



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

**QINGHAI TRANSFORMATION
CONSTRUCTION JOINT STOCK
COMPANY**

Interim financial statements

For the first 6 months of 2025



**QUANG NAM TRANSPORTATION
CONSTRUCTION JOINT STOCK
COMPANY**

Interim financial statements

For the first 6 months of 2025

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REPORT OF THE MANAGEMENT

The Management of Quang Nam Transportation Construction Joint-Stock Company presents this report together with the reviewed interim financial statements for the first 6 months of 2025.

Overview

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

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

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

Head office

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

Principal scope of business

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

Employees

As at 30/06/2025, the Company had 68 employees including 4 managing officers.

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

REPORT OF THE MANAGEMENT (cont'd)

Board of Directors

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

Supervisory Board

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

Management and Chief Accountant

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

Independent auditor

These interim financial statements were reviewed by AAC Auditing and Accounting Co., Ltd (Head office: No. 218, 30th April Street, Hoa Cuong Ward, Da Nang City; Tel: (84) 0236.3655886; Fax: (84) 0236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

The Management's responsibility in preparation of the interim financial statements

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

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

REPORT OF THE MANAGEMENT (cont'd)

The members of the Company's Management hereby confirm that the accompanying interim financial statements including the interim balance sheet, the interim income statement, the interim statement of cash flows and the notes thereto give a true and fair view of the financial position of the Company as at 30/06/2025 and of the results of its operations and its cash flows for the first 6 months of 2025 in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and statutory requirements relevant to preparation and presentation of interim financial statements.

On behalf of the Management



Nguyễn Thuận Anh
General Director

Da Nang City, 21 August 2025





No.: 998/2025/BCSX-AAC

INDEPENDENT AUDITORS' REPORT

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

We have reviewed the interim financial statements which were prepared on 21/08/2025 of Quang Nam Transportation Construction Joint-Stock Company ("the Company") as set out on pages 6 to 33, comprising the interim balance sheet as at 30/06/2025, the interim income statement, the interim statement of cash flows for the first 6 months of 2025 and the notes thereto.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30/06/2025, and its financial performance and its cash flows for the first 6 months of 2025, in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the interim financial statements.

Emphasis of Matter

We would like to note the matter disclosed in Note 3, the accompanying financial statements are the interim separate financial statements for the first 6 months of 2025 of the parent company. These separate financial statements should be read together with the interim consolidated financial statements for the first 6 months of 2025 in order for users to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company.

Our conclusion is not modified in respect of this matter.

AAC Auditing and Accounting Co., Ltd.



Lam Quang Tu – Deputy General Director

Audit Practicing Registration Certificate

No. 1031-2023-010-1

Da Nang City, 21 August 2025

INTERIM BALANCE SHEET

As at 30 June 2025

Form No. B 01 - DN

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

ASSETS	Code	Note	30/06/2025 VND	01/01/2025 VND
A. CURRENT ASSETS	100		45,042,203,962	49,917,525,409
I. Cash and cash equivalents	110	5	1,550,221,446	7,615,181,604
1. Cash	111		1,550,221,446	7,615,181,604
2. Cash equivalents	112		-	-
II. Short-term financial investments	120		6,828,000,000	10,828,000,000
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6	6,828,000,000	10,828,000,000
III. Short-term receivables	130		18,015,396,937	21,367,158,070
1. Short-term trade receivables	131	7	4,089,412,995	20,445,894,594
2. Short-term prepayment to suppliers	132	8	12,682,734,022	108,563,390
3. Other short-term receivables	136	9a	2,413,710,164	1,983,160,330
4. Provision for short-term doubtful debts	137	10	(1,170,460,244)	(1,170,460,244)
IV. Inventories	140	11	18,231,641,241	10,107,185,735
1. Inventories	141		18,231,641,241	10,107,185,735
2. Provision for decline in value of inventories	149		-	-
V. Other current assets	150		416,944,338	-
1. Short-term prepaid expenses	151	15.a	298,083,609	-
2. Deductible VAT	152		86,782,729	-
3. Taxes and other amounts receivable from the State	153	19	32,078,000	-
B. LONG-TERM ASSETS	200		21,039,884,562	16,819,651,024
I. Long-term receivables	210		2,279,959,001	2,055,901,699
1. Long-term trade receivables	211		-	-
2. Other long-term receivables	216	9b	2,279,959,001	2,055,901,699
II. Fixed assets	220		14,690,788,206	10,258,087,230
1. Tangible fixed assets	221	12	14,445,722,143	10,012,531,257
- Cost	222		77,033,142,306	75,196,972,764
- Accumulated depreciation	223		(62,587,420,163)	(65,184,441,507)
2. Intangible fixed assets	227	13	245,066,063	245,555,973
- Cost	228		258,293,600	258,293,600
- Accumulated amortization	229		(13,227,537)	(12,737,627)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		-	29,827,995
1. Long-term work in process	241		-	-
2. Construction in progress	242		-	29,827,995
V. Long-term financial investments	250		3,000,000,000	3,000,000,000
1. Investment in subsidiary	251	14	3,000,000,000	3,000,000,000
2. Provision for long-term financial investments	254		-	-
VI. Other long-term assets	260		1,069,137,355	1,475,834,100
1. Long-term prepaid expenses	261	15.b	1,069,137,355	1,475,834,100
2. Other long-term assets	268		-	-
TOTAL ASSETS	270		66,082,088,524	66,737,176,433

INTERIM BALANCE SHEET (cont'd)

As at 30 June 2025

RESOURCES	Code	Note	30/06/2025 VND	01/01/2025 VND
C. LIABILITIES	300		25,900,194,667	26,140,826,584
I. Current liabilities	310		24,609,701,557	25,125,407,584
1. Short-term trade payables	311	16	2,189,514,306	8,243,044,492
2. Short-term advances from customers	312	17	9,410,752,610	595,511,365
3. Taxes and amounts payable to the State	313	18	210,617,431	1,690,819,961
4. Payables to employees	314		681,352,288	1,579,805,673
5. Short-term accrued expenses	315	19	160,646,770	234,419,112
6. Other short-term payables	319	20	3,207,002,535	4,546,320,790
7. Short-term loans and finance lease liabilities	320	21	6,580,122,715	6,813,176,604
8. Provision for short-term payables	321	22.a	1,539,854,822	1,420,397,479
9. Reward and welfare fund	322		629,838,080	1,912,108
II. Long-term liabilities	330		1,290,493,110	1,015,419,000
1. Long-term trade payables	331		-	-
2. Provision for long-term payables	342	22.b	1,290,493,110	1,015,419,000
D. EQUITY	400		40,181,893,857	40,596,349,849
I. Owners' equity	410	23	39,775,662,468	40,190,118,460
1. Share capital	411	23	27,000,000,000	27,000,000,000
- Common shares with voting rights	411a		27,000,000,000	27,000,000,000
- Preferred shares	411b		-	-
2. Other owners' capital	414	23	8,379,414,871	8,379,414,871
3. Investment and development fund	418	23	2,561,777,617	2,561,777,617
4. Undistributed profit after tax	421	23	1,834,469,980	2,248,925,972
- Undistributed profit after tax UP to prior period-end	421a		1,620,000,000	
- Undistributed profit after tax of current period	421b		214,469,980	2,248,925,972
II. Other budget resources, funds	430		406,231,389	406,231,389
1. Budget resources	431		124,245,000	124,245,000
2. Resources financing fixed assets	432		281,986,389	281,986,389
TOTAL RESOURCES	440		66,082,088,524	66,737,176,433



Nguyen Tuan Anh
General Director

Da Nang City, 21 August 2025

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer

INTERIM INCOME STATEMENT
For the first 6 months of 2025

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

ITEMS	Code	Note	First 6 months of 2025 VND	First 6 months of 2024 VND
1. Revenue from sales and service provision	01	25	20,062,329,017	10,784,200,929
2. Revenue deductions	02		-	21,240,909
3. Net revenue from sales and service provision	10		20,062,329,017	10,762,960,020
4. Cost of goods sold	11	26	17,411,082,429	10,412,701,254
5. Gross profit from sales and service provision	20		<u>2,651,246,588</u>	<u>350,258,766</u>
6. Financial income	21	27	143,191,557	164,100,439
7. Financial expenses	22	28	252,290,473	55,418,957
Including: Interest expense	23		96,634,554	23,589,041
8. Selling expenses	25		-	-
9. Administrative expenses	26	29	2,819,796,431	2,192,118,054
10. Operating profit	30		<u>(277,648,759)</u>	<u>(1,733,177,806)</u>
11. Other income	31	30	645,117,175	1,117,437,835
12. Other expenses	32		47,614,127	519,031,624
13. Other profit	40		<u>597,503,048</u>	<u>598,406,211</u>
14. Accounting profit before tax	50		<u>319,854,289</u>	<u>(1,134,771,595)</u>
15. Current corporate income tax expense	51	31	105,384,309	1,000,000
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		<u>214,469,980</u>	<u>(1,135,771,595)</u>



Nguyen Tuan Anh
General Director

Da Nang City, 21 August 2025

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer

INTERIM STATEMENT OF CASH FLOWS
For the first 6 months of 2025

Form No. B 03 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	First 6 months of 2025 VND	First 6 months of 2024 VND
I. Cash flows from operating activities				
1. Profit before tax	01		319,854,289	(1,134,771,595)
2. Adjustments for				
- Depreciation and amortization	02		1,333,014,021	933,980,125
- Provisions	03		394,531,453	34,182,563
- Profits/losses from investing activities	05	27.3	(737,036,002)	(875,513,378)
- Interest expense	06	28	96,634,554	23,589,041
3. Operating profit before changes in working capital	08		1,406,998,315	(1,018,533,244)
- Increase/decrease in receivables	09		2,814,076,662	8,820,810,674
- Increase/decrease in inventories	10		(8,124,455,506)	(5,171,345,548)
- Increase/decrease in payables (excluding loan interest and corporate income tax payable)	11		(721,289,674)	(1,523,919,209)
- Increase/decrease in prepaid expenses	12		108,613,136	1,229,966,769
- Interest paid	14	19,28	(183,753,896)	-
- Corporate income tax paid	15	18	(327,010,746)	(153,249,256)
- Other cash receipts from operating activities	16		-	1,080,000
- Other cash payments for operating activities	17		(1,000,000)	(500,000)
Net cash (used in)/provided by operating activities	20		(5,027,821,709)	2,184,310,186
II. Cash flows from investing activities				
1. Purchases, construction of fixed assets and other long-term assets	21		(5,735,887,002)	(2,111,213,159)
2. Sales, disposal of fixed assets and other long-term assets	22		593,844,445	791,487,964
3. Cash paid for loans, acquisition of debt instruments	23		(9,049,093,151)	(3,500,000,000)
4. Recovery of loans, resales of debt instruments	24		13,049,093,151	3,400,000,000
5. Received loan interest, dividends, profits	27	9.27	337,957,997	366,005,465
Net cash used in investing activities	30		(804,084,560)	(1,053,719,730)
III. Cash flows from financing activities				
1. Proceeds from loans	33	21	6,580,122,715	3,000,000,000
2. Repayment of loans	34	21	(6,813,176,604)	-
Net cash (used in)/provided by financing activities	40		(233,053,889)	3,000,000,000
Net cash flows for the period	50		(6,064,960,158)	4,130,590,456
Cash and cash equivalents at the beginning of the period	60	5	7,615,181,604	2,892,130,522
Impacts of exchange rate fluctuations	61		-	-
Cash and cash equivalents at the end of the period	70	5	1,550,221,446	7,022,720,978



Nguyen Tuan Anh
General Director

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer

Da Nang City, 21 August 2025

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

Form No. B 09 - DN

Issued under Circular

No. 200/2014/TT - BTC dated

22/12/2014 by the Ministry of Finance

1. Nature of operations

1.1. Overview

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

1.2. Information on the Company's Public Company Status

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

Law No. 56/2024/QH15 dated 29/11/2024 has amended and supplemented the conditions for being recognized as a public company. Accordingly, with the current charter capital, the Company no longer meets the conditions to qualify as a public company and may have its public company status revoked, unless the General Meeting of Shareholders adopts a remedial plan.

1.3. Principal scope of business

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

1.4. Business structure

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

2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 1 January and ends on 31 December. These interim financial statements were exclusively prepared for the first 6 months of 2025 (starting from 01/01/2025 and ending on 30/06/2025).

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

3. Applied accounting standards and accounting system

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

Currently, the Company has a subsidiary; According to current regulations, the Company is required to prepare the separate financial statements of the parent company and consolidated financial statements for the first 6 months of 2025. Users should read the separate financial statements of the parent company together with the consolidated financial statements for the first 6 months of 2025 in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company.

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

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

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

4.2 Financial investments

Held-to-maturity investments

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

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

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

Investment in subsidiary

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

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

Provision

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

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

4.3 Receivables

Receivables includes: trade receivables and other receivables:

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

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

4.4 Inventories

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

Value of inventories is calculated using the weighted average method except for finished construction products, which are calculated using the specific identification method and accounted for using the perpetual method with cost determined as follows:

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

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

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

4.5 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

Depreciation

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

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	15 - 25
Machinery, equipment	5 - 13
Motor vehicles	4 - 10
Office equipment	5

4.6 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

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

Land use rights

Intangible fixed assets are land use rights including:

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

The cost of land use right includes all the costs directly attributable to the putting of land into the ready-for-use state.

Amortization

Intangible fixed assets which are non-term land use rights are not amortized. For term land use rights, the amortization period is the period in which the Company is allowed to use the land.

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

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

4.7 Prepaid expenses

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

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

4.8 Payables

Payables include: trade payables and other payables:

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

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

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

4.9 Accrued expenses

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company. The Company's accrued expenses are interest expenses, land rental fees, and other expenses.

4.10 Loans and finance lease liabilities

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

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

Borrowing costs

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

Borrowing costs associated with a particular borrowing for the purpose of investing in, constructing or forming 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 by applying a capitalization rate to the weighted average accumulated costs incurred for the construction or production of the qualifying asset.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

Capitalisation of borrowing costs shall be suspended in periods during which the investment in construction or production of uncompleted assets is interrupted, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

4.11 Provision for payables

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

4.12 Owners' equity

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

Profit distribution

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

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

4.13 Recognition of revenue and other income

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

4.14 Revenue deductions

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

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

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

4.15 Cost of goods sold

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

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

4.16 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, borrowing costs, foreign exchange loss and other expenses attributable to investing activities.

4.17 Administrative expenses

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

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

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

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

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

4.19 Financial instruments

Initial recognition

Financial assets

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

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 loans, trade payables, accrued expenses and other payables.

Subsequent measurement

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

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

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

From 01/01/2025 to 30/06/2025, the Company applies 8% VAT rate to construction activities in accordance with Decree No. 180/2024/ND-CP dated 31/12/2024 of the Government.

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

4.21 Related parties

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

Unit: VND

5. Cash and cash equivalents

	30/06/2025	01/01/2025
Cash on hand	557,722,979	948,591,842
Bank deposits	992,498,467	6,666,589,762
Total	1,550,221,446	7,615,181,604

6. Held-to-maturity investments

	30/06/2025	01/01/2025
Deposits with the term of more than 3 months to 12 months (*)	6,828,000,000	10,828,000,000
Total	6,828,000,000	10,828,000,000

(*) As at 30/06/2025, the Company's held-to-maturity investments are the deposits with the terms ranging from over 3 months to no more than 12 months at the banks. The Management assesses that these deposits are not subject to loss or impairment in value.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

7. Short-term trade receivables

	30/06/2025	01/01/2025
Tam Ky City Construction Investment Project Management Unit	1,027,873,000	1,027,873,000
Quang Nam Province Traffic Project Management Unit	1,793,818,000	5,128,237,000
Others	1,267,721,995	14,289,784,594
Total	4,089,412,995	20,445,894,594

8. Short-term prepayments to suppliers

	30/06/2025	01/01/2025
Gia Loc Work Construction and Equipment Co., Ltd	1,523,000,000	-
Trading and Transport Materials Import Export JSC	8,583,064,800	-
Others	2,576,669,222	108,563,390
Total	12,682,734,022	108,563,390

9. Other receivables

a. Short-term

	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
Receivables from construction teams				
for construction capital	274,730,389	-	225,374,000	-
Accrued interest receivable	82,851,703	-	179,044,604	-
Shared dividends, profit	-	-	98,573,539	-
Advances	6,000,000	-	-	-
Deposits, collaterals	2,048,882,687	-	1,480,168,187	-
Other receivables	1,245,385	-	-	-
Total	2,413,710,164	-	1,983,160,330	-

b. Long-term

	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
Deposits, collaterals	2,279,959,001	-	2,055,901,699	-
Total	2,279,959,001	-	2,055,901,699	-

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

10. Provision for doubtful debts

a. Changes in provision for doubtful debts in the period

	First 6 months of 2025	First 6 months of 2024
Beginning balance	(1,170,460,244)	(1,170,460,244)
Appropriation in the period	-	-
Reversal in the period	-	-
Ending balance	(1,170,460,244)	(1,170,460,244)

b. Bad debts

	30/06/2025		01/01/2025	
	Cost	Recoverable value	Cost	Recoverable value
Trade receivables	1,170,460,244	-	1,170,460,244	-
- Central Dai Viet Real Estate Joint Stock Company	939,694,244	-	939,694,244	-
- Other customers	230,766,000	-	230,766,000	-
Total	1,170,460,244	-	1,170,460,244	-

11. Inventories

	30/06/2025		01/01/2025	
	Cost	Provision	Cost	Provision
Materials, raw materials	1,520,981,587	-	456,425,867	-
Tools, instruments	205,938,370	-	51,900,000	-
Work in process	16,287,436,732	-	9,315,798,487	-
Finished products	93,039,552	-	158,816,381	-
Merchandise goods	124,245,000	-	124,245,000	-
Total	18,231,641,241	-	10,107,185,735	-

- There are no inventories which are unsold, in poor quality or slow-moving as at 30/06/2025.
- There are no inventories which were pledged, mortgaged as security for debts as at 30/06/2025.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

12. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	4,603,903,977	61,057,264,060	9,319,559,762	216,244,965	75,196,972,764
Newly-purchased	-	5,765,714,997	-	-	5,765,714,997
Sold, disposed	-	3,929,545,455	-	-	3,929,545,455
Ending balance	4,603,903,977	62,893,433,602	9,319,559,762	216,244,965	77,033,142,306
Depreciation					
Beginning balance	3,898,428,841	55,680,177,561	5,540,961,616	64,873,489	65,184,441,507
Charge for the period	43,782,038	933,051,067	334,066,510	21,624,496	1,332,524,111
Sold, disposed	-	3,929,545,455	-	-	3,929,545,455
Ending balance	3,942,210,879	52,683,683,173	5,875,028,126	86,497,985	62,587,420,163
Net book value					
Beginning balance	705,475,136	5,377,086,499	3,778,598,146	151,371,476	10,012,531,257
Ending balance	661,693,098	10,209,750,429	3,444,531,636	129,746,980	14,445,722,143

- As at 30/06/2025, tangible fixed assets with a carrying value of VND11,121,759,573 were pledged as security for debts.
- Cost of tangible fixed assets fully depreciated but still in active use at 30/06/2025 was VND41,435,673,318.

13. Intangible fixed assets

	Non-term land use right (i)	Term land use right (ii)	Total
Cost			
Beginning balance	224,000,000	34,293,600	258,293,600
Increase in the period	-	-	-
Decrease in the period	-	-	-
Ending balance	224,000,000	34,293,600	258,293,600
Amortization			
Beginning balance	-	12,737,627	12,737,627
Charge for the period	-	489,910	489,910
Decrease in the period	-	-	-
Ending balance	-	13,227,537	13,227,537
Net book value			
Beginning balance	224,000,000	21,555,973	245,555,973
Ending balance	224,000,000	21,066,063	245,066,063

- (i) Use right of 200 m² of land in Thanh Ly Village, Thang Binh Commune, Da Nang City (formerly known as Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province). The Company uses it to build warehouse, house for workers.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

- (ii) Use right of 692,8 m² of land in Thanh Ly Village, Thang Binh Commune, Da Nang City (formerly known as Thanh Ly Village, Binh Nguyen Commune, Thang Binh District, Quang Nam Province) with the term of 35 years (until March 2047). The Company uses it to build warehouse, house for workers.
- As at 30/06/2025, intangible fixed assets with a carrying value of VND245,066,063 were pledged as security for debts.

14. Investments in subsidiary

	Status of operation	30/06/2025				01/01/2025	
		% equity	% voting right	Cost	Provision	Cost	Provision
Road Construction and Repair No. 1 Co., Ltd.	Operating	100%	100%	3,000,000,000	-	3,000,000,000	-
Total				3,000,000,000	-	3,000,000,000	-

The Company received the financial statements for the first 6 months of 2025 of Road Construction and Repair No. 1 Co., Ltd., which showed profit from operating activities and reserved owner's equity. Therefore, this investment was recorded at cost and no provision was made.

15. Prepaid expenses

a. Short-term

	30/06/2025	01/01/2025
Costs of tools, instruments pending amortization	100,000,000	-
Repair costs	144,919,973	-
Other short-term prepaid expenses	53,163,636	-
Total	298,083,609	-

b. Long-term

	30/06/2025	01/01/2025
Charges for granting mineral mining right	379,393,300	758,786,600
Costs for removing surface layer and entrance roads to the	248,937,594	497,875,188
Repair costs	358,722,888	89,311,111
Other long-term prepaid expenses	82,083,573	129,861,201
Total	1,069,137,355	1,475,834,100

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

16. Short-term trade payables

	30/06/2025	01/01/2025
People's Committee of Dien Ngoc Commune	889,694,244	889,694,244
Bachchambard Da Nang Joint Stock Company	333,366,000	7,238,000
Others	966,454,062	7,346,112,248
Total	2,189,514,306	8,243,044,492

17. Advances from customers

	30/06/2025	01/01/2025
Road Management Area III	7,695,822,000	-
Quang Nam Province Traffic Infrastructure Management Center	970,211,000	-
Others	744,719,610	595,511,365
Total	9,410,752,610	595,511,365

18. Taxes and amounts payable to the State

	Beginning balance		Amount to be paid	Actual amount paid	Ending balance	
	Receivable	Payable			Receivable	Payable
VAT	-	922,317,104	237,198,617	1,013,232,896	32,078,000	-
CIT	-	327,010,745	105,384,309	327,010,746	-	105,384,308
Personal Income Tax	-	11,619,328	30,343,266	33,961,846	-	8,000,748
Natural resource tax	-	378,056,902	1,896,158,557	2,274,215,459	-	-
Land and house tax, land ren	-	-	261,895,373	164,662,998	-	97,232,375
Fees and charges	-	51,815,882	322,089,611	373,905,493	-	-
Total	-	1,690,819,961	2,853,069,733	4,186,989,438	32,078,000	210,617,431

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

19. Short-term accrued expenses

	30/06/2025	01/01/2025
Accrued interest payable	2,079,414	89,198,756
Accrued expenses of Dien Nam-Dien Ngoc Urban Area Project	135,438,538	135,438,538
Other accruals	23,128,818	9,781,818
Total	160,646,770	234,419,112

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

20. Other short-term payables

	30/06/2025	01/01/2025
Trade union fee	81,256,327	133,865,893
Payable to construction teams	1,997,020,198	3,217,284,585
Short-term deposits, collaterals received	835,000,000	910,000,000
Other payables	293,726,010	285,170,312
Total	3,207,002,535	4,546,320,790

21. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the period	Decrease in the period	Ending balance
Vietcombank - Quang Nam Branch	3,813,176,604	3,580,122,715	3,813,176,604	3,580,122,715
Road Construction and Repair No. 1 Co., Ltd (Related party)	3,000,000,000	3,000,000,000	3,000,000,000	3,000,000,000
Total	6,813,176,604	6,580,122,715	6,813,176,604	6,580,122,715

22. Provision for payables

a. Short-term

	30/06/2025	01/01/2025
Provision for environmental restoration costs	1,539,854,822	1,420,397,479
Total	1,539,854,822	1,420,397,479

b. Long-term

	30/06/2025	01/01/2025
Provision for construction warranty	1,290,493,110	1,015,419,000
Total	1,290,493,110	1,015,419,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

23. Owners' equity

a. Statement of changes in owners' equity

	Share capital	Other owners' capital	Investment and development fund	Undistributed profit after tax	Total
As at 01/01/2024	27,000,000,000	8,379,414,871	2,561,777,617	1,825,672,239	39,766,864,727
Increase in the year	-	-	-	2,248,925,972	2,248,925,972
Decrease in the year	-	-	-	1,825,672,239	1,825,672,239
As at 31/12/2024	<u>27,000,000,000</u>	<u>8,379,414,871</u>	<u>2,561,777,617</u>	<u>2,248,925,972</u>	<u>40,190,118,460</u>
As at 01/01/2025	27,000,000,000	8,379,414,871	2,561,777,617	2,248,925,972	40,190,118,460
Increase in the period	-	-	-	214,469,980	214,469,980
Decrease in the period	-	-	-	628,925,972	628,925,972
As at 30/06/2025	<u>27,000,000,000</u>	<u>8,379,414,871</u>	<u>2,561,777,617</u>	<u>1,834,469,980</u>	<u>39,775,662,468</u>

b. Breakdown of share capital

	30/06/2025	01/01/2025
State Capital Investment Corporation	14,526,000,000	14,526,000,000
Other shareholders	12,474,000,000	12,474,000,000
Total	<u>27,000,000,000</u>	<u>27,000,000,000</u>

c. Shares

	30/06/2025 Shares	01/01/2025 Shares
Number of shares registered for issuance	2,700,000	2,700,000
Number of shares sold to the public	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)	-	-
Number of shares bought back (treasury shares)	-	-
- Common shares	-	-
- Preferred shares (classified as owners' equity)	-	-
Number of outstanding shares	2,700,000	2,700,000
- Common shares	2,700,000	2,700,000
- Preferred shares (classified as owners' equity)	-	-
Par value of outstanding shares: VND10,000 each		

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

d. Undistributed profit after tax

	First 6 months of 2025	First 6 months of 2024
Profit brought forward	2,248,925,972	1,825,672,239
Profit after CIT of current period	214,469,980	(1,135,771,595)
Distribution of profit	628,925,972	70,672,239
- Distribution of prior-period profit (*)	628,925,972	70,672,239
+ Appropriated to reward and welfare fund	628,925,972	70,672,239
Temporary distribution of current period profit	-	-
Undistributed profit after tax	1,834,469,980	619,228,405

(*) The 2024 profit was distributed in accordance with the 2025 Annual General Shareholders' Meeting Resolution No. 01/2025/DHCD dated 27/06/2025.

e. Dividends

The 2025 Annual General Shareholders' Meeting Resolution No. 01/2025/DHCD dated 27/06/2025 approved the plan to pay dividends from the 2024 profit after tax in cash at the rate of 6% of the charter capital (equivalent to VND1,620,000,000). To date, the Company has not finalized the list of shareholders.

24. Off-balance sheet items

	30/06/2025	01/01/2025
Bad debts written off	667,750,550	667,750,550
- Capital for Song Bui suspension bridge project	122,466,653	122,466,653
- Lease of vehicles - Licogi company	78,100,000	78,100,000
- Purchase of stone - Bridge 134 Ha Nam Company	55,810,300	55,810,300
- Upgrading surface of road ĐT 611B	12,302,000	12,302,000
- Upgrading surface of road ĐT 616	21,195,000	21,195,000
- Loc Ha JSC - Phu Ninh Project	156,736,597	156,736,597
- Loc Ha JSC - Nong Son Project	221,140,000	221,140,000

25. Revenue from sales and service provision

	First 6 months of 2025	First 6 months of 2024
Construction revenue	5,386,930,016	6,343,207,084
Stone mining revenue	14,454,577,149	4,285,821,940
Other revenue	220,821,852	155,171,905
Total	20,062,329,017	10,784,200,929

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

26. Cost of goods sold

	First 6 months of 2025	First 6 months of 2024
Cost of construction activities	4,649,866,497	5,144,659,845
Cost of mining stone	12,546,925,848	5,131,548,954
Cost of others	214,290,084	136,492,455
Total	17,411,082,429	10,412,701,254

27. Financial income

	First 6 months of 2025	First 6 months of 2024
Deposit interest, loan interest	143,191,557	164,100,439
Total	143,191,557	164,100,439

28. Financial expenses

	First 6 months of 2025	First 6 months of 2024
Loan interest	96,634,554	23,589,041
Bank guarantee fee	155,655,919	31,829,916
Total	252,290,473	55,418,957

29. Administrative expenses

	First 6 months of 2025	First 6 months of 2024
Staff costs	1,636,191,939	1,044,071,156
Depreciation and amortization expenses	79,722,464	33,637,272
Others	1,103,882,028	1,114,409,626
Total	2,819,796,431	2,192,118,054

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

30. Other income

	First 6 months of 2025	First 6 months of 2024
Proceeds from disposals of fixed assets	593,844,445	737,375,464
Income from insurance compensation for project damages	-	355,864,146
Others	51,272,730	24,198,225
Total	645,117,175	1,117,437,835

31. Current corporate income tax expense

	First 6 months of 2025	First 6 months of 2024
Accounting profit before tax	319,854,289	(1,134,771,595)
Adjustment to taxable income	207,067,254	134,284,173
Increasing adjustments	207,067,254	134,284,173
- Unqualified, improper expenses	202,067,254	131,565,768
- Tax arrears, fine, late payment and administrative fine	5,000,000	2,718,405
Decreasing adjustments	-	-
Total taxable income	526,921,543	(1,000,487,422)
Current corporate income tax expense	105,384,309	1,000,000
<i>Of which:</i>		
- Current CIT expense incurred in Current period	105,384,309	-
- Adjustment of Current CIT expense of previous period to Current CIT expense of Current period	-	1,000,000

32. Operating expenses by elements

	First 6 months of 2025	First 6 months of 2024
Materials expenses	7,923,798,877	5,522,122,759
Labor costs	7,817,476,830	6,174,594,104
Depreciation and amortization expenses	1,315,517,475	933,980,125
Outside service expenses	3,659,697,584	3,613,109,316
Other cash expenses	6,420,249,510	1,631,716,710
Total	27,136,740,276	17,875,523,014

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

33. Risk management

a. Capital risk management

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

b. Financial risk management

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

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

Interest rate risk management

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

Price risk management

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

Credit risk management

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

Liquidity risk management

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

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

30/06/2025	Within 1 year	Over 1 year	Total
Trade payables	2,189,514,306	-	2,189,514,306
Accrued expenses	160,646,770	-	160,646,770
Loans and finance lease liabilities	6,580,122,715	-	6,580,122,715
Other payables	3,125,746,208	-	3,125,746,208
Total	12,056,029,999	-	12,056,029,999
01/01/2025	Within 1 year	Over 1 year	Total
Trade payables	8,243,044,492	-	8,243,044,492
Accrued expenses	234,419,112	-	234,419,112
Loans and finance lease liabilities	6,813,176,604	-	6,813,176,604
Other payables	4,412,454,897	-	4,412,454,897
Total	19,703,095,105	-	19,703,095,105

Currently, the Management assesses that the Company's exposure to liquidity risk in the short term is insignificant and believes that the Company can generate sufficient resources to meet its financial obligations as they fall due.

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

30/06/2025	Within 1 year	Over 1 year	Total
Cash and cash equivalents	1,550,221,446	-	1,550,221,446
Financial investments	6,828,000,000	-	6,828,000,000
Trade receivables	2,918,952,751	-	2,918,952,751
Other receivables	2,407,710,164	2,279,959,001	4,687,669,165
Total	13,704,884,361	2,279,959,001	15,984,843,362
01/01/2025	Within 1 year	Over 1 year	Total
Cash and cash equivalents	7,615,181,604	-	7,615,181,604
Financial investments	10,828,000,000	-	10,828,000,000
Trade receivables	19,275,434,350	-	19,275,434,350
Other receivables	1,983,160,330	2,055,901,699	4,039,062,029
Total	39,701,776,284	2,055,901,699	41,757,677,983

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

34. Segment reporting

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

Segment reporting by business sectors	Construction activities		Mining of stone		Other activities		Total	
	First 6 months of 2025	First 6 months of 2024	First 6 months of 2025	First 6 months of 2024	First 6 months of 2025	First 6 months of 2024	First 6 months of 2025	First 6 months of 2024
Segment revenue	5,386,930,016	6,343,207,084	14,454,577,149	4,285,821,940	220,821,852	155,171,905	20,062,329,017	10,784,200,929
Revenue deductions	-	21,240,909	-	-	-	-	-	21,240,909
Segment cost of sales	4,649,866,497	5,144,659,845	12,546,925,848	5,131,548,954	214,290,084	136,492,455	17,411,082,429	10,412,701,254
Selling expenses	-	-	-	-	-	-	-	-
Unallocated administrative expenses	-	-	-	-	-	-	2,819,796,431	2,192,118,054
Financial income	-	-	-	-	-	-	143,191,557	164,100,439
Financial expenses	-	-	-	-	-	-	252,290,473	55,418,957
Operating profit (loss)							(277,648,759)	(1,733,177,806)
Other income	-	-	-	-	-	-	645,117,175	1,117,437,835
Other expenses	-	-	-	-	-	-	47,614,127	519,031,624
Other profit (loss)							597,503,048	598,406,211
Profit before tax	-	-	-	-	-	-	319,854,289	(1,134,771,595)
CIT	-	-	-	-	-	-	105,384,309	1,000,000
Profit after CIT							214,469,980	(1,135,771,595)
As at	30/06/2025	01/01/2025	30/06/2025	01/01/2025	30/06/2025	01/01/2025	30/06/2025	01/01/2025
Fixed assets	5,645,379,073	5,483,698,421	9,045,409,133	4,774,388,809	-	-	14,690,788,206	10,258,087,230
-Cost	31,559,389,258	34,733,193,972	45,732,046,648	40,722,072,392	-	-	77,291,435,906	75,455,266,364
-Accumulated depreciation	(25,914,010,185)	(29,249,495,551)	(36,686,637,515)	(35,947,683,583)	-	-	(62,600,647,700)	(65,197,179,134)
Trade receivables	3,940,872,494	20,439,475,244	110,184,501	1,419,350	38,356,000	5,000,000	4,089,412,995	20,445,894,594
Prepayment to suppliers	12,592,464,022	75,563,390	90,270,000	33,000,000	-	-	12,682,734,022	108,563,390
Trade payables	1,760,760,226	7,857,296,586	428,754,080	385,747,906	-	-	2,189,514,306	8,243,044,492
Advances from customers	8,941,009,775	290,687,125	469,742,835	304,824,240	-	-	9,410,752,610	595,511,365

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

35. Related party information

a. Related party

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

b. Material related-party transactions arising in the period

Related party	Transactions	First 6 months of 2025	First 6 months of 2024
Road Construction and Repair No. 1 Co., Ltd	Obtaining loan	3,000,000,000	3,000,000,000
	Lending loan	-	100,000,000
	Loan interest payable in the period	74,860,273	23,589,041
	Loan interest receivable in the	-	543,562

c. Income of key managing officers

		First 6 months of 2025	First 6 months of 2024
Remuneration of the Board of Directors		46,500,000	53,400,000
Mr. Pham Ngoc Tien	Chairman	13,800,000	-
Mr. Nguyen Tuan Anh	Vice Chairman	12,000,000	12,000,000
Mr. Nguyen Van Sy	Member	6,900,000	13,800,000
Mr. Nguyen Cao Cuong	Member	-	6,900,000
Mr. Doan Van Dung	Member	-	6,900,000
Mr. Le Van Xi	Member	6,900,000	6,900,000
Mr. Nguyen Duc Hieu	Thành viên	6,900,000	6,900,000
Remuneration of the Supervisory Board		42,000,000	42,000,000
Mr. Le Ngoc Hung	Head	36,000,000	36,000,000
Ms. Nguyen Thi Ngoc Le	Member	3,000,000	3,000,000
Mr. Doan Van Dung	Member	3,000,000	-
Mr. Nguyen Van Hieu	Member	-	3,000,000
Income of the Management		484,068,000	478,068,000
Mr. Nguyen Tuan Anh	General Director	140,380,000	139,380,000
Mr. Nguyen Cao Cuong	Vice General Director	115,896,000	112,896,000
Mr. Nguyen Van Sy	Vice General Director	113,896,000	112,896,000
Mr. Dang Tho	Chief Accountant	113,896,000	112,896,000

NOTES TO THE INTERIM FINANCIAL STATEMENTS (cont'd)

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

36. 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 interim financial statements.

37. Corresponding figures

Corresponding figures of the interim balance sheet were taken from the financial statements for the year ended 31/12/2024. Corresponding figures of the interim income statement and of the interim statement of cash flows were taken from the interim financial statements for the first 6 months of the year 2024. These financial statements were audited and reviewed by AAC.



Nguyen Tuan Anh
General Director

Da Nang City, 21 August 2025

Dang Tho
Chief Accountant

Vo Thi Minh Loan
Preparer