

**INFORMATION DISCLOSURE**

**To:** - State Securities Commission of Vietnam;  
- Hanoi Stock Exchange.

Phuc Thinh Design Construction Trading Corporation

Stock code: PTD

Headquarter: 361 Le Trong Tan Street, Son Ky Ward, Tan Phu District, Ho Chi Minh City

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Information Discloser: Tô Khải Đạt

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Information disclosure type:

☐ 24h      ☐ 72h      ☐ Request      ☐ Extraordinary      ☒ Periodic

(The company marks X in the section to be disclosed)

Contents of published information: Annual Report for 2024.

We hereby commit that the disclosed information above is truthful and take full responsibility before the law for the content of the disclosed information.

April 10<sup>th</sup>, 2025

Information Discloser  
(Sign, full name)



**TO KHAI DAT**

**PHUC THINH DESIGN CONSTRUCTION TRADING CORPORATION**  
**361 Le Trong Tan Street, Son Ky Ward, Tan Phu District, Ho Chi Minh City**  
**STOCK CODE: PTD - STOCK EXCHANGE: HNX**



# **ANNUAL REPORT**

## **YEAR 2024**

*HCM City, April 10th, 2025*

# ANNUAL REPORT 2024

*(According to Appendix No. 04 – Promulgated with the Circular No 96/2020/TT-BTC on November 16, 2020 of the Minister of Finance guiding information disclosure on the securities market)*

Name of Public Company: PHUC THINH DESIGN CONSTRUCTION TRADING CORPORATION

Reporting year: 2024

## PART I: GENERAL INFORMATION

### 1. Overview information

- Trading name: PHUC THINH DESIGN CONSTRUCTION TRADING CORPORATION
- Business registration certificate number: 0302365984 issued by the Department of Planning and Investment for the first time on 07/01/2008 and the 13<sup>th</sup> change on 06/08/2024
- Charter capital: VND 49,999,330,000 (Forty-nine billion, nine hundred ninety-nine million, three hundred thirty thousand dong)
- Owner's investment capital: VND 49,999,330,000 (Forty-nine billion, nine hundred ninety-nine million, three hundred thirty thousand dong)
- Address: 361 Le Trong Tan, Son Ky Ward, Tan Phu District, Ho Chi Minh City
- Phone number: 028 3811 6823
- Fax number: 028 3811 6843
- Website: [www.phucthinh.com.vn](http://www.phucthinh.com.vn)
- Stock code: PTD

### 2. Formation and development process

- **2001:** The predecessor of Phuc Thinh Design Construction Trading Corporation was Phuc Thinh Construction - Trading Co., Ltd. established on 24/01/2001 under License No. 4102005808 issued by the Department of Planning and Investment of Ho Chi Minh City.
- **2008:** After 07 years of operation and development, on 07/01/2008, the Company transformed its ownership form from limited liability to joint stock under License No. 4103009001 issued by the Department of Planning and Investment of Ho Chi Minh City.
- **2009:** The Company registered and was approved by the State Securities Commission of Vietnam as a public company on 27/05/2009.
- **2011:** The Company registered and was approved by the Hanoi Stock Exchange with Notification No. 1177/TB-SGDHN dated 30/12/2010 on the official trading Date of shares of Phuc Thinh Design Construction Trading Corporation on the UpCOM market being 14/01/2011. The number of shares registered for circulation on the market is 1,000,000 shares.
- **2012:** Phuc Thinh Design Construction Trading Corporation was granted the the Foreign Investment Certificate No. 567/BKHĐT-ĐTRNN by the Ministry of Planning and Investment on 12/11/2012.
- **2014:**



- On 11/07/2014: Successfully issued bonus shares 1:1 to existing shareholders, increasing the number of shares traded on the market from 1,000,000 shares to 2,000,000 shares;
- On 16/09/2014: Successfully issued 1,200,000 shares to private investors and employees. Increasing the total number of shares outstanding on the market to 3,200,000 shares.
- On 24/10/2014: Business registration certificate No. 0302365984 changed for the 7th time on 24/10/2014 with a charter capital of VND 32,000,000,000 (Thirty-two billion dong)
- **2015:**
  - On 29/10/2015, the Hanoi Stock Exchange issued Decision No. 701/QĐ-SGDHN and granted a Listing Certificate on the approval of listing shares of Phuc Thinh Design Construction Trading Corporation on the HNX;
  - On 10/11/2015, Phuc Thinh Design Construction Trading Corporation's shares were traded for the first time on the HNX. Ushering in a new era for PTD Shares.
- **2017:**
  - PTD decided to invest in the affiliated company - Boi Long Joint Stock Company, located at Land plot No. 84, map sheet No. 50, Binh Chanh Dong Quarter, Khanh Binh Ward, Tan Uyen Town, Binh Duong Province, Vietnam. Business field: Cutting and shaping stone. PTD accounts for 45% of the contributed capital, equivalent to 16,200,000,000 VND (Sixteen billion two hundred million).
  - Also in the year, PTD purchased an office building located at 361 Le Trong Tan, Son Ky Ward, Tan Phu District, Ho Chi Minh City with the purpose of renting out part of the office space and using part of it as the Company's headquarters.
- **2019:** Typically, on 19/04/2019, the Company successfully adjusted its Business Registration Certificate to move its headquarters from 02 Cong Hoa, Ward 4, Tan Binh District, Ho Chi Minh City to 361 Le Trong Tan, Son Ky Ward, Tan Phu District, Ho Chi Minh City, opening a new turning point for PTD's headquarters and ending the series of office rental days.
- **2021:** Due to ineffective business operations, the subsidiary Phuc Thinh (Cambodia) Corporation officially ceased operations in November 2021. And is awaiting a decision from the tax authorities in Cambodia.
- **2022:** Due to the severe impact of the Covid-19 epidemic on the production and business situation of the affiliated company - Boi Long Joint Stock Company, in early 2022, the Board of Directors of the Company decided to stop production, liquidate all machinery, equipment and inventory. To rent out the entire factory. In April 2022, a customer was found to rent the factory. The Board of Directors of the affiliated company is waiting and planning a new business strategy in the near future.
- **2024:**



- Date 16/07/2024: Report on the results of the issuance of 1,799,933 shares to increase share capital from equity;
- Date 19/07/2024: The SSC approved the report on the results of the issuance of 1,799,933 shares to increase share capital from equity;
- Date 16/08/2024: Is the first trading day of the additional listing of 1,799,933 shares;
- Date 06/08/2024: PTD has increased its charter capital to 49,999,330,000 VND.

- **Capital increase process:**

No.	Year	Paid-in capital (VND)	Form of capital increase
1	2008	7.000.000.000	Paid-in capital as of 07/01/2008
2	2008	10.000.000.000	Issued 300,000 shares on 09/06/2008
3	2014	20.000.000.000	Issued 1,000,000 shares to increase capital from equity
4	2014	32.000.000.000	Issued 48,800 shares under the ESOP employee stock option program and 1,151,200 shares in a private placement
5	2024	49.999.330.000	Issued 1,799,933 shares to increase share capital from equity

### 3. Business lines and business locations

- **Business lines:** Construction of all types of houses; site preparation; repair of machinery and equipment; Architectural and related technical consulting activities; Specialized design activities; Construction of other civil engineering works; electrical equipment repair; Agents, auction brokers; Installation of electrical systems; Installation of cable, drainage, heating and air conditioning systems; Wholesale of machinery, equipment and other parts; Wholesale of metals and metal ores; Real estate business, land use rights owned, used or leased; Production of metal components; Wholesale of other installation materials and equipment in construction.
- **Business location:**
  - Currently, the projects constructed by PTD are concentrated in the South;
  - Outside of Vietnam, there is the Cambodia market;
  - The management board is still looking for new business locations.

### 4. Information on governance model, business organization and management apparatus

**Governance model:**

**General Meeting of Shareholders:**

The General Meeting of Shareholders is the highest authority of the company, deciding on matters of organization, operation, production, business, investment and development, amendments and

supplements to the company's Charter, etc., in accordance with the provisions of the Charter. The General Meeting of Shareholders elects the Board of Directors, the Board of Supervisors and decides on the organizational structure of the company.

**Board of Directors:**

Is the management body of the Company, having full power to act on behalf of the Company to decide on all matters relating to the objectives and interests of the Company, except for issues under the authority of the General Meeting of Shareholders (GSM). The Board of Directors is responsible for supervising the General Director (GD) and other managers. The rights and obligations of the Board of Directors are prescribed by law and the Company's Charter, internal regulations of the Company and resolutions of the General Meeting of Shareholders.

**Board of Supervisors:**

Is an agency directly under the GSM, elected by the GSM. The BOS has the task of checking the reasonableness and legality in business operations and the Company's financial statements. The Board of Supervisors operates independently of the Board of Directors and the Board of Management.

**General Director:**

The General Director of the Company is the representative of the Company in managing all production and business activities. The General Director is appointed and dismissed by the Board of Directors. The General Director is responsible to the Board of Directors and the law for the results of the Company's production and business activities.

**Deputy General Director:**

The Deputy General Director assists the General Director in managing all activities of the Company in the fields according to the assignment and authorization of the General Director, and is responsible to the General Director and the law for the assigned and authorized tasks.

**Functional departments:**

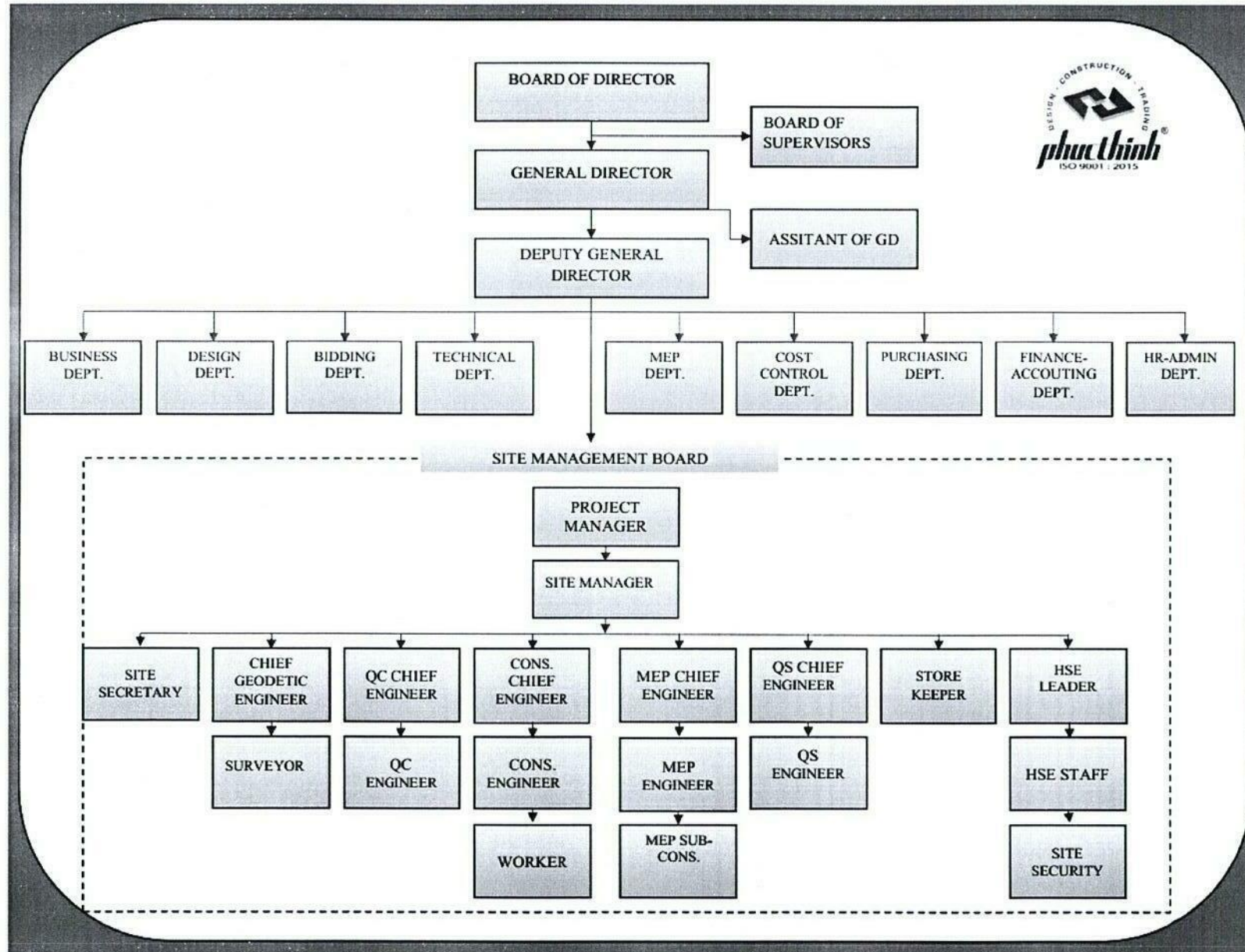
Established by the Board of Directors on the proposal of the General Director, the departments are responsible for implementing and advising the General Director on tasks within the scope of the department's functions, and at the same time coordinate with directly affiliated units in implementing the Company's common goals and strategies.

**Directly affiliated construction teams:**

The Company does not have directly affiliated construction teams; the Company mostly contracts out to independent external teams.



# ORGANIZATIONAL CHART



***Company's subsidiaries, affiliated companies:***

**PHUC THINH (CAMBODIA) CORPORATION**

Address: National No1 Way, BavetKangdal Village, Sangkat Bavet, Bavet City, Svay Rieng Province, Cambodia.

Main business lines: Design, construction of civil and commercial works, and import and export of construction materials, machinery, equipment and tools, and construction tools.

Contributed capital of Phuc Thinh Company (PTD): 6,270,000,000 VND, Percentage of contributed capital: 60%

⇒ Business operations ceased in 11/2021. Awaiting a decision from the Tax Authority.

**BOI LONG JOINT STOCK COMPANY**

Address: Land plot No. 84, Map sheet No. 50, Binh Chanh Dong Quarter, Khanh Binh Ward, Tan Uyen Town, Binh Duong Province

Main business lines: Cutting and shaping stone

Contributed capital of Phuc Thinh Company (PTD): 16,200,000,000 VND, Percentage of contributed capital: 45%

⇒ No longer producing cut and shaped stone. The entire factory has been leased out.

**5. Development orientation**

**5.1 The Company's main objectives:**

- Construction and installation activities: Focus on developing the core business. Continue to increase the value of services, specifically the general contractor model, design and construction. Gradually approach the construction of infrastructure and energy projects by cooperating in joint ventures and alliances with domestic and foreign contractors with experience in this field.
- Business development activities: Expand the existing domestic market and develop regional foreign markets. Standardize the operating model of representative offices and branches at home and abroad. Promote brand development, strengthen job search efforts, and in addition to maintaining relationships with existing customers, find more channels and information leads to reach customers.
- Through specific activities, maintain construction and installation output at a stable growth rate of 15 – 20%/year. In 2024, achieve revenue from the construction and installation business segment of 250 billion VND, in 2025 PTD strives to achieve 500 billion VND.
- Foreign investment sector (import and export of construction materials): PTD will continue to invest abroad, typically in CAMBODIA and other neighboring countries. In



2024, PTD exported construction materials worth 43 billion VND, striving to achieve an export value target of 100 billion VND next year.

## **5.2 Medium and long-term development strategy:**

- In the period 2020 – 2025: Continue to implement the policy of consolidating and maintaining construction and installation activities, gradually transforming to the investment sector, in accordance with the Company's general objectives.
- Human resource development strategy and plan: Continue to arrange, consolidate and improve the professional qualifications, ethics, working style and working methods of the staff, taking this as a foundation for the long-term development plan of the unit.

## **5.3 The Company's objectives for the environment, society and community:**

- For the community: With a community-oriented spirit, PTD always wishes to bring many benefits to the Investors, but mainly to the workers working in the industrial park that PTD builds with a comfortable working spirit in PTD's construction works.
- For employees: PTD is a reputable enterprise in the field of industrial park factory construction. With the Quality Management System certification according to ISO 9001: 2015 standards, we are one of the companies that creates a good working environment with a professional style. PTD always creates stable jobs for hundreds of employees as well as hundreds of workers in the construction field.
- For the environment: PTD always aims to create environmentally friendly products. In PTD's projects, the design style always aims towards nature, advising investors on wastewater treatment according to state standards, aiming for a green - clean - beautiful environment.

## **6. Risks:**

### **6.1 Economic risks:**

#### **a. Economic growth risk**

Global growth in 2024 continues to be negatively affected by financial and monetary policies that generally remain tight, unfavorable geopolitical factors, and increasingly strong global economic fragmentation.

***Firstly, the risk from financial and monetary policies generally remains tight.***

The global financial market has shown a remarkable ability to recover after a long period of witnessing tight monetary policies, but there are still many potential risks.

According to the latest IMF report (2024), many asset classes may see the risk of being revalued as expectations of future interest rate cuts become increasingly likely, despite uncertainty about both the magnitude and timing of policy rate changes.



Furthermore, there remains a risk associated with the lagged effects of past monetary policies that may be stronger than expected, leading to economic downturns and exposing financial vulnerabilities. According to the Bank for International Settlements (BIS, 2024), the transmission of policy rate hikes to bank lending rates is almost complete; however, the impact on economic activity remains limited in some countries due to savings accumulated during the Covid-19 pandemic and the ability to borrow at low interest rates in previous years.

According to data from the OECD, household interest expenses in developed economies increased to 4.5% of disposable income in Q4/2023, compared to 4.2% in Q3/2023 and 1.6% in 2019 (OECD, 2024). The risk is particularly high in countries with high variable mortgage rate ratios such as Australia, Canada, Finland, and Poland.

For businesses, the situation is also increasingly strained. A report from S&P Global (2024) shows that about 35% of corporate debt in developed economies will mature by 2026, up 30% from previously reported levels. Interest expenses for non-financial corporations in developed economies increased to 16.2% of operating surplus in Q4/2023 compared to 15.1% in Q3/2023 and 9% in 2019.

Moreover, the number of corporate bankruptcies continues to increase, exceeding pre-Covid-19 pandemic levels in many countries. According to a report by Euler Hermes (2024), the number of global corporate bankruptcies is expected to increase by 9% in 2024, with particularly high increases in North America and Europe.

Another risk is that the future impact of higher real interest rates may be stronger than expected. The burden of high and potentially increasing debt repayment occurs when low-interest debt is refinanced, or when fixed borrowing rates are renegotiated. Some sectors, especially commercial real estate, are still struggling; the number of corporate bankruptcies and defaults has now exceeded before Covid-19 pandemic levels in some countries, posing risks to financial stability.

In this context, the main policy priorities are to ensure sustainable inflation reduction, establish a fiscal path to address increasing pressures, and implement reforms to enhance sustainable and inclusive growth in the medium term.

### ***Secondly, geopolitical risks remain high.***

Geopolitical risks remain a significant threat to the global economy in 2024, particularly as ongoing conflicts in the Middle East escalate, causing disruptions in energy and financial markets.

With escalating tensions between Israel and Iran, the Middle East situation remains volatile in 2024. In particular, observers express concern about potential instability in the Strait of Hormuz – the world's "black gold gateway." According to the International Energy Agency (IEA, 2024), approximately 30% of global oil and 20% of liquefied



natural gas is transported through the Strait of Hormuz, a vital route for oil shipments from Middle Eastern countries to markets in Asia, Europe, and North America. While conflict may not completely halt energy flows through this strait, even short-term disruptions could have significant impacts on global energy markets.

The impact of escalating conflicts in the Middle East and rising energy prices could amplify consequences if transportation costs are pushed even higher and passed on to commodity prices. For instance, damage to oil tankers passing through the Strait of Hormuz would cause significant disruption to the already strained supply and demand balance of the global tanker market. This would exacerbate rising transportation costs and create delays in crude oil supply, even if ships continue to transit the Strait of Hormuz. Additionally, if transit through the Red Sea becomes riskier, there may be a further increase in the proportion of ships using the longer route via the Cape of Good Hope. The use of key sea-air transshipment hubs in the Middle East connecting Asian and European trade could also be hindered. Such disruptions would put further pressure on overall growth and the ability of suppliers to adjust to shocks.

***Thirdly, risks from the fragmentation of world markets and technology are increasingly strong.***

The fragmentation of world markets and technology has been increasingly strong in recent years, with many factors contributing to this trend. Two of the most important factors are the expansion of BRICS and the ongoing US sanctions against countries like Russia and Iran. These developments have been creating significant impacts on the progress of globalization, changing the landscape of international economics, politics, and hindering the economic growth of many countries involved.

The expansion of the BRICS bloc, including Brazil, Russia, India, China, and South Africa, has garnered significant attention on the international stage. The expansion of BRICS represents a challenge to the current Western-led global economic order. The BRICS group is working to establish a multipolar economic system in which emerging economies have a greater voice in global affairs.

The expanded BRICS bloc with the inclusion of Egypt, Ethiopia, Iran, Saudi Arabia, and the United Arab Emirates (UAE) on 01/01/2024 has significantly increased the bloc's influence. The expansion of the BRICS bloc not only enhances economic power but also extends the bloc's geopolitical reach, particularly in the Middle East and Africa. This could lead to a shift in the global balance of power and challenge the dominance of existing international financial institutions.

Simultaneously, the continuous sanctions imposed by the U.S. on Russia and Iran have significantly contributed to the fragmentation of the global economy. According to research by Johnson and Smith (2023), these sanctions have forced targeted countries to



seek alternative trade and financial partners, leading to the formation of new economic blocs and alternative trade channels.

Regarding Russia, the sanctions following the Russia-Ukraine conflict have prompted Russia to strengthen its economic ties with China and countries within the BRICS bloc. Russian-Chinese trade has increased significantly since 2022, with China becoming Russia's largest trading partner. This has not only helped Russia mitigate the impact of sanctions but has also promoted the formation of a parallel economic system, less dependent on the USD and Western financial institutions.

Similarly, Iran has also faced prolonged sanctions from the U.S., forcing it to seek alternative trade partners and develop new financial mechanisms to overcome the restrictions. According to Ahmadi and Farhadi (2023), Iran has strengthened its economic relations with China, Russia, and neighboring countries, while also promoting the use of local currencies in bilateral trade to avoid dependence on the USD-based international financial system.

This economic fragmentation has created many negative impacts on the progress of globalization. One of the most significant consequences is the decline in cross-border trade and investment. According to the World Trade Organization (WTO, 2024), global trade growth has slowed significantly in recent years, partly due to the increase in protectionism and trade barriers.

In addition, economic fragmentation is also undermining the efficiency of global supply chains. Kumar and Lee (2023) argue that the need for multinational corporations to adjust their supply chains in response to sanctions and trade restrictions has increased production costs, reducing overall economic efficiency. This could lead to higher prices for consumers and slow global economic growth.

Another significant impact of economic fragmentation is the decline in international cooperation on global issues. The division of the world into opposing economic blocs is making it difficult to reach consensus on global challenges such as climate change, health security, and resource management. This could slow progress in addressing the urgent issues facing the international community.

Economic fragmentation is also impacting the global financial system. The efforts of countries like Russia and Iran to reduce their dependence on the USD and the SWIFT system are driving the development of alternative payment systems. According to Roberts and Chen (2023), this could lead to a decline in the role of the USD as a global reserve currency and reduce the ability of the U.S. to use financial instruments to implement foreign policy.

However, not all impacts of economic fragmentation are negative. Some scholars argue that this fragmentation could lead to a more diverse and flexible global economic system. According to García-Herrero (2024), the emergence of new economic centers and



alternative trade channels could help reduce systemic risk, while enhancing the resilience of the global economy to shocks.

Furthermore, economic fragmentation is also driving innovation in the financial and technology sectors. For example, the development of new payment systems and central bank digital currencies (CBDC) is being accelerated as a response to financial sanctions. These innovations may lead to a global financial system that is less susceptible to domino effects in the long term.

Despite some potential positive aspects, overall, economic fragmentation poses significant challenges to the progress of globalization. Fragmentation could reduce global GDP by up to 7% in the long term if the world splits into two separate economic blocs (IMF, 2024). This underscores the importance of maintaining international dialogue and cooperation, even in the face of increasing geopolitical tensions.

The fragmentation of the world economy, driven by the expansion of BRICS from the beginning of 2024 and US sanctions, is creating significant challenges for the globalization process; however, it also opens up opportunities to build a new, more diverse, and equitable global economic order. Achieving this requires cooperation and dialogue among all stakeholders, along with reforms in global governance and national development strategies. Only through these efforts can the international community overcome the current challenges and build a more sustainable and equitable global economic system for the future.

#### **b. Risk of interest rate volatility**

According to the Ministry of Finance, the general interest rate level is forecast to decrease slightly in 2024.

With the demand for loans forecast to improve further in 2024, credit institutions (CIs) forecast that deposit and lending interest rates may continue to decrease slightly, with an average decrease of 0.3 - 0.4%/year in Q1/2024 and a decrease of 0.2%/year in the entire year of 2024. Capital mobilization of the entire credit institution system is expected to increase by an average of 2.6% in Q1/2024 and increase by 12.1% in 2024, equivalent to the expected level in the previous survey. The credit balance of the banking system is forecast to increase by 4.4% in Q1/2024 and increase by 14.2% in 2024, adjusting up 0.4 percentage points compared to the forecast of 13.8% in the previous survey.

With business performance and pre-tax profit in 2023 growing at a low level and not achieving expectations, credit institutions expect the business situation to be more positive from Q1/2024 and the entire year of 2024, but pre-tax profit may recover more slowly than the business situation.

According to the survey results, 71.6% of credit institutions assessed that internal factors helped improve the business situation of the unit in 2023, and 81.8% of credit institutions



expect improvement in 2024. In addition, 7.3% of credit institutions believe that overall internal factors have reduced the business situation of the unit in 2023 and are expected to do so for the entire year of 2024, mainly due to the unit's financial capacity factor (4.4 - 7.1% of credit institutions selected).

The unit's interest rate, credit, and exchange rate policies continue to be assessed by 71.4 - 72.6% of credit institutions as the most important internal factor positively affecting the unit's business situation in 3 consecutive quarters as well as the entire year of 2023 and 2024 (80.5% of credit institutions selected).

Regarding objective factors, credit institutions assess that the State Bank's credit, interest rate, and exchange rate policies continue to be the most important factor in improving the business situation of credit institutions in Q4/2023, the entire year of 2023, and expectations for the entire year of 2024. Following that are the economy's demand for the unit's products and services and the business and financial conditions of customers.

In 2024, credit institutions expect all objective factors to have a more positive impact compared to 2023.

#### **c. Risk of price fluctuations**

According to experts' forecasts, by the end of 2024, the prices of construction materials such as steel, cement, and ceramic tiles had increased by an average of 10-20% compared to the beginning of the year. The main reasons are high energy costs, rising raw material prices, and escalating transportation costs. In particular, the steel industry is under great pressure from global iron ore prices and stricter environmental regulations in production. Meanwhile, cement and construction bricks also cannot avoid the same trend as production costs increase due to reduced carbon emissions.

In addition, environmentally friendly materials, such as industrial wood and recycled concrete, have also experienced slight price increases due to the increasing demand for green materials. Although the trend of sustainable construction is being supported, the scarcity of supply is still a factor affecting prices.

### **6.2 Legal risks:**

At the conference held on 13/05/2024 according to the Financial Times, many construction contractors simultaneously complained about difficulties because many current regulations are not in line with actual construction operations, and they face many legal risks. These include inadequacies in legal regulations on construction contracts, problems in the implementation of construction contracts, and some overlapping regulations in legal documents.



In addition, a representative of Delta Construction Group Co., Ltd. said: "Construction contractors have never had it as difficult as they do now. There are issues where it is unclear who is responsible, such as price fluctuations and policy changes. Many countries use standard turnkey contracts, but their inflation rate is only a few percent. Vietnam's specific situation involves large price fluctuations, stemming from many factors that contractors cannot foresee."

To prevent construction contract dispute risks, Mr. Hoang Thieu Bao - General Corporation of Export-Import and Construction of Vietnam (Vinaconex) recommended: "It is necessary to improve the quality of contract drafting and anticipate all disputes that may arise during the contract implementation process. Use clear language to prevent parties from taking advantage to impose penalties for contract violations. Adjust with contract appendices, avoiding consideration only after the project is completed, which causes disputes that are difficult to resolve. Implement contract management during construction in compliance with the terms of the contract, with a basis for consolidating records to prove violations when disputes occur."

In order to remove current difficulties, when disputes occur in construction contracts, economic experts and contractors attending the conference believe that resolving them through arbitration and mediation will bring rapid results. Because in many countries around the world, this method is favored by individuals, organizations, and businesses due to its outstanding advantages compared to other dispute resolution methods, which are saving time and costs for businesses.

### **6.3 Other risks:**

In addition to the above risks, the Company's operations are also subject to other risks such as natural disasters, wars, terrorism, epidemics, etc. These are force majeure risks and are unlikely to occur, but if they do occur, they will have unpredictable negative impacts on the Company's operations.

## PART 2: OPERATING SITUATION DURING THE YEAR

### 1. Production-business operating situation

#### a. PTD Company's 2024 production-business operating results (Parent Company)

Unit: million VND

No.	INDEX	ACTUAL 2024	PLAN 2024	EVALUATION
1	Total revenue	250.104	500.000	-49,98%
2	Profit before tax	-33.662	3.080	-1.192,92%
3	Profit after tax	0	2.464	-100,00%
4	Pre-tax profit margin/ Equity	-61,15%	15,00%	-507,67%

#### b. Business operating results in 2024 (consolidated)

Unit: million VND

No.	INDEX	ACTUAL 2024	PLAN 2024	EVALUATION
1	Total revenue	250.104	500.000	-49,98%
2	Profit before tax	-33.662	3.090	-1.189,39%
3	Profit after tax	0	2.472	-100,00%
4	Pre-tax profit margin/ Equity	-61,08%	15,00%	-507,20%

### 2. Organization and personnel

#### 2.1 List of Board of Management as of 10/04/2025:

No.	Full name	Year of birth	Address	Occupation	As of 10/04/2025	
					Number of shares	Owner ship
A	BOARD OF DIRECTORS					
1	To Khai Dat	1957	57 Nguyen Binh Khiem, Dakao Ward, District 1, HCMC	Chairman of the board of directors  (Non – executive)	1.187.500	23.75%
2	Tran Minh Truc	1973	755 Nguyen Xien, Long Thanh My Ward, District 9,	Board of Directors’ members	250.000	5%



			Ho Chi Minh City	(Executive member)		
3	Ho Quang Trung	1968	844 Nguyen Duy Trinh, Phu Huu Ward, Thu Duc City, Ho Chi Minh City	Independent members of the Board of Directors		
4	Hoang Truong Giang	1968	13C3, Quarter. 3A, Thanh Loc Ward, District 12, Ho Chi Minh City	Independent members of the Board of Directors	9.375	0,19%
5	Yang, Pei – Long	1955	7F-2, 627, Lin Sheng N. Rd., Taipei Taiwan R.O.C	Independent members of the Board of Directors	31.250	0,625%
<b>B</b>	<b>BOARD OF GENERAL DIRECTORS</b>					
1	Tran Minh Truc	1973	755 Nguyen Xien, Long Thanh My Ward, District 9, Ho Chi Minh City	General Director	250.000	5%
2	To Thuan Co	1990	57 Nguyen Binh Khiem, Dakao Ward, District 1, HCMC	Deputy General Director	1.562	0,03%
<b>C</b>	<b>CHIEF ACCOUNTANT</b>					
1	Nguyen Hoang Vu	1977	704/43 Huong Lo 2 Ward Tri Dong A Binh Tan District HCMC	Chief Accountant	59.375	1.19%
<b>D</b>	<b>BOARD OF SUPERVISORS</b>					
1	Duong Thi Ngoc Thuy	1984	6/8 Street 15, KP3, Hiep Binh Phuoc Ward, Thu Duc District	Head of the Board of Supervisors	781	0.02%
2	Tran Thi Lien	1990	559/28 Truong Chinh, Ward 1, Tan Thoi Nhat Ward, District 12, HCMC	Member of the Board of Supervisors		
3	Tran Ngoc Tu	1976	12A Tan Thoi Nhat 2 Street, KP	Member of the Board of	6.250	0.13%

			7, Group 78, Tan Thoi Nhat Ward, District 12, Ho Chi Minh City	Supervisors		
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## 2.2 Changes in the Board of Management:

No.	Name of organization/individual	Securities trading account (if any)	Position in the company (if any)	ID card/Business registration number	Date of issue of ID card/Business registration	Place of issue ID card/Business registration	Address	Time of starting to be affiliated person	Time of ending to be affiliated person	Reasons
		No changes								

## 2.3 Number of officers and employees directly contracted with PTD: 98 people

### 3. Investment situation, project implementation situation

- a) Major investments: No changes
- b) Company's subsidiaries, affiliated companies:

**PHUC THINH (CAMBODIA) CORPORATION (Company's subsidiaries):** Submitted an application to terminate business operations on November, 2021.

*Unit: million VND*

INDICATORS	Year 2024	Year 2023	% increase (+), decrease (-)
Total asset value	85	85	0%
Net revenue			
Profit before tax			
Profit after tax			

### BOI LONG JOINT STOCK COMPANY (Affiliated company):

*Unit: million VND*

INDICATORS	Year 2024	Year 2023	% increase (+), decrease (-)
Total asset value	33.210	35.663	-7%
Net revenue	3.116	5.128	-39%
Profit before tax	5	-451	-101%
Profit after tax	5	-451	-101%

### 4. Financial situation

- a) Financial situation

*Unit: million VND*

INDICATORS	Year 2024	Year 2023	% INCREASE DECREASE
Total asset value	203.567.404.197	240.107.798.828	-15%
Net revenue	250.104.305.668	462.963.669.330	-46%
Net profit from business activities	-36.952.765.347	3.968.106.319	1031%
Other profit	3.290.677.480	990.352.974	232%
Profit before tax	-33.662.087.867	4.958.459.293	-779%
Profit after tax	-33.662.087.867	3.058.186.234	-1201%
Dividend payout ratio	0%	0%	0%



– Other indicators: no changes

*b) Key financial indicators*

INDICATORS	Unit	YEAR 2024	YEAR 2023	NOTE
<b>1. Payment capacity indicators</b>				
+ Current ratio: Current Assets/Short-term Debt	Time	0,94	1,04	
+ Quick Ratio: (Current Assets - Inventory)/Short-term Debt	Time	0,73	0,66	
<b>2. Capital Structure Indicators</b>				
+ Debt/Total Assets Ratio	Time	0,90	0,77	
+ Debt/Equity Ratio	Time	8,88	3,36	
<b>3. Operating Capacity Indicators</b>				
+ Inventory Turnover: Cost of Goods Sold/Average Inventory	Round	4,42	4,90	
+ Net Revenue/Total Assets	Time	1,23	1,93	
<b>4. Profitability Indicators</b>				
+ Net Profit/Net Revenue Ratio	%	-13,46	0,66	
+ Net Profit/Equity Ratio	%	-61,08	5,48	
+ Net Profit/Total Assets Ratio	%	-15,17	1,18	
+ Profit from Business Activities/Net Revenue Ratio	%	-14,77	0,86	

**5. Shareholder structure, changes in owner's investment capital**

a) Shares:

+ Number of outstanding shares: 4,999,993 shares

+ Number of freely transferable shares: 4,999,993 shares

+ Number of shares restricted from transfer: 0 shares.

b) Shareholder structure:

+ Total number of shares: 4,999,993 shares

+ Total number of shareholders according to the list finalized on 14/03/2025 by the Viet Nam securities depository and clearing corporation is 191 shareholders.

No.	SHAREHOLDER TYPE	NUMBER OF SHARES	RATE
1	Majority	3.121.201	62,42%
2	Minority	1.878.732	37,58%
3	Organization	84.375	1,69%
4	Individual	4.915.558	98,31%
5	Domestic	4.067.240	81,35%
6	Foreign	932.693	18,65%
7	<b>TOTAL</b>	<b>4.999.933</b>	<b>100%</b>

c) Situation of changes in owner's investment capital:

No.	Year	Paid-in charter capital (VND)	Form of capital increase
1	2008	7.000.000.000	Paid-in capital as of 2008-01-07
2	2008	10.000.000.000	Issued 300,000 shares on 2008-06-09
3	2014	20.000.000.000	Issued 1,000,000 shares to increase capital from equity
4	2014	32.000.000.000	Issued 48,800 shares under the ESOP program for employees and 1,151,200 shares in a private placement
5	2024	49.999.330.000	Issued 1,799,933 shares to increase share capital from equity

d) Treasury share transactions in 2024: no changes

e) Other securities in 2024: no changes

**6. Report on the Company's environmental and social impacts**



**6.1 Management of raw material sources:** Raw materials account for a large proportion of the construction cost. The price of raw materials greatly affects the Company's revenue and profit. Therefore, in 2024, the Company has measures to manage and use input materials economically in construction and installation to achieve the highest efficiency.

**6.2 Energy consumption:** PTD has applied advanced design technology to provide energy-saving solutions for customers. Advising customers to use equipment and technology that is close to and friendly to the environment.

**6.3 Compliance with environmental protection laws:** The Company always complies with environmental laws and regulations. The projects that the company builds all have wastewater treatment directions, plant many green trees and always aim for safety for the environment and the ozone layer.

#### **6.4 Policies related to employees:**

##### **Number of officers and employees:**

Criteria	Quantity (people)	Proportion (%)
By type of contract	98	100
- Undetermined term	71	73
- Fixed term	27	27
By gender	98	100
- Male	77	79
- Female	21	21
By nature of work	98	100
- Direct labor	47	48
- Indirect labor	51	52

##### **Policies for employees:**

Human resources are PTD's most valuable asset, the foundation for the Company to achieve its current achievements and continue to develop in the future.

We constantly strive to make PTD the best place to work and where all employees can achieve their career goals.

##### **Recruitment policy:**

Dare to dream, dare to do, dare to speak and dare to act. Talent must go hand in hand with virtue. These are the criteria that the recruitment policy puts first when selecting candidates. In addition, selected candidates must have qualities, knowledge and experience suitable to the job requirements and we ensure that everyone has an equal opportunity.

**Working environment:**

The company's working environment is geared towards professionalism, democracy, civilized and friendly behavior, competition but cooperation; colleagues are experts in their fields, experienced, and foreign experts.

**Labor regime:**

The company implements a 40-hour work week; overtime, holiday, leave, and other leave regimes comply with state regulations.

Employees are equipped with desktop computers, desk phones, stationery, and email accounts; depending on the job position, employees are also equipped with laptops, tablets, etc.

**Promotion policy**

At the company, talented employees can decide their own careers and career development paths.

People with aspirations, ambitions, a spirit of overcoming difficulties, and intentions to rise have many opportunities to be nominated for key management positions in the Company.

**Employee performance evaluation policy:**

Employee performance evaluation is carried out periodically and according to the following criteria:

- Work results
- Skills
- Attitude

Through performance evaluations, managers identify potential employees to include in the succession planning team, while also developing employee training plans. This is also the basis for building a career development path.

**Training and development policy:**

Training and developing employees is always a top priority of the Company in order to improve the individual capacity of employees, meet current job requirements, and build and develop a team of leaders in the future.

The company always encourages employees to actively propose to the Human Resources Department and managers to be transferred to other jobs and/or other departments that they find more interesting or suitable for that job/department.

**Seniority policy:**

Employees who work continuously at the Company from the fifth year onwards are entitled to a seniority regime and many other preferential regimes.

**Reward policy:**



The company has the following forms of reward:

- 13th month salary
- Business production efficiency bonus according to employee contribution
- Special bonus for employees when achieving excellent results

**Welfare policy:**

A prominent feature of the Company is its fairly comprehensive welfare policy. Company employees are entitled to the following welfare regimes (in cash or valuable gifts):

- Annual vacation travel (domestic or international);
- Celebrating birthdays, weddings, International Women's Day on March 8, International Children's Day on June 1 and rewarding employees' children with good academic achievements;
- Visiting employees when they are sick, giving birth, have accidents, or have funerals;
- Providing emergency hardship allowances to employees when they encounter difficulties or hardships in life;
- Establishing football and badminton teams for employees to play sports and exercise

**Insurance and healthcare policy:**

In addition to social insurance, health insurance, and unemployment insurance for employees in accordance with State regulations. Company employees are also entitled to the following insurance and healthcare regimes:

- Periodic health check-ups and disease testing every year/time at reputable medical facilities;
- 24/24h health and accident insurance
- Professional liability insurance

**6.5 Reports related to responsibility to the local community**

PTD is currently a member of the Associations:

- City Construction Association
- Trade Construction Association
- Tan Binh District Business Association

PTD has received many Certificates of Merit for fulfilling tax obligations from Tan Binh District and the Tax Departments of the provinces where PTD has construction projects.

**6.6 Report on green capital market activities according to the instructions of the State Securities Commission:** No occurrence.

### PART 3: REPORT AND ASSESSMENT OF THE GENERAL DIRECTOR BOARD:

(The Board of Directors reports and evaluates the overall situation of the company)

#### 1. Evaluation of production-business performance results

*Consolidated 2024 production-business performance results*

*Unit: million VND*

No.	INDICATORS	ACTUAL 2024	PLAN 2024	ASSESSMENT
1	Total revenue	250.104	500.000	-49,98%
2	Profit before tax	-33.662	3.090	-1.189,39%
3	Profit after tax	0	2.472	-100,00%
4	Pre-tax profit margin/Equity	-61,08%	15,00%	-507,20%

#### 2. Financial situation

##### a) Asset situation

According to the consolidated financial statements for 2024, the asset situation decreased by 15% compared to 2023.

##### b) Situation of liabilities

- The current ratio in 2024 is  $0.94 < 1$ , indicating that the company's ability to pay short-term debts is almost safe.
- The debt-to-total assets ratio in 2024 is 90%, indicating that the Company's total assets are fully capable of compensating for debts.
- The debt-to-equity ratio in 2024 is 8.88 times.
- The exchange rate difference impact on the company's production-business performance results is completely beneficial because the differences are mostly receivables from foreign countries transferred from Cambodia's projects.

#### 3. Improvements in organizational structure, policies, and management: No occurrence

#### 4. Future development plan

- Continue to develop the field of construction, installation and import-export
- Expand business scale
  - + Further promote investment abroad
  - + Exploit other industries registered on the Business License



- Implement customer care policies even better
- Implement a suitable production-business plan and proactively avoid possible risks.
- Improve management capacity according to ISO 9001: 2015 standards
- Care and attention to the lives of officials and employees.
- Promote the thorough exploitation of the building at 361 Le Trong Tan, Son Ky Ward, Tan Phu District, Ho Chi Minh City.

**5. Explanation of the Board of General Directors regarding the audit opinion:** The auditor's opinion is fully accepted

**6. Report evaluating the Company's environmental and social responsibilities**

- **Management of raw materials:** Raw materials account for a large proportion of the cost of construction. Material prices greatly affect the Company's revenue and profits. Therefore, in 2024, the Company has measures to manage and use input materials economically in construction and installation to achieve the highest efficiency.
- **Energy consumption:** PTD has applied advanced design technology to provide energy-saving solutions for customers. Consulting customers to use equipment and technology that is close to and friendly to the environment.
- **Compliance with environmental protection laws:** The company always complies with environmental laws and regulations. The projects that the company builds all have wastewater treatment directions, plant many green trees and always aim for safety for the environment and the ozone layer.

## **PART 4: ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS**

### **1. Assessment by the Board of Directors on the Company's operational aspects**

#### **Situation assessment:**

Vietnam is an attractive destination for FDI, especially in the manufacturing and industrial sectors, because it has lower labor and raw material costs compared to China and Thailand. According to the Ministry of Planning and Investment, total FDI capital into Vietnam in 2024 is expected to exceed USD 40 billion.

The government is accelerating infrastructure development (highways, seaports, airports), creating favorable conditions for factory construction.

Tax incentives, land tax exemptions and reductions for industrial plant construction projects.

Multinational companies are diversifying their supply chains, reducing dependence on China, and expanding production to Southeast Asia, including Vietnam.

The demand for factory and industrial park construction in Vietnam is increasing sharply to welcome this shift.

However, the industrial plant construction industry in Vietnam is facing strong competition from large corporations such as Coteccons, Hoa Binh, Ricons, Central, Delta, Vinaconex, as well as foreign contractors.

The profit margin of the construction industry tends to decrease due to competitive pressure on prices, the price of raw materials in 2025 tends to increase such as steel, cement, aluminum, sand, etc., due to the general impact of the global geopolitical situation and the demand for highway construction in Vietnam.

Procedures for construction permits, site clearance, and environmental regulations are still complicated, causing project delays.

Some localities still face difficulties in issuing Investment Certificates, approving 1/500 scale planning and Construction Permits.

#### **General activities of the Board of Directors:**

The Board of Directors always identifies its responsibilities and obligations in directing and supervising the company's operations in compliance with the Law, Charter, Corporate Governance Regulations and the General Meeting of Shareholders' Resolution, and at the same time, the Board of Directors continues to improve corporate governance capacity, in accordance with domestic and international practices.

In 2024, the Board of Directors held seven meetings. In the meetings, the Board of Directors approved the company's operating results in each quarter, six months and the whole year, assessed the market, proposed plans for the next quarter and approved other issues under its authority.

### **2. Assessment of the Board of Directors on the operation of the company's Executive Board**



Based on the company's charter, the Board of Directors supervises the General Director and other management departments in implementing the Resolutions of the General Meeting of Shareholders, of the Board of Directors and managing the company's daily work.

The coordination of activities between the Board of Directors and the General Director is carried out in accordance with the regulations in the Charter and Corporate Governance Regulations. Due to the correct implementation of procedures, the coordination of activities between the Board of Directors and the Executive Board is carried out smoothly and effectively. The Executive Board's management of production and business activities is not obstructed, the Board of Directors' supervision is maintained regularly and closely, ensuring that the company's operations comply with the Resolutions of the General Meeting of Shareholders and the Resolution of the Board of Directors. The members of the Board of Directors and the Executive Board implement corporate governance according to modern governance standards, promote professional ethics and always act for the benefit of the company's shareholders.

### **3. Plans and orientations of the Board of Directors**

#### **3.1 Long-term goal:**

Continue to develop the field of design consultancy and construction of industrial and civil works, with the orientation of the company becoming a large enterprise in the construction industry in terms of capital and labor force.

#### **3.2 Business strategy:**

Consolidate and develop relationships with partners and investors. Proactively seek customers through many different sources and channels of information. Strengthen the promotion of the company's image to customers.

Maintain good relationships with old customers, carry out post-construction customer care with the best service, thereby grasping the needs of customers to expand production.

Continuously improve to enhance the quality of product services from design and bidding to construction, fully and promptly meeting the requirements of customers and investors. Focus on improving bidding and negotiation capabilities in business.

Maintain and develop construction and commercial export activities to the Cambodia market.

Exploit other registered occupations according to the License (leasing construction equipment, factories, offices, etc.).

#### **3.2 Operating activities:**

In organization and management: Improve management capacity according to ISO 9001 - 2015 standards. Strengthen management and guidance so that departments fully perform their functions and tasks according to the Company's organizational regulations and departments.

Regarding human resources: Plan a human resource management strategy to improve the management skills of the management apparatus and the professional technical level of engineers and employees corresponding to the organization's professional capacity. Build and

develop a strong force of subcontractors and suppliers to meet the requirements of implementing the Company's goals.

Regarding production and business activities: Continue to invest in construction equipment to enhance the position in construction bidding. Organize project construction management according to the decentralization mechanism, promote individual responsibility, closely combine remuneration, material rewards, and promotion with the work results of individuals to achieve the overall efficiency and quality goals of the project. Strengthen guidance, inspection, and supervision of the management apparatus on the construction site.

Regarding finance: Implement proactive and continuous financial risk management. Identify and prevent risks related to market, credit, liquidity, and production and business activities. Closely manage customer debts (if any) and minimize overdue debts. Balance financial resources to meet development investment requirements.



## PART 5: CORPORATE GOVERNANCE:

### 1. Board of Directors

#### a) Membership and structure of the Board of Directors:

Full name	Position	Occupation	As of 10/04/2025	
			Number of shares	Ownership rate
To Khai Dat	Chairman of the Board of Directors	Senior manager	1.187.500	23,75%
Tran Minh Truc	Executive Board of Directors' members	Construction engineer	250.000	5%
Ho Quang Trung	Independent members of the Board of Directors	Senior manager	0	0
Hoang Truong Giang	Independent members of the Board of Directors	Mechanical engineer	9.375	0,19%
Yang, Pei – Long	Independent members of the Board of Directors	Senior management	31.250	0,63%

b) *Subcommittees of the Board of Directors:* The Board of Directors supervises the activities of the General Director Board, so all departments are under the direction of the General Director Board.

c) *Activities of the Board of Directors:* Evaluate the activities of the Board of Directors, specifically stating the number of Board of Directors meetings, the content and results of the meetings.

No.	Resolution/Decision No.	Date	Content	Approval rate
1	01/HĐQT/QĐ-2024	01/03/2024	Selecting the date for the 2024 Annual General Meeting of Shareholders	100%
2	02/HĐQT/QĐ-2024	08/03/2024	Issuance of the Information Disclosure Regulation of the Company.	100%
3	03/HĐQT/QĐ-2024	03/05/2024	On the implementation of the share issuance plan to increase charter capital from equity.	100%
4	04/HĐQT/QĐ-2024	25/06/2024	Setting the record date for exercising the right to receive shares issued due to the increase of charter capital from equity.	100%

5	05/HĐQT/QĐ-2024	18/07/2024	Provision for doubtful debts related to the International Khai Hoan project for construction and design.	100%
6	06/HĐQT/QĐ-2024	29/07/2024	On amending the Charter and adjusting the Business Registration Certificate, registering and listing additional securities.	100%
7	07/HĐQT/QĐ-2024	31/12/2024	Transactions arising for office leasing with a related party of an insider, Deputy General Director To Thuan Co	100%

d) Activities of independent non-executive Board of Directors members: Monitor the dividend distribution situation of the Company.

e) Activities of subcommittees within the Board of Directors: None

f) List of Board of Directors members with corporate governance training certificates. List of Board of Directors members participating in corporate governance programs during the year: None

## 2. Board of Supervisors

a) *Members and structure of the Board of Supervisors:*

No.	FULL NAME	YEAR OF BIRTH	POSITION	EXPERTISE	NUMBER OF SHARES OWNED
1	Duong Thi Ngoc Thuy	1984	Head of the board	Accountant	781
2	Tran Thi Lien	1990	Member	Accountant	0
3	Tran Ngoc Tu	1976	Member	Equipment manager	6.250

b) *Activities of the Board of Supervisors:*

With 3 members, in 2024, the Company's Board of Supervisors has properly performed its functions and duties in accordance with the Regulations on operation approved by the General Meeting of Shareholders.

- The Board of Supervisors has attended periodic meetings with the Board of Management, supervised and inspected the operating results and management of the Board of Directors, the Board of General Directors of the Company on the basis of complying with the provisions of



law, the company's charter, contributing to making the business operations transparent and healthy.

- Supervising the activities of the Board of Directors and the Board of Management of the Company. The Company's leadership has strictly provided information, creating conditions for the Board of Supervisors to access and verify the actual financial situation and operations of the Company.
- Periodically, on a quarterly basis, the Board of Supervisors conducts meetings to review and evaluate the work performed, coordinating with the Board of Directors and the Board of Management in implementing the Resolutions of the General Meeting of Shareholders and Resolutions of the Board of Directors to complete the assigned tasks.
- Conducting periodic inspections at subsidiaries and affiliated companies, thereby helping the Board of Management of the parent company grasp the operational situation at the subsidiaries, assess the operational capacity and management capabilities of the leadership apparatus.

### **3. Transactions, remuneration and benefits of the Board of Directors, Board of Supervisors and Board of Management, other managers**

a) Salaries, bonuses, remuneration, benefits:

*Unit: VND*

No.	Full name	Position	SALARIES, BONUSES, REMUNERATION AND OTHER BENEFITS
<b>A BOARD OF DIRECTORS, BOARD OF MANAGEMENT</b>			
1	To Khai Dat	Chairman of the Board of Directors	1.932.000.000
2	Tran Minh Truc	Member of the Board of Directors, General Director	1.101.798.000
3	Ho Quang Trung	Member of the Board of Directors	-
4	Hoang Truong Giang	Member of the Board of Directors	15.000.000
5	Yang, Pei – Long	Member of the Board of Directors	50.000.000
6	To Thuan Co	Deputy General Director	582.308.000
<b>B BOARD OF SUPERVISORS</b>			

1	Duong Thi Ngoc Thuy	Head of the Member of the Board of Supervisors	15.000.000
2	Tran Thi Lien	Member of the Board of Supervisors	222.450.000
3	Tran Ngoc Tu	Member of the Board of Supervisors	270.734.000
<b>C</b>	<b>CHIEF ACCOUNTANT</b>		
1	Nguyen Hoang Vu	Chief Accountant	560.311.000

b) Internal shareholders' stock transactions: *No occurrence*

c) Contracts or transactions with internal shareholders: Arising from a transaction for office leasing. A person related to an internal person, Deputy General Director To Thuan Co, with a total contract value of VND 51,150,000/year.

d) Implementation of regulations on corporate governance: The Company always fully implements the regulations on corporate governance in accordance with the regulations of the State Securities Commission of Vietnam

## **PART 6: FINANCIAL STATEMENTS**





**PHUC THINH**  
**DESIGN CONSTRUCTION TRADING JSC**  
**AND SUBSIDIARIES**  
Consolidated financial statements  
for the fiscal year ended as at 31 December 2024  
was audited

Reviewed by:

**SOUTHERN AUDITING AND ACCOUNTING, FINANCIAL CONSULTANCY SERVICES CO., LTD. (AASCS)**

Address: 29 Vo Thi Sau street, Da Kao Ward, District 1, Ho Chi Minh City

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## REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Phuc Thinh Design Construction Trading Joint Stock Company (the Company) present their report and the consolidated financial statements of the Company for the fiscal year ended as at 31 December 2024.

### I. COMPANY INFORMATION

#### 1. Capital ownership

Phuc Thinh Design Construction Trading Corporation was converted from Phuc Thinh Design Construction Trading Co., Ltd according to business registration certificate no. 4102005808 granted by the Department of Planning and Investment of Ho Chi Minh city on 24 July 2001.

Phuc Thinh Design Construction Trading Corporation's first business registration certificate was granted on 07 January 2008 by the Department of Planning and Investment of Ho Chi Minh city; the 13th amendment dated 06 August 2024.

The chartered capital : VND 49,999,330,000  
The legal capital : VND 6,000,000,000  
Head office : 361 Le Trong Tan st, Son Ky ward, Tan Phu dist, Ho Chi Minh city, Vietnam

2. Fields : Design, Construction, Trade and Real Estate Business

#### 3. Business lines :

Construction of houses of all kinds; Preparation of the premises; Repair of machinery and equipment; Architectural activities and related technical consultancy; Dedicated design activities; Construction of other civil engineering works; Repair of electrical equipment; Auction dealers and brokers; Installation of electrical systems; Installation of cabling, sewerage, heating and air conditioning; Wholesale of machinery, equipment and other spare parts; Wholesale of metals and metal ores; Real estate business, land use rights owned, used or leased by the owner; Production of metal components; Wholesale of other installation materials and equipment in construction.

### II. BOARD OF MANEGEMENT, BOARD OF GENERAL DIRECTOR, CHIEF ACCOUNTANT, SUPERVISION COMMITTEE AND LEGAL REPRESENTATIVE

Full name	Position	Date of resignation
<b>- Board of Managements</b>		
Mr. To Khai Dat	Chairman	29 Dec 2023
Mr. Tran Minh Truc	Member	29 Dec 2023
Mr. Hoang Truong Giang	Member	15 Apr 2023
Mr. Ho Quang Trung	Member	15 Apr 2023
Mr. Yang, Pei Long	Member	15 Apr 2023
<b>- Board of Directors</b>		
Mr. Tran Minh Truc	General Director	29 Dec 2023
Mr. To Thuan Co	Deputy General Director	01 Feb 2024
<b>- Chief Accountant</b>		
Mr. Nguyen Hoang Vu	Chief accountant	23 Jul 2020
<b>- Board of Controllers</b>		
Mrs. Duong Thi Ngoc Thuy	Cheft of Controllers	15 Apr 2023
Mr. Tran Ngoc Tu	Member	15 Apr 2023
Mrs. Tran Thi Lien	Member	15 Apr 2023
<b>- Legal representative</b>		
Mr. Tran Minh Truc	General Director	

### III. BUSINESS OPERATIONS

The Company's financial position and results of business operations for the fiscal year ended as at 31 December 2024 are presented in the Consolidated Financial Statements attached to this report.



#### **IV. EVENTS AFTER THE CLOSING DATE OF THE ACCOUNTING BOOK TO PREPARE FINANCIAL STATEMENTS**

The Board of Directors of the Company confirms that no material events have arisen after 31 December 2024 until the time of preparation of this report without having been considered for data adjustment or disclosure in the Consolidated Financial Statements.

#### **V. AUDITOR**

Southern Auditing and Accounting Financial Consultancy Services Co., Ltd. (AASCS) has reviewed Consolidated financial statement for the fiscal year ended as at 31 December 2024.

#### **VI. STATEMENT OF THE BOARD OF DIRECTORS'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board of Directors of the Company is responsible for the preparation of Consolidated financial statements that honestly and reasonably reflect the Company's operating situation, results of business activities and cash flow situation for the fiscal year ended as at 31 December 2024. In the process of preparing consolidated financial statements, the Board of Directors of the Company undertakes to have complied with the following requirements:

- Develop and maintain internal controls that the Board of Directors determines are necessary to ensure that the preparation and presentation of financial statements no longer contain material errors due to fraud or
- Select appropriate accounting policies and apply them consistently;
- Make reasonable and prudent judgments and predictions;
- The applicable accounting standards are complied with by the Company, without material misrepresentations to the extent that it is necessary to disclose and explain in this financial statement;
- Preparation of financial statements on the basis of business continuity, except in cases where it cannot be assumed that the Company will continue to operate its business.

The Board of Directors of the Company ensures that the accounting books are kept to reflect the financial position of the Company, with a reasonable and truthful level at any time and to ensure that the Consolidated Financial Statements comply with the applicable regulations of the State. At the same time, it is responsible for ensuring the safety of the Company's assets and taking appropriate measures to prevent and detect frauds and other violations.

The Board of Directors of the Company undertakes that the Consolidated Financial Statements have honestly and reasonably reflected the financial position of the Company as at 31 December 2024, the results of business operations and the cash flow situation for the fiscal year ended as at the same day, in accordance with the standards, Accounting regime of Vietnamese enterprises and compliance with relevant current regulations.

#### **VII. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

We, the Board of Directors of Phuc Thinh Design Construction Trading Joint Stock Company approve the Consolidated Financial Statements for the fiscal year ended as at 31 December 2024.

Approval, March 14, 2025

On behalf of the Board of Directors



TRAN MINH TRUC

General Director



No. : 167/BCKT/TC/2025/AASCS

**INDEPENDENT AUDITOR'S REPORT**

**Dear : Shareholders, Board of Management, Board of General Directors and Chief Accountant of  
Phuc Thinh Design Construction Trading JSC and the subsidiaries**

We have audited the consolidated financials statements of Phuc Thinh Design Construction Trading JSC and the subsidiaries (the Company), prepared on 14 Mar 2025, from page 05 to page 40, including the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year ended on the same day and the Notes to the Consolidated Financial Statements.

**Responsibilities of the Board of General Directors**

The Board of General Directors of the Company is responsible for preparing and presenting honestly and reasonably consolidated financial statements in accordance with the Vietnamese accounting standards, the Vietnamese accounting systems for enterprise and legal regulations related to the preparation and presentation of consolidated financial statements and is responsible for the internal control that the Board of General Directors determines it is necessary to ensure that the preparation and presentation of consolidated financials statement is free from material misstatement, whether due to fraud or error.

**Responsibilities of the Auditor**

Our responsibility is to express an opinion on the financial statement based on audit result. We have conducted our audit in accordance with the Vietnamese Standards on Auditing. These Standards require us to comply with it and the regulation of moral standard, plan and perform the audit and to obtain reasonable assurance whether the financial statements are free of material mis-statement.

An audit includes carrying out formalities to assemble evidence supporting the amounts and disclosures in the financial statements. The audit procedures rely on auditor's judgment and includes assessing the risk of essential error in financial statement because of fraud and confusion. When implementing the estimation of these risks, an auditor examined the company's internal control relating to preparation and presentation of financial statements honestly and reasonably to design the audit procedures suitable for a real situation. However, the purpose isn't to express opinion of internal control effect. The audit also includes assessing the suitability for applying accounting standards and the effectiveness of estimates and judgments made by the Board of General Directors of the company, as well as evaluating the overall financial statement presentation.

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

## Opinion of the Auditor

In our opinion, the consolidated financial statements give a true and fair view, in all material respects the financial position of Phuc Thinh Design Construction Trading JSC and the subsidiaries at 31 December 2024, the consolidated income statement, the consolidated cash flow statement for the fiscal year ended as at the same day, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting Policy for Enterprises and the relevant legal regulations on the preparation and presentation of the consolidated financial statements.

Ho Chi Minh city, 17 March, 2025

**Southern Auditing and Accounting**

**Financial Consulting Services Co., Ltd**



LE VAN TUAN

**Deputy General Director**

Practicing Auditor Registration Certificate

No. 0479-2023-142-1

NGUYEN THI MY NGOC

**Auditor**

Practicing Auditor Registration Certificate

No. 0649-2023-142-1





B01-DN/HN

## CONSOLIDATED BALANCE SHEET

As at 31 December 2024

Unit: VND

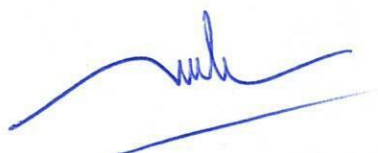
Item	Code	Note	Closing balance	Opening balance
<b>A. SHORT-TERM ASSETS</b>	<b>100</b>		<b>156.623.564.652</b>	<b>190.820.873.547</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	V.1	<b>25.121.030.506</b>	<b>11.456.491.855</b>
Cash	111		21.821.030.506	6.351.537.473
Cash equivalents	112		3.300.000.000	5.104.954.382
<b>II. Short-term investments</b>	<b>120</b>	V.10	-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>69.863.358.325</b>	<b>79.922.376.554</b>
Short-term trade receivables	131	V.2	84.848.711.117	71.463.996.395
Short-term prepayments to suppliers	132	V.3	6.707.464.896	11.548.265.245
Other receivables	136	V.4	1.247.198.903	1.513.831.556
Short-term allowances for doubtful	137		(22.940.016.591)	(4.603.716.642)
<b>IV. Inventories</b>	<b>140</b>	V.5	<b>35.371.344.056</b>	<b>70.345.029.076</b>
Inventories	141		35.371.344.056	70.345.029.076
<b>V. Other current assets</b>	<b>150</b>		<b>26.267.831.765</b>	<b>29.096.976.062</b>
Short-term prepaid expenses	151	V.9	46.656.000	54.642.150
Deductible value added tax	152	V.13	26.221.175.765	29.042.333.912
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>46.943.839.545</b>	<b>49.286.925.281</b>
<b>I. Long-term receivables</b>	<b>210</b>		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>756.108.023</b>	<b>1.074.604.286</b>
Tangible fixed assets	221	V.6	756.108.023	1.072.380.286
- Historical costs	222		10.756.203.103	10.756.203.103
- Accumulated depreciation	223		(10.000.095.080)	(9.683.822.817)
Fixed assets of leasing	224		-	-
Intangible fixed assets	227	V.7	-	2.224.000
- Historical costs	228		553.940.120	553.940.120
- Accumulated depreciation	229		(553.940.120)	(551.716.120)
<b>III. Investment properties</b>	<b>230</b>	V.8	<b>39.355.518.669</b>	<b>41.344.748.301</b>
- Historical costs	231		54.274.740.909	54.274.740.909
- Accumulated depreciation	232		(14.919.222.240)	(12.929.992.608)
<b>IV. Long-term assets in progress</b>	<b>240</b>		-	-
<b>V. Long-term investments</b>	<b>250</b>	V.10	<b>6.436.216.147</b>	<b>6.433.917.687</b>
Investments in joint ventures and associates	252		6.436.216.147	6.433.917.687
<b>VI. Other long-term assets</b>	<b>260</b>		<b>395.996.706</b>	<b>433.655.007</b>
Long-term prepaid expenses	261	V.9	395.996.706	433.655.007
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>203.567.404.197</b>	<b>240.107.798.828</b>



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Item	Code	Note	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>182.966.958.586</b>	<b>185.000.264.275</b>
<b>I. Short-term liabilities</b>	<b>310</b>		<b>166.544.296.103</b>	<b>183.310.541.052</b>
Short-term trade payables	311	V.11	55.308.382.851	51.851.455.256
Short-term prepayments from	312	V.12	4.607.600.000	994.447.686
Taxes and other payables to government budget	313	V.13	584.771.044	2.396.332.453
Payables to employees	314	V.14	4.434.357.000	4.671.523.244
Short-term accrued expenses	315		135.491.060	135.083.858
Short-term unearned revenues	318		2.400.000.000	19.214.607.500
Other short-term payments	319	V.15	2.069.036.816	3.418.174.405
Short-term borrowings and finance lease liabilities	320	V.17	92.458.716.305	96.378.794.247
Bonus and welfare fund	322	V.16	4.545.941.027	4.250.122.403
<b>II. Long-term liabilities</b>	<b>330</b>		<b>16.422.662.483</b>	<b>1.689.723.223</b>
Other long-term payables	337	V.15	366.222.483	293.283.223
Long-term borrowings and finance lease liabilities	338	V.17	16.056.440.000	1.396.440.000
<b>D. OWNER'S EQUITY</b>	<b>400</b>		<b>20.600.445.611</b>	<b>55.107.534.553</b>
<b>I. Owner's equity</b>	<b>410</b>	V.18	<b>20.600.445.611</b>	<b>55.107.534.553</b>
Contributed capital	411		49.999.330.000	32.000.000.000
Capital surplus	412		-	11.512.000.000
Foreign exchange differences	417		650.069.302	645.632.436
Development and investment funds	418		651.903.866	6.833.415.243
Undistributed profit after tax and	421		(30.738.609.739)	4.080.683.177
- Undistributed profit after tax brought previous year	421a		2.920.866.601	1.019.885.416
- Undistributed profit after tax for the current year	421b		(33.659.476.340)	3.060.797.761
Non-controlling shareholder interests	429		37.752.182	35.803.697
<b>II. Funding sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL SOURCES (440=300+400)</b>	<b>440</b>		<b>203.567.404.197</b>	<b>240.107.798.828</b>

Preparer - Chief accountant



Nguyen Hoang Vu

Prepared, March 14, 2025

General Director



Tran Minh Truc



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## CONSOLIDATED INCOME STATEMENT

Year 2024

Unit: VND

Item	Code	Note	Current year	Previous year
Revenues from sales and services rendered	01	VI.1	250.104.305.668	463.003.228.610
Revenue deductions	02		-	39.559.280
<b>Net revenues from sales and services rendered (10=01-02)</b>	<b>10</b>		<b>250.104.305.668</b>	<b>462.963.669.330</b>
Costs of goods sold	11	VI.2	233.642.629.118	417.605.029.624
<b>Gross profit from sales and services rendered (20=10-11)</b>	<b>20</b>		<b>16.461.676.550</b>	<b>45.358.639.706</b>
Financial income	21	VI.3	575.482.630	1.299.285.369
Financial expenses	22	VI.4	8.780.032.613	9.412.473.793
- In which: Interest expenses	23		8.705.672.233	9.209.917.367
Share of gain/loss in associates, joint venture	24		2.298.460	(202.920.673)
Selling expenses	25	VI.7.1	3.005.450.037	4.585.712.755
General administration expenses	26	VI.7.2	42.206.740.337	28.488.711.535
<b>Net profits from operating activities {30=20+(21-22)-(25+26)}</b>	<b>30</b>		<b>(36.952.765.347)</b>	<b>3.968.106.319</b>
Other income	31	VI.5	3.640.497.246	1.750.771.572
Other expenses	32	VI.6	349.819.766	760.418.598
<b>Other profits (40=31-32)</b>	<b>40</b>		<b>3.290.677.480</b>	<b>990.352.974</b>
<b>Total net profit before tax (50=30+40)</b>	<b>50</b>		<b>(33.662.087.867)</b>	<b>4.958.459.293</b>
Current corporate income tax expenses	51	VI.9	-	1.900.273.059
Deferred corporate income tax expenses	52		-	-
<b>Profits after enterprise income tax (60=50-51-52)</b>	<b>60</b>		<b>(33.662.087.867)</b>	<b>3.058.186.234</b>
Equity holders of the Company	61		(33.662.087.867)	3.058.186.234
Non-controlling interest	62		-	-
Basic earnings per share	70	VI.10	(6.733)	765
Diluted earnings per share	71			

Preparer - Chief accountant



Nguyen Hoang Vu

Prepared, March 14, 2025

General Director



Tran Minh Truc

B03-DN/HN

## CONSOLIDATED CASH FLOWS STATEMENT

(Indirect method)  
Year 2024

Unit: VND

Item	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
Profit before tax	01		(33.662.087.867)	4.958.459.293
Adjustments for				
- Depreciation of fixed assets and investment	02		2.307.725.895	2.459.722.722
- Provision	03		18.336.299.949	4.603.716.642
- Gains (losses) on exchange rate differences from revaluation of accounts derived from	04		(42.717)	(548.790.270)
- Gains (losses) on investing activities	05		(70.743.149)	(608.344.684)
- Interest expenses	06		8.705.672.233	9.209.917.367
- Other adjustments	07		-	-
Operating profit before changes in working capital	08		(4.383.175.656)	20.074.681.070
- Increase (decrease) in receivables	09		(5.458.422.033)	(453.432.068)
- Increase (decrease) in inventories	10		34.973.685.020	29.725.502.549
- Increase (decrease) in payables (exclusive of interest payables, enterprise income tax payables)	11		(11.235.381.676)	(48.588.257.044)
- Increase (decrease) in prepaid expenses	12		45.644.451	2.170.100.262
- Increase (decrease) in trading securities	13		-	-
- Interest paid	14		(8.705.672.233)	(9.209.917.367)
- Corporate income tax paid	15		(1.780.321.290)	(2.375.968.446)
- Other receipts for operating activities	16		-	-
- Other payments for operating activities	17		(608.343.405)	(608.343.405)
Net cash flows from operating activities	20		2.848.013.178	(9.265.634.449)
<b>II. Cash flows from investing activities</b>				
Purchase or construction of fixed assets and other long-term assets	21		-	(32.390.909)
Proceeds from disposals of fixed assets and other long-term assets	22		-	-
Loans and purchase of debt instruments from other entities	23		-	-
Collection of loans and repurchase of debt instruments of other entities	24		-	-
Equity investments in other entities	25		-	-
Proceeds from equity investment in other entities	26		-	-
Interest and dividend received	27		70.743.149	608.344.684
Net cash flows from investing activities	30		70.743.149	575.953.775



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Item	Code	Note	Current year	Previous year
<b>III. Cash flows from financial activities</b>				
Proceeds from issuance of shares and receipt of contributed capital	31		-	-
Repayments of contributed capital and repurchase of stock issued	32		-	-
Proceeds from borrowings	33	VII.3	175.645.994.974	267.988.860.653
Repayment of principal	34	VII.4	(164.906.072.916)	(254.993.245.124)
Repayment of financial principal	35		-	-
Dividends or profits paid to owners	36		-	(3.106.209.000)
<b>Net cash flows from financial activities</b>	<b>40</b>		<b>10.739.922.058</b>	<b>9.889.406.529</b>
<b>Net cash flows during the period (50=20+30+40)</b>	<b>50</b>		<b>13.658.678.385</b>	<b>1.199.725.855</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	V.1	<b>11.456.491.855</b>	<b>10.253.563.531</b>
Effect of exchange rate fluctuations on cash and cash equivalents	61		5.860.266	3.202.469
<b>Cash and cash equivalents at the end of the period (70=50+60+61)</b>	<b>70</b>	V.1	<b>25.121.030.506</b>	<b>11.456.491.855</b>

Preparer - Chief accountant



Nguyen Hoang Vu



Prepared, March 14, 2025

General Director

Tran Minh Truc

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2024

### I. COMPANY INFORMATION

#### 1. Form of ownership

Phuc Thinh Design Construction Trading Corporation was converted from Phuc Thinh Design Construction Trading Co., Ltd according to business registration certificate no. 4102005808 granted by the Department of Planning and Investment of Ho Chi Minh city on 24 July 2001.

Phuc Thinh Design Construction Trading Corporation's first business registration certificate was granted on 07 January 2008 by the Department of Planning and Investment of Ho Chi Minh city; the 13th amendment dated 06 August 2024.

Head office : 361 Le Trong Tan st, Son Ky ward, Tan Phu dist, Ho Chi Minh city, Vietnam

The chartered capital : VND 49.999.330.000

Details of charter capital (\*):

Shareholders	National	At 31 Dec 2024		At 01 Jan 2024	
		Value	Rate	Value	Rate
- To Khai Dat	Vietnam	11.875.000.000	23,75%	7.600.000.000	23,75%
- Ngo Lien Dong	Vietnam	5.000.000.000	10,00%	3.200.000.000	10,00%
Hoang Lan					
- Ho Thanh Duc	Vietnam	2.500.000.000	5,00%	1.600.000.000	5,00%
- Tran Minh Truc	Vietnam	2.500.000.000	5,00%	1.600.000.000	5,00%
- Bui Quang Huan	Vietnam	-	0,00%	640.000.000	2,00%
- Nguyen Hoang Vu	Vietnam	593.750.000	1,19%	380.000.000	1,19%
- Other shareholders		27.530.580.000	55,06%	16.980.000.000	53,06%
<b>Total</b>		<b>49.999.330.000</b>	<b>100%</b>	<b>32.000.000.000</b>	<b>100%</b>

Note (\*): The data is based on the list of shareholders at 08 July 2024 to implement the charter capital increase in 2024.

2. Fields : Design, Construction, Trade and Real Estate Business

3. Business lines :

Construction of houses of all kinds; Preparation of the premises; Repair of machinery and equipment; Architectural activities and related technical consultancy; Dedicated design activities; Construction of other civil engineering works; Repair of electrical equipment; Auction dealers and brokers; Installation of electrical systems; Installation of cabling, sewerage, heating and air conditioning; Wholesale of machinery, equipment and other spare parts; Wholesale of metals and metal ores; Real estate business, land use rights owned, used or leased by the owner; Production of metal components; Wholesale of other installation materials and equipment in construction.

4. Ordinary course of business : 12 months



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**5. Characteristics of the Company's activities in the period affecting financial statements:** none

Revenues in 2024, compared to 2023, decreased by 212,898,922,942 VND equivalent to a decline rate of 45.98%. This decrease is primarily due to overall economic difficulties that led to a reduction in the number of projects executed. Meanwhile, enterprise management expenses increased by 13,718,028,802 VND compared to 2023, representing a 48.15% rise. The combination of declining revenues and increasing management expenses resulted in a loss of VND 33,662,087,867 as recorded in the financial statements.

**6. The numbers of labour in company** : 93 persons

**7. Company's structure:**

Company	Address	Voting rights ratio	Benefit rate
<b>a. Subsidiaries company</b>			
- Phuc Thinh (Cambodia) Corporation	National Way 1, BavetKangdel Village, Sangkat Bavet city, Svay Rieng Province, Cambodia.	60%	60%

The Board of Directors of the Company has decided to close its subsidiary Phuc Thinh (Cambodia) Corporation according to the Minutes of the Board of Directors Meeting No. 15/BBH/BOD-2021 and Decision No. 15/QD/HDQT-2021 dated November 8, 2021. However at this time, the Subsidiary has submitted the dissolution dossier to the Cambodian Tax Authority pending settlement and has waited the results of the settlement.

**b. The affiliated company is reflected in the consolidated financial statements according to the equity method:**

- Boi Long JSC	Land parcel No. 84, map sheet No. 50, Binh Chanh Dong Quarter, Khanh Binh Ward, Tan Uyen Town, Binh Duong Province, Vietnam	45%	45%
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**II. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY**

**1. Accounting period**

Annual accounting period of Company is from 01 January to 31 December.

**2. Accounting currency**

The financial statements are prepared and presented in Vietnam Dong (VND).

**III. ACCOUNTING STANDARDS AND ACCOUNTING SYSTEM**

**1. Accounting system**

The Company applies Enterprise Accounting System issued under Circular no.200/2014/TT-BTC dated December 22, 2014 by Ministry of Finance as well as the circulars of the Ministry of Finance giving guidance.

**2. Declaration of adherence to Accounting Standards and Accounting system**

The Company applies Vietnamese Accounting Standards and supplement documents issued by the State. Financial statements are prepared in accordance with regulations of each standard and supplement documents as well as with current accounting system.



### 3. Basis of consolidation

#### a. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control Phuc Thinh (Cambodia) Corporation was established under the Certificate of Overseas Investment No. 567/BKHDT-DTRNN issued by the Department of Planning and Investment on 11/12/2012 with a total investment capital of 500,000.00 USD equivalent to equivalent to 10.5 billion VND, of which the Company's contributed capital in Phuc Thinh (Cambodia) Corporation project is 300,000.00 USD, equivalent to 6,261 billion VND, accounting for 60%.

#### b. Non-controlling shareholder interests

Non-controlling shareholders interest are determined in proportion to the ownership of the non-controlled shareholder in the net assets of the acquirer at the date of acquisition.

The Group's divestment in a subsidiary does not result in the loss of control of the accountant in the same manner as equity transactions. The difference between the change in the Group's share of the net assets of the subsidiary and the proceeds or proceeds from the divestment of the subsidiary is recognized in profit under the taxation under the owner's equity.

#### c. Take over control

When the Group loses control of a subsidiary, the Group ceases to recognize its subsidiaries' assets and liabilities as well as the interests of uncontrolled shareholders and other equity items. Any gain or loss arising from the event is recognized in the consolidated income statement. After the divestment, the remaining interest in the previous subsidiary (if any) is recognized at the carrying amount of the investment in the separate financial statements of the parent after adjustment is made. Equity ratios for changes in equity from the date of acquisition if the Group has significant influence over the investee, or at the cost of the remaining investment if it is no longer affected. substantial.

#### d. Transactions are excluded from consolidation

Group balances and unrealized gains and losses on intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with equity accounted investees accounted for under the equity method are deducted from the investment to the extent of the Group's interest in the investee. .

#### e. Business consolidated

Business consolidations are accounted for by the purchase price method at the date of purchase, which is the date on which control transfers to the Group. Control exists when the Group has the right to govern the Financial policies and operations of the Entity in order to derive economic benefits from its activities. The assessment of control taking into account potential voting rights is possible at the present time.

#### f. Goodwill

Goodwill arising in the acquisition of subsidiaries, joint ventures and associates. Goodwill is measured at cost less accumulated amortization. The principal of goodwill is the difference between the cost of acquisition and the Group's interest in the fair value of the acquiree's assets, liabilities and contingent liabilities. Negative difference (negative goodwill) is recognized immediately in the consolidated results. Goodwill arising on acquisition of the Company is amortized on a straight-line basis over 10 years. The carrying amount of goodwill arising on acquisition of a subsidiary is reduced to the revalued amount when the management determines that the amount can not be recovered in full.

## IV. ACCOUNTING POLICIES

### 1. Exchange rate difference



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Transactions in foreign currencies are converted at the exchange rate at the date on which the transaction occurred. The balance of foreign currency-based currency items at the end of the fiscal year is converted at the exchange rate at this date.

The actual rate difference incurred during the period is incorporated into revenues or financial expenses during the fiscal year. The exchange rate difference due to the revaluation of the balance at the end of the period after clearing the difference increases and the difference decreases, the remaining difference is accounted for in the revenue of financial activities or financial expenses during the period.

Enterprises may not share profits or pay dividends on interest rates differences due to revaluation of foreign currency balances at the end of the accounting period of currency items with foreign currency principal.

The actual transaction rate at the time of the transaction to convert the transactions incurred in the following foreign currency:

- For spot foreign currency purchase and sale contracts: apply the exchange rate signed in the contract for purchase and sale of foreign currency between the Company and commercial banks;
- For capital contributions or capital contributions: apply the foreign currency purchase rate of the bank where the Company opens an account to receive the investor's capital at the date of capital contribution or capital contribution;
- For receivables: apply the sale rate of the commercial bank where the Company intends to transact at the time the transaction arises;
- For liabilities: apply the purchase rate of the commercial bank where the Company intends to transact at the time the transaction arises;
- For asset purchases or expenses immediately paid in foreign currency (not through accounts payable): the purchase rate of the commercial bank where the Company makes the payment applies.

The actual bookkeeping rate is applied when recovering receivables, waging's, escrows or payment of liabilities in foreign currencies, determined by the rate at the time the transaction arises.

The mobile weighted average bookkeeping rate is applied at the party with the money account when paying in foreign currency.

All exchange rate differences are recognized in the report on the results of business activities for the fiscal year.

The rate used to reassess the balance of foreign currency-based items at the end of the fiscal year is determined according to the following principle:

- For foreign currency deposits: The purchase rate of foreign currency of the bank where the Company opens a foreign currency account;
- For currency items with foreign currency principals classified as other assets: The purchase rate of foreign currency of Asia Commercial Joint Stock Bank (the Company Bank regularly has transactions).
- For currency items with foreign currency principal classified as liabilities: The foreign currency sales rate of Asia Commercial Joint Stock Bank (the Company Bank regularly has transactions).

## 2. Cash and cash equivalents.

### a. Principles for recognition of funds

The funds are the full amount available to the Company at the time of reporting, including: cash at the fund, demand bank deposits and funds in transit.

### b. Principle of recognition of cash equivalents

Cash equivalents are investments whose remaining recovery period is not more than 3 months from the date of investment that are readily convertible into a specified amount of money and there is no risk of conversion into money from the date of purchase of such investment at the time of preparation of the Financial Statements.

## 3. Accounting rules for financial investments

Are investments outside the enterprise for the purpose of rational use of capital to improve the operational efficiency of the enterprise such as: investment in capital contribution to subsidiaries, joint ventures, associates, securities investments and other financial investments ...



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Classification of investments when preparing financial statements according to the following principles:

- Investments with a residual recovery term of not more than 12 months or in 1 production and business cycle are classified as short-term.
- Investments with a residual recovery term of 12 months or more or more than 1 production and business cycle are classified as long-term.

**a. Investment held to maturity date**

This investment does not reflect the types of bonds and debt instruments held for the purpose of buying and selling for a profit. Investments held up to the maturity date include term bank deposits (remaining recovery period of 3 months or more), bills, promissory notes, bonds, issuer preferred shares that are required to be repurchased at a certain time in the future, and loans held up to maturity for the purpose of collecting interest periods and investments held to other maturity.

**Provision for discounts on investments held up to maturity date:** investments held until the maturity date if they have not been made a reserve in accordance with the provisions of law, the Company must assess the recoverability. Where there is solid evidence that part or all of the investment may be irrevocable, the amount of losses must be recognized in the financial costs during the period. The appropriation or refund of this provision shall be made at the time of preparation of the Financial Statements. In case the number of losses cannot be reliably determined, the investment shall not be recorded and the recoverability of the investment shall be explained on the Note of the Financial Statements.

**b. Investments in subsidiaries, joint ventures, affiliations, and co-controlled businesses**

The investment in subsidiaries, affiliates is accounted for according to the original price method. Net profit divided from subsidiaries, affiliates arising after the date of investment is recognized in financial revenues for the period. Other divided amounts (in addition to net profit) are considered the share of recovery of investments and are recognized as deductions from the principal price of investments.

Joint venture activities in the form of Co-Controlled Business Activities and Co-Controlled Assets are applied by the Company in the same general accounting principles as with other ordinary business activities. Inside:

- The company separately monitors the income and expenses related to the joint venture activities and makes allocations to the parties to the joint venture under the joint venture contract;
- The company separately monitors joint venture capital contribution assets, capital contributions to co-controlled assets and general liabilities and separate liabilities arising from joint venture activities.

Expenses directly related to investment activities in the joint venture, affiliation are recognized as financial expenses for the period.

**Provision for loss of investment in another entity:** losses incurred by subsidiaries, joint ventures, associates resulting in the investor potentially losing capital or provisions due to impairment of the value of these investments. The appropriation or refund of this provision is made at the time of drawing up the Financial Statements for each investment and is recognized in the financial expenses for the period.

**c. Investments in capital instruments of other entities**

Investments in another entity's capital instrument but without control or co-control, have no significant effect on the invested party.

**4. Accounting rules for receivables**

All receivables must be recorded detail by aging, by each client and in original currency if any and others details depending on the management request of the company.

Receivable transactions in foreign currencies are recorded at foreign currency exchange rates of the banks where the customers pay customers at the time of transaction.

The classification of receivables must be managed as follows:

- Trade receivables: any receivable having from trading activities between the company and its clients: selling goods, providing service, disposal of assets, exported receivable of consigner through the consignee;
- Intra-company receivables: receivables between the company with its dependent branches;



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- Other receivables: are non trade receivables and do not related to trading activities.

For the preparation of financial statements, the receivables must be classified as bellows:

- Having maturity less than 12 months or 01 normal production period are recorded as short - term.
- Having maturity over than 12 months or 01 normal production period are recorded as long - term.

At the reporting date, the company revaluates the receivables which have balance in foreign currency (except for advance to suppliers; if we have evidence that the supplier will not supply the good or provide the service and the company will receive back this advance in foreign currency, this advance will be treated as monetary item having foreign currency) at the buying price quoted by Asia Commercial Bank which is announced at the time of making the financial statement.

**Provisions for bad receivables:** The bad receivables are make provision at the balance sheet date. The provision or reversal is made at the reporting date and is recorded as management expense of the fiscal year. For the long-term bad receivables in many years, the company tried to collect but cannot and there is evidence that the client has insolvency, the company may sell these long-term bad receivables to debt collection company or write off (according to regulations and charter of the company).

## 5. Inventories

Inventories are stated at original cost. Where the net realizable value is lower than cost, inventories should be measured at the net realizable value. The cost of inventories should comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price minus the estimated selling expenses.

Assets acquired by the Company for production, use or for sale are not presented as inventory on the Balance Sheet but are presented as long-term assets, including:

- Unfinished products have a production and rotation period that exceeds a normal business cycle (more than 12 months);
- Supplies, equipment, spare parts have a reserve period of more than 12 months or more than one normal production and business cycle.

Method of calculating inventory value : weighted average method

Inventory accounting method : regular declaration method

Inventory discount contingency method :

At the end of the accounting period, if the inventory value is not recovered sufficiently due to damage, obsolescence, reduced selling price or estimated cost to complete the product or to be ready to sell the product, the Company makes provision for inventory discounts. The inventory discount provision is set as the difference between the principal price of an inventory greater than their net realizable value.

## 6. Tangible and intangible fixed assets

### a. Tangible fixed assets

Fixed assets are stated at the historical cost. During the using time, fixed assets are recorded at cost, accumulated depreciation and net book value.

Cost of fixed assets comprises its purchase price and any directly attributable costs of bringing the asset into use. The cost of procurement, upgrade and renewal of fixed assets are converted into fixed assets, the cost of maintenance and repairs is recorded as expenses in the current year.

When the liquidation of assets, the cost and accumulated depreciation of assets are written off in the financial statements and any losses arising from the disposal are recorded in the statement of business.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follow:

- Buildings and structures	25	years
- Machinery, equipment	02 - 08	years
- Transportation equipment	06 - 07	years
- Management equipment	03 - 07	years

### b. Intangible fixed assets

**Land use rights:**



- Land use rights assigned by the State with land use levy;
- The right to use land legally transferred;
- The right to use land leased before the effective date of the Land Law of 2003 for which the land rent has been paid in advance for a term longer than 5 years and is issued a land use right certificate by the competent authority.

Land use rights have a term expressed in cost minus cumulative wear and tear value. The initial cost of land use rights includes the purchase price and costs directly related to acquiring land use rights. Depreciation is calculated by the straight-line method based on the validity period of the land use right certificate.

Land use rights without a defined term are expressed at full price and without depreciation.

Intangible assets calculated for depreciation by the straight-line method include:

+ Computer software	02 - 10	years
+ Release Rights	02 - 10	years
+ Other intangible assets	02 - 10	years

## 7. Principles of recognition and depreciation of investment properties

During use, investment properties is recorded according to the cost, cumulative wear and residual value.

The cost of properties is all the costs (cash or cash equivalent) that the enterprise spends or the fair value of other items offered to exchange to acquire properties as of the time of purchase or construction of that properties.

Investment properties-related expenses incurred after the initial recognition must be recognized as production and business expenses during the period, unless this cost is likely to inevitably cause properties to generate more economic benefits in the future than the originally assessed operating level, which is recorded to increase the cost of real estate.

Depreciation by the straight-line method. The depreciation period is estimated as follows:

- Land use rights	no prescribed depreciation
- Houses, architectural objects	25 years

## 8. Construction in progress

Construction in progress expenses reflects from direct relevant expenses (including related interest expenses matching accounting policies of the Corporation / Enterprise) to the assets are in the process of building, machinery and equipment are installed to serve the purpose of manufacturing, leasing and management, as well as costs related to the repair of fixed assets are performing. These assets are recorded at historical cost and are not charged depreciation.

## 9. Prepaid expenses

The calculation and allocation to expense to each accounting period based on the nature, level of each prepaid expense to determine the allocation method properly and consistently.

Prepaid expenses are monitored according to each term of expenses which incurred and distributed into objects bear the cost of each accounting period and the remain is not amortized to expense.

Prepaid expenses are classified as follows:

- Prepaid expense related to purchase or service less than 12 months or 01 normal production period, from incurred date, are recorded as short - term.
- Prepaid expense related to purchase or service over than 12 months or 01 normal production period, from incurred date, are recorded as long - term

## 10. Payables

Payables are tracked in detail for the remaining payment period of the payables, payables, type of currency payable and other factors required by the Company.

Payable in foreign currency transactions are recorded at the selling exchange rate of the Asia Commercial Bank ACB at the time of the transaction.

The classification of payables is based on the following principles:



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- Payables to suppliers: Trade payables arising from purchases of goods, services, assets and liabilities when imported through a trustee;
- Intercompany payables: Payables between subordinate units and dependent subordinate units not having dependent legal entity status;
- Other payables: Non-commercial payables, not related to purchase, sale or supply of goods or services.

Payables are classified as follows:

- Payables related to purchase or service less than 12 months or 01 normal production period, from incurred date, are recorded as short - term.
- Payables related to purchase or service over than 12 months or 01 normal production period, from incurred date, are recorded as long - term

At the balance sheet date, the Company re-evaluates the outstanding balances of liabilities denominated in foreign currencies (except for those paid in advance by the purchaser); if Certainty that the Company can not provide goods or services and the Company will have to pay back its foreign currency receipts, these are treated as monetary items denominated in foreign currencies. The selling of foreign currency of the Asia Commercial Bank at the time of financial statements.

#### 11. Borrowings and finance lease liabilities

Borrowings in the form of bond issuance or issuance of preferred stock have a provision obligating the issuer to repurchase at a certain time in the future that are not reflected in this item.

Borrowings and debts need to be monitored in detail according to each subject, each covenant and each type of borrowed asset. Financial lease liabilities are reflected in accordance with the current value of the minimum rent payment or the fair value of the leased property. Borrowings and liabilities in foreign currency are accounted for at the foreign currency selling rate of the bank where the company borrowed at the time the transaction arose.

Classification of borrowings and liabilities for financial lease when preparing financial statements according to the following principles:

- Borrowings, financial lease liabilities with a remaining repayment term of not more than 12 months are classified as short-term.
- Borrowings, financial lease liabilities with a remaining repayment term of more than 12 months are classified as long-term.

At the time of preparing the financial statements, the Company reassessed the balance of foreign currency-based Borrowings and lease debts at the foreign currency selling rate of the commercial bank where the Company has loan transactions.

#### 12. Accrued expenses

Payables for purchase, using service from suppliers or providing already by supplier but not yet paid due to lack of supporting documents and payables to employee are allowed to record to expense to match the matching concept between revenue and expense. The accrual must be calculated carefully and must have proper evidence. When these expenses arise, if there is any difference with the amount charged, accountants additionally record or make decrease to cost equivalent to the difference.

The pre-deduction of expenses payable must be calculated strictly and there must be reasonable and reliable evidence. When such expenses are incurred, if there is a discrepancy with the deducted amount, the accountant proceeds to additionally record or write down the cost corresponding to the difference.

#### 13. Owner's equity

##### a. Contributed capital, capital surplus, conversion options on convertible bonds, other capital

The owner's investment capital is recorded according to the actual capital contributed by the owner and is monitored in detail for each organization and individual participating in capital contribution.

When the investment license stipulates that the charter capital of the company is determined in foreign currency, the determination of the investor's capital contribution in foreign currency is based on the amount of foreign currency actually contributed.



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Capital contributed by assets is recorded to increase equity according to the revaluation of assets accepted by the capital contributors. For intangible assets such as trademarks, trade names, exploitation rights, project development ... may only increase contributed capital if permitted by relevant laws.

The share capital contribution of shareholders is recorded at the actual price of issuing shares, but is reflected in two separate indicators:

- The owner's contributed capital is recognized at par value of the shares;
- The share capital surplus is recognized according to the larger or lesser difference between the actual price of the share issuance and the par value. In addition, a surplus of share capital is also recognized according to the larger or lesser difference between the actual price of the issue and the par value of the shares when reissuing treasury shares.

The option to convert a bond to issue shares arises when the company issues a convertible type of bond into a specified number of shares specified in the issuance plan. The capital component value of a convertible bond is the difference between the total proceeds from the issuance of the convertible bond and the debt component value of the convertible bond. At the time of initial recognition, the value of stock options of convertible bonds is recognized separately in the share of the owner's invested capital. At bond maturity, account for this option to a surplus of share capital.

Other capital reflects business capital formed as a result of supplements from business results or as a result of being donated, donated, funded or reassessed assets (in accordance with current regulations).

#### **b. Recognition of exchange rate differences**

Exchange rate difference is the difference arising from the actual exchange or conversion of the same amount of foreign currency to the accounting currency at different exchange rates at the time of arising economic operations in foreign currency and at the time of revaluation of items with foreign currency origin when preparing financial statements.

Exchange rate differences arising from foreign currency transactions are included in financial income (if any) or financial expenses (if any) at the time of arising. Particularly, the exchange rate difference in the pre-operation stage of enterprises with 100% of the charter capital of the State, which implement the projects or national key works, shall be reflected in the accounting balance sheet and gradually distributed to sales / financial expenses.

#### **c. Undistributed earnings**

Undistributed earnings is the profit of business operations after deduction (-) regulated items due to applying a change in accounting retrospectively or to make a retrospective restatement to correct materiality in previous year.

Parent distributes profits to holders that do not exceed the level of undistributed after-tax profit on the Consolidated Financial Statements after having excluded the effect of recorded gains from cheap purchases.

In case the undistributed profit after tax on the Consolidated Financial Statements is higher than the undistributed after-tax profit on the parent company's separate financial statements and if the amount of profit decided to distribute exceeds the amount of undistributed after-tax profit on the separate financial statements, the parent company only makes distributions after it has transferred profits from the subsidiaries to the parent company.

When distributing profits, it is necessary to consider non-monetary items located in undistributed after-tax profits that may affect cash flow and the ability to pay dividends and profits of the company.

### **14. Revenues**

#### **a. Revenue from sale of goods**

Revenue from sale of goods should be recognised when all the following conditions have been satisfied:

- The significant risks and rewards of ownership of the goods have been transferred to the buyer;

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- The Company retains neither continuing managerial involvement as a neither owner nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- The economic benefits associated with the transaction of goods sold have flown or will flow to the Company;
- The costs incurred or to be incurred in respect of the transaction of goods sold can be measured reliably.

**b. Revenue from rendering of services**

Revenue from rendering of services should be recognised when all the following conditions have been satisfied:

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

**c. Financial income**

Financial income includes interest, gain on exchange rate difference, dividends... and other income of financial activities. For interest earned from loans, deferred payment, instalment payment: income is recognized when earned and original loans, principal receivables are not classified as overdue that need provision. Dividend is recognized when the right to receive dividend is established.

**d. Principles of revenue recognition of construction contracts**

Construction contract revenue is recognized in one of the following two cases:

- The construction contract stipulates that the contractor is paid according to the planned schedule: when the results of the contract performance are reliably estimated, the revenue is recognized in proportion to the part of the work completed by the contractor himself at the date of preparation of the financial statements;
- The construction contract stipulates that the contractor is paid according to the value of the performance volume: when the results of the contract performance are reliably estimated and confirmed by the customer, the revenue is recognized in proportion to the completed work confirmed by the customer.

When the results of the performance of the contract cannot be reliably estimated, the recorded revenue is equivalent to the costs incurred for which the reimbursement is relatively certain.

**e. Other income**

Other income includes income other than the company's production and business activities: sale, liquidation of TSCD; fines imposed by the client for breach of contract; third-party compensation to compensate for lost property; revenues from bad debts that have been processed for write-off; liabilities that do not identify the owner; income from gifts, gifts in money, in kind ...

**15. Revenue deductions**

The decrease adjustment of revenue shall be as follows:

- The decrease adjustment of revenue in the incurring period if revenue deductions incurred in the same period of consumption of products, goods and services;
- The decrease adjustment of revenue as follows if revenue deductions incurred in the next period of consumption of products, goods and services:
  - + Record a decrease in revenue on the current financial statements if the revenue deductions incur before reporting date;
  - + Record a decrease in revenue on the next financial statements if the revenue deductions incur after reporting date;

Trade discount is the discount for customers whom bought large quantity of goods.

Sales rebate is the deduction to the buyer because products, goods are bad, degraded or improper as prescribed in contract.

Sales return are reflected the value of the products, goods which customer returns due to causes such as violations of economic contracts, bad, degraded, wrong category or improper goods.

**16. Costs of goods sold**



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Cost of good sold includes cost of finished goods, trade goods, services, property, construction unit sold in the production period and expense related to real estate activities...

Damaged or lost value is allowed to record to cost of goods sold after deduction of compensation (if any).

For the used material over the normal production capacity, labour and general production cost is not allowed to record to production cost but allowed to record to cost of good sold after deduction of compensation (if any), even these finished goods are not sold.

#### 17. Financial expenses

Items recorded into financial expenses consist of: expense or loss related to financial investment; lending and borrowing expense; expense related to investment to joint venture, associates; loss from share transfer; provision of share decrease or investment; loss on trading foreign currency, ...

#### 18. Selling and general administration expenses

Selling expense is recorded in the period of selling finished goods, trade goods and providing service.

Administrative expense reflects the general expense of the company, including: labour cost; social and health insurance, unemployment fund, union cost of management employee; office material expense, tools, depreciation of assets using for management; land rental, business licence tax; bad debt provision; outsourcing expense and other cash expenses...

#### 19. Current and deferred income tax expense

##### - Current income tax

Taxes Current income tax is calculated based on taxable income. Taxable income is different from accounting profit is due to the adjustments of temporary differences between the tax and accounting, expenses are not deductible as well as the adjustments of non-taxable income and losses be transferred.

Income tax expense Current business is determined on the basis of taxable income and income tax rate in the current year.

##### - Deferred income tax

Deferred income tax is the corporate income tax will be paid or will be reimbursed by the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the value for tax purposes. Deferred income tax assets are recognized for all temporary differences taxable. Deferred tax assets are recognized only if certain future taxable profits will be available to use those temporary differences are deductible.

The carrying amount of assets tax deferred income is reviewed at the end of the financial year and will be reduced to ensure that it is probable that taxable profit will allow the benefit of part or entire deferred tax asset to be used. The tax assets Deferred income not previously recognized are reviewed at the end of the financial year and is recognized when it is probable that taxable profits will be used for property tax unrecognized deferred this.

Deferred tax assets and deferred income tax payable is calculated at the tax rates expected to apply in the assets are recovered or liabilities are paid based on the rate in effect at the end of the fiscal year. Deferred tax is recognized in the statement of business activities unless related to items charged or credited directly to equity if the corporate income tax will be recognized directly in equity.

#### 20. Relevant entities

The party is considered as related party if one party has capacity to control or has significant impact to other party in the decision of financial and operation activities. All parties are recognized as related parties if having the same control or significant impact.

In the review of related parties, nature of the relationship is considered more than legal form.

Transactions with related parties during the year are shown in Note VIII.1.



V . NOTE TO THE BALANCE SHEET.

1 . CASH AND CASH EQUIVALENTS

	Unit : VND	
	Closing balance	Opening balance
- Cash on hand	522,453,803	165,140,550
+ Cash on hand (VND)	451,012,170	98,058,816
+ Cash on hand (KHR)	71,441,633	67,081,734
- Cash in banks	21,298,576,703	6,186,396,923
+ Cash in banks (VND)	21,269,630,541	6,159,151,411
+ Cash in banks (USD)	5,061,000	4,818,000
+ Cash in banks (KHR)	23,885,162	22,427,512
- Cash equivalents (*)	3,300,000,000	5,104,954,382
+ Deposit (VND)	3,300,000,000	5,104,954,382
<b>Total</b>	<b>25,121,030,506</b>	<b>11,456,491,855</b>

Note (\*):

- Cash equivalents are term deposits at Asia Commercial Joint Stock Bank - Tan Binh Branch and Military Commercial Joint Stock Bank - Saigon Branch; interest rate from 0.5% - 3.1%/year.

- The price of deposits used for mortgages and pledges secured for short-term loans is VND 3,300,000,000.

2 . TRADE RECEIVABLES

2.1. Short-term

	Closing balance	Opening balance
- Billion Industrial Vietnam Co., Ltd	-	1,058,367,233
- Cu Thanh Co., Ltd	5,076,000,000	9,480,240,000
- Da Fang Furniture Co., Ltd	-	3,353,043,738
- Khai Hoan International corporation	41,007,759,866	41,007,759,866
- Louvre textile Co., Ltd	30,960,000,000	-
- Bo Wei textile Vietnam Co., Ltd	1,386,725,000	-
- Fusheng E and C (Cambodia) Co., Ltd	1,658,114,288	-
- Jifa Huahue (Cambodia) Knitting Co., Ltd	-	15,285,711,791
- Others	4,760,111,963	1,278,873,767
<b>Total</b>	<b>84,848,711,117</b>	<b>71,463,996,395</b>

2.2. Long-term

3 . PREPAYMENTS TO SUPPLIERS

3.1. Short-term

	Closing balance	Opening balance
- Dai Nghia Industrial Mechanics Trading Co., Ltd.	-	1,028,731,440
- Hung Vuong Construction Co., Ltd	-	74,913,340
- Phuc Tam Tin Construction Trading PTE	1,945,972,037	1,015,185,595
- Anh Pha Co., Ltd	-	1,041,000,000
- Highland Plus JSC	1,000,000,000	1,000,000,000
- Dat Thu Consstruction Co., Ltd	1,423,500,597	1,323,500,597
- Phu Son Lam Construction Trading PTE	-	1,046,289,734
- Other suppliers	2,337,992,262	5,018,644,539
<b>Total</b>	<b>6,707,464,896</b>	<b>11,548,265,245</b>

### 3.2. Long-term

#### 4 . OTHER RECEIVABLES

	Closing balance		Opening balance	
	Value	Provision	Value	Provision
- Advances	643,781,950	-	933,581,906	-
- Collateral, deposit	271,631,743	-	563,000,000	-
- Others	331,785,210	-	17,249,650	-
<b>Total</b>	<b>1,247,198,903</b>	<b>-</b>	<b>1,513,831,556</b>	<b>-</b>

#### 5 . INVENTORIES

	Closing balance		Opening balance	
	Historical cost	Provision	Historical cost	Provision
- Raw materials	20,438,183	-	20,438,183	-
- Tools	126,334,852	-	185,371,146	-
- Cost for work in process (*)	35,224,571,021	-	70,068,413,747	-
- Goods	-	-	70,806,000	-
<b>Total</b>	<b>35,371,344,056</b>	<b>-</b>	<b>70,345,029,076</b>	<b>-</b>

**Note:** (\*) Includes the following works:

	Closing balance	Opening balance
- Billion Industrial Vietnam Co., Ltd	5,613,899,119	33,770,453,528
- Cu Thanh Co., Ltd	-	2,505,046,906
- Louvre textile Co., Ltd	22,168,531,488	30,623,880,562
- Da Fang wood furniture Co., Ltd	4,467,703,270	-
- Qiangdao Roy-ne Garment (Vietnam) Co., Ltd	-	2,591,243,046
- Others	2,974,437,144	577,789,705
<b>Total</b>	<b>35,224,571,021</b>	<b>70,068,413,747</b>



6 . INCREASE OR DECREASE IN TANGIBLE FIXED ASSETS

Item	Buildings and structures	Machinery, equipment	Transportation equipment	Office equipment	Other assets	Total
<b>Historical cost</b>						
Opening balance	-	3,398,778,229	5,812,581,819	1,544,843,055	-	10,756,203,103
Increase	-	-	-	-	-	-
- Purchase	-	-	-	-	-	-
- Finished capital investment	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
- Conversion into investment properties	-	-	-	-	-	-
- Disposals	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Closing balance	-	3,398,778,229	5,812,581,819	1,544,843,055	-	10,756,203,103
<b>Accumulated depreciation</b>						
Opening balance	-	2,918,925,054	5,385,868,749	1,379,029,014	-	9,683,822,817
Increase	-	82,922,616	158,756,566	74,593,081	-	316,272,263
- Depreciation	-	82,922,616	158,756,566	74,593,081	-	316,272,263
- Others	-	-	-	-	-	-
Decrease	-	-	-	-	-	-
- Conversion into investment properties	-	-	-	-	-	-
- Disposals	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Closing balance	-	3,001,847,670	5,544,625,315	1,453,622,095	-	10,000,095,080
<b>Residual value</b>						
Opening balance	-	479,853,175	426,713,070	165,814,041	-	1,072,380,286
Closing balance	-	396,930,559	267,956,504	91,220,960	-	756,108,023

Note:

- The cost of tangible assets at the end of the year has been fully depreciated but is still in use

: 8,561,571,285 VND

7 . INCREASE OR DECREASE IN INTANGIBLE FIXED ASSETS

Item	Land use rights	Copyrights	Patents, inventions	Computer software	Other assets	Total
<b>Historical cost</b>						
Opening balance	-	-	-	553,940,120	-	553,940,120
<b>Increase in period</b>	-	-	-	-	-	-
- Buying in this period	-	-	-	-	-	-
- Internal word creation	-	-	-	-	-	-
- Increase due to business consolidation	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Decrease in period</b>	-	-	-	-	-	-
- Liquidation, sale	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	553,940,120	-	553,940,120
<b>Accumulated depreciation</b>						
Opening balance	-	-	-	551,716,120	-	551,716,120
<b>Increase in period</b>	-	-	-	2,224,000	-	2,224,000
- Depreciation	-	-	-	2,224,000	-	2,224,000
- Others	-	-	-	-	-	-
<b>Decrease in period</b>	-	-	-	-	-	-
- Disposals	-	-	-	-	-	-
- Others	-	-	-	-	-	-
<b>Closing balance</b>	-	-	-	553,940,120	-	553,940,120
<b>Residual value</b>						
Opening balance	-	-	-	2,224,000	-	2,224,000
<b>Closing balance</b>	-	-	-	-	-	-

Note:

- The cost of intangible fixed assets at the end of the year has been fully depreciated but is still in use 553,940,120 VND



## 8 . INVESTMENT PROPERTIES

Item	Closing balance	Increase	Decrease	Opening balance
<b>Investment real estate for rent</b>				
<b>Historical costs</b>				
- Lands use right	4,544,000,000	-	-	4,544,000,000
- Building	49,730,740,909	-	-	49,730,740,909
- Infrastructure	-	-	-	-
<b>Total</b>	<b>54,274,740,909</b>	<b>-</b>	<b>-</b>	<b>54,274,740,909</b>
<b>Accumulated depreciation</b>				
- Lands use right	-	-	-	-
- Building	14,919,222,240	1,989,229,632	-	12,929,992,608
- Infrastructure	-	-	-	-
<b>Total</b>	<b>14,919,222,240</b>	<b>1,989,229,632</b>	<b>-</b>	<b>12,929,992,608</b>
<b>Residual value</b>				
- Lands use right	4,544,000,000			4,544,000,000
- Building	34,811,518,669			36,800,748,301
- Infrastructure	-			-
<b>Total</b>	<b>39,355,518,669</b>			<b>41,344,748,301</b>

**Note:** Investment real estate is the right to use land and houses on land at 361 Le Trong Tan, Son Ky Ward, Tan Phu District, Ho Chi Minh City, Vietnam.

The remaining value at the end of the year of the investment property has been used to mortgage and pledge short-term loans.

At the date of reporting, the Company has not determined the fair value of investment real estate held for lease as explained in its own financial statements due to Vietnamese Accounting Standards, Vietnam Corporate Accounting System currently does not have guidance on how to calculate fair value. The fair value of this investment property may differ from the book value.

## 9 . PREPAID EXPENSES

	Closing balance	Opening balance
<b>9.1. Short-term</b>		
- Tools	46,656,000	54,642,150
<b>Total</b>	<b>46,656,000</b>	<b>54,642,150</b>
<b>9.2. Long-term</b>		
- Tools	395,996,706	433,655,007
<b>Total</b>	<b>395,996,706</b>	<b>433,655,007</b>

## 10 . INVESTMENTS

	Value	Closing balance Fair value (*)	Provision	Value	Opening balance Fair value (*)	Provision
10.1. Securities held-for-trading	-	-	-	-	-	-
10.2. Investment held to maturity date	-	-	-	-	-	-
10.3. Other investments	6,436,216,147	-	-	6,433,917,687	-	-
a. Investments in subsidiaries	-	-	-	-	-	-
b. Investments in joint ventures and associates	6,436,216,147	-	-	6,433,917,687	-	-
- Boi Long JSC (**)	6,436,216,147	-	-	6,433,917,687	-	-
c. Others	-	-	-	-	-	-
<b>Total</b>	<b>6,436,216,147</b>	<b>-</b>	<b>-</b>	<b>6,433,917,687</b>	<b>-</b>	<b>-</b>

### Note:

(\*) At the date of reporting, the Company has not determined the fair value of the investment held as explained in its own financial statements because Vietnam Accounting Standards and the Vietnamese Corporate Accounting Regime currently do not have instructions on how to calculate fair value. The fair value of this investment may differ from the carrying value

(\*\*) The investment is made according to the Decision of the Board of Directors dated 10/04/2017 with an investment capital of VND 16,2 billion, accounting for 45% of the charter capital.



## 11 . TRADE PAYABLES

	Closing balance		Opening balance	
	Value	Recoverable value	Value	Recoverable value
<b>11.1. Short-term</b>				
- Dai Loc Phat Construction Trading Services JSC	2,707,053,823	2,707,053,823	3,142,198,915	3,142,198,915
- DIC - Dong Tien JSC	-	-	112,319,142	112,319,142
- Minh Ngan Phat Co., Ltd	3,635,151,070	3,635,151,070	75,345,753	75,345,753
- Nam Nguyen Construction Co., Ltd	349,337,073	349,337,073	993,829,727	993,829,727
- Phu Son Nam Construction Co., Ltd	2,204,192,727	2,204,192,727	656,207,993	656,207,993
- The Gioi Nha Construcion material supermarket JSC	6,021,106,609	6,021,106,609	4,750,922,513	4,750,922,513
- Povina Steel Co., Ltd	1,008,195,985	1,008,195,985	3,975,050,282	3,975,050,282
- Nghia Phat Development mechanical Construction Trading Co., Ltd	7,246,770,557	7,246,770,557	19,040,135,239	19,040,135,239
- Hai Long Thuy Trading Services Co., Ltd	187,984,056	187,984,056	233,984,056	233,984,056
- Son Hoa Phat Construction Trading and Services CO., Ltd	3,001,136,088	3,001,136,088	819,574,831	819,574,831
- Truong Phu Construction & Steel Structure JSC - Binh Duong Branch	1,700,000,000	1,700,000,000	2,733,919,170	2,733,919,170
- Others suppliers	27,247,454,863	27,247,454,863	15,317,967,635	15,317,967,635
<b>Total</b>	<b>55,308,382,851</b>	<b>55,308,382,851</b>	<b>51,851,455,256</b>	<b>51,851,455,256</b>
<b>11.2. Long-term</b>				
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



### 13 . PREPAYMENTS FROM CUSTOMERS

Closing balance    Opening balance

#### 13.1. Short-term

- Jifa Huahe (Cambodia) Knitting Co., Ltd	-	994,447,686
- Billion Industrial Vietnam Co., Ltd	4,407,600,000	-
- Baikai Industry Viet Nam Co., Ltd	200,000,000	-
<b>Total</b>	<b>4,607,600,000</b>	<b>994,447,686</b>

#### 13.2. Long-term

### 13 . TAXES AND OTHER PAYABLES TO THE STATE

	Closing balance		During the period		Opening balance	
	Receivables	Payables	Payable	Paid amounts	Receivables	Payables
- VAT	26,221,175,765	-	134,060,252,221	136,881,410,368	29,042,333,912	-
- Import - Export tax	-	-	1,962,748	1,962,748	-	-
- CIT	-	-	-	1,780,321,290	-	1,780,321,290
- PIT	-	584,771,044	1,361,027,206	1,392,267,325	-	616,011,163
- Business-license tax	-	-	3,000,000	3,000,000	-	-
- Others	-	-	1,363,200	1,363,200	-	-
<b>Total</b>	<b>26,221,175,765</b>	<b>584,771,044</b>	<b>135,427,605,375</b>	<b>140,060,324,931</b>	<b>29,042,333,912</b>	<b>2,396,332,453</b>

The Company's tax finalization will be subject to inspection by tax authorities. Because the application of tax laws and regulations to various types of transactions can be interpreted in different ways, the tax amount presented on the Financial Statements may be changed at the discretion of the tax authorities.



# 17. BORROWINGS AND FINANCE LEASE LIABILITIES

	Closing balance		During the period		Opening balance	
	Value	Solvency	Increase	Decrease	Value	Solvency
<b>17.1. Short-terms (*)</b>						
- ACB - Tan Binh Branch	82,307,081,304	82,307,081,304	121,307,063,495	110,576,617,625	71,576,635,434	71,576,635,434
- MB - Sai Gon Branch	10,151,635,001	10,151,635,001	32,128,931,479	46,779,455,291	24,802,158,813	24,802,158,813
<b>Total</b>	<b>92,458,716,305</b>	<b>92,458,716,305</b>	<b>153,435,994,974</b>	<b>157,356,072,916</b>	<b>96,378,794,247</b>	<b>96,378,794,247</b>
<b>17.2. Long-terms</b>						
- Individual loans (**)	16,056,440,000	16,056,440,000	22,210,000,000	7,550,000,000	1,396,440,000	1,396,440,000
<b>Total</b>	<b>16,056,440,000</b>	<b>16,056,440,000</b>	<b>22,210,000,000</b>	<b>7,550,000,000</b>	<b>1,396,440,000</b>	<b>1,396,440,000</b>
<b>Sum</b>	<b>108,515,156,305</b>	<b>108,515,156,305</b>	<b>175,645,994,974</b>	<b>164,906,072,916</b>	<b>97,775,234,247</b>	<b>97,775,234,247</b>

## Note:

(\*) Short-term loans are short-term loans made by banks to supplement business working capital, issue bids, execute contracts and warranties. The interest rate on loans is 7%/year - 7.55%/year.

Collateral loans:

- Deposits : 3,300,000,000 VND see Note V.1
- Real estate : 45,323,207,565 VND see Note V.8
- Personal guarantee : The property is owned by Mr. To Khai Dat and Mrs. Tu My

(\*\*) Long-term loans form Mr. To Khai Dat - General Director of the Company - to supplement business working capital, the loan term is 24 months and does not bear the loan interest rate.

## 18 . OWNER'S EQUITY

## a. Volatility of equity

	Contributed capital	Capital surplus	Exchange rate differences	Development and investment funds	Undistributed profit after tax and funds	Non-controlling shareholder interests	Total
<b>Beginning of last year</b>	<b>32,000,000,000</b>	<b>11,512,000,000</b>	<b>646,323,080</b>	<b>6,796,758,648</b>	<b>4,838,198,606</b>	<b>34,523,111</b>	<b>55,827,803,445</b>
- Profit after tax last year	-	-	-	-	3,058,186,234	-	3,058,186,234
- Foreign exchange differences	-	-	(690,644)	-	2,611,527	1,280,586	3,201,469
- Profit dividends	-	-	-	-	(3,200,000,000)	-	(3,200,000,000)
- Remuneration of the Board of Directors and Board of Managements	-	-	-	-	(545,000,000)	-	(545,000,000)
- Appropriation of funds	-	-	-	36,656,595	(73,313,190)	-	(36,656,595)
+ <i>Reward and welfare fund</i>	-	-	-	-	(36,656,595)	-	(36,656,595)
+ <i>Development Investment fund</i>	-	-	-	36,656,595	(36,656,595)	-	-
<b>Closing of previous year</b>	<b>32,000,000,000</b>	<b>11,512,000,000</b>	<b>645,632,436</b>	<b>6,833,415,243</b>	<b>4,080,683,177</b>	<b>35,803,697</b>	<b>55,107,534,553</b>
<b>Beginning of current year</b>	<b>32,000,000,000</b>	<b>11,512,000,000</b>	<b>645,632,436</b>	<b>6,833,415,243</b>	<b>4,080,683,177</b>	<b>35,803,697</b>	<b>55,107,534,553</b>
- Capital increase during current year (*)	17,999,330,000	-	-	-	-	-	17,999,330,000
- Profit after tax current year	-	-	-	-	(33,662,087,867)	-	(33,662,087,867)
- Capital decrease current year	-	(11,512,000,000)	-	(6,487,330,000)	-	-	(17,999,330,000)
- Foreign exchange differences	-	-	4,436,866	-	(567,802)	1,948,485	5,817,549
- Remuneration of the BOD and BOM	-	-	-	-	(545,000,000)	-	(545,000,000)
- Appropriation of funds	-	-	-	305,818,623	(611,637,247)	-	(305,818,624)
+ <i>Reward and welfare fund</i>	-	-	-	-	(305,818,624)	-	(305,818,624)
+ <i>Development Investment fund</i>	-	-	-	305,818,623	(305,818,623)	-	-
<b>Closing of current year</b>	<b>49,999,330,000</b>	<b>-</b>	<b>650,069,302</b>	<b>651,903,866</b>	<b>(30,738,609,739)</b>	<b>37,752,182</b>	<b>20,600,445,611</b>

**Note:** (\*) The company has increased its charter capital by issuing shares to existing shareholders at a 16:9 ratio, utilizing capital surplus and the development investment fund, as per Resolution No. 03/HĐQT/QĐ-2024 dated May 6, 2024. The share issuance to increase charter capital was completed following Resolution No. 06/HĐQT/NQ-2024 dated July 29, 2024. The newly issued shares have been deposited with the Vietnam Securities Depository and Clearing Corporation, additionally listed, and officially traded on August 23, 2024, at the Hanoi Stock Exchange (HNX).





## 18 . OWNER'S EQUITY (continous)

### b. Details of the owner's capital

	<u>Closing balance</u>	<u>Opening balance</u>
- Stakeholders	15,453,120,000	15,020,000,000
- Other shareholders	34,546,210,000	16,980,000,000
<b>Total</b>	<b>49,999,330,000</b>	<b>32,000,000,000</b>

### c. Stocks

	<u>Closing balance</u>	<u>Opening balance</u>
Ordinary shares registered for issuance	4,999,933	3,200,000
Ordinary shares sold to the public	4,999,933	3,200,000
Ordinary shares outstanding	4,999,933	3,200,000
Par value share	10.000 VND/share	

### d. Dividends Paid

	<u>Current year</u>	<u>Previous year</u>
Paid dividends of common stock	-	3,106,209,000

## 19 . OFF-BALANCE SHEET ITEMS

### 19.1. Outsourced property

: none

### 19.2. Assets to be kept

: none

### 19.3. Forgien currencies

	<u>Closing balance</u>	<u>Opening balance</u>
+ US Dollar (USD)	\$ 200.00	\$ 200.00
+ Riel Campuchia (KHR)	KHR 15,165,661.00	KHR 15,165,661.00

### 19.4. Debts settled

	<u>Closing balance</u>	<u>Opening balance</u>
Debt forgiveness due to inability to recover, including:		
- Khanh Phat Wood working Co., Ltd	127,877,365	127,877,365
- Pha Dinh Construction Co., Ltd	211,093,899	211,093,899
- Giga Resource (Cambodia) Co., Ltd	278,160,000	278,160,000
- Long Vinh Phat Co., Ltd	7,193,839	7,193,839
- Martland JSC	2,703,934	2,703,934
<b>Total</b>	<b>627,029,037</b>	<b>627,029,037</b>

**VI . ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CONSOLIDATED INTERIM INCOME STATEMENT**

Unit: VND

**1 . REVENUES FROM SALES AND SERVICES RENDERED**

**1.1. Revenue**

	Current year	Previous year
- Construction revenue	201,210,703,691	326,983,315,154
- Service provision revenue	6,033,228,310	8,519,645,217
- Sales revenue	42,860,373,667	127,460,708,959
- Others revenue	-	39,559,280

**Total**

**250,104,305,668** **463,003,228,610**

**1.2. Revenue form Relevant entities**

see VIII.1

**2 . COSTS OF GOODS SOLD**

	Current year	Previous year
- Cost of construction contracts	200,535,772,912	321,504,458,150
- Cost of service provision	3,688,023,032	4,351,398,683
- Cost of goods sold	29,418,833,174	91,749,172,791

**Total**

**233,642,629,118** **417,605,029,624**

**3 . FINANCIAL INCOME**

	Current year	Previous year
- Interest income	70,743,149	608,344,684
- Gain from foreign exchange difference	504,739,481	142,150,415
- Unrealized exchange rate difference	-	548,790,270

**Total**

**575,482,630** **1,299,285,369**

**4 . FINANCIAL EXPENSES**

	Current year	Previous year
- Interest expenses	8,705,672,233	9,209,917,367
- Loss from foreign exchange difference	131,228	202,556,426
- Loss from unrealized foreign exchange difference	74,229,152	-

**Total**

**8,780,032,613** **9,412,473,793**

**5 . OTHER INCOMES**

	Current year	Previous year
- Other incomes	3,640,497,246	1,750,771,572

**Total**

**3,640,497,246** **1,750,771,572**



**6 . OTHER EXPENSES**

	<b>Current year</b>	<b>Previous year</b>
- Late payment fines, administrative violations	2,617,466	162,344,755
- VAT is excluded and cannot be deducted	308,205,770	180,135,086
- Depreciation exceeds the norm	-	-
- Other expenses	38,996,530	417,938,757
<b>Total</b>	<b>349,819,766</b>	<b>760,418,598</b>

**7 . SELLING EXPENSES AND GENERAL ADMINISTRATION EXPENSES**

	<b>Current year</b>	<b>Previous year</b>
<b>7.1 Selling expenses</b>		
- Labour costs and staff costs	2,729,405,240	3,965,864,000
- Other expenses by cash	276,044,797	619,848,755
<b>Total</b>	<b>3,005,450,037</b>	<b>4,585,712,755</b>

**7.2 General administration expenses**

- Material expenses	201,813,029	292,729,556
- Labour costs and staff costs	18,125,658,437	17,398,521,620
- Depreciation	204,573,670	352,346,947
- Taxes, charges and fees	157,850,062	666,161,057
- Costs of outside services	4,392,736,237	4,331,542,704
- Provision for bad receivables	18,336,299,949	4,603,716,642
- Other expenses by cash	787,808,953	843,693,009
<b>Total</b>	<b>42,206,740,337</b>	<b>28,488,711,535</b>

**8 . BUSINESS OPERATING COST BY ELEMENTS**

	<b>Current year</b>	<b>Previous year</b>
- Material expenses	80,326,285,820	112,208,455,979
- Labour costs	30,227,549,597	33,597,787,620
- Fixed asset depreciation	2,307,725,895	2,459,722,722
- Outsourcing services	111,796,228,405	177,216,154,368
- Other expenses by cash	19,418,494,396	6,550,755,329
<b>Total</b>	<b>244,076,284,113</b>	<b>332,032,876,018</b>

**9 . CURRENT INCOME TAX EXPENSES**

	<u>Current year</u>	<u>Previous year</u>
- Tax expenses in respect of the current year taxable profit	-	1,900,273,059
<b>Total</b>	<b>-</b>	<b>1,900,273,059</b>

Estimated corporate income tax payable during this period is as follows:

	<u>Current year</u>	<u>Previous year</u>
- Total accounting profit before tax	(33,662,087,867)	4,958,459,293
- Increase/(decrease) of accounting profit to determine profit subject to corporate income tax		
+ Increase adjustments	9,615,091,811	4,496,690,039
Invalid costs are not deductible	349,823,336	403,937,873
Depreciation expense exceeds the normal	-	-
Deductible interest expenses in related party transactions	9,265,268,475	4,092,752,166
+ Decrease adjustments	-	553,542,883
Exchange rate differences due to reassessment of original foreign currency items at the end of year	-	553,542,883
- The taxable income	(24,046,996,056)	8,901,606,449
+ Taxable income at normal tax rate	(24,046,996,056)	8,901,606,449
- Estimated corporate income tax payable for current year	-	1,900,273,059
+ CIT at regular tax rates	-	1,780,321,290
+ Adjust previous year CIT expenses to current CIT expenses	-	119,951,769

*Note* : Corporate tax will be subject to the examination of the tax authorities. Due to the application of laws and regulations for many different transaction types can be interpreted in many different ways, the tax number is presented on financial reports can be modified according to the decision of the tax authorities.

**10 . EARNING PER SHARE**

	<u>Current year</u>	<u>Previous year</u>
Profits distributed to shareholders owning common stock	(33,662,087,867)	3,058,186,234
Reward and welfare fund deducted from after-tax profit (*)	-	611,637,247
Average number of outstanding common shares during the	3,841,072	3,200,000
<b>Earning per share</b>	<b>(8,764)</b>	<b>765</b>

(\*) Retroactively target the previous year according to the guidance in Circular 200/2014/TT-BTC dated 20/12/2014 of the Ministry of Finance.



## VII . ADDITIONAL INFORMATION FOR ITEMS PRESENTED IN THE CASH FLOWS STATEMENT

1 . Non-cash transactions affecting future Cash Flows Statements	: none		
2 . Funds held but not used by the business	: none		
3 . The amount borrowed actually collected during the		<u>Current year</u>	<u>Previous year</u>
- Proceeds from borrowings		175,645,994,974	267,988,860,653
4 . The amount actually repaid the loan principal for the period		<u>Current year</u>	<u>Previous year</u>
- Payments to settle loan principals		164,906,072,916	254,993,245,124

## VIII . OTHER INFORMATIONS

### 1 . Relevant entities information

#### 1.1. Relevant entities

Relevant entities	Relationship
- Boi Long Joint stock company	Joint ventures and associates
- Board of Directors, Board of management, Chief accountant, Board of Controllers and others.	Members of the key managements

#### 1.2. Transactions with relevant entities

##### a. Relevant entities are key members and relevant individuals.

Relevant entities / Transactions Description	Position	Current period	Previous period
<b>a.1. Remuneration and bonus</b>			
- Mr. To Khai Dat	Chairman of BOM	1,932,000,000	1,733,000,000
- Mr. Tran Minh Truc	Member of BOM	1,101,798,000	1,023,074,000
	General Director		
- Mr.To Thuan Co	Deputy General	582,308,000	-
	Director		
- Mr. Nguyen Hoang Vu	Chief accountant	560,311,000	514,850,000
- Mrs. Duong Thi Ngoc Thuy	Chief of controllers	15,000,000	-
- Mr. Tran Ngoc Tu	Member of Controllers	270,734,000	248,152,000
- Mrs. Tran Thi Lien	Member of Controllers	222,450,000	169,872,000
<b>a.2. Mr. To Khai Dat - Chairman of Board of Manager</b>			
- Long-Term loan to the company		22,210,000,000	5,454,000,000
- The company that paid the loan		7,550,000,000	12,760,000,000

**a.3. Mr. To Khai Dat and Mrs. Tu My (regulatory stakeholders)**

- Payable for renting valuable papers	303,778,020	630,339,391
- Paid for renting valuable papers	303,778,020	630,339,391

Guarantee commitment: Mr. To Khai Dat - Chairman of BOM - agreed to use real estate No. 57 Nguyen Binh Khiem, Da Kao Ward, District 1, Ho Chi Minh City with a value of VND 18,732,300,000 to secure the Company's loan at Asia Commercial Joint Stock Bank - Tan Binh Branch.

**b. Other relevant entities**

The principal transactions between the Company and relevant entities:

Relevant entities / Transactions Description	Current period	Previous period
<b>- Boi Long Joint stock company</b>		
+ Payment loans	-	9,005,000,000
+ Interest expense incurred	-	362,201,111
+ Interest payment	-	1,139,175,128

Boi Long Joint Stock Company agreed to use real estate at Plot No. 84, Map No. 50, Binh Chanh Dong Quarter, Khanh Binh, Tan Uyen, Binh Duong Province as collateral for loan from Phuc Thinh Commercial Construction Design Joint Stock Company at Military Commercial Joint Stock Bank - Nam Binh Chanh branch.

At closing balance, the debt situation between the Company and relevant entities:

Relevant entities	Closing balance	Opening balance
<b>Liabilities</b>	<b>16,056,440,000</b>	<b>1,396,440,000</b>
<b>- Short-Term financial borrowings and leases</b>	<b>16,056,440,000</b>	<b>1,396,440,000</b>
+ Mr. to Khai Dat	16,056,440,000	1,396,440,000

**2 . Financial Instruments**

According to Circular No. 75/2015/TT-BTC dated 18/05/2015 of the Ministry of Finance, before the Accounting Standards on Financial Instruments and guidance documents were issued, the Board of Directors of the Company followed the instructions on the non-presentation and explanation of financial instruments according to Circular No. 210/2009/TT-BTC in the Company's financial statements.

**3 . Segment information**

Segment information is presented by department by geographic region and business area of the Company. Segment reporting by geography and business area, is based on the Company's internal and management reporting structure.

Segment reporting results include items allocated directly to a department as well as to divisions divided on a reasonable basis. Unattributed items include assets, liabilities, revenue from financial operations, financial expenses, selling expenses, corporate management expenses, other gains or losses, and corporate income taxes.



3 . Segment information (cont)

3.1. Geographical segment

For management purposes, the Company is organized to manage and account for the Company's business activities by geographical area as follows:

Item	Vietnam		Cambodia		Adjustments		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<b>Revenue</b>	<b>207.243.932.001</b>	<b>335.542.519.651</b>	<b>42.860.373.667</b>	<b>127.460.708.959</b>	-	-	<b>250.104.305.668</b>	<b>463.003.228.610</b>
- Domestic	207.243.932.001	335.542.519.651	-	-	-	-	207.243.932.001	335.542.519.651
- Overseas			42.860.373.667	127.460.708.959	-	-	42.860.373.667	127.460.708.959
<b>Revenue deductions</b>	-	<b>39.559.280</b>	-	-	-	-	-	<b>39.559.280</b>
- Domestic	-	39.559.280	-	-	-	-	-	39.559.280
- Overseas			-	-	-	-	-	-
<b>Cost of sale</b>	<b>204.223.795.944</b>	<b>325.855.856.833</b>	<b>29.418.833.174</b>	<b>91.749.172.791</b>	-	-	<b>233.642.629.118</b>	<b>417.605.029.624</b>
- Domestic	204.223.795.944	325.855.856.833	-	-	-	-	204.223.795.944	325.855.856.833
- Overseas			29.418.833.174	91.749.172.791	-	-	29.418.833.174	91.749.172.791
<b>Gross profit</b>	<b>3.020.136.057</b>	<b>9.647.103.538</b>	<b>13.441.540.493</b>	<b>35.711.536.168</b>	-	-	<b>16.461.676.550</b>	<b>45.358.639.706</b>
- Expenses not allocated by segment							(45.212.190.374)	(33.074.424.290)
- Financial income							575.482.630	1.299.285.369
- Financial expenses							(8.780.032.613)	(9.412.473.793)
- Share of gain/loss in associates, joint venture							2.298.460	(202.920.673)
- <b>Net profits from operating activities</b>							<b>(36.952.765.347)</b>	<b>3.968.106.319</b>
- Other income							3.640.497.246	1.750.771.572
- Other expenses							(349.819.766)	(760.418.598)
- <b>Total net profit before tax</b>							<b>(33.662.087.867)</b>	<b>4.958.459.293</b>
- Current corporate income tax expenses							-	(1.900.273.059)
- Deferred corporate income tax expenses							-	-
- <b>Profits after enterprise income tax</b>							<b>(33.662.087.867)</b>	<b>3.058.186.234</b>

### 3.2. Business Segment

For management purposes, the Company is organized to manage and account for the Company's business activities according to the following business areas:

Item	Construction		Trading and Services		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
- Revenue	201.210.703.691	326.983.315.154	48.893.601.977	136.019.913.456	-	-	250.104.305.668	463.003.228.610
- Revenue deductions	-	-	-	39.559.280	-	-	-	39.559.280
- Costs of sale	200.535.772.912	321.504.458.150	33.106.856.206	96.100.571.474	-	-	233.642.629.118	417.605.029.624
- <b>Gross profit</b>	<b>674.930.779</b>	<b>5.478.857.004</b>	<b>15.786.745.771</b>	<b>39.879.782.702</b>	-	-	<b>16.461.676.550</b>	<b>45.358.639.706</b>
- Expenses not allocated by segment							(45.212.190.374)	(33.074.424.290)
- Financial income							575.482.630	1.299.285.369
- Financial expenses							(8.780.032.613)	(9.412.473.793)
- Share of gain/loss in associates, joint venture							2.298.460	(202.920.673)
- <b>Net profits from operating activities</b>							<b>(36.952.765.347)</b>	<b>3.968.106.319</b>
- Other income							3.640.497.246	1.750.771.572
- Other expenses							(349.819.766)	(760.418.598)
- <b>Total net profit before tax</b>							<b>(33.662.087.867)</b>	<b>4.958.459.293</b>
- Current corporate income tax expenses							-	(1.900.273.059)
- Deferred corporate income tax expenses							-	-
- <b>Profits after enterprise income tax</b>							<b>(33.662.087.867)</b>	<b>3.058.186.234</b>



**4 . Comparative figures**

Comparative figures are figures on the Consolidate Financial Statemnt at 31/12/2023 that have been audited by Southern Auditting and Accouting, Fiancial Consultancy Services Co., Ltd (AASCS).

**Preparer - Chief accountant**



**Nguyen Hoang Vu**

Prepared, March 14, 2025

**General Director**



**Tran Minh Truc**

This is the complete report from Phuc Thinh Design Construction Trading Joint Stock Company (Stock Code PTD) regarding the business plan and governance activities of the Company in 2024. It is respectfully submitted to the State Securities Commission, the Hanoi Stock Exchange, and our esteemed shareholders and investors.

We kindly invite the State Securities Commission of Viet Nam, the Hanoi Stock Exchange, and our esteemed shareholders and investors to visit PTD's website at [www.phucthinh.com.vn](http://www.phucthinh.com.vn) to view the full 2024 consolidated financial report and the 2024 separate financial report.

For any details or inquiries, please contact:

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Sincerely!

*HCM City, April 10<sup>th</sup>, 2025*

**GENERAL DIRECTOR**



**TRAN MINH TRUC**