

HAI PHONG ELECTRICAL MACHANICAL JOINT STOCK COMPANY

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2024

March 2025

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Hai Phong Electrical Machanical Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2024.

BOARD OF MANAGEMENT AND BOARD OF GENERAL DIRECTORS

The members of the Board of Management and the Board of General Directors of the Company who held office during the year and to the date of this report are as follows:

Board of Management

Mr. Hoang Thanh Hai	Chairman
Mr. Mai Van Minh	Vice Chairman
Ms. Le Thi Bich Hue	Member
Ms. Trinh Thi Lan Phuong	Member
Mr. Nguyen Minh Chung	Member

Board of General Directors

Mr. Mai Van Minh	General Director
Mr. Nguyen Minh Chung	Deputy General Director

Legal representative

The legal representative of the Company during the year and to the the date of this report is Mr. Mai Van Minh - General Director.

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors is responsible for preparing financial statements which give a true and fair view of the financial position, its financial performance, and its cash flows of the Company for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- Pprepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of General Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (CONTINUED)

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY (CONTINUED)

In the Board of General Directors' opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

For and on behalf of the Board of General Directors,



Mai Van Minh
General Director
Hai Phong, 20 March 2025

No.: 087 /VACO/BCKiT.NV2

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, Board of Management and Board of General Directors
Hai Phong Electrical Mechanical Joint Stock Company**

We have audited the accompanying financial statements of Hai Phong Electrical Mechanical Joint Stock Company (the "Company") prepared on 20 March 2025 as set out from page 4 to page 29, which comprise the balance sheet as at 31 December 2024, the income statement, the cash flow statement for the year then ended, and the notes to the financial statements (collectively referred to as the "financial statements").

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of General Directors determines is necessary to enable the preparation 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 Board of General Directors, 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 give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Nguyen Phuong Lan
Deputy General Director
Audit Practising Registration Certificate
No. 0917-2023-156-1
For and on behalf of
VACO AUDITING COMPANY LIMITED
Hanoi, 20 March 2025

Vu Manh Hung
Auditor
Audit Practising Registration Certificate
No. 2737-2023-156-1

BALANCE SHEET
As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A - CURRENT ASSETS	100		133,383,898,878	145,572,234,467
I. Cash and cash equivalents	110	4	12,360,154,682	5,478,280,430
1. Cash	111		2,360,154,682	2,178,280,430
2. Cash equivalents	112		10,000,000,000	3,300,000,000
II. Short-term financial investments	120	5	2,000,000,000	12,000,000,000
1. Held-to-maturity investments	123		2,000,000,000	12,000,000,000
III. Short-term receivables	130		9,758,700,349	8,159,895,182
1. Short-term trade receivables	131	6	6,720,507,634	6,043,619,610
2. Short-term advances to suppliers	132	7	1,993,394,256	1,006,863,215
3. Other short-term receivables	136	8	1,541,215,867	1,569,873,085
4. Provision for short-term doubtful debts	137	9	(496,417,408)	(460,460,728)
IV. Inventories	140	10	108,902,943,341	119,673,388,568
1. Inventories	141		108,902,943,341	119,673,388,568
V. Other short-term assets	150		362,100,506	260,670,287
1. Short-term prepayments	151	11	155,712,279	260,670,287
2. Value added tax deductibles	152		206,388,227	-
B - NON-CURRENT ASSETS	200		61,027,029,769	66,398,455,377
I. Fixed assets	220		40,104,018,542	44,862,685,012
1. Tangible fixed assets	221	12	40,104,018,542	44,862,685,012
- Cost	222		112,670,196,007	112,038,870,418
- Accumulated depreciation	223		(72,566,177,465)	(67,176,185,406)
2. Intangible fixed assets	227	13	-	-
- Cost	228		120,000,000	120,000,000
- Accumulated amortisation	229		(120,000,000)	(120,000,000)
II. Long-term assets in progress	240		-	207,105,938
1. Long-term construction in progress	242		-	207,105,938
III. Long-term financial investments	250	5	20,039,000,000	20,039,000,000
1. Investments in joint ventures and associates	252		20,039,000,000	20,039,000,000
IV. Other long-term assets	260		884,011,227	1,289,664,427
1. Long-term prepayments	261	11	884,011,227	1,289,664,427
TOTAL ASSETS (270 = 100 + 200)	270		194,410,928,647	211,970,689,844

BALANCE SHEET (CONTINUED)

As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C - LIABILITIES	300		20,000,729,018	40,695,441,822
I. Current liabilities	310		20,000,729,018	40,695,441,822
1. Short-term trade payables	311	14	5,505,885,096	6,857,996,052
2. Short-term advances from customers	312	15	639,899,427	2,015,909,863
3. Taxes and amounts payable to the State budget	313	16	1,105,874,460	1,829,135,518
4. Payables to employees	314		4,011,858,548	4,079,416,816
5. Short-term accrued expenses	315	17	343,035,162	392,842,439
6. Short-term loans and obligations under finance leases	320	18	3,873,635,391	21,376,131,433
7. Bonus and welfare funds	322		4,520,540,934	4,144,009,701
D - EQUITY	400		174,410,199,629	171,275,248,022
I. Owner's equity	410	19	174,410,199,629	171,275,248,022
1. Owner's contributed capital	411		94,922,000,000	94,922,000,000
- Ordinary shares carrying voting rights	411a		94,922,000,000	94,922,000,000
2. Investment and development fund	418		13,874,610,335	12,666,244,168
3. Retained earnings	421		65,613,589,294	63,687,003,854
- Retained earnings accumulated to the prior year end	421a		52,408,875,072	50,930,369,695
- Retained earnings of the current year	421b		13,204,714,222	12,756,634,159
TOTAL RESOURCES (440 = 300 + 400)	440		194,410,928,647	211,970,689,844



Le Thi Nhung
Preparer
Hai Phong, 20 March 2025

Trinh Thi Lan Phuong
Chief Accountant

Mai Van Minh
General Director



INCOME STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		238,935,229,455	230,021,128,555
2. Revenue deductions	02		1,152,752,408	1,091,157,161
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10	21	237,782,477,047	228,929,971,394
4. Cost of sales	11	22	202,716,554,156	192,119,631,433
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		35,065,922,891	36,810,339,961
6. Financial income	21	24	2,896,665,214	3,358,383,492
7. Financial expenses	22	25	5,016,695,367	5,184,564,511
- In which: Interest expense	23		162,301,300	1,759,612,067
8. Selling expenses	25	26	4,045,614,824	4,602,355,803
9. General and administration expenses	26	26	14,391,893,603	14,901,481,321
10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		14,508,384,311	15,480,321,818
11. Other income	31	27	1,697,575,935	215,497,282
12. Other expenses	32		67,469	26,401
13. Profit from other activities (40 = 31 - 32)	40		1,697,508,466	215,470,881
14. Accounting profit before tax (50 = 30 + 40)	50		16,205,892,777	15,695,792,699
15. Current corporate income tax expense	51	28	3,001,178,555	2,939,158,540
16. Net profit after corporate income tax (60 = 50 - 51)	60		13,204,714,222	12,756,634,159
17. Basic earnings per share	70	29	1,391	1,290



Le Thi Nhung
Preparer
Hai Phong, 20 March 2025



Trinh Thi Lan Phuong
Chief Accountant





Mai Van Minh
General Director

CASH FLOW STATEMENT
(Indirect method)
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. Cash flows from operating activities			
1. Proceeds from sales, services rendered and other revenue	01	237,301,808,755	241,521,646,256
2. Payments to suppliers	02	(183,051,295,407)	(203,415,109,204)
3. Payments to employees	03	(18,897,280,613)	(22,195,153,828)
4. Interest paid	04	(194,317,130)	(1,754,699,118)
5. Corporate income tax paid	05	(3,339,158,539)	(2,273,190,990)
6. Other cash inflows	06	1,264,356,700	2,989,800,401
7. Other cash outflows	07	(10,772,223,005)	(7,463,147,999)
<i>Cash flow generated from (used in) operating activity</i>	20	22,311,890,761	7,410,145,518
II. Cash flow generated from (used in) investing activity			
1. Acquisition and construction of fixed assets and other long-term assets	21	(543,669,400)	(2,483,441,992)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	50,700,000	78,181,819
3. Cash outflow for lending, buying debt instruments of other entities	23	(7,000,000,000)	(15,100,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	17,000,000,000	14,100,000,000
5. Interest earned, dividends and profits received	27	2,059,991,622	1,824,644,567
<i>Net cash flow generated from (used in) investing activity</i>	30	11,567,022,222	(1,580,615,606)
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	30,214,686,553	132,625,724,629
2. Repayment of borrowings	34	(47,717,182,595)	(140,464,705,564)
3. Dividends and profits paid	36	(9,492,200,000)	(9,492,200,000)
<i>Net cash generated by/(used in) financing activities</i>	40	(26,994,696,042)	(17,331,180,935)
Net increase/(decrease) in cash (50 = 20 + 30 + 40)	50	6,884,216,941	(11,501,651,023)
Cash and cash equivalents at the beginning of the year	60	5,478,280,430	16,983,358,787
Effects of changes in foreign exchange rates	61	(2,342,689)	(3,427,334)
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61)	70	12,360,154,682	5,478,280,430



Le Thi Nhung
Preparer
Hai Phong, 20 March 2025



Trinh Thi Lan Phuong
Chief Accountant




Mai Van Minh
General Director

NOTES TO THE FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Ownership structure

Hai Phong Electrical Mechanical Joint Stock Company (hereinafter referred to as “the Company”) was granted the first Business Registration Certificate No. 0203000691 dated 13 January 2004 issued by Hai Phong Department of Planning and Investment; the 8th amended Business Registration Certificate dated 8 January 2025. The Company is headquartered at 734 Nguyen Van Linh, Le Chan, Hai Phong.

The Company’s charter capital according to Business Registration Certificate is VND 94,922,000,000.

The number of employees as at 31 December 2024 was 159 (as at 31 December 2023: 172).

Operating industry and principal activities

The Company’s operating industry:

- Manufacture of household electrical appliances;
- Agency, brokerage, and auction services;
- Manufacture of motors, generators, transformers, electrical distribution, and control equipment;
- Manufacture of other general-purpose machinery;
- Short-term accommodation services;
- Restaurants and mobile food service activities;
- Travel agency services;
- Support services related to tourism promotion and tour organization;
- Wholesale of other household goods;
- Wholesale of other machinery, equipment, and spare parts;
- Wholesale of metals and metal ores;
- Retail of household electrical appliances, furniture, and home furnishings;
- Road freight transport;
- Inland water passenger transport;
- Inland water freight transport;
- Warehousing and storage services;
- Manufacture of plastic products.

The Company’s principal activities: Manufacture and trade of all kinds of civil fans, industrial fans and fan cages.

Normal production and business cycle

The Company’s normal production and business cycle is carried out for a period of 12 months or less.

Declaration on comparability of information on financial statements

The information in the Company’s financial statements is comparable.

Company’s structure

As at 31 December 2024, the associate of the Company is as follows:

Name	Place of incorporation (registration) and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity
Phong Lan Investment Trading and Service Company Limited	Hai Phong	49%	49%	Real estate business

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

2. FINANCIAL YEAR, APPLIED ACCOUNTING STANDARD AND REGIME

Financial year

The Company's financial year starts on 1 January and ends on 31 December.

Applied accounting regime

The Company applied Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014, Circular No. 53/2016/TT-BTC dated 21 March 2016 amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC and circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of financial statements.

Declaration of compliance with accounting standard and accounting regime

The Board of General Directors ensures to comply with the requirements of Vietnamese accounting standards, accounting regime for enterprises in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 and circulars guiding the implementation of accounting standards of the Ministry of Finance in preparation of financial statements.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared on a time basis (except for information relating to cash flows).

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of General Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of General Directors' best knowledge, actual results may differ from those estimates.

Evaluation and recognition at fair value

The Law on Accounting came into effect from 1 January 2017, which included regulations on evaluation and recognition at fair value. However, there is no specific instruction for this matter; therefore, the Board of General Directors has considered and applied as follows:

- a) *Financial instruments are recognized and revaluated at fair value based on historical cost less provisions (if any) in accordance with current regulations.*
- b) *Monetary items denominated in foreign currencies shall be evaluated based on the actual exchange rates;*
- c) *For assets and liabilities (except items a and b as mentioned above), the Company does not have any basis to determine the reliable value; therefore, the Company records at historical cost.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, financial investments, trade receivables, and other receivables.

Financial liabilities: At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade payables, accrued expenses, and borrowings.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts. Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Financial investments

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investments in associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in associates are made in accordance with Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance on guiding accounting regime for enterprises and prevailing accounting regulations.

Provision for loss of investments in associates is made when the associates are incurred the loss as equal as the difference between the actual contributed capital of parties in associates and the actual equity multiplied by the percentage of capital contribution between controlling company and its parties.

The change of provision for loss of investments in associates need to be made at the balance sheet date and are recorded in financial expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Inventories are recorded using the perpetual method.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise tools and supplies issued for use, insurance premiums, repair costs, machinery and tools that are not eligible for recognition as fixed assets and are reclassified with an allocation period of no more than 3 years.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives as follows:

	<u>Years of depreciation</u>
Buildings and structures	10 - 32
Machinery and equipment	02 - 10
Motor vehicles	10
Management equipment	03 - 05

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the income statement.

Intangible fixed assets and amortization

Intangible fixed assets represent computer software which is stated at cost less accumulated amortization. Computer software is amortized using the straight-line method over five years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Payables and accrued expenses

Payables and accrued expenses are recognized for future amounts payable related to goods and services received. Accrued expenses are recognized based on reasonable estimates of the amount payable.

The classification of payables into trade payables, accrued expenses, and other payables are made on the following principles:

- Trade payables reflect payables arising from purchases of goods, services, assets and sellers are independent units to the Company.
- Accrued expenses reflect amounts payable for goods or services received from the seller or provided to the buyer but not be paid due to lack of invoices or incomplete accounting records and documents, payments to employees for leave and prepaid production and business expenses.
- Other payables reflect non-trade payables and does not relate to the purchase, sale or supply of goods or services.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of General Directors' best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Equity

Owner's contributed capital is recognized based on the actual contributed capital of the shareholders.

Profit distribution

Profit after tax is distributed and funds are made in accordance with the decision of the General Meeting of Shareholders and the Company's charter.

Profit distribution to shareholders is referenced to the non-monetary items included in retained earnings that may affect cash flows and the ability to pay dividends such as gains from revaluation of assets contributed capital, interest from revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recognized as liabilities when having the approval of the General Meeting of Shareholders.

Revenue recognition

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Company retains neither continuing managerial involvement to the degree usually associated with; ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

Related parties

Parties are considered to be related parties when one party has ability to control another or has significant influence in making decision related to financial and operation policies. Parties are also considered as related parties when they bare the same control and significant influence.

When considering the relationship of related parties, it is more focused on the nature of the relationship than the legal form.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

List of related parties during the year:

Related parties	Relationship
Board of Management, Board of General Directors, Board of Supervisors and Chief Accountant	Key Leaders
Phong Lan Investment Trading and Service Company Limited	Associate
Ms. Nguyen Thu Ha	Significant shareholder - Relative of the Chairman of the Board of Management

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	768,543,641	1,111,117,324
Demand deposits	1,591,611,041	1,067,163,106
Cash equivalents (i)	10,000,000,000	3,300,000,000
Total	12,360,154,682	5,478,280,430

Note:

- (i) This is a 1-month term deposit at Asia Commercial Joint Stock Bank - Hai Phong Branch with an interest rate of 4.4%/year.

5. FINANCIAL INVESTMENTS

a) Held-to-maturity investments

	Closing balance		Opening balance	
	Cost	Book value	Cost	Book value
	VND	VND	VND	VND
Over 3-month term deposits (i)	2,000,000,000	2,000,000,000	12,000,000,000	12,000,000,000

Note:

- (i) 6-month term deposit at a Joint Stock Commercial Bank with an interest rate of 2.9%/year.

b) Investments in associates

	Closing balance		Opening balance	
	Cost	Fair value	Cost	Fair value
	VND	VND	VND	VND
Phong Lan Investment Trading and Service Company Limited (i)	20,039,000,000	(*)	20,039,000,000	(*)

Note:

- (*) The Company has not determined the fair value at the balance sheet date of this investment to disclose in the financial statements because there is no listed price on the market for these investments; Vietnamese Accounting Standards, accounting regime for enterprise and current regulations do not have specific guidance on determining the fair value of financial investments. The fair value of these investments may differ from the book value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

5. FINANCIAL INVESTMENTS (CONTINUED)

Note (Continued):

(i) Details of the associate as at 31 December 2024 are as follows:

Phong Lan Investment Trading and Service Company Limited was established on 18 December 2018 with a charter capital of VND 40,895,700,000, its head office is located at No. 20 Dinh Tien Hoang, Hoang Van Thu Ward, Hong Bang District, Hai Phong City. The Company contributes VND 20,039,000,000, equivalent to 49% of the charter capital in the form of land use rights of 572.4 m2 and assets on the land at 20 Dinh Tien Hoang. The voting ratio corresponds to the capital contribution ratio. The risk and profit sharing ratio is 50:50.

Phong Lan Investment Trading and Service Company Limited was established to invest in the construction and operation of Phong Lan Commercial Building Project at 20 Dinh Tien Hoang, Hoang Van Thu Ward, Hong Bang District, Hai Phong City. In 2024, the Company continued its normal operations, achieving profitable business results and accumulated interest. During the year, the Company distributed profits to Hai Phong Electrical Mechanical Joint Stock Company.

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Photo Electric and Electronic One Member Limited Liability Company	1,745,810,600	1,178,881,560
Hanoi Ching Hai Electric Works Co., Ltd	2,126,194,130	434,967,500
Nguyen Van Thuat Distributor	749,169,121	-
Thong Nhat Electromechanical Joint Stock Company	519,318,000	986,757,120
Tan Thanh Company Limited	2,644,160	1,290,355,320
Others	1,577,371,623	2,152,658,110
Total	<u>6,720,507,634</u>	<u>6,043,619,610</u>

7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cuong Vinh Production and Trading Service Company Limited	1,219,465,098	-
Polyone Shenzhen Co., Ltd	-	907,240,000
ANK Company	398,705,670	-
Chuan Tin Co., Ltd	259,104,000	-
Others	116,119,488	99,623,215
Total	<u>1,993,394,256</u>	<u>1,006,863,215</u>

8. OTHER SHORT-TERM RECEIVABLES

	<u>Closing balance</u>		<u>Opening balance</u>	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Short-term</i>	<u>1,541,215,867</u>	-	<u>1,569,873,085</u>	-
Advances	115,381,000	-	86,991,027	-
Other receivables	1,425,834,867	-	1,482,882,058	-
- Mitsubishi Electric Vietnam Company Limited	47,702,050	-	5,471,110	-
- Accrued interest	33,320,548	-	225,755,890	-
- Social insurance of Le Chan District	92,155,560	-	101,498,670	-
- Dividends, profits shared	1,200,000,000	-	1,000,000,000	-
- Other receivables	52,656,709	-	150,156,388	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

9. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable value	Cost	Recoverable value
	VND	VND	VND	VND
Kevin Wire - Cable and Electrical Materials Co., Ltd	219,062,690	-	219,062,690	-
Truong Hoang Phuong Co., Ltd	119,855,600	-	119,855,599	35,956,679
Tuan Dung Store	13,185,117	-	13,185,117	-
Electromechanical No. 1991 Joint Stock Company	119,012,498	-	119,012,498	-
Tay Do Electrical Engineering Private Enterprise	9,282,625	-	9,282,625	-
Viet Han Joint Stock Company	6,330,516	-	6,330,516	-
Vietnam Electric Fan Production and Trading Company Limited	4,687,062	-	4,687,062	-
Sales of components	5,001,300	-	5,001,300	-
Total	496,417,408	-	496,417,407	35,956,679

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	33,646,047,265	-	40,369,072,836	-
Tools and supplies	256,280,226	-	299,171,936	-
Work in progress	6,715,218,390	-	9,964,984,425	-
Finished goods	39,175,281,420	-	42,084,353,625	-
Merchandise	29,110,116,040	-	26,955,805,746	-
Total	108,902,943,341	-	119,673,388,568	-

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a) Short-term	155,712,279	260,670,287
Insurance premium	95,764,486	107,571,042
Others	59,947,793	153,099,245
b) Long-term	884,011,227	1,289,664,427
Tool and supplies for consumption	822,148,516	867,449,450
Repair costs	16,460,776	69,409,807
Others	45,401,935	352,805,170
Total	1,039,723,506	1,550,334,714

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

12. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Management equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	67,591,826,116	37,410,953,077	6,836,391,170	199,700,055	112,038,870,418
Additions	-	645,000,000	-	-	645,000,000
Completed basic construction investment	230,275,338	-	-	-	230,275,338
Disposals	-	(36,762,476)	(207,187,273)	-	(243,949,749)
Closing balance	67,822,101,454	38,019,190,601	6,629,203,897	199,700,055	112,670,196,007
ACCUMULATED DEPRECIATION					
Opening balance	34,534,822,335	27,459,492,647	5,023,618,279	158,252,145	67,176,185,406
Charge for the year	2,493,524,936	2,671,248,761	449,613,177	14,886,125	5,629,272,999
Disposals	-	(36,762,476)	(202,518,464)	-	(239,280,940)
Closing balance	37,028,347,271	30,093,978,932	5,270,712,992	173,138,270	72,566,177,465
NET BOOK VALUE					
Opening balance	33,057,003,781	9,951,460,430	1,812,772,891	41,447,910	44,862,685,012
Closing balance	30,793,754,183	7,925,211,669	1,358,490,905	26,561,785	40,104,018,542

As stated in Note 18, the Company has pledged machinery and equipment with the net book value of VND 33,450,271,761 as at 31 December 2024 (as at 31 December 2023: VND 35,865,189,173) as collateral for bank loans.

The cost of the tangible fixed assets includes VND 34,867,451,268 as at 31 December 2024 (as at 31 December 2023: VND 32,107,464,555) which have been fully depreciated but are still in use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

13. INCREASE, DECREASE IN INTANGIBLE FIXED ASSETS

	<u>Computer software</u>
	<u>VND</u>
COST	
Opening balance	120,000,000
Closing balance	120,000,000
ACCUMULATED DEPRECIATION	
Opening balance	120,000,000
Closing balance	120,000,000
NET BOOK VALUE	
Opening balance	-
Closing balance	-

The cost of the intangible fixed assets includes VND 120,000,000 as at 31 December 2024 (as at 31 December 2023: VND 120,000,000) which have been fully depreciated but are still in use.

14. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>		<u>Opening balance</u>	
	<u>Amount</u>	<u>Amount able to be paid off</u>	<u>Amount</u>	<u>Amount able to be paid off</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Tan Thanh Company Limited	1,230,256,534	1,230,256,534	750,732,071	750,732,071
Hanoi Ching Hai Electric Works Co., Ltd	1,001,863,080	1,001,863,080	-	-
Ngu Phuc Steel Joint Stock Company	605,910,028	605,910,028	551,460,027	551,460,027
Huabao Electric Appliance (Vietnam) Company Limited	317,520,000	317,520,000	809,352,000	809,352,000
Lucky Sun Electric Wire And Cable Company Limited	108,138,998	108,138,998	1,813,905,500	1,813,905,500
Korea Copper Tech Vietnam Co., Ltd	-	-	718,809,054	718,809,054
Others	2,242,196,456	2,242,196,456	2,213,737,400	2,213,737,400
Total	5,505,885,096	5,505,885,096	6,857,996,052	6,857,996,052

15. SHORT-TERM ADVANCES FROM SUPPLIES

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Gia Nguyen Service and Trading Company Limited	150,765,018	-
Hung Chanh Store	100,467,485	1,072,022,724
Thieu Hong Store	-	261,475,857
Others	388,666,924	682,411,282
Total	639,899,427	2,015,909,863

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

16. TAX AND OTHER AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
Payables				
Import and export duties	-	212,772,650	212,772,650	-
Value added tax	380,806,705	4,535,185,733	4,915,992,438	-
Corporate income tax	1,439,158,539	3,001,178,555	3,339,158,539	1,101,178,555
Personal income tax	9,170,274	487,553,403	492,027,772	4,695,905
Land tax, land rental	-	1,081,179,206	1,081,179,206	-
Fees, charges and other payables	-	4,000,000	4,000,000	-
Total	1,829,135,518	9,321,869,547	10,045,130,605	1,105,874,460

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Accrual for interest expenses	4,329,981	36,345,811
Accrual for production and business costs	338,705,181	356,496,628
Total	343,035,162	392,842,439

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

18. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Closing balance		During the year		Opening balance	
	Amount	Amount able to be paid off	Decrease	Increase	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Vietnam Prosperity Joint Stock Commercial Bank - Hai Phong Branch	-	-	5,594,215,056	5,594,215,056	-	-
Vietnam Joint Stock Commercial Bank For Industry and Trade - Hong Bang Branch (i)	3,873,635,391	3,873,635,391	25,891,747,556	15,238,622,891	14,526,760,056	14,526,760,056
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Hai Phong Branch	-	-	14,516,349,903	7,666,978,526	6,849,371,377	6,849,371,377
Asia Commercial Joint Stock Bank - Hai Phong Branch	-	-	1,714,870,080	1,714,870,080	-	-
Total	3,873,635,391	3,873,635,391	47,717,182,595	30,214,686,553	21,376,131,433	21,376,131,433

Note:

(i) Short-term loan under the credit limit contract No. 01/2024-HDCVHM/NHCT166-DIENCOHP dated 5 February 2024 with Vietnam Joint Stock Commercial Bank for Industry and Trade - Hong Bang Branch as follows:

- Credit line maintenance period: From 5 February 2024 to 4 February 2025.
- Maximum disbursement limit: VND 50,000,000,000.
- Purpose of the loan: To supplement working capital, open and settle L/Cs for production and business activities.
- Loan term: Maximum of 6 months.
- Interest rate: Specified in each indebtedness certificate, effective from the disbursement date until any interest rate adjustment.
- Collateral: Machinery, equipment, and transport vehicles as per the collateral agreements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

19. OWNERS' EQUITY

Movements in owners' equity

	Owner's contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Opening balance of prior year	94,922,000,000	11,308,385,772	62,367,556,649	168,597,942,421
Profit for the year	-	-	12,756,634,159	12,756,634,159
Investment and development fund	-	1,389,276,396	(1,389,276,396)	-
Bonus and welfare fund	-	-	(555,710,558)	(555,710,558)
Profit distribution	-	-	(9,492,200,000)	(9,492,200,000)
Other decrease	-	(31,418,000)	-	(31,418,000)
Opening balance of current year	94,922,000,000	12,666,244,168	63,687,003,854	171,275,248,022
Profit for the year	-	-	13,204,714,222	13,204,714,222
Investment and development fund (i)	-	1,275,663,416	(1,275,663,416)	-
Profit distribution (i)	-	-	(9,492,200,000)	(9,492,200,000)
Bonus and welfare fund (i)	-	-	(510,265,366)	(510,265,366)
Other decrease	-	(67,297,249)	-	(67,297,249)
Closing balance of current year	94,922,000,000	13,874,610,335	65,613,589,294	174,410,199,629

Note:

(i) Profit distribution for 2023 includes the allocation to funds and dividend distribution to shareholders in accordance with Resolution of the Annual General Meeting of Shareholders No. 13/2024/DHP/NQ-DHDCD dated 26 April 2024 as follows:

- Development and investment Fund (10% of profit after tax from business operations): VND 1,275,663,416.
- Bonus and welfare fund (4% of profit after tax from business operations): VND 510,265,366.
- Cash dividend payment for 2023 (10% of charter capital): VND 9,492,200,000, of which VND 9,256,060,000 was deducted from the 2024 profit, and the remaining amount represents personal income tax on dividends.
- During the year, the Company paid dividends to shareholders with the amount of VND 9,256,060,000 and deducted 5% personal income tax of VND 236,140,000.

The Company's share issuance

	Closing balance	Opening balance
	Share	Share
Number of shares registered for issuance	9,492,200	9,492,200
Number of shares sold to the public		
- Common shares	9,492,200	9,492,200
Number of outstanding shares		
- Common shares	9,492,200	9,492,200
Par value of outstanding shares (VND)	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

19. OWNERS' EQUITY (CONTINUED)

According to the amended Business Registration Certificate, the Company's charter capital is VND 94,922,000,000 (as at 31 December: VND 94,922,000,000). As at 31 December 2024, the charter capital has been fully contributed by shareholders as follows:

	Closing balance		Opening balance	
	Amount	Ratio	Amount	Ratio
	VND	%	VND	%
Mr. Hoang Thanh Hai	26,141,810,000	28%	26,141,810,000	28%
Ms. Nguyen Thu Ha	20,065,800,000	21%	20,065,800,000	21%
Mr. Tran Quang Hung	6,052,760,000	6%	6,052,760,000	6%
Other shareholders	42,661,630,000	45%	42,661,630,000	45%
Total	94,922,000,000	100%	94,922,000,000	100%

20. OFF-BALANCE SHEET ITMES

Foreign currencies

	Closing balance	Opening balance
Foreign currencies (USD)	229.11	1,507.38

21. NET REVENUE FROM GOODS SOLD

	Current year	Prior year
	VND	VND
Total revenue from goods sold		
<u>In which:</u>		
- Revenue from goods sold	238,935,229,455	230,021,128,555
Total	238,935,229,455	230,021,128,555
Deductions	1,152,752,408	1,091,157,161
- Trade discount	1,152,752,408	1,091,157,161
Net revenue from goods sold	237,782,477,047	228,929,971,394

22. COST OF SALES

	Current year	Prior year
	VND	VND
Cost of goods sold	202,716,554,156	192,119,631,433
Total	202,716,554,156	192,119,631,433

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

23. PRODUCTION COST BY NATURE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Raw materials and consumables	65,633,246,421	71,303,225,320
Labour	22,857,306,962	25,874,609,570
Depreciation and amortisation	5,629,272,999	5,574,670,645
Out-sourced services	3,499,546,319	3,117,138,742
Product warranty	864,805,054	365,782,853
Provision for doubtful debts	35,956,680	-
Other monetary expenses	3,524,772,887	3,708,878,039
Total	<u>102,044,907,322</u>	<u>109,944,305,169</u>

24. FINANCIAL INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Bank and loan interest	867,556,280	1,467,244,293
Profits, dividends	1,200,000,000	1,000,000,000
Payment discount received	826,316,957	890,863,378
Foreign exchange gain	2,791,977	275,821
Total	<u>2,896,665,214</u>	<u>3,358,383,492</u>

25. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expenses	162,301,300	1,759,612,067
Foreign exchange loss	17,481,494	5,541,377
Payment discount	4,836,912,573	3,419,411,067
Total	<u>5,016,695,367</u>	<u>5,184,564,511</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

26. SELLING EXPENSES, GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
a) Selling expenses incurred in the year		
Materials and packaging	993,959,612	1,138,585,482
Employees	1,371,019,495	1,501,317,950
Depreciation and amortization	334,006,992	418,382,251
Out-sourced services	481,823,671	605,726,614
Maintenance expenses	864,805,054	938,343,506
Total	<u>4,045,614,824</u>	<u>4,602,355,803</u>
b) General and administration expenses incurred in the year		
Materials	169,607,430	124,662,599
Employees	9,747,666,135	10,353,044,806
Depreciation and amortization	581,924,921	610,141,532
Taxes, fees and charges	1,093,688,219	1,091,664,952
Out-sourced services	2,763,050,218	2,697,996,312
Provision	35,956,680	23,971,120
Total	<u>14,391,893,603</u>	<u>14,901,481,321</u>

27. OTHER INCOME

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Promotional products (free of charge)	1,644,141,245	13,239,306
Disposal of fixed assets	50,700,000	-
Others	2,734,690	202,257,976
Total	<u>1,697,575,935</u>	<u>215,497,282</u>

28. CURRENT CORPORATE INCOME TAX EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Profit before tax	16,205,892,777	15,695,792,699
Adjustment for taxable income	-	-
Less: Non-Taxable Income – Profit received from associates	(1,200,000,000)	(1,000,000,000)
Taxable income	15,005,892,777	14,695,792,699
Corporate income tax rate	20%	20%
Current corporate income tax expense	<u>3,001,178,555</u>	<u>2,939,158,540</u>

During the year, the Company determined that taxable income differed from accounting profit by VND 1,200,000,000. The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

29. BASIC EARNINGS PER SHARE

	Current year	Prior year (Restated)
	VND	VND
Profit after tax	13,204,714,222	12,756,634,159
Adjustment for bonus and welfare fund	-	(510,265,366)
Profit for calculating basic earnings per share	13,204,714,222	12,246,368,793
Weighted average number of common shares for calculating basic earnings per share	9,492,200	9,492,200
Basic earnings per share	1,391	1,290
Par value of shares	10,000	10,000

The "Basic earnings per share" for the previous year was restated due to the adjustment of the 2023 bonus and welfare fund with the amount of VND 510,265,366. The Basic earnings per share for 2023 before restatement was VND 1,344 per share.

In 2024, the Company has not allocated bonus and welfare fund from the 2024 profit, so the "Basic earnings per share" for the current year is not affected by this fund allocation.

30. SEGMENT REPORTING BY BUSINESS SECTOR AND GEOGRAPHICAL AREA

Segment reporting by business sector

The Company's main business activities are the manufacture of household electrical appliances, such as electric fans, fan cages, etc.; Additionally, the Company engages in the import and trade of certain types of electric fans within the same region. Consequently, the Company does not prepare segment reports by business sector.

Segment reporting by geographical area

The Company's business activities are mainly carried out at its head office located at 734 Nguyen Van Linh, Le Chan, Hai Phong. The Company does not have any affiliated units in locations outside the province. Accordingly, the Company does not prepare segment reports by geographical area.

31. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 18 offset by cash and cash equivalents) and shareholders' equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	Closing balance	Opening balance
	VND	VND
Borrowings	3,873,635,391	21,376,131,433
Less: Cash and cash equivalents	(12,360,154,682)	(5,478,280,430)
Net debt	(8,486,519,291)	15,897,851,003
Equity	174,410,199,629	171,275,248,022
Net debt to equity ratio	0.00	0.09

Significant accounting policies

Details of the significant accounting policies and methods adopted for each class of financial asset and financial liability are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)*These notes are an integral part of and should be read in conjunction with the accompanying financial statements***31. FINANCIAL INSTRUMENTS (CONTINUED)****Categories of financial instruments**

	Carrying amounts	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	12,360,154,682	5,478,280,430
Trade and other receivables	7,649,925,093	7,066,040,940
Short-term financial investments	2,000,000,000	12,000,000,000
Long-term financial investments	20,039,000,000	20,039,000,000
Total	42,049,079,775	44,583,321,370
Financial liabilities		
Borrowings	3,873,635,391	21,376,131,433
Trade and other payables	5,505,885,096	6,857,996,052
Accrued expenses	343,035,162	392,842,439
Total	9,722,555,649	28,626,969,924

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk, liquidity risk and credit risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

31. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year	From 1 to 5 years	More than 5 years	Total
	VND	VND	VND	VND
Closing balance				
Cash and cash equivalents	12,360,154,682	-	-	12,360,154,682
Trade and other receivables	7,649,925,093	-	-	7,649,925,093
Long-term financial investments	2,000,000,000	-	-	2,000,000,000
Short-term financial investments	-	-	20,039,000,000	20,039,000,000
Total	22,010,079,775	-	20,039,000,000	42,049,079,775
Closing balance				
Borrowings	3,873,635,391	-	-	3,873,635,391
Trade and other payables	5,505,885,096	-	-	5,505,885,096
Accrued expenses	343,035,162	-	-	343,035,162
Total	9,722,555,649	-	-	9,722,555,649
Net liquidity gap	12,287,524,126	-	20,039,000,000	32,326,524,126
	Less than 1 year	From 1 to 5 years	More than 5 years	Total
	VND	VND	VND	VND
Opening balance				
Cash and cash equivalents	5,478,280,430	-	-	5,478,280,430
Trade and other receivables	7,066,040,940	-	-	7,066,040,940
Long-term financial investments	12,000,000,000	-	-	12,000,000,000
Short-term financial investments	-	-	20,039,000,000	20,039,000,000
Total	24,544,321,370	-	20,039,000,000	44,583,321,370
Opening balance				
Borrowings	21,376,131,433	-	-	21,376,131,433
Trade and other payables	6,857,996,052	-	-	6,857,996,052
Accrued expenses	392,842,439	-	-	392,842,439
Total	28,626,969,924	-	-	28,626,969,924
Net liquidity gap	(4,082,648,554)	-	20,039,000,000	15,956,351,446

The Board of General Directors assessed the liquidity risk at low level. The management believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

32. SUBSEQUENT EVENTS

According to Resolution of the Board of Management No. 14/2024/NQ-HDQT dated 3 December 2024 regarding the advance payment of 2024 dividends at a rate of 5% per share in cash, to be implemented in January 2025.

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Remuneration paid to the Board of Management, Board of General Directors and Board of Supervisors:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Remuneration paid to the Board of Management and Board of General Directors	1,281,664,611	1,372,567,380
Mr. Hoang Thanh Hai	317,585,775	326,083,878
Ms. Le Thi Bich Hue	65,322,000	135,265,400
Mr. Mai Van Minh	345,035,406	342,262,424
Ms. Trinh Thi Lan Phuong	269,096,345	283,066,269
Mr. Nguyen Minh Chung	284,625,085	285,889,409
Board of Supervisors	608,541,124	608,313,999
Mr. Vu Duy Anh	223,029,801	222,921,088
Mr. Tran Tuan Linh	219,160,925	220,552,116
Ms. Bui Thi Hue	166,350,398	164,840,795

Dividends paid to the Board of Management, Board of General Directors, Board of Supervisors and shareholders with significant influence:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Dividends paid to the Board of Management and Board of General Directors	3,388,486,000	2,081,559,000
Mr. Hoang Thanh Hai	2,614,181,000	1,307,254,000
Ms. Le Thi Bich Hue	352,625,000	352,625,000
Mr. Mai Van Minh	201,394,000	201,394,000
Ms. Trinh Thi Lan Phuong	120,277,000	120,277,000
Mr. Nguyen Minh Chung	100,009,000	100,009,000
Dividends paid to the Board of Supervisors	111,000,000	70,842,500
Mr. Vu Duy Anh	4,000,000	4,000,000
Ms. Bui Thi Hue	500,000	500,000
Mr. Tran Tuan Linh	106,500,000	66,342,500
Dividends paid to significant shareholders	2,006,580,000	2,006,580,000
Ms. Nguyen Thu Ha	2,006,580,000	2,006,580,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (CONTINUED)

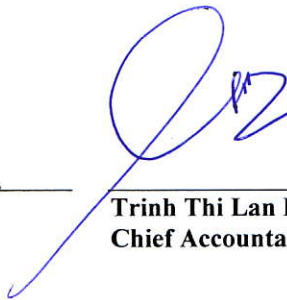
Transactions with associates

Profit received from associates

	Current year	Prior year (Restated)
	VND	VND
Phong Lan Investment Trading and Service Company Limited		
Dividends received during the year	1,000,000,000	400,000,000
Dividends during the year	1,200,000,000	1,000,000,000



Le Thi Nhung
Preparer
Hai Phong, 20 March 2025



Trinh Thi Lan Phuong
Chief Accountant




Mai Van Minh
General Director