

CENTRAL AREA ELECTRICAL MECHANICAL
JOINT STOCK COMPANY



| 2024 ANNUAL REPORT

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ANNUAL REPORT

**LISTED ORGANIZATION NAME: CENTRAL AREA ELECTRICAL
MECHANICAL JOINT STOCK COMPANY (CEMC)**

(STOCK CODE: CJC)

YEAR: 2024

I. GENERAL INFORMATION

1. General information

- Transaction name: Central Area Electrical Mechanical Joint Stock Company
- Business Registration Certificate: 0400528732
- Charter capital: 80,000,000,000 VND
- Address: Hoa Cam Industrial Zone, Hoa Tho Tay Ward, Cam Le District, Da Nang.
- Phone number: (+84) 236.2218455.
- Fax number: (+84) 236.3846224.
- Website: www.cemc.com.vn.
- Stock code: CJC

2. History of establishment and development

Central Area Electrical Mechanical Joint Stock Company (“the Company”) was established through the equitization of a State-owned enterprise (i.e. Electrical Mechanical Enterprise under Power Company No. 3), was officially established on February 3, 2006

The Company has listed its shares (stock code: CJC) on the Hanoi Securities Trading Center (now the Hanoi Stock Exchange) since 20/11/2006.

Central Area Electrical Mechanical Joint Stock Company is a subsidiary of Vietnam Electricity. However, on September 1, 2015, Vietnam Electricity divested all 51% of the State capital in the Company.

With many outstanding achievements in production and business activities, the Company has received many certificates awarded by government agencies and departments, including the Second Class Labor Medal awarded by the State President; Certificates awarded by the Prime Minister; Ministry of Industry and Trade ...

3. Operating activities and business location:

+ Main operating activities

- Manufacture of structural metal products. Details: Manufacture of mechanical products, equipment and structures in the industrial and civil fields. Manufacture of hydro-

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- mechanical equipment for hydropower projects and other mechanical structures. Manufacture of mechanical equipment for thermal power projects;
- Construction of residential buildings. Details: Construction of civil construction projects;
 - Construction of electrical works. Details: Construction of electrical lines and substations with voltage of more than 110KV;
 - Construction of other civil engineering projects. Details: Construction of other works, except buildings, such as: outdoor sports facilities;
 - Construction of telecommunications and communication constructions. Details: Construction and installation of public telecommunications constructions;
 - Wholesale of other machinery and equipment. Details: Wholesale, import and export of mechanical and electrical supplies and equipment (excluding goods that foreign-invested economic organizations are not authorized to distribute);
 - Wholesale of metals and metal ores. Details: Wholesale of iron, steel and other metals (excluding precious metals);
 - Maintenance and repair of motor vehicles and other motor vehicles;
 - Renting and leasing of motor vehicles. Details: Rental services of automobiles and motor vehicles;
 - Repair of machinery and equipment. Details: Repair of pressure-resistant equipment and lifting equipment. Repair and restoration of mechanical products, equipment and structures in the industrial and civil fields;
 - Specialized design activities. Details: Design of pressure-resistant equipment and lifting equipment; Design of hydro-mechanical equipment for hydropower projects and other mechanical structures. Design of mechanical equipment for thermal power projects;
 - Machining, treatment and coating of metals. Details: Finishing of product surface by: Hot-dip galvanizing, electrogalvanizing, powder coating;
 - Manufacture of plastics products. Details: Manufacture of products made of composite materials;
 - Technical testing and analysis. Details: Testing of electrical equipment. Ultrasonic testing of metallic materials; Design verification and technical testing of mechanical equipment for hydropower projects, thermal power projects and other structural mechanical equipment. Non-destructive testing of joints;
 - Manufacture of lifting and handling equipment. Details: Manufacture of lifting equipment;
 - Installation of industrial machinery and equipment. Details: Installation of hydro-mechanical equipment for hydropower projects and other mechanical structures. Installation of mechanical equipment for thermal power projects. Installation of pressure-resistant equipment and lifting equipment;
 - Management consultancy activities. Details: Investment advisory services for construction and installation of public telecommunications projects and works; Consulting services and operational assistance for hydropower projects, thermal power projects and other structural mechanical equipment;
 - Trading of own or rented property and land use rights. Details: Trading of property; Provision of warehousing services (except investment projects on infrastructure of cemeteries and graveyards for transfer of land use rights together with the infrastructure

and activities that foreign-invested economic organizations are not authorized to operate);

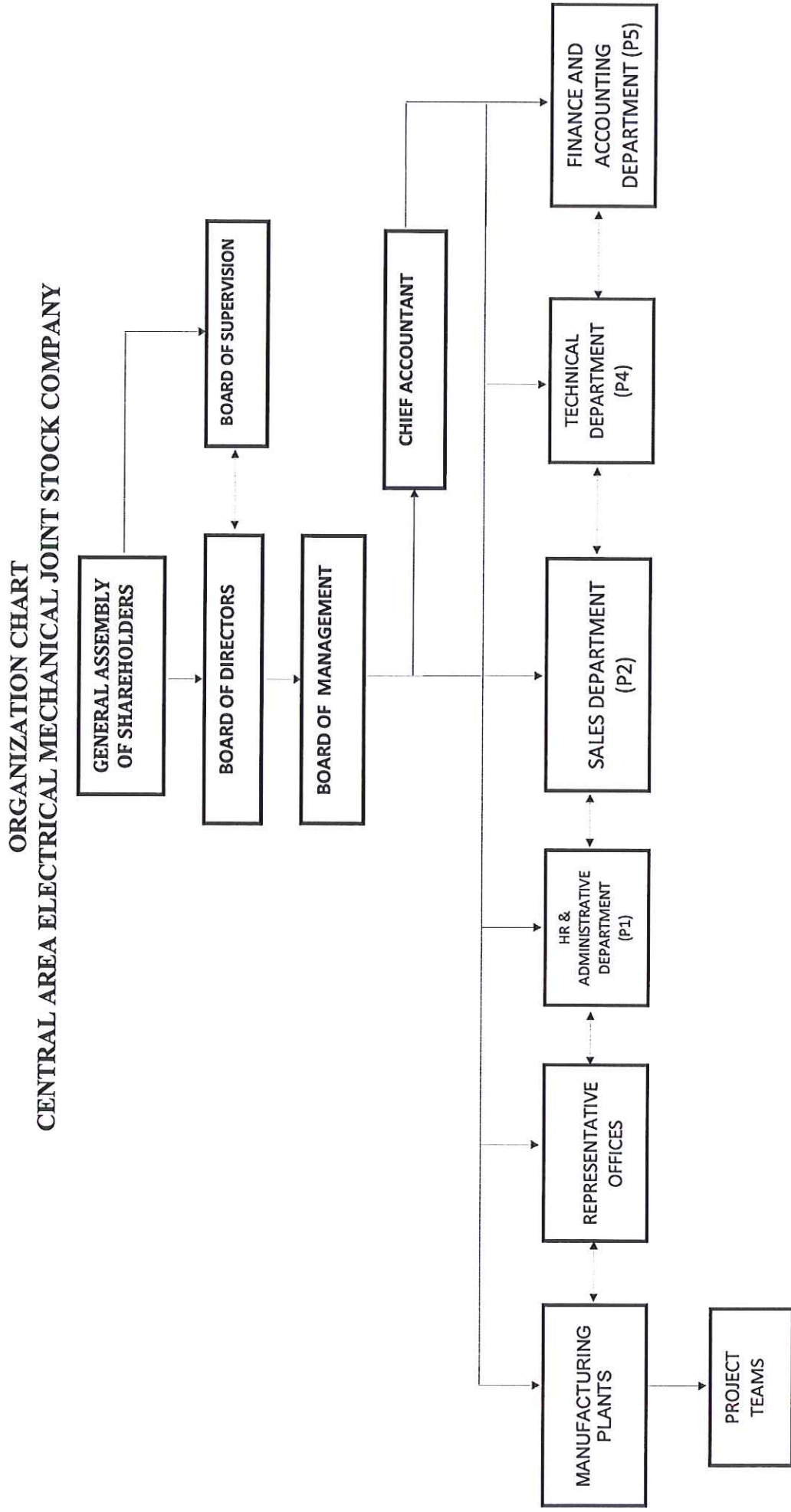
- Architectural and engineering activities and related technical consultancy. Details: Consulting, design and supervision of electrical lines and substations with voltage of more than 110KV; preparation of project finalization documents;
- Freight transport by road. Details: Provision of freight transport services using trucks;

+ Business location:

The Company's products are manufactured at Hoa Cam Industrial Zone, Hoa Tho Tay Ward, Cam Le District, Da Nang City and in localities where the Company organizes construction projects. The main customers are units under the Vietnam Electricity and units investing in the construction of hydroelectric and thermal power projects nationwide, but mainly in Hanoi, Ho Chi Minh City and the Central Highlands region.

4. Management model, organization chart:

4.1. Organization chart of Central Area Electrical Mechanical Joint Stock Company



4.2. Management structure:

Board of Directors

- | | | |
|------------------------|----------|---------------------------|
| • Mr. Nguyen Huu Thang | Chairman | Reappointed on 28/05/2021 |
| • Mr. Phan Ngoc Hieu | Member | Appointed on 21/05/2021 |
| • Mr. Duong Quoc Tuan | Member | Appointed on 21/05/2021 |
| • Mr. Dang Phan Tuong | Member | Appointed on 21/05/2021 |
| • Mr. Le Thanh Lam | Member | Appointed on 18/05/2023 |

Board of Management

- | | | |
|------------------------------|-------------------------|---------------------------|
| • Mr. Le Thanh Lam | General Director | Reappointed on 01/01/2025 |
| • Mr. Ngo Han | Deputy General Director | Reappointed on 15/04/2021 |
| • Mr. Le Dinh Phuoc Toan | Deputy General Director | Appointed on 01/03/2024 |
| • Ms. Phan Huynh Tuyet Trinh | Chief Accountant | Reappointed on 01/03/2022 |

Board of Supervisors

- | | | |
|------------------------------|------------------|---------------------------|
| • Ms. Pham Thi Ngan Ha | Chief Supervisor | Reappointed on 03/06/2021 |
| • Ms. Nguyen Thi Thanh Duyen | Supervisor | Reappointed on 21/05/2021 |
| • Ms. Nguyen Thi Yen Vy | Supervisor | Appointed on 21/05/2021 |

4.3. Related parties:

- | | |
|-------------------------------------|---|
| a/ Company name: | Truong Thong Trading Company Limited |
| Abbreviated name | TTC |
| Address: | Office area of Central Area Electrical Mechanical JSC
Hoa Cam Industrial Park, Hoa Tho Tay Ward, Cam Le District, Da Nang City |
| Telephone | (+84) 236 2244451 |
| Enterprise Registration Certificate | 321022000126 |
| First investor | Central Area Electrical Mechanical JSC |
| Second investor | Zhitong - Changsha Electrical Equipment Co., Ltd. |
| b/ Company name | Austdoor Group Joint Stock Company |
| Abbreviated name | ADG |
| Address: | No. 37 Le Van Thiem Street, Nhan Chinh Ward, Thanh Xuan District, Hanoi City |
| Telephone | 024-44550088. |
| Enterprise Registration Certificate | 0101306139 issued by Hanoi Department of Planning and Investment on December 22, 2009. |

c/ Company name:	Tien Phong Nam Mien Trung Trading and Manufacturing Joint Stock Company
Abbreviated name	.
Address:	25 My Da Tay 9, Khue My ward, Ngu Hanh Son district, Da Nang city
Telephone	.
Investment Certificate No	0402197204 issued by the Department of Planning and Investment of Da Nang City on June 19, 2023.
d/ Company name	Austwood Quang Tri Joint Stock Company
Abbreviated name	.
Address:	Quang Xa Village, Vinh Long Commune, Vinh Linh District, Quang Tri Province
Enterprise Registration Certificate	3200738086 issued by the Department of Planning and Investment of Quang Tri Province on June 26, 2023.

5. Development orientation

The main objective of the Company: Production and business activities ensure capital preservation and development, create profits, create jobs for employees, pay dividends to shareholders, fulfill obligations to the State and maintain stable and sustainable development for the Company.

Medium and long-term development strategy:

+ Continue to promote the exploitation of production and business of the Company's traditional products. At the same time, focus on research and investment in developing the production of mechanical products with high added value.

+ Continue to improve production capacity according to partner requirements to promote production and complete the installation of solar panels for export to other countries.

+ Promote the implementation of planned business segments such as aluminum profile production, plastic production... to increase the Company's business efficiency in the coming period.

+ Continuing and maintaining stable growth to become the leading strong Mechanical Company in the Central and Central Highlands regions, and at the same time being one of the typical enterprises of the country in the field of manufacturing, supplying and installing mechanical products and electrical equipment.

6. Risks: Currently, the fluctuating prices of key raw materials such as iron, steel, zinc, etc. and the floating exchange rate policy will have significant impacts on the implementation of the Company's goals.

II. BUSINESS PERFORMANCE

1. Production and business situation:

After a year of economic and political fluctuations, the Company's Board of Directors has put forward specific action plans for 2024, such as focusing on and optimizing human and material resources to simultaneously maintain traditional business operations and deploy new work areas, making efforts to find new partners to lend capital to accompany the Company in the difficult period and especially controlling to minimize operating costs and increase profits according to the proposed business plan.

Therefore, the Company's business results in 2024 achieved positive growth compared to the previous year. With close management and drastic application of control solutions to minimize costs, the Company has exceeded its revenue and profit plans, specifically as follows:

ĐVT: VNĐ

<i>No.</i>	<i>Item</i>	<i>Year2023</i>	<i>Year2024- plan</i>	<i>Year 2024- Perform</i>
1	Revenue	255.111.268.798	350.000.000.000	391.803.553.415
2	Profit before tax	3.996.754.011	5.500.000.000	7.819.705.878
3	Profit after tax	3.996.754.011	5.500.000.000	7.819.705.878

2. Organization and personnel:

- List of Executive Board:

1. Mr. Nguyen Huu Thang

- Position: Chairman of the Board of Directors
- Gender: Male
- Date of birth: January 14, 1976
- Place of birth: Thai Binh
- Nationality: Viet Nam
- Permanent address: T262 Collective Area, Weapons Department, Phu Dien, Tu Liem, Hanoi
- Cultural level: 12/12
- Professional qualification: Mechanical engineer
- Work history:
 - 07/1997-05/2015: Head of Department, Honda Vietnam Company
 - 15/04/2016 until now: Chairman of the Board of Directors of the Company (including:

Full-time at the company since July 2016)

The Company's Shareholders Equity Ratio (According to data in the 2024 Corporat Governance Report No. 57/BC-HĐQT dated January 24, 2025): 25.5% (2,040,000 shares).

2. Mr. Le Thanh Lam

- Position : General Director of the Company
- Gender: Male

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- Date of birth: June 17, 1979
 - Place of birth: Da Nang
 - Nationality: Viet Nam
 - Permanent address: 25 My Da Tay 9, Khue My Ward, Son Tra District, Da Nang City
 - Cultural level: 12/12
 - Professional qualification: Mechanical engineer.
 - Work history:
 - 2002 – 2004: Worked at Da Nang Lighting Company
 - 2005 – 5/2009: Employee of Central Area Electrical Mechanical JSC
 - 5/2008-02/2010: Head of Department – Mechanical Enterprise- Central Area Electrical Mechanical JSC
 - 3/2010-10/2011: Deputy Director of Mechanical Enterprise - Central Area Electrical Mechanical JSC
 - 10/2011 – 6/2014: Director of Technical Service Enterprise - Central Area Electrical Mechanical JSC
 - 7/2014 – 4/2016: Head of Sales Department - Central Area Electrical Mechanical JSC
 - 4/2016 – 8/2017: Head of Material - Sales Department - Central Area Electrical Mechanical JSC
 - 8/2017 to 31/12/2019: Deputy General Director of Central Area Electrical Mechanical JSC
 - 01/01/2020 to 16/05/2020: General Director of Central Area Electrical Mechanical JSC
 - 16/05/2020 to 20/05/2021: Member of the Board of Directors and General Director of Central Area Electrical Mechanical JSC
 - 21/05/2021 to 17/05/2023: General Director of Central Area Electrical Mechanical JSC
 - 18/05/2023 to 31/12/2024: Member of the Board of Directors and General Director of Central Area Electrical Mechanical JSC
 - 01/01/ 2025: Re-elected as General Director and member of the Board of Directors of Central Area Electrical Mechanical Joint Stock Company.
 - The Company's Shareholders Equity Ratio (According to data in the 2024 Corporate Governance Report No. 57/BC-HDQT dated January 24, 2025): 9.99% (799,440 shares).

3. Mr. Ngo Han

- Position: Deputy General Director of the Company
- Gender: Male
- Date of birth: 10/02/1963
- Place of birth: Da Nang
- Nationality: Vietnam
- Permanent address: 42 Ha Tong Quyen, Khue Trung Ward, Cam Le District, Da Nang City

- Cultural level: 12/12
- Professional qualification: Mechanical Engineer
- Working history:
 - 8/1987 – 8/1990: Staff at Traffic Design Survey Factory 5 – Da Nang
 - 8/1990 – 4/1999: Staff, Deputy Manager of the Electrical Mechanical Factory, now CEMC

- 4/1999 – 10/2006: Deputy Head of Department, Head of Department of Central Area Electrical Mechanical JSC.
- 11/2006 – 10/2009: Deputy General Director of Central Area Electrical Mechanical JSC
- 11/2009 – 3/2016: Head of Department of Central Area Electrical Mechanical JSC
- 4/2016 until now: Deputy General Director of Central Area Electrical Mechanical JSC
- The Company's Shareholders Equity Ratio (According to data in the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025): 0.09% (7,800 shares)

4 Mr. Le Dinh Phuoc Toan

- Position: Deputy General Director of the Company
- Gender: Male
- Date of birth: March 28, 1983
- Place of birth: Da Nang
- Nationality: Vietnam
- Permanent address: Group 29, Phuoc My Ward, Son Tra District, Da Nang City
- Cultural level: 12/12
- Professional qualification: Mechanical engineer
- Work history:
 - 2/2008- 11/2009 workshop technician – Central area Electrical Mechanical Joint Stock Company
 - 11/2009 - 02/2010: Deputy manager - Mechanical Enterprise - Central Area Electrical Mechanical JSC
 - 2/2010 - 6/2014: employee, deputy manager, manager - Mechanical Enterprise - Central Area Electrical Mechanical JSC
 - 6/2014 - 4/2016: employee, deputy manager of Sales department.
 - 01/6/2017 - 21/12/2017: Head of Materials department
 - 12/2017 - 2/2024: Head of Sales department.
 - 3/2024 until now: Deputy General Director of Central Area Electrical Mechanical JSC
- The Company's Shareholders Equity Ratio (According to data in the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025): 0% (0 shares).

5. Ms. Phan Huynh Tuyet Trinh

- Position: Chief accountant
- Gender: Female
- Date of birth: April 17, 1978
- Place of birth: Da Nang
- Nationality: Vietnam

- Permanent address: 66/12 Dinh Tien Hoang street, Hai Chau district, Da Nang city.
 - Cultural level: 12/12
 - Professional qualification: Accounting
 - Work history:
 - 10/2000 – 5/2005: Quang Nam Electricity employee
 - 5/2005 – 3/2010: Employee of Central Area Electrical Mechanical JSC
 - 3/2010 – 01/2015: Head of Accounting department, Mechanical Enterprise, Central Area Electrical Mechanical JSC
 - 1/2015 – 4/2016: Employee of Central Area Electrical Mechanical JSC
 - 4/2016 – 2/2017: Accountant of Central Area Electrical Mechanical JSC
 - 3/2017 until now: Chief Accountant of Central Area Electrical Mechanical JSC
- The Company's Shareholders Equity Ratio (According to data in the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025): 0.0075% (600 shares)..

6. Employees: The total number of employees of the Company as of December 31, 2024 is 243 people. The Company's employees are entitled to full benefits according to the provisions of the Labor Law; The Company pays salaries to Employees according to the Company's salary regulations. The salary scale is built according to the provisions of Decree 49/2013/ND-CP dated May 14, 2013 of the Government..

3. Investment and projects:

a/ Investments:

CEMC continues to implement capital construction investment, purchase machinery and equipment and has completed 100% of the capital increase plan according to Resolution No. 694/NQ-HĐQT dated December 22, 2022 base on the Resolution of the 2022 Annual General Meeting of Shareholders No. 01/2022/NQ-DHĐCD dated June 10, 2022 and Resolution of the General Meeting of Shareholders approved in the form of collecting opinions in writing No. 675/NQ-DHĐCD dated December 14, 2022.

b/ Subsidiaries, affiliates:

Truong Thong Trading Company Limited (TTC): The Company's investment capital value in TTC: VND 1,774,439,303 (49% of charter capital), but since the beginning of 2015, TTC has ceased operations due to ineffective business (currently only maintaining legal entity status to carry out debt collection). The equity value of TTC as of December 31, 2024 is VND 41,837,260. Central Area Electrical Mechanical JSC has made provisions for devaluation of this investment according to regulations (specifically, the provision figure as of December 31, 2024 is: VND 1,751,084,864).

4. Financial situation:

a/ Financial situation:

Unit: VND

<i>No.</i>	<i>Items</i>	Year 2023	Year 2024	Note
1	Total asset value	220,550,044,937	247,353,399,688	
2	Net revenue	252,387,561,856	387,378,730,941	
3	Profit from operations	1,844,497,977	3,697,620,986	
4	Other profits	2,152,256,034	4,122,084,892	
5	Total accounting profit before tax	3,996,754,011	7,819,705,878	
6	Profit after corporate income tax	3,996,754,011	7,819,705,878	

b/ Key financial indicators:

<i>No.</i>	<i>Items</i>	Year 2023	Year 2024	Note
1	Short-term solvency ratio			
	+ Current Ratio: Current Assets/Current Liabilities	1.58	1.58	
-	+ Quick Ratio: (Current Liabilities-Inventories)/Current Liabilities	1.19	1.0	
2	Capital structure indicators			
	+ Debt/Total Assets Ratio	0.61	0.62	
	+ Debt/Equity Ratio	1.56	1.63	
3	Performance indicators			
	+ Inventory Turnover: Cost of Goods Sold/Average Inventory	3.28	5.34	
	+ Net Revenue/Total Assets	1.14	1.57	

5. Shareholder structure, changes in shareholders equity:

a/ Shares: The total number of shares of the Company in circulation is 8,000,000 shares, with value: 10,000 VND/share, all of which are freely transferable common shares.

b/ Shareholder structure (According to the data of the shareholder list closing date of May 10, 2024):

No.	Shareholder structure	Total number of shares	Percentage of shares (%)	Note
I	Classified by major shareholders and minor shareholders	8,000,000	100%	
I.1	Major shareholder	7,369,440	92.12%	
1	Nguyen Huu Thang	2,040,000	25.50%	
2	Le Thanh Lam	799,440	9.99%	
3	Dao Thi Minh Thu	840,000	10.50%	
4	Nguyen Ngoc Kien	690,000	8.63%	
5	Austdoor Group Joint Stock Company	3,000,000	37.50%	
I.2	Other shareholders	630,560	7.88%	
II	Classified by institutional/individual shareholders	8,000,000	100%	
II.1	Institutional shareholders	3,006,435	37.6%	
II.2	Individual shareholders	4,993,565	62.4%	
III	Classified by domestic/foreign shareholders	8,000,000	100%	
III.1	Domestic shareholders	7,978,400	99.73%	
III.2	Foreign shareholders	21,600	0.27%	
IV	Classified by state shareholder/other shareholder	8,000,000	100%	
IV.1	State shareholder	-	0.00%	
IV.2	Other shareholders	8,000,000	100.00%	

c/ Treasury stock transactions: none in 2024.

d/ Other securities: none.

III. Report and evaluation of the Board of Directors.

1. Evaluation of production and business performance

2024 is a year with many difficulties and challenges affecting the production and business activities of Central Area Electrical Mechanical JSC, such as:

- The prolonged consequences of the COVID-19 pandemic still impact the socio-economic life and business activities of the Company.
- With the fierce competition of the mechanical market, the Company's strong products are hydraulic mechanical equipment and steel structures, which are greatly affected.
- Skilled human resources and labor force continue to shift to other companies, so it has a significant impact on the Company's labor resources.

Due to the consequences of the prolonged pandemic combined with the complicated developments in the world, 2024 is a difficult and challenging year, not only for the mechanical industry. Limited order exploitation, fierce competition in bidding for hydropower projects, power transmission line tower, interrupted supply of materials, high input material prices... The above objective impacts have affected the production and business efficiency of the Company.

The board of directors has tried to find jobs, resulting in both revenue and profit exceeding planned targets and achieving positive growth compared to the same period last year.

Faced with market difficulties and challenges, the Board of Directors has tried and made efforts to find jobs to not interrupt production and ensure the lives of workers.

<i>No.</i>	<i>Items</i>	<i>Year 2023</i>	<i>Year 2024- plan</i>	<i>Year 2024- Performing</i>
1	Revenue	255,111,268,798	350,000,000,000	391,803,553,415
2	Profit before tax	3,996,754,011	5,500,000,000	7,819,705,878
3	Profit after tax	3,996,754,011	5,500,000,000	7,819,705,878

2. Financial situation

a/ Asset:

Items	01/01/2024	31/12/2024	Difference
ASSETS			
A- CURRENT ASSETS	205,945,147,496	227,739,089,045	21,793,941,549
I. Cash and cash equivalents	18,325,247,799	30,166,901,118	11,841,653,319
1. Cash on hand	18,325,247,799	30,166,901,118	11,841,653,319
2. Cash equivalents			
II. Short-term financial investments	4,055,590,181		(4,055,590,181)
1. Trading securities			
2. Held To Maturity Securities	4,055,590,181		(4,055,590,181)
III. Short-term receivables	132,076,845,892	110,705,165,045	(21,371,680,847)
1. Short-term receivables from customers	118,516,853,913	99,884,770,799	(18,632,083,114)
2. Short-term prepaid expenses to suppliers	9,721,886,835	9,257,482,425	(464,404,410)
3. Other short-term receivables	5,504,217,398	3,229,024,075	(2,275,193,323)
4. Provision for bad receivables	(1,666,112,254)	(1,666,112,254)	
IV. Inventories	51,005,049,710	82,676,314,948	31,671,265,238
1. Inventories	51,005,049,710	82,676,314,948	31,671,265,238
2. Provision for devaluation of stocks	-		
V. Other current assets	482,413,914	4,190,707,934	3,708,294,020
1. Short-term prepaid expenses	387,302,383	981,946,579	594,644,196
2. Deductible value-added tax	-	3,073,649,824	3,073,649,824
3. Taxes and payable to state budget	95,111,531	135,111,531	40,000,000
B. LONG-TERM ASSETS	14,604,897,441	19,614,310,643	5,009,413,202
I. Long-term receivables	1,040,351,472	1,457,582,722	417,231,250
1. Other long-term receivables	1,040,351,472	1,457,582,722	417,231,250
II. Fixed assets	12,541,693,733	14,586,983,990	2,045,290,257
1. Tangible fixed assets	12,529,403,410	14,586,693,667	2,057,290,257
- Cost	118,297,057,828	123,615,286,459	5,318,228,631
- Depreciation of fixed assets	(105,767,654,418)	(109,028,592,792)	(3,260,938,374)

2. Intangible fixed assets	-	-	-
- Cost			-
Items	01/01/2024	31/12/2024	Difference
- Depreciation of fixed assets	-		-
3. Intangible fixed assets	12,290,323	290,323	(12,000,000)
- Cost	93,333,653	93,333,653	-
- Depreciation of fixed assets	(81,043,330)	(93,043,330)	(12,000,000)
III. Investment real estate			
IV. Non-current assets in process	451,019,003	700,372,820	249,353,817
1. Long-term cost for work in process	-		
2. Cost for Capital construction in progress	451,019,003	700,372,820	249,353,817
V. Long-term financial investments	24,470,881	23,354,439	(1,116,442)
1. Investment in equity of subsidiaries	-		
2. Investment in joint-venture	1,774,439,303	1,774,439,303	-
3. Other long term investments	-		
4. Provision for long-term financial investments	(1,749,968,422)	(1,751,084,864)	(1,116,442)
5. Held To Maturity Securities	-		
VI. Other long-term assets	547,362,352	2,846,016,672	2,298,654,320
1. Long-term prepaid expenses	547,362,352	2,846,016,672	2,298,654,320
TOTAL ASSETS	220,550,044,937	247,353,399,688	26,803,354,751

b/ **Liabilities:** All loan due to date have been fully paid by the Company. Since most of the Company's loan are in Vietnamese Dong, the exchange rate difference has no significant impact on the Company's business performance. As of December 31, 2024, the liabilities are as follows:

Items	01/01/2024	31/12/2024	Difference
A. LIABILITIES	134,420,798,620	153,404,447,493	18,983,648,873
I. Short-term loan	130,347,515,488	143,889,449,697	13,541,934,209
1. Short-term payables to suppliers	25,671,263,572	32,257,034,945	6,585,771,373
2. Short-term advances from customers	28,857,357,436	55,554,701,277	26,697,343,841
3. Taxes and payable to state budget	4,928,594,720	15,031,168	(4,913,563,552)
4. Payables to employees	4,394,433,600	5,004,391,716	609,958,116
5. Short-term accruals	1,748,122,798	2,422,769,410	674,646,612
6. Other short-term accruals	340,586,865	568,440,535	227,853,670
7. Short-term loan and payable for finance leasing	63,877,975,545	47,253,504,559	(16,624,470,986)
8. Provision for short-term payables	361,477,195	653,872,330	292,395,135
9. Bonus & welfare funds	167,703,757	159,703,757	(8,000,000)
II. Long-term loan	4,073,283,132	9,514,997,796	5,441,714,664
1. Long-term loan and payable for finance leasing			
2. Provision for long-term payables	4,073,283,132	9,514,997,796	5,441,714,664

3. Improvements in organization structure and management policies:

In 2024, the Company has continued to complete the restructuring of the organization structure, and rearrange and appoint staffs to meet management requirements.

4. Development plans:

- Enhancing management, restructure the organization with the aim of streamlining the apparatus, improving the quality of employees to boost production and business efficiency.
- Continuing to increase the production and business of main products which are the Company's strengths, focus on research and investment in developing the production of mechanical products with high added value, maintain and attract more customers.
- Continuing to improve production capacity in order to meet customers' requirements to promote production and complete installation of solar panels for export to other countries.
- Expanding the production fields in the mechanical and electrical industries such as Thermal Engineering; Environmental Treatment; Green Environment and take part in production of mechanical products for Wind Power Plants; Solar Power Plants, Nuclear Power as a main contractor. Cooperating with reputable companies to participate in the production of mechanical products for power plants, thermal power plants, solar power plants, wind power plants and other industrial steel structures, and expand export markets to increase product value as well as create more jobs and income for employees.
- Accelerating and completing the new production fields such as aluminum profile production, plastic production... to increase the Company's business efficiency in the coming period.
- Continuing and maintaining stable growth to become the leading strong mechanical company in the central and central highlands regions, and at the same time being one of the typical enterprises in the field of manufacturing, supplying and installing mechanical products and electrical equipment.

IV. EVALUATION OF BOARD OF DIRECTORS OF THE COMPANY'S PERFORMANCE

1. Evaluation of Board of Directors of the business performance:

In 2024, the consequences of post-pandemic problems combined with the impact of political and economic conflicts continue to be bad, leading to high inflation, reduced demand, scarcity and increased prices of essential goods. In that context, internally, the Company continues to boost production of main mechanical products so as to be able to increase high profit margins to the Company. At the same time, the Company implements a business plan for shaped aluminum and plastic production to diversify products and increase value. Externally, the Company is looking for more loan partners, actively negotiating to exploit resources from customers.

2. Evaluation of Board of Directors of the Executive Board:

After a year with many challenges, as the management agency of the Company's operations based on the policies and plans approved by the General Meeting of Shareholders, the Board of Directors (BOD) highly appreciates the management and operation capabilities, the close supervision of all aspects of the Board of Directors' operations in the general difficult situation of the economy, and the strong improvement in organizational and management thinking will be a good premise for the following years.

In addition to the successes of major policies, the Board of Directors has always actively bid to find jobs and successfully signed high-value contracts to open the year 2025. Based on the positive results achieved, the Board of Directors needs to continue to make specific plans and prepare human and material resources to simultaneously and effectively implement projects from 2024 to 2025 and newly won bids, especially the key national project - Lao Cai - Vinh Yen 500kV transmission line,... significantly build up the company profile to increase competitive capacity in the coming period.

3. Plans and orientations of the Board of Directors:

In addition to the initial successes after financial restructuring to remove the burden, increase internal strength to create conditions for the enterprise to have further long-term development steps. In 2025, the Board of Directors and the Executive Board of the Company will continue to closely monitor the management work, accompany to remove difficulties in all aspects of operation, strive to find development opportunities to increase the value of the enterprise.

The Board of Directors continues to seek opportunities to increase the value of traditional products by expanding production areas in the mechanical and electrical industries such as Thermal Engineering; Environmental Treatment; Green Environment, and plans to participate in projects of power plants, thermal power plants, solar power plants, wind power plants and other industrial steel structures, moving towards accessing the export market. Focus on developing aluminum profile and plastic products to increase scale and create surplus for the Company. Strive to make the Company a leading mechanical unit in the Central and Central Highlands regions, and at the same time be one of the typical enterprises of the country in the field of manufacturing, supplying and installing mechanical products and electrical equipment. Along with expanding scale, it is still necessary to ensure the implementation of the quality policy and business objectives of the Company, fully meet the needs of customers, stabilize and improve the lives of workers, contribute to the development and bring prosperity to society.

V. CORPORATE MANAGEMENT

1. Board of Directors:

a/ Members and structure of Board of Directors: (Specify the number of independent non-executive members)

No.	Member	Position	Number of shares (*)	Note
1	Mr. Nguyen Huu Thang	Chairman	2,040,000	<i>Non-Executive Member</i>
2	Mr. Phan Ngoc Hieu	Member	0	<i>Non-Executive Member</i>
3	Mr. Duong Quoc Tuan	Member	0	<i>Non-Executive Member</i>
4	Mr. Dang Phan Tuong	Member	0	<i>Independent member</i>
5	Mr. Le Thanh Lam	Member	799,440	<i>Board member General Director</i>

(*)According to the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025.

b/ Activities of Board of Directors:

In 2024, the Board of Directors held meetings/collected written opinions to direct the Company's work in accordance with the provisions of the Law and the Company's Charter; the Resolutions issued during the year are as follows:

No.	Resolution No.	Date	Items	Pass rate
1	111/NQ-HĐQT	27/02/2024	Appointment of Deputy General Director of the company - Mr. Le Dinh Phuoc Toan	100%
2	223/NQ-HĐQT	19/04/2024	Approval of the Plan to organize the 2024 Annual General Meeting of Shareholders	100%
3	678/NQ-HĐQT	14/11/2024	Personnel work - Continue to appoint Mr. Le Thanh Lam to the position of General Director from January 1, 2025	100%
4	679/NQ-HĐQT	14/11/2024	Borrowing capital and mortgaging assets at Vietnam Joint Stock Commercial Bank for Investment and Development - Da Nang Branch	100%
5	680/NQ-HĐQT	14/11/2024	Borrow capital and mortgage assets at credit institutions other than BIDV Bank - Da Nang Branch	100%

2. Board of Supervisors

a. Members and structure of the Board of Supervisors: The Board of Supervisors consists of 03 members, including:

No.	Member	Position	Address	Number of shares (*)	Ratio	Note
1	Ms. Pham Thi Ngan Ha	Chief Supervisor	K60/19 Nguyen Thanh Han, Hai Chau District, Da Nang City	0	0%	
2	Ms. Nguyen Thi Yen Vy	Supervisor	77/29 Le Do, Da Nang City	0	0%	
3	Ms. Nguyen Thi Thanh Duyen	Supervisor	Nam Phuoc Town, Duy Xuyen, Quang Nam	0	0%	

(*)According to the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025.

b. Activities of Board of Supervisors:

Over the past year, the Board of Supervisors has inspected the compliance with the law; Charter and other internal regulations of the Company in all aspects of operations for the Board of Directors, the Board of General Directors and other management levels in the Company. In particular, the Board of Supervisors has focused on inspecting financial data and coordinating with the auditing unit in the process of reviewing the semi-annual financial statements and auditing the 2024 financial statements to ensure that the Company's financial statements reflect honestly, objectively, in accordance with the provisions of the current regime and on the principle of maximum protection of shareholders' interests. The Board of Supervisors has held 2 meetings, which were organized in accordance with regulations, with the participants and specific meeting items as follows:

- Inspect the Company's operations in the first 6 months of the year and approve the Company's 2024 Semi-Annual Financial Report audited by AAC Auditing and Accounting Company Limited;
- Inspect the Company's operations in the last 6 months of the year and approve the Company's 2024 Financial Report according to data audited by AAC Auditing and Accounting Company Limited.

3. Transactions, salaries and benefits of the Board of Directors, the Board of the General Director and the Board of Supervisors.

a/ Salaries and remuneration of each member of the Board of Directors; Board of General Directors; and members of the Board of Supervisors paid in 2024 are specifically as follows:

No.	Member	Position	Total income	Note
I	Salary			
1	Mr. Nguyen Huu Thang	Chairman	393,220,435	
2	Mr. Le Thanh Lam	General Director	335,567,074	
3	Mr. Ngo Han	Deputy General Director	255,987,796	
4	Mr. Le Dinh Phuoc Toan	Deputy General Director	272,499,659	
5	Ms. Phan Huynh Tuyet Trinh	Chief Accountant	259,325,223	
6	Ms. Pham Thi Ngan Ha	Chief Supervisor	126,964,318	
7	Ms. Nguyen Thi Yen Vy	Supervisor - Business specialist	91,722,487	
8	Ms. Nguyen Thi Thanh Duyen	Supervisor - Office staff	101,771,640	
II	Remuneration of the Board of Directors		129,000,000	
1	Mr. Phan Ngoc Hieu	Member	36,000,000	Reappointed on 21/05/2021
2	Mr. Duong Quoc Tuan	Member	36,000,000	Reappointed on 21/05/2021
3	Mr. Dang Phan Tuong	Member	36,000,000	Reappointed on 21/05/2021
II	Remuneration of Board of Supervisors		60,000,000	
1	Ms. Pham Thi Ngan Ha	Chief Supervisor	36,000,000	Reappointed on 03/06/2021
3	Ms. Nguyen Thi Yen Vy	Supervisor	12,000,000	Reappointed on 21/05/2021
4	Ms. Nguyen Thi Thanh Duyen	Supervisor	12,000,000	Reappointed on 21/05/2021

b/ Stock transactions of internal shareholders: None

No.	Member	Position	Number of shares last year	Number of increased (+)/decreased (-) shares	Number of shares (*)	Note
1	Mr. Nguyen Huu Thang	Chairman	2,040,000	0	2,040,000	
2	Mr. Le Thanh Lam	General Director	799,440	0	799,440	
3	Mr. Ngo Han	Deputy General Director	7,800	0	7,800	
4	Ms. Phan Huynh Tuyet Trinh	Chief Accountant	600	0	600	

(*)According to the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025.

c/ Contracts or transactions with internal shareholders: According to the 2024 Corporate Governance Report No. 57/BC-HĐQT dated January 24, 2025.

d/ Implementation of corporate governance regulations: The Company has fully implemented the legal provisions on corporate governance.

VI. REPORT ON ENVIRONMENTAL AND SOCIAL IMPACT OF THE COMPANY:

1. Environmental impact and compliance with environmental protection laws:

In addition to contributions to community development, as a business operating in the field of mechanical processing and metal coating, the Company is aware of its responsibility in ensuring a living environment for the community and has seriously implemented solutions to reduce and treat waste in accordance with legal regulations, specifically as follows:

- + Constructing an industrial wastewater treatment system. Periodically, the Company hires functional units to monitor industrial wastewater and domestic wastewater, and the results of the year are that no monitoring samples exceed the standards.

- + Regarding industrial emissions, the Company has built and operated a chemical vapor filtration system and a shot blasting house dust treatment system, periodically hired functional units to conduct monitoring and the result during the year was that no monitoring sample exceeded the standard.

- + Classify, collect, store hazardous waste and hire a competent unit to handle it, keep full documents and report to competent authorities in accordance with current legal regulations.

- + Set up fences to isolate dangerous areas, places containing chemicals or flammable materials, and cover areas that generate dust during construction...

- + The company always complies with the preparation of environmental impact assessment reports as prescribed for projects implemented by the company.

- + Every year, the Company has plans, solutions, and drills to respond to environmental incidents.

2. Consumption of electricity and water:

The company always encourages its employees to seriously implement electricity saving measures such as: turning off electrical equipment when not in use, using air conditioners properly, prioritizing the use of LED bulbs... and promoting water saving to reduce costs.

3. Management of Fuel resource:

The company uses a large amount of fuel regularly, so it has implemented storage, isolated storage areas and regularly monitored fire prevention and fighting to ensure labor safety, human health and the environment.

4. Employee policies:

The company always cares for the lives of employees, fully implementing the regime according to regulations. Periodically organizes internal training activities, external training, study tours... to develop the skills of employees.

5. Report on responsibility towards local communities:

After the efforts and attempts in production and business, the Company always supports and coordinates with the government to carry out community activities, contributing to improving social life in the spirit of helping and sharing with special cases, difficult circumstances... together contributing to building a good and humane society. The Company is always aware that

building a working environment that ensures all workers are safe, healthy, have the opportunity to develop, support themselves and their families... creating stable jobs for local workers is a great social responsibility that the Company has done.

VII. FINANCIAL REPORT

1. Auditors' opinion: According to the independent auditors' report No 518/2025/BCKT-AAC as at 27/03/2025.

No. 518/2025/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders, the Board of Directors, and the Management**
 Central Area Electrical Mechanical Joint Stock Company

We have audited the financial statements prepared on 27/03/2025 of Central Area Electrical Mechanical Joint Stock Company ("the Company") as set out on pages 5 to 31, which comprise the balance sheet as at 31/12/2024, the income statement and the statement of cash flows for the year then ended, and the notes thereto.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and the statutory requirements relevant to the preparation and presentation of financial statements.

AAC Auditing and Accounting Co., Ltd

BALANCE SHEET FOR THE YEAR as at 31/12/2024

	Code	Note	31/12/2024	01/01/2024
ASSETS			VND	VND
A- CURRENT ASSETS	100		227,739,089,045	205,945,147,496
I. Cash and cash equivalents	110		30,166,901,118	18,325,247,799
1. Cash	111	5	30,166,901,118	18,325,247,799
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		-	4,055,590,181
1. Trading securities	121		-	-
2. Held To Maturity Securities	123		-	4,055,590,181
III. Short-term receivables	130		110,705,165,045	132,076,845,892
1. Short-term receivables from customers	131		99,884,770,799	118,516,853,913
2. Short-term prepaid expenses to suppliers	132		9,257,482,425	9,721,886,835
3. Other short-term receivables	136		3,229,024,075	5,504,217,398
4. Provision for bad receivables	137		(1,666,112,254)	(1,666,112,254)
5. Shortage of assets awaiting resolution			-	
IV. Inventories	140		82,676,314,948	51,005,049,710
1. Inventories	141		82,676,314,948	51,005,049,710
2. Provision for devaluation of stocks	149			-
V. Other current assets	150		4,190,707,934	482,413,914
1. Prepaid expenses	151	11.a	981,946,579	387,302,383
2. Value-added tax deductible	152		3,073,649,824	-
3. Tax and statutory obligations	153	12	135,111,531	95,111,531
B. NON-CURRENT ASSETS	200		19,614,310,643	14,604,897,441
I. Long-term receivables	210		1,457,582,722	1,040,351,472
6. Other long-term receivables	216	8b	1,457,582,722	1,040,351,472
II. Fixed assets	220		14,586,983,990	12,541,693,733
1. Tangible fixed assets	221	13	14,586,693,667	12,529,403,410
- Cost	222		123,615,286,459	118,297,057,828
- Accumulated depreciation	223		(109,028,592,792)	(105,767,654,418)
2. Intangible fixed assets				-
- Cost				
- Accumulated depreciation				-
3. Intangible fixed assets	227	14	290,323	12,290,323
- Cost	228		93,333,653	93,333,653
- Accumulated depreciation	229		(93,043,330)	(81,043,330)
III. Investment properties	230			
IV. Non-current assets in progress	240		700,372,820	451,019,003
1. Long-term cost for work in process	241			-

2. Cost for Capital construction in progress	242	15	700,372,820	451,019,003
V. Long-term financial investments	250	16	23,354,439	24,470,881
1. Investment in equity of subsidiaries				-
2. Investment in joint-venture	252		1,774,439,303	1,774,439,303
3. Other long term investments				-
4. Provision for long-term financial investments	254		(1,751,084,864)	(1,749,968,422)
5. Held To Maturity Securities				-
VI. Other long-term assets	260		2,846,016,672	547,362,352
1. Long-term prepaid expenses	261		2,846,016,672	547,362,352
TOTAL ASSETS	270		247,353,399,688	220,550,044,937

Items	Code	Note	31/12/2024	01/01/2024
C. LIABILITIES	300		153,404,447,493	134,420,798,620
I. Short-term loan	310		143,889,449,697	130,347,515,488
1. Short-term payables to suppliers	311	17	32,257,034,945	25,671,263,572
2. Short-term advances from customers	312	18	55,554,701,277	28,857,357,436
3. Taxes and payable to state budget	313		15,031,168	4,928,594,720
4. Payables to employees	314		5,004,391,716	4,394,433,600
5. Short-term accruals	315	19	2,422,769,410	1,748,122,798
6. Other short-term accruals	319	20	568,440,535	340,586,865
7. Short-term loan and payable for finance leasing	320	21	47,253,504,559	63,877,975,545
8. Provision for short-term payables	321	22.a	653,872,330	361,477,195
9. Bonus & welfare funds	322		159,703,757	167,703,757
II. Long-term loan	330		9,514,997,796	4,073,283,132
1. Long-term loan and payable for finance leasing	331			
2. Provision for long-term payables	342	22.b	9,514,997,796	4,073,283,132
D. EQUITY	400		93,948,952,195	86,129,246,317
I. Owners' equity	410		93,948,952,195	86,129,246,317
1. Charter capital	411	23	80,000,000,000	80,000,000,000
- Common shares with voting rights	411a		80,000,000,000	80,000,000,000
- Preferred shares	411b			
2. Share premiums	412	23	3,680,199,000	3,680,199,000
3. Undistributed profit after tax	421	23	10,268,753,195	2,449,047,317
- Undistributed profit up to prior year-end	421a		2,449,047,317	(1,547,706,694)
- Undistributed profit for the current year	421b		7,819,705,878	3,996,754,011
II. Other resources and funds	430			
TOTAL RESOURCES			247,353,399,688	220,550,044,937

2024 BUSINESS RESULTS REPORT

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
1. Revenue from sales and service provision	01	24	387,378,730,941	252,387,561,856
2. Deductions	02		-	-
3. Net revenue from sales and service provision	10		387,378,730,941	252,387,561,856
4. Cost of goods sold	11	25	356,605,810,371	227,127,904,425
5. Gross profit from sales and service provision	20		<u>30,772,920,570</u>	<u>25,259,657,431</u>
6. Financial income	21	26	169,444,788	241,351,389
7. Financial expenses	22	27	4,743,220,734	5,947,964,908
<i>Including: Interest expenses</i>	23		4,656,970,314	5,537,917,047
8. Selling expenses	25	28	5,901,559,799	4,727,360,425
9. Administrative expenses	26	29	16,599,963,839	12,981,185,510
10. Operating profit	30		<u>3,697,620,986</u>	<u>1,844,497,977</u>
11. Other income	31	30	4,255,377,686	2,482,355,553
12. Other expenses	32	31	133,292,794	330,099,519
13. Other profit	40		<u>4,122,084,892</u>	<u>2,152,256,034</u>
14. Accounting profit before tax	50		<u>7,819,705,878</u>	<u>3,996,754,011</u>
15. Current corporate income tax expense	51	32	-	-
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		<u>7,819,705,878</u>	<u>3,996,754,011</u>
18. Basic earnings per share	70	33	977	729
19. Diluted earnings per share	71	33	977	729

CASH FLOW STATEMENT 2024

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
I. Cash flows from operating activities				
1. Cash receipts from sales, service provision and other income	01		432,269,552,585	207,827,237,800
2. Cash paid to suppliers	02		(379,616,703,137)	(205,830,118,472)
3. Cash paid to employees	03		(40,529,438,079)	(29,216,056,708)
4. Loan interest paid	04	19,27	(4,684,351,996)	(5,664,001,852)
5. Other cash receipts from operating activities	06		63,902,469,271	32,361,445,158
6. Other payments for operating activities	07		(41,340,936,259)	(15,630,327,253)
Net cash from operating activities	20		30,000,592,385	(16,151,821,327)
II. Cash flows from investing activities				
1. Purchase and construction of fixed assets and other non-current assets	21	13,14	(5,768,734,948)	(3,303,082,116)
2. Cash paid for loans, acquisition of debt instruments	23		-	(5,769,015,518)
3. Recovery of loans, re-sales of debt instruments	24		4,055,590,181	11,019,425,337
4. Loan interest, dividends and profits received	27	9,26	228,411,420	134,779,256
Net cash from investing activities	30		(1,484,733,347)	2,082,106,959
III. Cash flows from financing activities				
1. Proceeds from stock issuance, capital contribution	31		-	39,880,000,000
2. Proceeds from borrowings	33	21	286,731,129,425	147,451,172,093
3. Repayment of borrowings	34	21	(303,355,600,411)	(174,438,530,627)
Net cash from financing activities	40		(16,624,470,986)	12,892,641,466
Net cash flows for the year	50		11,891,388,052	(1,177,072,902)
Cash and cash equivalents at the beginning of the year	60	5	18,325,247,799	19,498,557,323
Impacts of exchange rate fluctuations	61		(49,734,733)	3,763,378
Cash and cash equivalents at the end of the year	70	5	30,166,901,118	18,325,247,799

FINANCIAL STATEMENT FOOTNOTES

(This financial statement footnotes is a component of financial report and need reading together with the financial report)

1. Nature of operations

1.1. Overview

Central Area Electrical Mechanical Joint Stock Company (“the Company”) was established through the equitization of a State-owned enterprise (i.e. Electrical Mechanical Enterprise under Power Company No. 3) pursuant to Decision No. 3146/QĐ-BCN dated 06/10/2005 by the Ministry of Industry. The Company is an independent accounting entity, operating under Enterprise Registration Certificate No. 3203000887 issued on 03/02/2006 by the Department of Planning and Investment of Da Nang City. Since its establishment, the Company has amended its Enterprise Registration Certificate 14 times, most recently on 21/09/2023, and holds Enterprise Code 0400528732. The Company operates in compliance with the Enterprise Law, its Charter, and other relevant legal regulations.

1.2. Principal scope of business: Manufacture and installation of mechanical products, equipment and structures.

1.3. Operating activities

- Manufacture of structural metal products. Details: Manufacture of mechanical products, equipment and structures in the industrial and civil fields. Manufacture of hydro-mechanical equipment for hydropower projects and other mechanical structures. Manufacture of mechanical equipment for thermal power projects;
- Construction of residential buildings. Details: Construction of civil construction projects;
- Construction of electrical works. Details: Construction of electrical lines and substations with voltage of more than 110KV;
- Construction of other civil engineering projects. Details: Construction of other works, except buildings, such as: outdoor sports facilities;
- Construction of telecommunications and communication constructions. Details: Construction and installation of public telecommunications constructions;
- Wholesale of other machinery and equipment. Details: Wholesale, import and export of mechanical and electrical supplies and equipment (excluding goods that foreign-invested economic organizations are not authorized to distribute);
- Wholesale of metals and metal ores. Details: Wholesale of iron, steel and other metals (excluding precious metals);
- Maintenance and repair of motor vehicles and other motor vehicles;
- Renting and leasing of motor vehicles. Details: Rental services of automobiles and motor vehicles;
- Repair of machinery and equipment. Details: Repair of pressure-resistant equipment and lifting equipment. Repair and restoration of mechanical products, equipment and structures in the industrial and civil fields;
- Specialized design activities. Details: Design of pressure-resistant equipment and lifting equipment; Design of hydro-mechanical equipment for hydropower projects and other mechanical structures. Design of mechanical equipment for thermal power projects;
- Machining; treatment and coating of metals. Details: Finishing of product surface by: Hot-dip galvanizing, electrogalvanizing, powder coating;
- Manufacture of plastics products. Details: Manufacture of products made of composite materials;

- Technical testing and analysis. Details: Testing of electrical equipment. Ultrasonic testing of metallic materials; Design verification and technical testing of mechanical equipment for hydropower projects, thermal power projects and other structural mechanical equipment. Non-destructive testing of joints;
- Manufacture of lifting and handling equipment. Details: Manufacture of lifting equipment;
- Installation of industrial machinery and equipment. Details: Installation of hydro-mechanical equipment for hydropower projects and other mechanical structures. Installation of mechanical equipment for thermal power projects. Installation of pressure-resistant equipment and lifting equipment;
- Management consultancy activities. Details: Investment advisory services for construction and installation of public telecommunications projects and works; Consulting services and operational assistance for hydropower projects, thermal power projects and other structural mechanical equipment;
- Trading of own or rented property and land use rights. Details: Trading of property; Provision of warehousing services (except investment projects on infrastructure of cemeteries and graveyards for transfer of land use rights together with the infrastructure and activities that foreign-invested economic organizations are not authorized to operate);
- Architectural and engineering activities and related technical consultancy. Details: Consulting, design and supervision of electrical lines and substations with voltage of more than 110KV; preparation of project finalization documents;
- Freight transport by road. Details: Provision of freight transport services using trucks;

2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 01 January and ends on 31 December.

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

3. Applied accounting standards and accounting system

The Company adopts Vietnamese Accounting Standards and Vietnamese Corporate Accounting System as guided in Circular No. 200/2014/TT-BTC dated 22/12/2014 and Circular No. 53/2016/TT-BTC dated 21/3/2016 providing amendments and supplements to certain articles of Circular No. 200/2014/TT-BTC promulgated by the Ministry of Finance.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash includes cash on hand and bank demand deposits.

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

4.2 Held-to-maturity investments

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, held-to-maturity loans to earn profits periodically, and other held-to maturity investments.

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

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

4.3 Receivables

Receivables include trade receivables and other receivables.

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

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the Company has claimed many times but still has not collected yet or which have not been overdue but the debtor is in the state of insolvency, doing dissolution procedures, missing or running away.

4.4 Inventories

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

Value of inventories is calculated using the weighted average method for raw materials and merchandise goods and the specific identification method for mechanical and construction projects, and accounted for using the perpetual method, with cost determined as follows:

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

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

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

4.5 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Depreciation

Depreciation of tangible fixed assets is calculated on a straight-line basis over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	5 - 25
Machinery, equipment	3 - 10
Motor vehicles, transmission equipment	6 - 8
Office equipment	3

4.6 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

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

Amortization

Intangible fixed assets are amortized on a straight-line basis over their estimated useful lives. The amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/04/2013 by the Ministry of Finance. Details are as follows:

<u>Kind of assets</u>	<u>Amortization period (years)</u>
Computer software	3 - 5

4.7 Investments in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associate but not control or joint control over those policies. An entity is considered as an associate if the Company holds (directly or indirectly) from 20% to under 50% voting shares of the entity.

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

Provision

Provision for investments in associates is made if these investments are impaired or the investees suffer losses leading to the irrecoverability of the Company's investments.

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

4.8 Prepaid expenses

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

- Costs of tools and instruments being put into use are amortized in accordance with the straight-line method for a period ranging from 1 year to 3 years.
- Other prepaid expenses: the Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

4.9 Payables

Payables include trade payables and other payables.

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

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

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

4.10 Accrued expenses

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

4.11 Loans and finance lease liabilities

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

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies.

Borrowing costs

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

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

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

4.12 Provision for payables

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

4.13 Owners' equity

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

Share premium

Share premium reflects the difference between the issue price and par value of the shares issued, costs directly related to the issuance of shares; difference between the re-issue price and book value, costs directly related to the re-issuance of shares; the capital component of convertible bonds as they fall due.

Profit distribution

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Company's Charter or Resolutions of the General Meeting of Shareholders.

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

4.14 Recognition of revenue and other income

- Revenue from construction contracts is recognized as follows:
 - ✓ Where a construction contract stipulates that the contractor is allowed to make payments according to the set schedule, and when the results of contract performance can be reliably estimated, revenue and costs related to the contract shall be recognized based on the portion of work completed.
 - ✓ Where a construction contract stipulates that the contractor is allowed to make payments according to the value of work completed, and when the results of contract performance can be reliably estimated, revenue and costs related to the contract shall be recognized based on the portion of work completed and certified by the customers during the reporting period.
- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:

- ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods.
- ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
 - ✓ Interest is recognized on the basis of the actual term and interest rates.
 - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution.
- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4.15 Cost of goods sold

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

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

4.16 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, provision for loss from investment in other entities, loss from sale of foreign currency, foreign exchange loss and other expenses attributable to investing activities.

4.17 Selling expenses, administrative expenses

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

Administrative expenses recognized are expenses actually incurred related to the overall administration of enterprises.

4.18 Current corporate income tax expense

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

4.19 Financial instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement

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

4.20 Applicable tax rates and charges payable to the State Budget

- Value-added tax (VAT): A VAT rate of 10% is applied to mechanical products and electrical equipment. In 2024, the Company applied a VAT rate of 8% for these products in accordance with National Assembly's Resolution No. 142/2024/QH15 dated 29/06/2024 and Resolution No. 110/2023/QH15 dated 29/11/2023. Other products are subject to the prevailing VAT rates.
- Corporate income tax (CIT): CIT is levied at a rate of 20%.
- Other taxes and obligations are fulfilled in accordance with prevailing regulations.

4.21 Related parties

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

Currency: VND

5. Cash

	31/12/2024	01/01/2024
Cash on hand	103,857,230	18,966,000
Bank demand deposit	30,063,043,888	18,306,281,799
Total	30,166,901,118	18,325,247,799

6. Short-term trade receivables

	31/12/2024	01/01/2024
Lilama 10 Joint Stock Company	37,058,620,315	53,663,737,168
Central Power Projects Management Board	20,234,615,292	235,766,104
Trung Chinh Trading and Construction Company Limited	6,962,904,630	4,294,988,700
Song Luy Energy Joint Stock Company	4,283,443,910	4,283,443,910
Tan Phuoc Construction Consulting JSC	3,909,288,629	3,949,288,629
Other customers	27,435,898,023	52,089,629,402
Total	99,884,770,799	118,516,853,913

Value of trade receivables pledged as collateral for borrowings as at 31/12/2024 was VND34,940,536,626.

7. Short-term prepayments to suppliers

	31/12/2024	01/01/2024
Song Tien Construction JSC	2,173,678,130	-
MTS JSC	2,170,593,750	-
Hoa Cam Industrial Zone Investment Joint Stock Company	1,596,990,711	1,596,990,711
Other suppliers	3,316,219,834	8,124,896,124
Total	9,257,482,425	9,721,886,835

8. Other receivables

a. Short-term

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Accrued interest	-	-	138,312,481	-
Deposits	2,892,526,974	-	4,384,369,558	-
Advances	311,066,934	-	940,440,380	-
Other receivables	25,430,167	-	41,094,979	-
Total	3,229,024,075	-	5,504,217,398	-

b. Long-term

	31/12/2024		01/01/2024	
	Value	Provision	Giá trị	Dự phòng
Deposits	1,457,582,722	-	1,040,351,472	-
Total	1,457,582,722	-	1,040,351,472	-

9. Provision for doubtful short-term debts

	31/12/2024	01/01/2024
Opening balance	1,666,112,254	1,666,112,254
Provision made during the year	-	-
Reversal of provision during the year	-	-
Closing balance	1,666,112,254	1,666,112,254

10. Inventories

	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Materials	14,956,876,288	-	6,958,044,788	-
Tools and instruments	62,581,393	-	10,256,921	-
Work in progress	67,445,025,931	-	43,824,916,665	-
Finished products	90,244,535	-	90,244,535	-
Merchandise goods	121,586,801	-	121,586,801	-
Total	82,676,314,948	-	51,005,049,710	-

- No inventories were unsaleable, of poor quality, or slow-moving as at 31/12/2024.
- No inventories were pledged as security for borrowings as at 31/12/2024.

11. Prepaid expenses

a. Short-term

	31/12/2024	01/01/2024
Repair expenses	652,163,621	201,135,993
Vehicle inspection and insurance fees	45,042,144	25,965,242
Others	284,740,814	160,201,148
Total	981,946,579	387,302,383

b. Long-term

	31/12/2024	01/01/2024
Tools and instruments pending allocation	1,040,312,554	-
Infrastructure usage expenses	1,018,814,198	-
Asset repair expenses	778,172,304	379,385,173
Other expenses	8,717,616	167,977,179
Total	2,846,016,672	547,362,352

12. Taxes and amounts receivable from/payable to the State

	Opening balance		Amount to be paid	Actual amount paid	Closing balance	
	Receivable	Payable			Receivable	Payable
Value-added tax	-	4,888,744,624	3,609,739,659	8,538,484,283	40,000,000	-
Corporate income tax	95,111,531	-	-	-	95,111,531	-
Personal income tax	-	39,850,096	433,467,885	458,286,813	-	15,031,168
Other taxes	-	-	4,000,000	4,000,000	-	-
Total	95,111,531	4,928,594,720	4,047,207,544	9,000,771,096	135,111,531	15,031,168

The Company's tax returns would be subject to inspection by the tax authorities. The tax amounts reported in these financial statements could be changed upon final determination by the tax authorities.

13. Tangible fixed assets

	Buildings, architectures VND	Machinery, equipment VND	Motor vehicles, transmission equipment VND	Office equipment VND	Total VND
Cost					
Opening balance	47,658,145,108	56,539,615,131	13,709,276,671	390,020,918	118,297,057,828
Increases	-	1,560,600,000	613,984,000	1,391,042,200	3,565,626,200
Self construction	2,284,349,781	-	-	-	2,284,349,781
Disposals	531,747,350	-	-	-	531,747,350
Closing balance	49,410,747,539	58,100,215,131	14,323,260,671	1,781,063,118	123,615,286,459
Depreciation					
Opening balance	44,035,918,678	48,773,549,930	12,601,229,669	356,956,141	105,767,654,418
Charge for the year	900,573,085	2,364,090,008	477,507,090	50,515,541	3,792,685,724
Disposals	531,747,350	-	-	-	531,747,350
Closing balance	44,404,744,413	51,137,639,938	13,078,736,759	407,471,682	109,028,592,792
Net book value					
Opening balance	3,622,226,430	7,766,065,201	1,108,047,002	33,064,777	12,529,403,410
Closing balance	5,006,003,126	6,962,575,193	1,244,523,912	1,373,591,436	14,586,693,667

- Tangible fixed assets with a carrying amount of VND2,855,045,838 as at 31/12/2024 were pledged as security for borrowings.
- Cost of tangible fixed assets fully depreciated but still in use as at 31/12/2024 was VND88,586,670,717.

14. Intangible fixed assets

	Accounting software VND
Cost	
Opening balance	93,333,653
Increases	-
Decreases	-
Closing balance	93,333,653
Amortization	
Opening balance	81,043,330
Charge for the year	12,000,000
Decreases	-
Closing balance	93,043,330
Net book value	
Opening balance	12,290,323
Closing balance	290,323

Cost of intangible fixed assets fully amortized but still in use as at 31/12/2024 was VND33,333,653.

15. Construction in progress

	31/12/2024	01/01/2024
Zinc coating workshop repair – Zone A	616,007,505	-
Shot blasting room renovation	84,365,315	84,365,315
Wastewater treatment system	-	357,635,155
Renovation of 2x3T construction work, Lk=16m	-	9,018,533
Total	<u>700,372,820</u>	<u>451,019,003</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

16. Long-term financial investments

	Operational status	% of equity	% of voting rights	31/12/2024			01/01/2024		
				Cost	Provision	Fair value	Cost	Provision	Fair value
Investment in associate									
Truong Thong Trading Co., Ltd	Operating	49%	49%	1,774,439,303	1,751,084,864	(*)	1,774,439,303	1,749,968,422	(*)
Total				<u>1,774,439,303</u>	<u>1,751,084,864</u>		<u>1,774,439,303</u>	<u>1,749,968,422</u>	

(*) At the date of these financial statements, the Company has no reliable reference data about the fair value of this investment.

17. Short-term trade payables

	31/12/2024	01/01/2024
CITICOM Commercial JSC	7,901,709,706	-
Central Vietnam Metal Corporation	6,845,612,793	3,523,572,702
Hoang Vu Chemical & Trading Co., Ltd	2,543,659,680	119,309,760
Viet Star International JSC	1,626,442,115	157,121,800
Other suppliers	13,339,610,651	21,871,259,310
Total	32,257,034,945	25,671,263,572

18. Short-term advances from customers

	31/12/2024	01/01/2024
Song Da N05 Joint-Stock Company	29,961,639,240	10,403,514,714
PC1 Group Joint Stock Company	20,088,000,621	-
Long Viet Joint Stock Company	4,978,897,386	14,943,200,000
Other customers	526,164,030	3,510,642,722
Total	55,554,701,277	28,857,357,436

19. Short-term accrued expenses

	31/12/2024	01/01/2024
Loan interest	55,883,665	83,265,347
Land rent	2,177,714,109	1,451,809,738
Others	189,171,636	213,047,713
Total	2,422,769,410	1,748,122,798

20. Other short-term payables

	31/12/2024	01/01/2024
Trade union fees	197,937,278	197,937,277
Remuneration of the Board of Directors, Board of Supervisor	45,000,000	45,000,000
Other payables	325,503,257	97,649,588
Total	568,440,535	340,586,865

21. Short-term loans and finance lease liabilities

	Opening balance	Increases	Decreases	Closing balance
Short-term loans	63,877,975,545	286,731,129,425	303,355,600,411	47,253,504,559
- BIDV - South Da Nang Branch	25,765,334,925	74,883,276,219	72,826,399,049	27,822,212,095
- TPBank - Da Nang Branch	24,994,066,323	92,326,966,576	105,346,981,681	11,974,051,218
- MSB	13,118,574,297	119,520,886,630	125,182,219,681	7,457,241,246
Current portion of long-term loans	-	-	-	-
Total	63,877,975,545	286,731,129,425	303,355,600,411	47,253,504,559

22. Provision for payables

a. Short-term

	31/12/2024	01/01/2024
Provision for product warranties	653,872,330	361,477,195
Total	653,872,330	361,477,195

b. Long-term

	31/12/2024	01/01/2024
Provision for product warranties	9,514,997,796	4,073,283,132
Total	9,514,997,796	4,073,283,132

23. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Share premium	Undistributed profit after tax
As at 01/01/2023	40,000,000,000	3,800,199,000	(29,274,864,496)
Increase in the year	40,000,000,000	-	31,723,911,813
Decrease in the year	-	120,000,000	-
As at 31/12/2023	80,000,000,000	3,680,199,000	2,449,047,317
As at 01/01/2024	80,000,000,000	3,680,199,000	2,449,047,317
Increase in the year	-	-	7,819,705,878
Decrease in the year	-	-	-
As at 31/12/2024	80,000,000,000	3,680,199,000	10,268,753,195

b. Shares

	31/12/2024 Shares	01/01/2024 Shares
Number of shares authorized to be issued	8,000,000	8,000,000
Number of shares issued to the public	8,000,000	8,000,000
- <i>Common shares</i>	8,000,000	8,000,000
- <i>Preferred shares (classified as equity)</i>		-
Number of outstanding shares	8,000,000	8,000,000
- <i>Common shares</i>	8,000,000	8,000,000
- <i>Preferred shares (classified as equity)</i>		
Par value of outstanding shares: VND10,000 each		

c. Undistributed profit after tax

	Year 2024	Year 2023
Profit brought forward	2,449,047,317	(29,274,864,496)
Profit after corporate income tax for the current year	7,819,705,878	3,996,754,011
Distribution of profit (*)	-	-
Accumulated loss written off	-	27,727,157,802
- <i>Write-off using the development investment fund</i>	-	10,743,246,341
- <i>Write-off using other equity</i>	-	16,983,911,461
Undistributed profit after tax	10,268,753,195	2,449,047,317

24. Off-balance sheet items – Foreign currencies

		31/12/2024	01/01/2024
Foreign currency	USD	5,194.68	5,134.28
	LAK	1,342,269,082	-

25. Revenue from sale and service provision

	Year 2024	Year 2023
Sales of mechanical products, electrical equipment	379,707,666,164	248,290,379,634
Sales of supplies, goods and other business activities	7,671,064,777	4,097,182,222
Total	387,378,730,941	252,387,561,856

26. Cost of goods sold

	Year 2024	Year 2023
Cost of mechanical products, electrical equipment	349,334,926,922	223,395,080,789
Cost of supplies, goods and other business activities	7,270,883,449	3,732,823,636
Total	356,605,810,371	227,127,904,425

27. Financial income

	Year 2024	Year 2023
Interest income from bank deposits	90,098,939	230,838,597
Foreign exchange gains	79,345,849	10,512,792
Total	169,444,788	241,351,389

28. Financial expenses

	Year 2024	Year 2023
Loan interest	4,656,970,314	5,537,917,047
Prompt payment discount	-	382,600,000
Foreign exchange losses	85,133,978	26,331,419
Provision for investment loss	1,116,442	1,116,442
Total	4,743,220,734	5,947,964,908

29. Selling expenses

	Year 2024	Year 2023
Provision for product warranties	5,901,559,799	4,308,027,925
Brokerage commission	-	419,332,500
Total	5,901,559,799	4,727,360,425

30. Administrative expenses

	Year 2024	Year 2023
Staff costs	8,803,198,555	8,267,687,668
Other expenses	7,796,765,284	4,713,497,842
Total	16,599,963,839	12,981,185,510

31. Other income

	Year 2024	Year 2023
Compensation for failure to meet committed output	4,222,470,000	2,380,125,000
Electricity charge collected from rented canteen	28,841,412	-
Other income	4,066,274	102,230,553
Total	4,255,377,686	2,482,355,553

32. Other expenses

	Year 2024	Year 2023
Electricity and water expenses	22,891,599	-
Asset dismantling expenses	26,182,165	-
Loss on asset disposal	-	130,933,537
Other expenses	84,219,030	199,165,982
Total	133,292,794	330,099,519

33. Current corporate income tax expense

	Year 2024	Year 2023
Accounting profit before tax	7,819,705,878	3,996,754,011
Adjustments for taxable income	4,621,807,385	2,794,732,837
Incremental adjustments	4,621,807,385	2,794,732,837
- <i>Non-allowable expenses</i>	3,487,814,436	626,347,679
+ <i>Remuneration of non-executive Board of Directors and Board of Supervisors members</i>	108,000,000	123,000,000
+ <i>Non-deductible interest expenses</i>	946,117,950	2,045,385,158
+ <i>Cost of fixed assets exceeding cap</i>	79,875,000	-
Decremental adjustments	-	-
Total taxable income	12,441,513,263	6,791,486,848
Losses carried forward	(12,441,513,263)	(6,791,486,848)
Current corporate income tax expense	-	-

34. Basic, diluted earnings per share

	Year 2024	Year 2023
Profit after corporate income tax	7,819,705,878	3,996,754,011
Incremental or decremental adjustments to profit after tax	-	-
Profit or loss attributable to common shareholders	7,819,705,878	3,996,754,011
Average number of common shares outstanding	8,000,000	5,482,516
Basic, diluted earnings per share	977	729

35. Operating expenses by elements

	Year 2024	Year 2023
Materials expenses	297,304,889,569	132,437,966,898
Labor costs	44,305,267,245	36,879,890,181
Depreciation and amortization of fixed assets	3,804,685,724	3,720,734,545
Outside service expenses	37,852,759,957	21,895,262,855
Other cash expenses	6,287,397,532	1,559,049,854
Total	389,555,000,027	196,492,904,333

The domestic production cost in 2024 of the Company accounted for 88.44% of the total production and business costs.

36. Financial instruments**a. Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while

maximizing the return to shareholders through the optimization of the debt and equity balance.

b. Financial risk management

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

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

Interest rate risk management

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

Exchange rate risk management

The Company engages in sale and purchase transactions denominated in foreign currency, resulting in exposures to exchange rate fluctuations. However, the number of such transactions is relative low, and this risk managed by the Company through measures such as optimizing the time for repayment of debts, selecting the appropriate time for foreign currency purchases and payments, projecting future exchange rates and optimizing the use of available funds to balance the exchange rate risk and liquidity risk.

Book value of foreign currency financial instruments at the year-end is as follows:

		31/12/2024	01/01/2024
Foreign currencies	USD	5,194.68	5,134.28
	LAK	1,342,269,082	-

Price risk management

The input materials at the Company are primarily steel and zinc used to manufacture mechanical products for hydropower projects and steel pole products. To manage this risk, the Company seeks suppliers who offer the lowest possible prices and places large orders to take advantage of preferential pricing policies. Additionally, the Company monitors market fluctuations to ensure a consistent source of input materials at the most reasonable price.

Credit risk management

The Company's main customers are entities belonging to Vietnam Electricity such as local power companies, the Southern Vietnam Power Project Management Board and the Hydropower Project Management Boards. These are traditional customers who generate regular transactions, and the Company also has many measures in place to mitigate the credit risk, including regularly monitoring the situation to assess and classify debts, rating debts, actively recovering debts and potentially filing civil lawsuits against debtors who fail to pay on time.

Liquidity risk management

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

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

31/12/2024	Within 1 year	Over 1 year	Total
Trade payables	32,257,034,945	-	32,257,034,945
Accrued expenses	2,422,769,410	-	2,422,769,410
Loans and finance lease liabilities	47,253,504,559	-	47,253,504,559
Other payables	370,503,257	-	370,503,257
Total	82,303,812,171	-	82,303,812,171

01/01/2024	Within 1 year	Over 1 year	Total
Trade payables	25,671,263,572	-	25,671,263,572
Accrued expenses	1,748,122,798	-	1,748,122,798
Loans and finance lease liabilities	63,877,975,545	-	63,877,975,545
Other payables	142,649,588	-	142,649,588
Total	91,440,011,503	-	91,440,011,503

The Management assesses that the Company is not exposed to liquidity risk and believes that the Company can generate sufficient funds to meet its financial obligations as they fall due.

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

31/12/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	30,166,901,118	-	30,166,901,118
Trade receivables	98,218,658,545	-	98,218,658,545
Other receivables	2,917,957,141	1,457,582,722	4,375,539,863
Total	131,303,516,804	1,457,582,722	132,761,099,526

01/01/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	18,325,247,799	-	18,325,247,799
Financial investments	4,055,590,181	-	4,055,590,181
Trade receivables	116,850,741,659	-	116,850,741,659
Other receivables	4,563,777,018	1,040,351,472	5,604,128,490
Total	143,795,356,657	1,040,351,472	144,835,708,129

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

37. Segment reporting

Operations	Mechanical products		Other business activities		Total
	Year 2024	Year 2023	Year 2024	Year 2023	
Revenue from sales and service provision	379,707,666,164	248,290,379,634	7,671,064,777	4,097,182,222	387,378,730,941
Revenue deductions	-	-	-	-	-
Cost of goods sold	349,334,926,922	223,395,080,789	-	-	227,127,904,425
Selling expenses	5,901,559,799	4,727,360,425	7,270,883,449	3,732,823,636	4,727,360,425
Administrative expenses	16,599,963,839	12,981,185,510	-	-	12,981,185,510
Unallocated financial income					241,351,389
Unallocated financial expenses					5,947,964,908
Operating profit	7,871,215,604	7,186,752,910	400,181,328	364,358,586	1,844,497,977
Other income					2,482,355,553
Other expenses					330,099,519
Other profit					2,152,256,034
Accounting profit before tax					3,996,754,011
Current corporate income tax expense					-
Profit after tax					3,996,754,011
As at 31 December					
Tangible fixed assets	13,315,167,265	12,529,403,410	1,271,526,402	-	12,529,403,410
- Cost	121,853,163,324	107,544,760,972	1,762,123,135	10,752,296,856	118,297,057,828
- Accumulated depreciation	(108,537,996,059)	(95,015,357,562)	(490,596,733)	(10,752,296,856)	(105,767,654,418)
Trade receivables	99,884,770,799	118,516,853,913	-	-	118,516,853,913
Trade payables	32,257,034,945	24,933,043,043	-	738,220,529	25,671,263,572

38. Information on related parties

a. Related parties

	Relationship
Truong Thong Trading Co., Ltd	Associated company
Austdoor Group Joint Stock Company	Common member of the Board of Directors
Austwood Quang Tri Joint Stock Company	Common member of the Board of Directors
Tien Phong Nam Mien Trung Trading and Manufacturing JSC	Common member of the Board of Directors

b. Significant transactions with related parties

	Transaction	Year 2024	Year 2023
Austdoor Group Joint Stock Company	Sale of goods	728,616,120	22,084,569,629
	Contract breach compensation	4,222,470,000	2,380,125,000
	Purchase of goods	-	100,170,000
Austwood Quang Tri JSC	Sale of goods	149,613,889	-
Tien Phong Nam Mien Trung Trading and Manufacturing JSC	Sale of goods	2,332,297,504	-

c. Outstanding balances with related parties

Related party	Item	31/12/2024	01/01/2024
Truong Thong Trading Co., Ltd	Trade receivables	571,751,852	571,751,852
Austdoor Group Joint Stock Company	Trade receivables	1,063,019,998	924,330,440
Tien Phong Nam Mien Trung Trading and Manufacturing JSC	Trade receivables	122,358,601	-

d. Income of key management members

Transactions	Position	Year 2024	Year 2023
Salary of Board of Directors			
- Mr. Nguyen Huu Thang	Chairman (Executive)	393,220,435	373,440,451
Remuneration of Board of Directors			
- Mr. Phan Ngoc Hieu	Member	36,000,000	36,000,000
- Mr. Dang Phan Tuong	Member	36,000,000	36,000,000
- Mr. Duong Quoc Tuan	Member	36,000,000	36,000,000
Salary and remuneration of Board of Supervisors		379,858,445	353,732,895
Salary of Management			
- Mr. Le Thanh Lam	General Director	335,567,074	314,890,948
- Mr. Ngo Han	Deputy General Director	255,987,796	258,248,598
- Mr. Le Dinh Phuoc Toan	Deputy General Director	272,499,659	-
- Ms. Phan Huynh Tuyet Trinh	Chief Accountant	259,325,223	247,877,070

39. Events after the balance sheet date

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

40. Corresponding figures

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



Le Thanh Lam ✓

General Director

Da Nang, 14 March 2025

39. Events after the balance sheet date

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

40. Corresponding figures

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



Le Thanh Lam ✓

General Director

Da Nang, 14 April 2025