand, demand bank deposit and cash in transit.

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

4.2 Financial investments

Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer is required to re-buy them at a certain time in the future and held-to-maturity loans to earn profits periodically and other held-to-maturity investments.

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

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

Investment in subsidiary

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

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

Provision

Provision for investments in the subsidiary is made if these investments are impaired or result in loss, which leads to the loss of equity of the Company.

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

4.3 Receivables

Receivables includes: trade receivables and other receivables:

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

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Company has claimed many times but still has not collected yet or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, missing or absconding.

4.4 Inventories

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

Value of inventories is calculated using the weighted average method and accounted for using the perpetual method with cost determined as follows:

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

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

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

4.5 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Depreciation

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	15 - 25
Machinery, equipment	5 - 12
Motor vehicles	4 - 10
Office equipment	5

4.6 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Land use rights

Intangible fixed assets are land use rights including:

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

The cost of land use right includes all the costs directly attributable to obtaining the legal land use right.

Amortization

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

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

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

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

4.7 Prepaid expenses

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

- Costs of tools and instruments being put into use are amortized in accordance with the straight-line method for a maximum period of no more than 3 years;
- Charges for granting the mineral mining right are allocated based on the quarry's mining duration;
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

4.8 Payables

Payables include: trade payables and other payables:

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

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

4.9 Accrued expenses

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

4.10 Loans and finance lease liabilities

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

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies. Loans and finance lease liabilities denominated in foreign currency are reevaluated using the selling exchange rate at the end of the year of the commercial bank where the Company regularly conducts transactions.

Borrowing costs

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

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

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

4.11 Provision for payables

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

4.12 Owners' equity

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

Profit distribution

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the General Shareholders' Meeting Resolution.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.13 Recognition of revenue and other income

- Revenue from construction contracts
 - ✓ Where a construction contract stipulates that the contractor gets paid according to the set schedule, and when the construction contract performance result is reliably estimated, the revenues and costs related to the contract shall be recognized by reference to the completed volume.
 - ✓ Where a construction contract stipulates that the contractor gets paid according to the value of performed work volume, and when the contract performance result is reliably determined, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers.
- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
 - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods;
 - ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
 - ✓ Interests are recognized on the basis of the actual term and interest rates;
 - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution.
- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4.14 Revenue deductions

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

In case where revenue is recognized in during the year but the corresponding revenue deductions arise after the balance sheet date, revenue shall be decreased in accordance with the following principles:

- If the corresponding deductions arise before the date of releasing the financial statements, they shall be charged against revenue of the reporting year;
- If the corresponding revenue deductions arise after the date of releasing the financial statements, they shall be charged against revenue of the next reporting year.

4.15 Cost of goods sold

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

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

4.16 Financial expenses

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Financial expenses reflect expenses or losses related to financial investment activities: interest expense and other expenses attributable to investing activities.

4.17 Administrative expenses

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

4.18 Current corporate income tax expense, deferred corporate income tax expense

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

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

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

4.19 Financial instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement

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

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

- Value Added Tax (VAT): A VAT rate of 10% is applicable to construction activities, construction stone products.

From 01/01/2024 to 31/12/2024, the Company applies 8% VAT rate to construction activities in accordance with Decree No. 72/2024/ND-CP dated 30/06/2024 and Decree No. 94/2023/ND-CP dated 28/12/2023 of the Government.

- Corporate Income Tax (CIT): The Company is subject to a CIT rate of 20%.
- Other taxes and charges are paid in accordance with the prevailing regulations.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.21 Related parties

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

Unit: VND

5. Cash and cash equivalents

	31/12/2024	01/01/2024
Cash on hand	948,591,842	204,018,644
Bank deposits	6,666,589,762	488,111,878
Cash equivalents (Deposits of no more than 3 months)	-	2,200,000,000
Total	7,615,181,604	2,892,130,522

6. Held-to-maturity investments

	31/12/2024	01/01/2024
Term deposits (*)	10.828.000.000	5.228.000.000
Total	10.828.000.000	5.228.000.000

(*) As at 31/12/2024, the Company's held-to-maturity investments are the deposits with the terms ranging from over 3 months to no more than 12 months at the banks. The Management assesses that these deposits are not subject to loss or impairment in value.

7. Short-term trade receivables

	31/12/2024	01/01/2024
Quang Nam Province Transportation Department	4,440,410,000	6,227,832,000
Tam Ky City Construction Investment Project Management Uni	1,027,873,000	1,027,873,000
Quang Nam Province Traffic Infrastructure Management Cente	6,063,629,000	1,336,963,000
Quang Nam Province Traffic Project Management Unit	5,128,237,000	8,990,507,000
Quang Nam Road Construction and Management JSC	2,768,236,000	-
Others	1,017,509,594	1,139,861,544
Total	20,445,894,594	18,723,036,544

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Of which, trade receivables from the related party

	Relationship	31/12/2024	01/01/2024
Road Construction and Repair No. 1 Co., Ltd	Subsidiary	-	163,302,450

8. Short-term prepayments to suppliers

	31/12/2024	01/01/2024
Nam Loc Electronic - Automation Co., Ltd	33,000,000	-
Alpha Sport Technology Co., Ltd	25,000,000	-
Dong Khoi Phat Trading - Service - Transportation Co., Ltd	22,640,000	-
Thien An Khuong Investment and Construction JSC in Quang Nam	16,944,000	-
Others	10,979,390	94,927,070
Total	108,563,390	94,927,070

9. Other receivables

a. Short-term

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Deposits, collaterals	1,480,168,187	-	-	-
Receivables from construction teams for construction capital	225,374,000	-	225,374,000	-
Accrued interest receivable	179,044,604	-	82,479,124	-
Shared dividends, profit	98,573,539	-	236,269,123	-
Other receivables	-	-	14,401,274	-
Total	1,983,160,330	-	558,523,521	-

Of which : Dividend receivable from the related party

	Relationship	31/12/2024	01/01/2024
Road Construction and Repair No. 1 Co., Ltd	Subsidiary	98,573,539	236,269,123

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Long-term

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Deposits, collaterals	2,055,901,699	-	3,156,441,740	-
Total	2,055,901,699	-	3,156,441,740	-

10. Provision for doubtful debts

a. Changes in provision for doubtful debts in the year

	Year 2024	Year 2023
Beginning balance	(1,170,460,244)	(1,170,460,244)
Appropriation in the year	-	-
Reversal in the year	-	-
Ending balance	(1,170,460,244)	(1,170,460,244)

b. Bad debts

	31/12/2024			
	Cost	Recoverable value	Overdue period	Note
Trade receivables	1,170,460,244	-		
- Central Dai Viet Real Estate Joint Stock Company	939,694,244	-	Over 3 years	Bad debt
- Other customers	230,766,000	-	Over 3 years	Bad debt
Total	1,170,460,244	-		

	01/01/2024			
	Cost	Recoverable value	Overdue period	Note
Trade receivables	1,170,460,244	-		
- Central Dai Viet Real Estate Joint Stock Company	939,694,244	-	Over 3 years	Bad debt
- Other customers	230,766,000	-	Over 3 years	Bad debt
Total	1,170,460,244	-		

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

11. Inventories

	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Materials, raw materials	456,425,867	-	1,454,133,671	-
Tools, instruments	51,900,000	-	53,200,000	-
Work in process	9,315,798,487	-	2,889,549,301	-
Finished products	158,816,381	-	1,231,395,084	-
Merchandise goods	124,245,000	-	124,245,000	-
Total	10,107,185,735	-	5,752,523,056	-

- There are no inventories which are unsold, in poor quality or slow-moving as at 31/12/2024.
- There are no inventories which were pledged, mortgaged as security for debts as at 31/12/2024.

12. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	4,766,022,947	61,158,788,471	8,522,898,386	216,244,965	74,663,954,769
Newly-purchased	-	1,806,657,407	1,804,429,752	-	3,611,087,159
Sold, disposed	162,118,970	1,908,181,818	1,007,768,376	-	3,078,069,164
Ending balance	4,603,903,977	61,057,264,060	9,319,559,762	216,244,965	75,196,972,764
Depreciation					
Beginning balance	3,947,021,210	56,296,684,234	6,032,150,664	21,624,497	66,297,480,605
Charge for the year	87,564,076	1,291,675,145	516,579,328	43,248,992	1,939,067,541
Sold, disposed	136,156,445	1,908,181,818	1,007,768,376	-	3,052,106,639
Ending balance	3,898,428,841	55,680,177,561	5,540,961,616	64,873,489	65,184,441,507
Net book value					
Beginning balance	819,001,737	4,862,104,237	2,490,747,722	194,620,468	8,366,474,164
Ending balance	705,475,136	5,377,086,499	3,778,598,146	151,371,476	10,012,531,257

- As at 31/12/2024, tangible fixed assets with a carrying value of VND6,311,990,331 were pledged as security for debts.
- Cost of tangible fixed assets fully depreciated but still in active use at 31/12/2024 was VND43,821,534,628.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

13. Intangible fixed assets

	Non-term land use right (i) VND	Term land use right (ii) VND	Total VND
Cost			
Beginning balance	224,000,000	34,293,600	258,293,600
Increase in the year	-	-	-
Decrease in the year	-	-	-
Ending balance	224,000,000	34,293,600	258,293,600
Amortization			
Beginning balance	-	11,757,807	11,757,807
Charge for the year	-	979,820	979,820
Decrease in the year	-	-	-
Ending balance	-	12,737,627	12,737,627
Net book value			
Beginning balance	224,000,000	22,535,793	246,535,793
Ending balance	224,000,000	21,555,973	245,555,973

- (i) Use right of 200 m2 of land in Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province. The Company uses it to build warehouse, house for workers.
- (ii) Use right of 692,8 m² of land in Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province with the term of 35 years (until March 2047). The Company uses it to build warehouse, house for workers.
- As at 31/12/2024, intangible fixed assets with a carrying value of VND245,555,973 were pledged as security for debts.

14. Investments in subsidiary

	Status of operation	31/12/2024				01/01/2024	
		% equit	% voting right	Cost	Provisio n	Cost	Provision
Road Construction and Repair No. 1 Co., Ltd.	Operating	100%	100%	3,000,000,000	-	3,000,000,000	-
Total				3,000,000,000	-	3,000,000,000	-

The Company received the 2024 financial statements of Road Construction and Repair No. 1 Co., Ltd., which showed profit from operating activities and reserved owner's equity. Therefore, this investment was recorded at cost and no provision was made.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

15. Long-term prepaid expenses

	31/12/2024	01/01/2024
Charges for granting mineral mining right	758,786,600	2,153,662,500
Costs for removing surface layer and entrance roads to the quarry	497,875,188	1,055,506,535
Repair costs	89,311,111	1,160,911,827
Other long-term prepaid expenses	129,861,201	370,145,418
Total	1,475,834,100	4,740,226,280

16. Short-term trade payables

	31/12/2024	01/01/2024
People's Committee of Dien Ngoc Commune	889,694,244	889,694,244
Quang Nam Road Construction and Management JSC	2,428,718,575	67,006,200
Others	4,924,631,673	4,102,137,647
Total	8,243,044,492	5,058,838,091

17. Taxes and amounts payable to the State

	Beginning balance		Amount to be paid	Actual amount paid	Ending balance	
	Receivable	Payable			Receivable	Payable
VAT	-	722,065,739	2,247,138,020	2,046,886,655	-	922,317,104
CIT	-	152,249,256	928,010,745	753,249,256	-	327,010,745
Personal Income Tax	-	16,825,629	78,614,035	83,820,336	-	11,619,328
Natural resource tax	-	7,753,636	3,616,590,855	3,246,287,589	-	378,056,902
Land and house tax, land ren	-	-	1,342,002,473	1,342,002,473	-	-
Fees and charges	-	1,504,206	738,909,378	688,597,702	-	51,815,882
Total	-	900,398,466	8,951,265,506	8,160,844,011	-	1,690,819,961

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

18. Short-term accrued expenses

	31/12/2024	01/01/2024
Accrued interest payable	89,198,756	-
Accrued expenses of Dien Nam-Dien Ngoc Urban Area Projec	135,438,538	135,438,538
Other accruals	9,781,818	9,781,818
Total	234,419,112	145,220,356

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Of which: Accrued interest payable to the related party

	Relationship	31/12/2024	01/01/2024
Road Construction and Repair No. 1 Co., Ltd	Subsidiary	85,594,521	-

19. Other short-term payables

	31/12/2024	01/01/2024
Trade union fee	133,865,893	108,503,672
Payable for construction volume to construction teams	3,217,284,585	2,110,954,488
Short-term deposits, collaterals received	910,000,000	775,000,000
Other payables	285,170,312	260,170,305
Total	4,546,320,790	3,254,628,465

20. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
- Vietcombank - Quang Nam Branch	-	5,770,506,678	1,957,330,074	3,813,176,604
- Road Construction and Repair No. 1 Co., Ltd (Related party)	-	3,000,000,000	-	3,000,000,000
Total	-	8,770,506,678	1,957,330,074	6,813,176,604

21. Provision for payables

a. Short-term

	31/12/2024	01/01/2024
Provision for environmental restoration costs	1,420,397,479	-
Total	1,420,397,479	-

b. Long-term

	31/12/2024	01/01/2024
Provision for environmental restoration costs	-	1,199,734,871
Provision for construction warranty	1,015,419,000	-
Total	1,015,419,000	1,199,734,871

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

22. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Other owners' capital	Investment and development	Undistributed profit after tax	Total
As at 01/01/2023	27,000,000,000	8,379,414,871	2,561,777,617	2,207,265,217	40,148,457,705
Increase in the year	-	-	-	1,825,672,239	1,825,672,239
Decrease in the year	-	-	-	2,207,265,217	2,207,265,217
As at 31/12/2023	<u>27,000,000,000</u>	<u>8,379,414,871</u>	<u>2,561,777,617</u>	<u>1,825,672,239</u>	<u>39,766,864,727</u>
As at 01/01/2024	27,000,000,000	8,379,414,871	2,561,777,617	1,825,672,239	39,766,864,727
Increase in the year	-	-	-	2,248,925,972	2,248,925,972
Decrease in the year	-	-	-	1,825,672,239	1,825,672,239
As at 31/12/2024	<u>27,000,000,000</u>	<u>8,379,414,871</u>	<u>2,561,777,617</u>	<u>2,248,925,972</u>	<u>40,190,118,460</u>

b. Breakdown of share capital

	31/12/2024	01/01/2024
State Capital Investment Corporation	14,526,000,000	14,526,000,000
Other shareholders	12,474,000,000	12,474,000,000
Total	<u>27,000,000,000</u>	<u>27,000,000,000</u>

c. Shares

	31/12/2024 Shares	01/01/2024 Shares
Number of shares registered for issuance	2,700,000	2,700,000
Number of shares sold to the public	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)	-	-
Number of shares bought back (treasury shares)	-	-
- Common shares	-	-
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)	-	-
Par value of outstanding shares: VND10,000 each		

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

d. Undistributed profit after tax

	Year 2024	Year 2023
Profit brought forward	1,825,672,239	2,207,265,217
Profit after CIT of current year	2,248,925,972	1,825,672,239
Distribution of profit	1,825,672,239	2,207,265,217
- Distribution of prior-year profit (*)	1,825,672,239	2,207,265,217
+ Paying dividend	1,755,000,000	2,160,000,000
+ Appropriated to reward and welfare fund	70,672,239	47,265,217
Temporary distribution of current year profit	-	-
Undistributed profit after tax	2,248,925,972	1,825,672,239

(*) The 2023 profit was distributed in accordance with the 2024 Annual General Shareholders' Meeting Resolution No. 01/2024/DHCD dated 26/06/2024.

e. Dividends

The 2024 Annual General Shareholders' Meeting dated 26/06/2024 approved the plan to pay dividends from the 2023 profit after tax in cash at the rate of 6.5% of the charter capital (equivalent to VND1,755,000,000). The Company has paid out this entire dividend in 2024.

23. Off-balance sheet items

	31/12/2024	01/01/2024
Bad debts written off	667,750,550	667,750,550
- Hydropower Project 3 Project Management Unit	122,466,653	122,466,653
- Engineering Construction & Investment JSC No. 134	55,810,300	55,810,300
- Quang Nam Province Transportation Project Management Unit	33,497,000	33,497,000
- Loc Ha Joint Stock Company	377,876,597	377,876,597
- Others	78,100,000	78,100,000

24. Revenue from sales and service provision

	Year 2024	Year 2023
Construction revenue	55,714,879,304	70,158,366,090
Soil, stone mining revenue	18,063,571,442	9,883,284,666
Other revenue	331,959,684	706,327,545
Total	74,110,410,430	80,747,978,301

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

25. Revenue deductions

	Year 2024	Year 2023
Reduced value after settlement	143,612,205	281,778,316
Total	143,612,205	281,778,316

26. Cost of goods sold

	Year 2024	Year 2023
Cost of construction	49,676,651,618	62,759,675,006
Cost of mining stone, soil	16,506,490,523	9,609,128,314
Cost of others	269,512,976	488,500,605
Total	66,452,655,117	72,857,303,925

27. Financial income

	Year 2024	Year 2023
Deposit interest, loan interest	399,915,053	165,064,105
Received dividends, profits	98,573,539	236,269,123
Total	498,488,592	401,333,228

28. Financial expenses

	Year 2024	Year 2023
Loan interest	103,385,493	289,999,076
Bank guarantee fee	77,599,172	139,655,965
Total	180,984,665	429,655,041

29. Administrative expenses

	Year 2024	Year 2023
Staff costs	2,780,797,131	3,138,044,241
Depreciation and amortization expenses	114,664,501	33,059,617
Others	2,224,219,999	2,400,641,513
Total	5,119,681,631	5,571,745,371

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

30. Other income

	Year 2024	Year 2023
Proceeds from disposals of fixed assets	791,620,919	252,960,800
Income from insurance compensation for project damages	355,864,146	-
Others	42,600,534	463,455,986
Total	1,190,085,599	716,416,786

31. Other expenses

	Year 2024	Year 2023
Tax arrears, tax fine, late payment of tax	64.470.634	176.225.153
Expenses for preparing documentation to reduce the mining and processing capacity of the quarry	108.000.000	-
Expenses of the damaged projects covered by insurance compensation	436.363.636	-
Others	175.319.853	98.429.208
Total	784.154.123	274.654.361

32. Current corporate income tax expense

	Year 2024	Year 2023
Accounting profit before tax	3,117,896,880	2,450,591,301
Adjustment to taxable income	1,221,957,660	(323,841,447)
Increasing adjustments	1,320,531,199	760,010,513
- Unqualified, improper expenses	1,159,044,180	583,785,360
- Tax arrears, fine, late payment and administrative fine	161,487,019	176,225,153
Decreasing adjustments	98,573,539	1,083,851,960
- Received dividends, profits	98,573,539	236,269,123
- Others	-	847,582,837
Total taxable income	4,339,854,540	2,126,749,854
Current corporate income tax expense	868,970,908	624,919,062
Of which:		
- Current CIT expense incurred in current year	867,970,908	425,349,971
- Adjustment of current CIT expense of previous year to current CIT expense of current year	1,000,000	199,569,091

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

33. Operating expenses by elements

	Year 2024	Year 2023
Materials expenses	27,587,562,024	26,175,456,920
Labor costs	17,757,181,998	17,158,105,618
Depreciation and amortization expenses	1,928,988,781	1,848,319,584
Outside service expenses	21,307,568,648	22,114,591,438
Other cash expenses	7,544,987,808	3,309,712,629
Total	76,126,289,259	70,606,186,189

34. Risk management

a. Capital risk management

Through capital management, the Company considers and decides to maintain the appropriate balance of resources and liabilities in each period to ensure that it will be able to continue as a going concern while maximizing the return to the owner.

b. Financial risk management

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

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

Interest rate risk management

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

Price risk management

The Company purchases materials from domestic suppliers to serve its production and business activities, consequently it is exposed to the risks of changes in prices of input material. To mitigate these risks, the Company signs long-term, principle contracts with the main suppliers, in addition to diversifying the supply sources.

Credit risk management

Most of the construction projects that the Company has been implementing are funded by the State. Currently, the Government is implementing a policy of tightening public spending, so debt collection from the Management Units is slowing down. To minimize this risk, the Company assigns departments to regularly check information on due and overdue debts to promptly urge and take appropriate debt collection measures. On the other hand, the Company strengthens negotiations on prepayments according to contracts as well as advances for volume during the construction process, so the Management believes that credit risks with customers are at a controllable level.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Liquidity risk management

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

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

31/12/2024	Within 1 year	Over 1 year	Total
Trade payables	8,243,044,492	-	8,243,044,492
Accrued expenses	234,419,112	-	234,419,112
Loans and finance lease liabilities	6,813,176,604	-	6,813,176,604
Other payables	4,412,454,897	-	4,412,454,897
Total	19,703,095,105	-	19,703,095,105
01/01/2024	Within 1 year	Over 1 year	Total
Trade payables	5,058,838,091	-	5,058,838,091
Accrued expenses	145,220,356	-	145,220,356
Loans and finance lease liabilities	-	-	-
Other payables	3,146,124,793	-	3,146,124,793
Total	8,350,183,240	-	8,350,183,240

The Management assumes that the Company has no exposure to liquidity risk and believes that the Company can generate sufficient resources to meet its financial obligations as they fall due.

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

31/12/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	7,615,181,604	-	7,615,181,604
Financial investments	10,828,000,000	-	10,828,000,000
Trade receivables	19,275,434,350	-	19,275,434,350
Other receivables	1,983,160,330	2,055,901,699	4,039,062,029
Total	39,701,776,284	2,055,901,699	41,757,677,983
01/01/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	2,892,130,522	-	2,892,130,522
Financial investments	5,228,000,000	-	5,228,000,000
Trade receivables	17,552,576,300	-	17,552,576,300
Other receivables	558,523,521	3,156,441,740	3,714,965,261
Total	26,231,230,343	3,156,441,740	29,387,672,083

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

35. Segment reporting

According to Vietnamese Accounting Standard No. 28 and the Circular guiding this Standard, the Company is required to have segment reporting. Accordingly, a segment is a distinguishable component of the Company that is engaged in providing related products or service (business segment) or providing goods or services in a specific economic environment (segment by geographical area) and that is subject to risks and returns that are different from those of other business segment. The Company's Management assesses that the Company operates in one main geographical area, that is Quang Nam Province, Vietnam and in the following business sectors:



NOTES TO THE FINANCIAL STATEMENTS (cont'd)*(These notes form part of and should be read in conjunction with the accompanying financial statements)*

Segment reporting by business sectors	Construction		Mining of soil and stone		Other activities		Total	
	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023	Year 2024	Year 2023
Segment revenue	55,714,879,304	70,158,366,090	18,063,571,442	9,883,284,666	331,959,684	706,327,545	74,110,410,430	80,747,978,301
Revenue deductions	143,612,205	281,778,316	-	-	-	-	143,612,205	281,778,316
Segment cost of sales	49,676,651,618	62,759,675,006	16,506,490,523	9,609,128,314	269,512,976	488,500,605	66,452,655,117	72,857,303,925
Selling expenses	-	-	-	-	-	-	-	-
Unallocated administrative expenses	-	-	-	-	-	-	5,119,681,631	5,571,745,371
Financial income	-	-	-	-	-	-	498,488,592	401,333,228
Financial expenses	-	-	-	-	-	-	180,984,665	429,655,041
Operating profit	-	-	-	-	-	-	2,711,965,404	2,008,828,876
Other income	-	-	-	-	-	-	1,190,085,599	716,416,786
Other expenses	-	-	-	-	-	-	784,154,123	274,654,361
Other profit	-	-	-	-	-	-	405,931,476	441,762,425
Profit before tax	-	-	-	-	-	-	3,117,896,880	2,450,591,301
CIT	-	-	-	-	-	-	868,970,908	624,919,062
Profit after CIT	-	-	-	-	-	-	2,248,925,972	1,825,672,239
As at	31/12/2024	01/01/2024	31/12/2024	01/01/2024	31/12/2024	01/01/2024	31/12/2024	01/01/2024
Fixed assets	5,483,698,421	5,960,136,244	4,774,388,809	2,652,873,713	-	-	10,258,087,230	8,613,009,957
-Cost	34,733,193,972	39,818,311,887	40,722,072,392	35,103,936,482	-	-	75,455,266,364	74,922,248,369
-Accumulated depreciation	(29,249,495,551)	(33,858,175,643)	(35,947,683,583)	(32,451,062,769)	-	-	(65,197,179,134)	(66,309,238,412)
Trade receivables	20,439,475,244	18,522,869,244	1,419,350	36,864,850	5,000,000	163,302,450	20,445,894,594	18,723,036,544
Prepayment to suppliers	75,563,390	94,927,070	33,000,000	-	-	-	108,563,390	94,927,070
Trade payables	7,857,296,586	5,058,838,091	385,747,906	-	-	-	8,243,044,492	5,058,838,091
Advances from customers	290,687,125	290,687,125	304,824,240	53,207,990	-	-	595,511,365	343,895,115

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

36. Related party information

a. Related party

Related party	Relationship
Road Construction and Repair No. 1 Co., Ltd	Subsidiary

b. Material related-party transactions arising in the year

Related party	Transactions	Year 2024	Year 2023
Road Construction and Repair No. 1 Co., Ltd	Obtaining loan	3,000,000,000	300,000,000
	Lending loan	100,000,000	-
	Loan interest incurred	85,594,521	160,189,041
	Loan interest earned	543,562	-
	Received profits	98,573,539	236,269,123

c. Income of key managing officers

		Year 2024	Year 2023
Remuneration of the Board of Directors		99,900,000	106,800,000
Mr. Pham Ngoc Tien	Chairman	13,800,000	-
Mr. Nguyen Tuan Anh	Vice Chairman	24,000,000	24,000,000
Mr. Nguyen Van Sy	Member	20,700,000	27,600,000
Mr. Nguyen Cao Cuong	Member	6,900,000	13,800,000
Mr. Doan Van Dung	Member	6,900,000	13,800,000
Mr. Le Van Xi	Member	13,800,000	13,800,000
Mr. Nguyen Duc Hieu	Member	13,800,000	13,800,000
Remuneration of the Supervisory Board		84,000,000	84,000,000
Mr. Le Ngoc Hung	Head	72,000,000	72,000,000
Ms. Nguyen Thi Ngoc Le	Member	6,000,000	6,000,000
Mr. Nguyen Van Hieu	Member	3,000,000	6,000,000
Mr. Doan Van Dung	Member	3,000,000	-
Income of the Management		956,136,000	956,136,000
Mr. Nguyen Tuan Anh	General Director	278,760,000	278,760,000
Mr. Nguyen Cao Cuong	Vice General Director	225,792,000	225,792,000
Mr. Nguyen Van Sy	Vice General Director	225,792,000	225,792,000
Mr. Dang Tho	Chief Accountant	225,792,000	225,792,000

37. Events after the balance sheet date

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

38. Corresponding figures

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



Nguyen Tuan Anh
General Director

Quang Nam Province, 27 March 2025

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer

ANH * S.

C.P. * M.