



**THIEN NAM TRADING - IMPORT EXPORT JOINT STOCK COMPANY**  
Thien Nam Office Building, No. 111-121 Ngo Gia Tu , Ward 2, District 10, Ho Chi Minh City  
TAX CODE: 0301172041

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# **FINANCIAL STATEMENTS**

## **QUARTER 1/2025**

**THIEN NAM TRADING - IMPORT EXPORT JOINT STOCK COMPANY**

Address: Thien Nam Office Building, No. 111-121 Ngo Gia Tu , Ward 2, District 10, Ho Chi Minh City

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**THIEN NAM TRADING - IMPORT EXPORT JOINT STOCK COMPANY**

Address: Thien Nam Office Building, No. 111-121 Ngo Gia Tu, Ward 2, District 10, I

**FINANCIAL STATEMENTS QUARTER I/2025**

For the fiscal year ended December 31, 2025

**Form No. B01a-DN**(Issued under Circular No. 200/2014/TT-BTC  
dated 22/12/2014 by the Ministry of Finance)**INTERIM BALANCE SHEET****(Full version)****As of March 31, 2025**

| ITEMS                                                             | Code       | Note       | Unit: VND                        |                                      |
|-------------------------------------------------------------------|------------|------------|----------------------------------|--------------------------------------|
|                                                                   |            |            | Balance at the end of the period | Balance at the beginning of the year |
| <b>A - CURRENT ASSETS</b>                                         | <b>100</b> |            | <b>1.554.028.874.420</b>         | <b>1.572.683.061.507</b>             |
| <b>I. Cash and cash equivalents</b>                               | <b>110</b> | <b>V.1</b> | <b>7.924.466.399</b>             | <b>8.082.054.803</b>                 |
| 1. Cash                                                           | 111        |            | 7.824.466.399                    | 7.982.054.803                        |
| 2. Cash equivalents                                               | 112        |            | 100.000.000                      | 100.000.000                          |
| <b>II. Short-term investments</b>                                 | <b>120</b> | <b>V.2</b> | <b>-</b>                         | <b>-</b>                             |
| 1. Trading securities                                             | 121        |            | -                                | -                                    |
| 2. Provisions for devaluation of trading securities               | 122        |            | -                                | -                                    |
| 3. Held-to-maturity investments                                   | 123        |            | -                                | -                                    |
| <b>III. Short-term receivables</b>                                | <b>130</b> |            | <b>460.809.215.130</b>           | <b>479.317.658.813</b>               |
| 1. Short-term trade receivables                                   | 131        | V.3        | 440.743.985.127                  | 459.512.441.312                      |
| 2. Short-term prepayments to suppliers                            | 132        | V.4        | 778.959.830                      | 759.750.310                          |
| 3. Short-term inter-company receivables                           | 133        |            | -                                | -                                    |
| 4. Receivables according to the progress of construction contract | 134        |            | -                                | -                                    |
| 5. Receivables for short-term loans                               | 135        |            | -                                | -                                    |
| 6. Other short-term receivables                                   | 136        | V.5a       | 19.286.270.173                   | 19.045.467.191                       |
| 7. Allowance for short-term doubtful debts                        | 137        |            | -                                | -                                    |
| 8. Deficit assets for treatment                                   | 139        |            | -                                | -                                    |
| <b>IV. Inventories</b>                                            | <b>140</b> | <b>V.6</b> | <b>1.085.100.142.891</b>         | <b>1.085.283.347.891</b>             |
| 1. Inventories                                                    | 141        |            | 1.085.100.142.891                | 1.085.283.347.891                    |
| 2. Allowance for inventories                                      | 149        |            | -                                | -                                    |
| <b>V. Other current assets</b>                                    | <b>150</b> |            | <b>195.050.000</b>               | <b>-</b>                             |
| 1. Short-term prepaid expenses                                    | 151        | V.7a       | 195.050.000                      | -                                    |
| 2. Deductible VAT                                                 | 152        |            | -                                | -                                    |
| 3. Taxes and other receivables from the State                     | 153        |            | -                                | -                                    |
| 4. Trading Government bonds                                       | 154        |            | -                                | -                                    |
| 5. Other current assets                                           | 155        |            | -                                | -                                    |

Quarter 1 for the fiscal year ended December 31, 2025

**Interim Balance Sheet (cont.)**

| ITEMS                                                           | Code       | Note        | Balance at the end of<br>the period | Balance at the<br>beginning of the year |
|-----------------------------------------------------------------|------------|-------------|-------------------------------------|-----------------------------------------|
| <b>B - NON-CURRENT ASSETS</b>                                   | <b>200</b> |             | <b>432.114.291.259</b>              | <b>433.845.628.375</b>                  |
| <b>I. Long-term receivables</b>                                 | <b>210</b> |             | <b>1.751.948.074</b>                | <b>1.751.948.074</b>                    |
| 1. Long-term trade receivables                                  | 211        |             | -                                   | -                                       |
| 2. Long-term prepayment to suppliers                            | 212        |             | -                                   | -                                       |
| 3. Working capital in affiliates                                | 213        |             | -                                   | -                                       |
| 4. Long-term inter-company receivables                          | 214        |             | -                                   | -                                       |
| 5. Receivables for long-term loans                              | 215        |             | -                                   | -                                       |
| 6. Other long-term receivables                                  | 216        | V.5b        | 1.751.948.074                       | 1.751.948.074                           |
| 7. Allowance for long-term doubtful debts                       | 219        |             | -                                   | -                                       |
| <b>II. Fixed assets</b>                                         | <b>220</b> |             | <b>30.688.884.912</b>               | <b>30.858.215.514</b>                   |
| 1. Tangible fixed assets                                        | 221        | V.8         | 3.774.123.100                       | 3.943.453.702                           |
| - <i>Historical cost</i>                                        | 222        |             | 38.309.828.685                      | 38.634.198.685                          |
| - <i>Accumulated depreciation</i>                               | 223        |             | (34.535.705.585)                    | (34.690.744.983)                        |
| 2. Financial leased assets                                      | 224        |             | -                                   | -                                       |
| - <i>Historical cost</i>                                        | 225        |             | -                                   | -                                       |
| - <i>Accumulated depreciation</i>                               | 226        |             | -                                   | -                                       |
| 3. Intangible fixed assets                                      | 227        | V.9         | 26.914.761.812                      | 26.914.761.812                          |
| - <i>Initial cost</i>                                           | 228        |             | 28.194.999.917                      | 28.194.999.917                          |
| - <i>Accumulated amortization</i>                               | 229        |             | (1.280.238.105)                     | (1.280.238.105)                         |
| <b>III. Investment property</b>                                 | <b>230</b> | <b>V.10</b> | <b>55.918.425.681</b>               | <b>56.960.390.955</b>                   |
| - Historical costs                                              | 231        |             | 106.202.325.022                     | 106.202.325.022                         |
| - Accumulated depreciation                                      | 232        |             | (50.283.899.341)                    | (49.241.934.067)                        |
| <b>IV. Long-term assets in process</b>                          | <b>240</b> |             | -                                   | -                                       |
| 1. Long-term work-in-process                                    | 241        |             | -                                   | -                                       |
| 2. Construction-in-progress                                     | 242        |             | -                                   | -                                       |
| <b>V. Long-term investments</b>                                 | <b>250</b> | <b>V.2</b>  | <b>342.280.843.842</b>              | <b>342.280.843.842</b>                  |
| 1. Investments in subsidiaries                                  | 251        |             | 73.648.025.842                      | 73.648.025.842                          |
| 2. Investments in joint ventures and associates                 | 252        |             | 202.000.000.000                     | 202.000.000.000                         |
| 3. Investments in other entities                                | 253        |             | 120.000.000.000                     | 120.000.000.000                         |
| 4. Provision for devaluation of long-term financial investments | 254        |             | (70.767.182.000)                    | (70.767.182.000)                        |
| 5. Held-to-maturity investments                                 | 255        |             | 17.400.000.000                      | 17.400.000.000                          |
| <b>VI. Other non-current assets</b>                             | <b>260</b> |             | <b>1.474.188.750</b>                | <b>1.994.229.990</b>                    |
| 1. Long-term prepaid expenses                                   | 261        | V.7b        | 1.474.188.750                       | 1.994.229.990                           |
| 2. Deferred income tax assets                                   | 262        |             | -                                   | -                                       |
| 3. Long-term components and spare parts                         | 263        |             | -                                   | -                                       |
| 4. Other non-current assets                                     | 268        |             | -                                   | -                                       |
| <b>TOTAL ASSETS</b>                                             | <b>270</b> |             | <b>1.986.143.165.679</b>            | <b>2.006.528.689.882</b>                |

Quarter 1 for the fiscal year ended December 31, 2025  
**Interim Balance Sheet (cont.)**

| ITEMS                                                          | Code       | Note  | Balance at the end of<br>the period | Balance at the<br>beginning of the year |
|----------------------------------------------------------------|------------|-------|-------------------------------------|-----------------------------------------|
| <b>C - LIABILITIES</b>                                         | <b>300</b> |       | <b>1.488.193.357.337</b>            | <b>1.485.543.264.484</b>                |
| <b>I. Current liabilities</b>                                  | <b>310</b> |       | <b>1.478.454.933.252</b>            | <b>1.475.663.252.399</b>                |
| 1. Short-term trade payables                                   | 311        | V.11  | 618.473.989.506                     | 651.873.633.322                         |
| 2. Short-term advances from customers                          | 312        | V.12  | 119.834.760.621                     | 95.076.835.007                          |
| 3. Taxes and other obligations to the State Budget             | 313        | V.13  | 22.821.387.020                      | 4.655.675.633                           |
| 4. Payables to employees                                       | 314        | V.14  | 539.345.101                         | -                                       |
| 5. Short-term accrued expenses                                 | 315        | V.15  | 84.712.924.824                      | 70.783.624.971                          |
| 6. Short-term inter-company payables                           | 316        |       | -                                   | -                                       |
| 7. Payable according to the progress of construction contracts | 317        |       | -                                   | -                                       |
| 8. Short-term unearned revenue                                 | 318        | V.16  | 148.476.182                         | 92.103.634                              |
| 9. Other short-term payables                                   | 319        | V.17a | 160.794.369.282                     | 181.117.683.282                         |
| 10. Short-term borrowings and financial leases                 | 320        | V.18  | 471.129.680.716                     | 472.063.696.550                         |
| 11. Provisions for short-term payables                         | 321        |       | -                                   | -                                       |
| 12. Bonus and welfare funds                                    | 322        | V.19  | -                                   | -                                       |
| 13. Price stabilization fund                                   | 323        |       | -                                   | -                                       |
| 14. Trading Government bonds                                   | 324        |       | -                                   | -                                       |
| <b>II. Non-current liabilities</b>                             | <b>330</b> |       | <b>9.738.424.085</b>                | <b>9.880.012.085</b>                    |
| 1. Long-term trade payables                                    | 331        |       | -                                   | -                                       |
| 2. Long-term prepayment from customers                         | 332        |       | -                                   | -                                       |
| 3. Long-term accrued expenses                                  | 333        |       | -                                   | -                                       |
| 4. Inter-company payables for operating capital                | 334        |       | -                                   | -                                       |
| 5. Long-term inter-company payables                            | 335        |       | -                                   | -                                       |
| 6. Long-term unearned revenue                                  | 336        |       | -                                   | -                                       |
| 7. Other long-term payables                                    | 337        | V.17b | 9.738.424.085                       | 9.880.012.085                           |
| 8. Long-term borrowing and financial leases                    | 338        |       | -                                   | -                                       |
| 9. Convertible bonds                                           | 339        |       | -                                   | -                                       |
| 10. Preferred shares                                           | 340        |       | -                                   | -                                       |
| 11. Deferred income tax liabilities                            | 341        |       | -                                   | -                                       |
| 12. Provisions for long-term payables                          | 342        |       | -                                   | -                                       |
| 13. Science and technology development funds                   | 343        |       | -                                   | -                                       |

Quarter 1 for the fiscal year ended December 31, 2025  
Interim Balance Sheet (cont.)

| ITEMS                                                                | Code       | Note        | Balance at the end of<br>the period | Balance at the<br>beginning of the year |
|----------------------------------------------------------------------|------------|-------------|-------------------------------------|-----------------------------------------|
| <b>D - OWNER'S EQUITY</b>                                            | <b>400</b> |             | <b>497.949.808.342</b>              | <b>521.114.155.398</b>                  |
| <b>I. Owner's equity</b>                                             | <b>410</b> | <b>V.21</b> | <b>497.949.808.342</b>              | <b>521.114.155.398</b>                  |
| 1. Capital                                                           | 411        |             | 495.762.640.000                     | 495.762.640.000                         |
| - Common shares carrying voting rights                               | 411a       |             | 495.762.640.000                     | 495.762.640.000                         |
| - Preferred shares                                                   | 411b       |             | -                                   | -                                       |
| 2. Share premiums                                                    | 412        |             | 4.034.353.637                       | 4.034.353.637                           |
| 3. Bond conversion options                                           | 413        |             | -                                   | -                                       |
| 4. Other sources of capital                                          | 414        |             | -                                   | -                                       |
| 5. Treasury stocks                                                   | 415        |             | (11.978.525.300)                    | (11.978.525.300)                        |
| 6. Differences on asset revaluation                                  | 416        |             | -                                   | -                                       |
| 7. Foreign exchange differences                                      | 417        |             | -                                   | -                                       |
| 8. Investment development fund                                       | 418        |             | 31.763.082.105                      | 31.763.082.105                          |
| 9. Business arrangement supporting fund                              | 419        |             | -                                   | -                                       |
| 10. Other funds                                                      | 420        |             | -                                   | -                                       |
| 11. Retained earnings                                                | 421        |             | (21.631.742.100)                    | 1.532.604.956                           |
| - Retained earnings accumulated<br>to the end of the previous period | 421a       |             | 1.532.604.956                       | 70.011.784.158                          |
| - Retained earnings of the current period                            | 421b       |             | (23.164.347.056)                    | (68.479.179.202)                        |
| 12. Construction investment fund                                     | 422        |             | -                                   | -                                       |
| <b>II. Other sources and funds</b>                                   | <b>430</b> |             | <b>-</b>                            | <b>-</b>                                |
| 1. Sources of expenditure                                            | 431        |             | -                                   | -                                       |
| 2. Fund to form fixed assets                                         | 432        |             | -                                   | -                                       |
| <b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>                          | <b>440</b> |             | <b>1.986.143.165.679</b>            | <b>2.006.657.419.882</b>                |

Ho Chi Minh City, April 25, 2025



Nguyen Thi Thu Hien  
Preparer



Le Thi Thanh Thao  
Chief Accountant



Nguyen Van Nghia  
General Director

# **INTERIM INCOME STATEMENT** (Full version) **QUARTER1/2025**

Unit: VND

| ITEMS                                                        | Code | Note | Quarter 1        |                 |
|--------------------------------------------------------------|------|------|------------------|-----------------|
|                                                              |      |      | Current year     | Previous year   |
| 1. Revenue from sales of goods and provision of services     | 01   | VI.1 | 40.145.042.906   | 110.419.885.882 |
| 2. Revenue deductions                                        | 02   | VI.2 |                  |                 |
| 3. Net revenue from sales of goods and provision of services | 10   |      | 40.145.042.906   | 110.419.885.882 |
| 4. Cost of goods sold                                        | 11   | VI.3 | 29.510.408.977   | 100.094.901.371 |
| 5. Gross profit                                              | 20   |      | 10.634.633.929   | 10.324.984.511  |
| 6. Financial income                                          | 21   | VI.4 | 275.025.620      | 2.121.842.015   |
| 7. Financial expenses                                        | 22   | VI.5 | 11.163.637.375   | 10.434.058.881  |
| In which: loan interest expenses                             | 23   |      | 11.163.637.375   | 10.387.972.261  |
| 8. Selling expenses                                          | 25   | VI.6 | 1.169.954.717    | 4.255.560.274   |
| 9. General and administration expenses                       | 26   | VI.7 | 4.987.803.995    | 2.598.948.561   |
| 10. Net operating profit                                     | 30   |      | (6.411.736.538)  | (4.841.741.190) |
| 11. Other income                                             | 31   | VI.8 | 34.600.000       | 12.113.296      |
| 12. Other expenses                                           | 32   | VI.9 | 3.901.855.285    | 918.891.530     |
| 13. Other profit                                             | 40   |      | (3.867.255.285)  | (906.778.234)   |
| 14. Total accounting profit before tax                       | 50   |      | (10.278.991.823) | (5.748.519.424) |
| 15. Current corporate income tax                             | 51   | V.11 | 12.885.355.233   |                 |
| 16. Deferred corporate income tax                            | 52   |      | -                | -               |
| 17. Profit after tax                                         | 60   | V.12 | (23.164.347.056) | (5.748.519.424) |
| 18. Basic earnings per share                                 | 70   |      | -                | -               |
| 19. Diluted earnings per share                               | 71   |      | -                | -               |



Nguyen Thi Thu Hien  
Preparer



Le Thi Thanh Thao  
Chief Accountant



Ho Chi Minh City, April 25, 2025

Nguyen Van Nghia  
General Director

**INTERIM CASH FLOW STATEMENT****(Full version)****(Indirect method)****QUARTER 1/2025**

Unit: VND

| ITEMS                                                                             | Code | Current year     | Previous year    |
|-----------------------------------------------------------------------------------|------|------------------|------------------|
| <b>I. Cash flows from operating activities</b>                                    |      |                  |                  |
| 1. <i>Profit before tax</i>                                                       | 01   | (10.278.991.823) | (5.748.519.424)  |
| 2. <i>Adjustments</i>                                                             |      | -                | -                |
| - Depreciation of fixed assets and investment properties                          | 02   | 1.211.295.876    | 4.448.987.140    |
| - Provisions and allowances                                                       | 03   | -                | -                |
| - Exchange gain/(loss) due to revaluation of monetary items in foreign currencies | 04   | -                | -                |
| - Gain/(loss) from investing activities                                           | 05   | (275.025.620)    | (266.297.377)    |
| - Interest expenses                                                               | 06   | 11.163.637.375   | 10.387.972.261   |
| - Others                                                                          | 07   | -                | -                |
| 3. <i>Operating profit before changes of working capital</i>                      | 08   | 1.820.915.808    | 8.822.142.600    |
| - Increase/(decrease) of receivables                                              | 09   | 18.680.086.865   | (15.804.897.150) |
| - Increase/(decrease) of inventories                                              | 10   | 183.205.000      | 1.164.105.758    |
| - Increase/(decrease) of payables                                                 | 11   | (20.464.883.921) | 6.600.557.767    |
| - Increase/(decrease) of prepaid expenses                                         | 12   | 324.991.240      | 688.987.689      |
| - Increase/(decrease) of trading securities                                       | 13   | -                | -                |
| - Interest paid                                                                   | 14   | -                | (13.768.979.329) |
| - Corporate income tax paid                                                       | 15   | -                | (2.243.653.712)  |
| - Other cash inflows                                                              | 16   | -                | -                |
| - Other cash outflows                                                             | 17   | 101.734.900      | 379.848.902      |
| <i>Net cash flows from operating activities</i>                                   | 20   | 646.049.892      | (14.161.887.475) |
| <b>II. Cash flows from investing activities</b>                                   |      |                  |                  |
| 1. Purchases and construction of fixed assets and other non-current assets        | 21   | 128.730.000      | (2.924.690.182)  |
| 2. Proceeds from disposals of fixed assets and other non-current assets           | 22   | -                | 181.818.182      |
| 3. Cash outflow for lending, buying debt instruments of other entities            | 23   | -                | 27.200.000.000   |
| 4. Cash recovered from lending, selling debt instruments of other entities        | 24   | -                | -                |
| 5. Investments into other entities                                                | 25   | -                | -                |
| 6. Withdrawals of investments in other entities                                   | 26   | -                | -                |
| 7. Interest earned, dividends and profits received                                | 27   | 1.647.538        | 96.061.155       |
| <i>Net cash flows from investing activities</i>                                   | 30   | 130.377.538      | 24.553.189.155   |

## Interim cash flow statement (cont.)

| ITEMS                                                                           | Code      | Current year         | – | Previous year           |
|---------------------------------------------------------------------------------|-----------|----------------------|---|-------------------------|
| <b>III. Cash flows from financing activities</b>                                |           |                      |   |                         |
| 1. Proceeds from issuing stocks and capital contributions from owners           | 31        | -                    | - | -                       |
| 2. Repayment for capital contribution and re-purchases of stocks already issued | 32        | -                    | - | -                       |
| 3. Proceeds from borrowings                                                     | 33        | -                    | - | 2.347.709.164.760       |
| 4. Repayment for loan principal                                                 | 34        | (934.015.834)        | - | (2.361.636.480.977)     |
| 5. Payments for financial leased assets                                         | 35        | -                    | - | (443.071.150)           |
| 6. Dividends and profit paid to the owners                                      | 36        | -                    | - | -                       |
| <i>Net cash flows from financing activities</i>                                 | <b>40</b> | <b>(934.015.834)</b> | - | <b>(14.370.387.367)</b> |
| <b>Net cash flows during the year</b>                                           | <b>50</b> | <b>(157.588.404)</b> | - | <b>(3.979.085.687)</b>  |
| <b>Beginning cash and cash equivalents</b>                                      | <b>60</b> | <b>8.082.054.803</b> | - | <b>10.440.847.542</b>   |
| Effect of fluctuations in foreign exchange rates                                | 61        | -                    | - | -                       |
| <b>Ending cash and cash equivalents</b>                                         | <b>70</b> | <b>7.924.466.399</b> | - | <b>6.461.761.855</b>    |

Ho Chi Minh City, April 25, 2025



Nguyen Thi Thu Hien  
Preparer



Le Thi Thanh Thao  
Chief Accountant



Nguyen Van Nghia  
General Director

## NOTES TO THE FINANCIAL STATEMENTS

### Quarter 1/2025

#### I. GENERAL INFORMATION

##### 1. Ownership form

Thien Nam Trading- Import Export Joint Stock Company (hereinafter referred to as ‘the Company’) is a joint stock company .

The company operates under Business Registration Certificate No. 0301172041 issued on November 1, 2000, and the 27th amendment registered on July 23, 2024, by the Department of Planning and Investment of Ho Chi Minh City.

The company's charter capital is 495.762.640.000 VND.

##### 2. Operating field

The Company's operating fields are trading and servicing.

##### 3. Principal business activities

Principal business activities of the Company are to trade, act as an agent for consignment of technology products, food, foodstuffs, materials and equipment, vehicles, alcohol, agricultural products, aquatic products, electromechanical equipment, construction materials, interior decoration, fertilizers, pesticides, supplies, machinery and equipment, cosmetics; act as an agent for goods consignment; purchase and process agricultural, aquatic and marine products for export (not operating at the head office); lease travel vehicles; trade iron and steel, metal scrap and provide service of dismantling old ships and cars (not operating at the head office); trade cars; provide customs declaration service; provide freight forwarding services; trade real estate.

##### 4. Normal operating cycle

The Company's normal operating cycle is within 12 months.

##### 5. Structure of the Company

###### *Subsidiaries*

| Subsidiary                                     | Address                                                                       | Principal business activities                | Capital contribution rate | Benefit rate | Voting rate |
|------------------------------------------------|-------------------------------------------------------------------------------|----------------------------------------------|---------------------------|--------------|-------------|
| Thien Nam Foodstuff Technology Company Limited | Thien Nam Building, 111-112 Ngo Gia Tu, Ward 2, District 10, Ho Chi Minh City | Wholesale technology products and food       | 98%                       | 98%          | 98%         |
| Thien Nam Education Investment Corporation     | Thien Nam Building, 111-112 Ngo Gia Tu, Ward 2, District 10, Ho Chi Minh City | Developing services related to education     | 68%                       | 68%          | 68%         |
| Nahaviwel Joint Stock Company                  | Thien Nam Building, 111-112 Ngo Gia Tu, Ward 2, District 10, Ho Chi Minh City | Manufacturing and trading welding materials. | 94,5%                     | 94,5%        | 94,5%       |

###### *Affiliates which are not legal entities and do the accounts recording dependently*

| Affiliates                                                                                                | Address                                                                                                          |
|-----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Branch of Thien Nam Trading – Import Export Joint Stock Company - Thien Nam Long An Steel Trading Center  | 56A National Highway 1A, Hamlet 2, My Yen Commune, Ben Luc District, Long An Province, Vietnam                   |
| Branch of Thien Nam Trading – Import Export Joint Stock Company - Thien Nam Dong Nai Steel Trading Center | 497 Vo Nguyen Giap Street, Group 3, Tan Cang Quarter, Phuoc Tan Ward, Bien Hoa City, Dong Nai Province, Vietnam. |

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**THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY**  
**Notes to Financial Statements (cont.)**

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***Associated Companies***

According to the Enterprise Registration Certificate No. 0314760724, with the 6th amendment registered on December 24, 2022, issued by the Department of Planning and Investment of Ho Chi Minh City, the company has invested VND 202,000,000,000, equivalent to 47.53% of the charter capital, in Saigon 168 Business Development Corporation.

According to the Enterprise Registration Certificate No. 3502401667, dated July 26, 2019, issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province, the company has invested VND 120,000,000,000, equivalent to 20% of the charter capital, in Vung Tau Housing Development Joint Stock Company.

**6. Statement of information comparability on the Financial Statements**

The corresponding figures in the previous year can be comparable with those in the current year .

**7. Headcount**

As of the balance sheet date, the Company's headcount is 34 (headcount at the beginning of the year: 36).

**II. FISCAL YEAR AND ACCOUNTING CURRENCY**

**1. Fiscal year**

The fiscal year of the Company is from 01 January to 31 December annually .

**2. Accounting currency unit**

The accounting currency unit is Vietnamese Dong (VND) because the Company's transactions are primarily made in VND .

**III. ACCOUNTING STANDARDS AND SYSTEM**

**1. Accounting System**

The company applies the Vietnamese Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014; Circular No. 53/2016/TT-BTC dated March 21, 2016, which amends and supplements several provisions of Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance, guiding the enterprise accounting system, as well as other circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of Financial Statements.

**2. Statement of the compliance with the Accounting Standards and System**

The Board of Management ensures compliance with the requirements of accounting standards and the Vietnamese accounting system issued under Circular No. 200/2014/TT-BTC dated December 22, 2014; Circular No. 53/2016/TT-BTC dated March 21, 2016, which amends and supplements several provisions of Circular No. 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance, guiding the enterprise accounting system, as well as other circulars guiding the implementation of accounting standards of the Ministry of Finance in the preparation and presentation of financial statements.

**IV. ACCOUNTING POLICIES**

**1. Foreign exchange rates**

The recognition, evaluation, and handling of exchange rate differences during the period are carried out in accordance with Circular No. 200/2014/TT-BTC dated December 22, 2014, and Circular No. 53/2016/TT-BTC dated March 21, 2016, which amends and supplements several provisions of Circular No. 200/2014/TT-BTC dated December 22, 2014, of the Ministry of Finance, guiding the enterprise accounting system.

**2. Cash and cash equivalents:**

Cash includes cash on hand and demand deposits in banks. Cash equivalents are short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

**3. Financial investments:**

**3.1 Held-to-maturity investments:**

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. These held-to-maturity investments include term deposits with banks (including bills of exchange, promissory notes), bonds, preferred shares with mandatory redemption at a specified future date, loans held to maturity for the purpose of earning periodic interest, and other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Company's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

When there are reliable evidences proving that a part or the whole investment cannot be recovered and the loss are reliably determined, the loss is recognized as financial expenses during the year while the investment value is derecognized.

**3.2 Loans:**

Loans are recognized at their cost, less any allowance for doubtful debts. The allowance for doubtful debts on loans is established based on the estimated level of losses that may occur.

**3.3 Investments in subsidiaries, joint ventures, and associates :**

***Investments in subsidiaries***

Subsidiary is an entity that is controlled by the Company. Control is the Company's power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

***Joint ventures***

A joint venture is a business entity established based on an agreement between the Company and other parties, in which the participants undertake economic activities on the basis of joint control. Joint control is understood as the requirement for consensus among the participants in making strategic decisions related to the operational and financial policies of the joint venture.

***Associates***

An associate company is a business in which the Company has significant influence but does not have control over financial and operational policies. Significant influence is evidenced by the right to participate in decisions regarding financial and operational policies of the investee company but without controlling those policies.

Investments in subsidiaries, joint ventures, and associates are initially recognized at cost, which includes the purchase price or the capital contribution along with any directly attributable investment costs. In the case of investments made through non-monetary assets, the investment is recognized at the fair value of the non-monetary assets at the time the investment is made.

Dividends and profits from periods before the investment was acquired are recognized as a reduction in the value of the investment itself. Dividends and profits from periods after the investment is acquired are recognized as revenue. Dividends received in the form of additional shares are only recorded as an increase in the number of shares, without recognizing the value of the shares received or at their nominal value.

A provision for impairment of investments in subsidiaries, joint ventures, and associates is made when the subsidiary, joint venture, or associate incurs losses. The provision is calculated as the difference between the actual contribution of the parties to the subsidiary, joint venture, or associate and the actual equity value, multiplied by the Company's ownership percentage in relation to the total actual contributions of the parties

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## THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY

### Notes to Financial Statements (cont.)

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involved. If the subsidiary, joint venture, or associate is preparing consolidated financial statements, the basis for determining the provision for impairment is the consolidated financial statements..

The increase or decrease in the provision for impairment of investments in subsidiaries, joint ventures, and associates that needs to be recognized at the end of the financial year is recorded as a financial expense.

#### 4. Receivables:

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables or other receivables is made according the following principles:

- Trade receivables reflect amounts due from commercial transactions arising from buy-sell agreements between the Company and independent buyers. This includes receivables from the sale of goods that have been exported and entrusted to another entity for sale.
- Inter-company Receivables reflect amounts due from subsidiaries or units without legal personality and dependent accounting, which are part of the Company's internal transactions.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions .

Provision for doubtful debts is established for each receivable based on the aging of overdue debts or anticipated losses. Specifically:

- For overdue receivables:
  - 30% of the value for receivables overdue between 6 months and less than 1 year.
  - 50% of the value for receivables overdue between 1 year and less than 2 years.
  - 70% of the value for receivables overdue between 2 years and less than 3 years.
  - 100% of the value for receivables overdue 3 years or more.
- For doubtful debts but not yet overdue: provision is based on the estimated level of potential loss.

#### 5. Inventories:

##### 5.1 Inventories accounting :

Inventory is valued at cost. If the net realizable value is lower than the cost, the inventory must be valued at its net realizable value. The cost of inventory includes purchase costs, processing costs, and other directly related costs incurred to bring the inventory to its present location and condition.

The cost of inventory purchased from external suppliers includes the purchase price, non-refundable taxes, transportation, handling, and storage costs incurred during the purchase process, as well as other costs directly related to purchasing the inventory.

The cost of inventory produced internally includes direct material costs, direct labor costs, fixed production overhead, and variable production overhead incurred during the transformation of raw materials into finished goods.

##### 5.2 Method for Determining the Value of Ending Inventory:

The value of ending inventory is determined using the specific identification method.

**THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY**  
**Notes to Financial Statements (cont.)**

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**5.3 Inventory Accounting Method:** The company applies the periodic inventory system.

**5.4 Allowance for inventory:**

Allowances for inventories are made for each inventory item whose cost exceeds its net realizable value. For unfinished services, the provision for the decline in value is determined based on the individual service with a distinct price. Increases or decreases in the balance of the provision for inventory decline at the end of the financial year are recognized in the cost of goods sold.

**6. Depreciation accounting of fixed assets:**

**6.1 Tangible and Intangible Fixed Assets:**

- Tangible fixed assets are stated at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the Company to acquire the asset and bring it to a state of readiness for use.
- Subsequent costs are capitalized to increase the asset's carrying amount only if these costs are expected to provide future economic benefits through the use of the asset. Costs that do not meet this condition are recognized as expenses in the period incurred.
- Depreciation is calculated using the straight-line method and is based on depreciation rates determined by the regulations in Circular No. 45/2013/TT-BTC dated April 25, 2013, and Circular No. 147/2016/TT-BTC dated October 13, 2016, amending and supplementing certain provisions of Circular No. 45/2013/TT-BTC.

**6.2 Finance leased fixed assets:**

A finance lease is classified as an operating lease if the majority of the risks and rewards associated with the ownership of the asset lie with the lessor. Finance lease expenses are recognized as an expense over the lease term using the straight-line method, regardless of the payment method of the lease.

**6.3 Investment Property:**

Investment property refers to land use rights, buildings, part of a building, or infrastructure owned by the Company or held under a finance lease, intended to generate rental income or for capital appreciation. Investment property is stated at cost less accumulated depreciation. The cost of investment property includes all expenses incurred by the Company or the fair value of assets exchanged to acquire the investment property up to the point of purchase or completion of construction..

Subsequent costs related to investment property are expensed, unless these costs are expected to provide additional future economic benefits, in which case they are capitalized to increase the cost of the property.

When investment property is sold, the original cost and accumulated depreciation are written off, and any resulting gains or losses are recognized in the income or expenses for the year.

The transfer from property held for use or inventory to investment property occurs only when the owner ceases using the asset and begins leasing it to another party or when construction is completed. Conversely, the transfer from investment property to property held for use or inventory occurs when the owner starts using the asset or begins preparing it for sale. The transfer from investment property to property held for use or inventory does not change the original cost or carrying value of the asset at the transfer date.

**7. Business cooperation contracts:**

**7.1 Jointly Controlled Assets :**

The Company recognizes in its financial statements, under joint venture agreements, the following jointly controlled assets:

- The Company's share of the jointly controlled assets, classified according to the nature of the asset .
- Liabilities incurred exclusively by the Company .

## **THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY**

### **Notes to Financial Statements (cont.)**

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- The Company's share of liabilities that must be borne jointly with other joint venture participants arising from joint venture operation .
- Income from the sale or use of the products or services shared from the joint venture, along with the corresponding expenses incurred, shared from joint venture activities .
- The Company's costs incurred related to the joint venture's capital contribution .

Fixed assets and investment properties contributed to a joint venture contract, where ownership rights are not transferred to joint ownership of the joint venture participants, are not written off the assets. If the Company receives assets contributed by the joint venture, they are tracked as assets held in custody, without recording them as an increase in assets or business capital.

Fixed assets and investment properties contributed to a joint venture contract, where ownership is transferred and the assets are under construction as jointly controlled assets, are written off the assets in the accounting records and recognized as part of the construction in progress. After the jointly controlled asset is completed and handed over for use, based on the value of the shared asset, the Company recognizes an increase in its assets in accordance with the intended use.

#### **7.2 Jointly Controlled Business Operations:**

The Company recognizes in its financial statements for joint venture agreements under jointly controlled business operations the following:

- The value of assets currently owned by the Company.
- Liabilities the Company is responsible for.
- Revenue derived from the sale of goods or provision of services by the joint venture.
- Payable expenses that the Company must bear.

#### **8. Prepaid expenses:**

Prepaid expenses related only to the current fiscal year are recognized as operating expenses in the fiscal year .

The allocation of long-term prepaid expenses to operating costs for each accounting period is based on the nature and degree of each type of expense, in order to select appropriate methods and criteria for allocation .

#### **9. Payables and accrued expenses:**

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

The classification of payables into accounts payable to vendors, accrued expenses, internal payables, and other payables is carried out according to the following principles:

- Accounts payable to vendors reflect amounts owed from commercial transactions related to the purchase of goods, services, or assets, where the seller is an independent entity to the Company, including amounts payable for imports via agents.
- Accrued expenses reflect amounts owed for goods or services received from vendors or provided to buyers but not yet paid, due to the absence of invoices or incomplete accounting documents, as well as payables for employee wages, vacation pay, and accrued production and business expenses.
- Internal payables reflect amounts owed between the parent company and its subsidiaries without legal entity status for accounting purposes.
- Other payables reflect amounts owed that are non-commercial and unrelated to the purchase, sale, or provision of goods or services.

**THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY**  
**Notes to Financial Statements (cont.)**

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**10. Loans and Financial Lease Liabilities:**

Loans, financial lease liabilities, and the payment status of loans and financial lease liabilities of the company are reflected. The company does not reflect loans in the form of bond issues or the issuance of preferred shares with a mandatory redemption clause requiring the issuer to repurchase them at a specific point in the future.

Loans or financial lease liabilities with repayment terms exceeding 12 months from the date of the financial statements are classified as long-term loans and financial lease liabilities. Liabilities due for repayment within the next 12 months from the date of the financial statements are presented as short-term loans and financial lease liabilities in order to plan for payment.

Loan-related costs (excluding interest payable), such as appraisal, auditing, and loan documentation costs, are accounted for as financial expenses. If these costs are incurred from loans specifically for investment, construction, or the production of construction-in-progress assets, they are capitalized.

For financial lease liabilities, the total amount of lease liabilities recorded in the credit side of account 341 is the total amount payable, calculated by the present value of the minimum lease payments or the fair value of the leased asset.

*For loans and liabilities denominated in foreign currency, they must be tracked in the original currency and treated as follows:*

- Foreign currency loans and liabilities must be converted into the accounting currency at the actual exchange rate at the transaction date;
- When repaying loans or foreign currency liabilities, the amounts are converted using the actual exchange rate at the time of each specific transaction;
- **When preparing the financial statements, the balances of foreign currency loans and financial lease liabilities must be revalued at the exchange rate in effect at the date of preparing the financial statements**
- The exchange rate differences arising from settlement and revaluation of foreign currency loans and lease liabilities at the end of the period are recognized in financial income or expenses.

**11. Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that settling the obligation will result in an outflow of economic benefits and the amount of the obligation can be reliably estimated.

If the time value of money is material, provisions will be determined by discounting the future outflows required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the obligation. The increase in the provision due to the passage of time is recognized as a financial expense.

**12. Owner's Equity:**

**12.1 Capital:**

Owner's contributions are recorded according to the actual capital contributed by the shareholders or owners.

**12.2 Share premiums:**

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury stocks and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of stocks and the re-issuance of treasury stocks are recorded as a decrease in share premiums.



**12.3 Other Owner's Equity:**

Other equity is formed from the results of business operations, asset revaluation, and the remaining value after deducting taxes payable (if any) related to donated, gifted, or sponsored assets..

**12.4 Treasury shares:**

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in share premiums.

**13. Sales and income:**

**13.1 Sales of merchandises and finished goods:**

Sales of merchandises and finished goods are recognized when the following conditions are satisfied:

- The majority of risks and benefits associated with the ownership of the product or goods have been transferred to the buyer;
- The Company no longer retains control over the goods or the management rights of the goods as the owner;
- Revenue is reasonably certain;
- The Company has received or will receive economic benefits from the transaction;
- The costs related to the transaction can be determined.

**13.2 Sales of service provision:**

Revenue is recognized when the results of the transaction can be reliably determined. In cases where the service involves multiple periods, revenue is recognized for the portion of work completed as of the balance sheet date of the respective period. The results of the service transaction are determined when the following conditions are satisfied:

- Revenue is reasonably certain;
- It is probable that economic benefits will flow from the transaction ;
- The portion of work completed as of the balance sheet date can be determined ;
- The costs incurred for the transaction and the costs to complete the service transaction can be determined .

**13.3 Financial income:**

Revenue from interest, royalties, dividends, profits, and other financial activity income is recognized when both of the following conditions are satisfied:

- It is probable that economic benefits will flow from the transaction;
- The revenue is reasonably certain.

Dividends and profits are recognized when the Company is entitled to receive dividends or profits from its investments.

- 14. Sales deductions:** Revenue reductions, which are adjusted against sales and service revenues in the period, include: Trade discounts, sales price reductions, and goods returned. Taxes that are reduced from revenue, such as output VAT payable under the direct method, are not reflected in revenue.

*The adjustments for revenue reductions are made as follows:*

- Trade discounts, sales price reductions, and returns of goods occurring in the same period of product, goods, or service sales will be adjusted against revenue for the period in which they arise;

## THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY

### Notes to Financial Statements (cont.)

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- In cases where products, goods, or services have been sold in prior periods, but trade discounts, sales price reductions, or returns occur in subsequent periods, the company may adjust revenue as follows:
- + If the products, goods, or services were sold in previous periods, and the discount, reduction, or return occurs before the issuance of the financial statements, the company must treat this as an event that requires adjustment after the balance sheet date and reduce the revenue in the financial statements of the period when the report is issued (the previous period).
- + If the products, goods, or services must be reduced, discounted, or returned after the financial statements have been issued, the company records the revenue reduction in the period in which the event occurs (the following period).

*Trade Discounts:* A trade discount payable is an amount that a company offers to customers for purchasing large quantities of goods. The seller accounts for trade discounts based on the following principles:

If the trade discount is shown on the VAT invoice or sales invoice as a reduction in the amount payable by the buyer (i.e., the sale price reflected on the invoice is the price after the trade discount), the company (the seller) does not use this account, and the sales revenue is reflected as the net sales price (net revenue).

The accountant must separately track the trade discount that the company pays to the buyer but has not yet been reflected as a reduction in the payable amount on the invoice. In this case, the seller records the initial revenue at the full price, without the trade discount (gross revenue). The trade discount to be separately tracked on this account typically arises in situations such as:

The trade discount that the buyer is entitled to is greater than the amount reflected on the final sales invoice. This situation may arise when the buyer purchases multiple times to reach the required quantity to qualify for the discount, and the trade discount is determined only on the final purchase;

At the end of the period, the manufacturer determines the quantity of goods that the distributor (such as supermarkets) has sold, and only then can the company determine the trade discount payable based on sales volume or the number of products sold.

*Sales Price Reductions:* is a discount given to the buyer due to the product or goods being defective, of inferior quality, or not conforming to the specifications stated in the economic contract. The seller accounts for sales price reductions based on the following principles:

If the sales invoice or VAT invoice reflects a sales price reduction as a deduction from the amount payable by the buyer (i.e., the sale price reflected on the invoice is the discounted price), the company (the seller) does not use this account, and the sales revenue is reflected as the reduced price (net revenue).

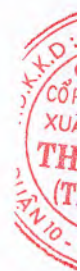
Only reductions agreed upon after the sale has occurred (after revenue has been recognized) and after the invoice has been issued (outside of the invoice) due to defective or poor-quality goods, etc., are recorded in this account.

*For returned goods:* To reflect the value of products or goods returned by customers due to reasons such as breach of commitment, violation of the economic contract, poor quality, deterioration, or non-compliance with the specified type, quality, or standard.

#### 15. Cost of Sales:

The cost of sales includes the cost of products, goods, services, investment real estate, and construction products (for construction enterprises) sold during the period. Additionally, it reflects costs related to investment real estate activities, such as depreciation, repair costs, leasing expenses for investment properties under operating leases (in cases of minor costs), and the cost of disposing or liquidating investment properties. etc.

For real estate business, if complete documentation on costs directly related to investment or construction of real estate is not available but revenue from the sale of real estate has been recognized, a portion of the costs is temporarily estimated and included in the cost of goods sold. Once full documentation is collected or when the



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**Notes to Financial Statements (cont.)**

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real estate is fully completed, the temporarily estimated costs should be adjusted and accounted for in the cost of goods sold. Any difference between the estimated costs and actual costs is adjusted to reduce the cost of goods sold for the period of the settlement. The temporary estimation of real estate costs must adhere to the following principles:

- Only costs already included in the investment or construction budget, but lacking sufficient documentation for verification, may be temporarily included in the cost of goods sold, with detailed explanations provided for the reasons and items for which these costs are estimated during the period.
- Costs can only be temporarily estimated for real estate that has been completed and is considered sold during the period, meeting the revenue recognition criteria.
- The temporarily estimated costs and actual costs incurred must correspond to the cost rate calculated based on the total estimated costs for the real estate property considered sold (determined by the area).

Provisions for inventory write-downs are included in the cost of goods sold based on the quantity of inventory and the difference between the net realizable value and the cost of inventory. When determining inventory subject to write-down, provisions must exclude inventory covered by signed sales contracts (with net realizable value not lower than the book value) but not yet transferred to the customer, provided there is evidence that the customer will not abandon the contract.

For products, goods, and accessories sold as a bundle, the value of the accessories is included in the cost of goods sold.

For inventory losses or damages, the value is immediately recognized in the cost of goods sold (after deducting any compensation, if applicable).

For direct material consumption exceeding normal levels, labor costs, and fixed manufacturing overhead costs that are not allocated to the inventory product, they must be immediately recognized in the cost of goods sold (after deducting any compensation, if applicable), even if the product or goods have not yet been recognized as sold.

Import duties, excise taxes, and environmental protection taxes included in the cost of purchases, if refunded upon the sale of the goods, will reduce the cost of goods sold.

**16. Financial expenses:**

Financial expenses include costs related to financial investment activities, borrowing and lending, investments in other entities, losses from short-term securities transfers, securities transaction costs, provisions for devaluation of trading securities, investments in other entities, losses from foreign currency sales, exchange rate losses, etc.

The following items should not be recorded as financial expenses:

- Expenses related to product manufacturing, service provision;
- Selling expenses;
- Administrative expenses;
- Real estate business expenses;
- Investment and construction expenses;
- Expenses covered by other funding sources;
- Other expenses.

Costs related to bond issuance are gradually allocated based on the bond term and recognized as financial expenses if the bond issuance is for regular production and business purposes.

**THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY**  
**Notes to Financial Statements (cont.)**

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Interest on convertible bonds is calculated as a financial expense for the period, determined by multiplying the initial bond principal at the beginning of the period by the market interest rate for similar bonds without conversion rights or by the general borrowing rate on the market at the time of the convertible bond issuance.

If preferred shares are classified as debt, the related dividends are considered as interest expenses and should be recorded as financial expenses.

**17. Selling Expenses and Administrative Expenses:**

**a. Selling Expenses:**

Selling expenses include the actual costs incurred during the sale of products, goods, and services, such as promotional costs, product introductions, advertising, sales commissions, warranty costs (excluding construction activities), storage, packaging, and transportation costs, etc

Selling expenses are not considered deductible for corporate income tax purposes under the tax laws, but if they have proper invoices and have been accounted for correctly according to accounting regulations, they will not be deducted from accounting expenses. Instead, they will be adjusted during the corporate income tax settlement to increase the income tax payable.

Selling expenses are detailed by individual expense categories, such as: employee costs, materials, packaging, tools, fixed asset depreciation, external services, and other monetary expenses.

**b. Administrative Expenses:**

Administrative expenses refer to general business management costs, including employee salaries in the management department (wages, salaries, allowances, etc.); social insurance, health insurance, union funds, unemployment insurance for business management employees; office materials, labor tools, depreciation of fixed assets used for management; land rental, business license tax; provisions for bad debts; external services (electricity, water, phone, fax, property insurance, fire insurance, etc.); and other monetary expenses (customer reception, client conferences, etc.).

Administrative expenses are not deductible for corporate income tax purposes under the tax laws, but if they have proper invoices and have been accounted for correctly according to accounting regulations, they will not be deducted from accounting expenses. Instead, they will be adjusted during the corporate income tax settlement to increase the income tax payable.

**18. Corporate income tax:**

**18.1 Current corporate income tax:**

Current income tax is the tax calculated based on taxable income. The difference between taxable income and accounting profit is due to adjustments for temporary differences between tax and accounting, non-deductible expenses, as well as adjustments for non-taxable income and carried-forward losses.

**18.2 Deferred corporate income tax:**

Deferred income tax is the corporate income tax that will be payable or refunded due to temporary differences between the book value of assets and liabilities for financial statement purposes and their tax bases. Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are only recognized when it is probable that taxable income will be available in the future to utilize the deductible temporary differences.

The book value of deferred tax assets is reviewed at the end of each financial year and adjusted to ensure that sufficient taxable profits will be available to allow for the utilization of all or part of the deferred tax asset. Deferred tax assets that have not been previously recognized are reviewed at the end of the financial year and recognized when it is certain that sufficient taxable profits will be available to use these previously unrecognized deferred tax assets.

**THIEN NAM TRADING – IMPORT EXPORT JOINT STOCK COMPANY**  
**Notes to Financial Statements (cont.)**

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Deferred tax assets and liabilities are determined based on the tax rates expected to be applied in the year in which the asset will be recovered or the liability settled, based on the tax rates that are in effect at the end of the financial year. Deferred income tax is recognized in the income statement and is only recognized directly in equity when the tax is related to items directly recorded in equity.

Deferred tax assets and deferred tax liabilities are offset when:

- The company has a legal right to offset current income tax assets against current income tax liabilities;
- The deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority;
- They relate to the same taxable entity;

The company expects to settle the current tax payable and the current tax asset on a net basis, or to recover the asset simultaneously with the payment of the liability in future periods when significant portions of deferred tax liabilities or assets are settled or recovered.

#### **19. Related Parties**

Parties are considered related if one party has the ability to control or exercise significant influence over the other in making decisions related to financial and operational policies. Parties are also considered related if they are subject to joint control or significant joint influence.

When considering the relationship between related parties, the substance of the relationship is emphasized more than the legal form.

#### **20. Segment Reporting**

A business segment is a component that can be clearly identified, participates in the production or provision of goods or services, and has risks and economic benefits distinct from those of other business segments.

A geographical segment is a component that can be clearly identified, participates in the production or provision of goods or services within a specific economic environment, and has risks and economic benefits distinct from those of other segments in different economic environments.

Segment information is prepared and presented in accordance with the accounting policies applied in the preparation and presentation of the Company's financial statements.

**V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET****1. Cash and cash equivalents**

|                                                                                   | Balance at the end   | Balance at the beginning |
|-----------------------------------------------------------------------------------|----------------------|--------------------------|
| Cash on hand                                                                      | 1.362.212.642        | 1.184.407.648            |
| Term deposits at banks                                                            | 6.462.253.757        | 6.797.647.155            |
| Cash equivalents                                                                  | 100.000.000          | 100.000.000              |
| <i>In which, bank deposits of which the principal maturity is within 3 months</i> | -                    | -                        |
| <i>- Vietinbank</i>                                                               | 100.000.000          | 100.000.000              |
| <b>Total</b>                                                                      | <b>7.924.466.399</b> | <b>8.082.054.803</b>     |

**2. Financial investments**

The Company's financial investments include held-to-maturity investments and investments in other entities, details as follows

**2a. Held-to-maturity investments**

|               | Balance at the end of the period |                       | Balance at the beginning of the year |                       |
|---------------|----------------------------------|-----------------------|--------------------------------------|-----------------------|
|               | Original cost                    | Book value            | Original cost                        | Book value            |
| Term deposits | 12.400.000.000                   | 12.400.000.000        | 12.400.000.000                       | 12.400.000.000        |
| Bonds         | 5.000.000.000                    | 5.000.000.000         | 5.000.000.000                        | 5.000.000.000         |
| <b>Total</b>  | <b>17.400.000.000</b>            | <b>17.400.000.000</b> | <b>17.400.000.000</b>                | <b>17.400.000.000</b> |

**2b. Investments in other entities**

|                                                                      | Balance at the end of the period |                         | Balance at the beginning of the year |                         |
|----------------------------------------------------------------------|----------------------------------|-------------------------|--------------------------------------|-------------------------|
|                                                                      | Original cost                    | Book value              | Original cost                        | Book value              |
| <b>Investments in subsidiaries</b>                                   | <b>73.648.025.842</b>            | <b>(50.299.280.526)</b> | <b>73.648.025.842</b>                | <b>(50.299.280.526)</b> |
| Thien Nam Foodstuff Technology Company Limited                       | 14.700.000.000                   | (14.700.000.000)        | 14.700.000.000                       | (14.700.000.000)        |
| Thien Nam Education Investment Corporation                           | 21.750.000.000                   | (16.699.280.526)        | 21.750.000.000                       | (16.699.280.526)        |
| Nahaviwel Joint Stock Company (iii)                                  | 18.900.000.000                   | (18.900.000.000)        | 18.900.000.000                       | (18.900.000.000)        |
| Nahaviwel Joint Stock Company (iii)                                  | 18.298.025.842                   | -                       | 18.298.025.842                       | -                       |
| <b>Investments in joint ventures, associates</b>                     | <b>202.000.000.000</b>           | <b>(20.467.901.474)</b> | <b>202.000.000.000</b>               | <b>(20.467.901.474)</b> |
| Sai Gon 168 Trading Business Development Corporation <sup>(iv)</sup> | 202.000.000.000                  | (20.467.901.474)        | 202.000.000.000                      | (20.467.901.474)        |
| <b>Investments in other entities</b>                                 | <b>120.000.000.000</b>           | <b>-</b>                | <b>120.000.000.000</b>               | <b>-</b>                |
| Vung Tau Housing Development Corporation <sup>(v)</sup>              | 120.000.000.000                  | -                       | 120.000.000.000                      | -                       |
| <b>Total</b>                                                         | <b>395.648.025.842</b>           | <b>(70.767.182.000)</b> | <b>395.648.025.842</b>               | <b>(70.767.182.000)</b> |

(i) According to Business Registration Certificate No. 0306489067, registered for the 12th change on April 6, 2022, issued by the Department of Planning and Investment of Ho Chi Minh City, the charter capital of Thien Nam Foodstuff Technology Company Limited is 15.000.000.000 VND, of which the company contributed 14.700.000.000 VND, accounting for 98% of the charter capital. As of the end of the reporting period, the company has fully invested the required charter capital.

(ii) According to Business Registration Certificate No. 0315160896, registered for the 3rd change on January 6, 2022, issued by the Department of Planning and Investment of Ho Chi Minh City, the charter capital of Thien Nam Education Investment Corporation is 80.000.000.000 VND, of which the company must contribute 54.400.000.000 VND, accounting for 68% of the charter capital. As of the end of the reporting period, the company has invested 21.750.000.000 VND in Thien Nam Education Investment Corporation, and the remaining charter capital to be invested is 32.650.000.000 VND.

(iii) According to Business Registration Certificate No. 0314191659 issued on September 13, 2019, by the Department of Planning and Investment of Ho Chi Minh City, the charter capital of Nahaviwel Joint Stock Company is 20.000.000.000 VND. Of this, the company has contributed a total of 18.900.000.000 VND, accounting for 94,5% of the charter capital. As of the end of the reporting period, the company has fully invested the required charter capital.

(iv) According to Business Registration Certificate No. 0314760724, registered for the 6th change on December 24, 2022, issued by the Department of Planning and Investment of Ho Chi Minh City, the charter capital of Sai Gon 168 Trading Business Development Corporation is 425.000.000.000 VND, of which the company contributed 202.000.000.000 VND, accounting for 47,53% of the charter capital. As of the end of the reporting period, the company has fully invested the required charter capital.

(v) According to the Business Registration Certificate No. 3502401667 dated 26 July 2019, granted by Department of Planning and Investment of Ba Ria — Vung Tau Province, the Group invests an amount of VND 120.000.000.000 in Vung Tau Housing Development Corporation, equivalent to 20% of charter capital.

*Fair value*

The group has not identified the fair value of the investments because there was no instruction given on identification method

*Operational status of subsidiaries*

Thien Nam Education Investment Corporation operates normally

Nahaviwel Joint Stock Company operates normally, no changes comparing to the previous period

Thien Nam Foodstuff Technology Company Limited is restructuring main business products, no changes comparing to the previous period

*Provisions for investments in other entities*

Statement of fluctuation in provisions for investments in other entities as follows

|                                         |                       |
|-----------------------------------------|-----------------------|
| Balance at the beginning of the year    | 70.767.182.000        |
| <b>Balance at the end of the period</b> | <b>70.767.182.000</b> |

**3. Short-term trade receivables**

|                                                                                                 | Balance at the end     | Balance at the beginning |
|-------------------------------------------------------------------------------------------------|------------------------|--------------------------|
| <i>Receivables from related parties</i>                                                         | <i>29.520.353.602</i>  | <i>28.984.433.602</i>    |
| Thien Nam Foodstuff Technology Company Limited                                                  | 1.695.837.832          | 1.695.837.832            |
| Nahaviwel Joint Stock Company                                                                   | 5.905.007.770          | 10.030.007.770           |
| Thien Nam Hoa Service Trading Joint Stock Company                                               | 21.919.508.000         | 17.258.588.000           |
| <i>Receivables from customers that account for more than 10% of the total trade receivables</i> | <i>177.434.068.254</i> | <i>179.484.068.254</i>   |
| Nguyen Minh Steel Group Joint Stock Company                                                     | 164.954.574.333        | 167.004.574.333          |
| Nguyen Minh Steel Manufacturing - Trading Corporation                                           | 12.479.493.921         | 12.479.493.921           |
| <i>Receivables from other customers</i>                                                         | <i>233.789.563.271</i> | <i>251.043.939.456</i>   |
| <b>Total</b>                                                                                    | <b>440.743.985.127</b> | <b>459.512.441.312</b>   |

**4. Short-term prepayments to suppliers**

|                                                             | Balance at the end | Balance at the beginning |
|-------------------------------------------------------------|--------------------|--------------------------|
| Visa Steel Manufacturing Trading And Import Export Co., Ltd | 688.709.830        | 688.709.830              |
| Other suppliers                                             | 90.250.000         | 71.040.480               |
| <b>Total</b>                                                | <b>778.959.830</b> | <b>759.750.310</b>       |

**5. Other receivables***5a. Other short-term receivables*

|                                                       | Balance at the end of the period |           | Balance at the beginning of the year |           |
|-------------------------------------------------------|----------------------------------|-----------|--------------------------------------|-----------|
|                                                       | Value                            | Allowance | Value                                | Allowance |
| <i>Receivables form related parties</i>               | <i>9.687.000.000</i>             | -         | <i>9.857.000.000</i>                 | -         |
| Thien Nam Foodstuff Technology Company Limi           | 305.000.000                      | -         | 305.000.000                          | -         |
| Thien Nam Education Investment Corporation            | 1.180.000.000                    | -         | 700.000.000                          | -         |
| Nahaviwel Joint Stock Company                         | 2.132.000.000                    | -         | 2.132.000.000                        | -         |
| Thien Nam Hoa Service Trading Joint Stock Com         | 6.070.000.000                    | -         | 6.720.000.000                        | -         |
| <i>Receivables from other organizations and indiv</i> | <i>9.599.270.173</i>             | -         | <i>9.188.467.191</i>                 | -         |
| Receivables from employees                            | 89.955.773                       | -         | 54.265.773                           | -         |
| Short-term deposits, collateral                       | 155.600.000                      | -         | 155.600.000                          | -         |
| The Board of Directors' fund exceeds the allocate     | 9.080.336.318                    | -         | 8.978.601.418                        | -         |
| <b>Total</b>                                          | <b>19.286.270.173</b>            | -         | <b>19.045.467.191</b>                | -         |

**5b. Other long-term receivables**

|                                | Balance at the end of the period |           | Balance at the beginning of the year |           |
|--------------------------------|----------------------------------|-----------|--------------------------------------|-----------|
|                                | Value                            | Allowance | Value                                | Allowance |
| Long-term deposits, collateral | 1.751.948.074                    | -         | 1.751.948.074                        | -         |
| <b>Total</b>                   | <b>1.751.948.074</b>             | <b>-</b>  | <b>1.751.948.074</b>                 | <b>-</b>  |

**6. Inventories**

|                 | Balance at the end of the period |           | Balance at the beginning of the year |           |
|-----------------|----------------------------------|-----------|--------------------------------------|-----------|
|                 | Original costs                   | Allowance | Original costs                       | Allowance |
| Merchandises    | 1.085.100.142.891                |           | 1.085.283.347.891                    |           |
| <b>In which</b> |                                  |           |                                      |           |
| - Cost of goods | 1.043.858.722.879                |           | 1.044.041.927.879                    |           |
| - Gifts         | 176.000.000                      | -         | 176.000.000                          | -         |
| - Real estate   | 41.065.420.012                   | -         | 41.065.420.012                       | -         |
| <b>Total</b>    | <b>1.085.100.142.891</b>         |           | <b>1.085.283.347.891</b>             | <b>-</b>  |

**7. Prepaid expenses****7a. Short-term prepaid expenses**

|                                     | Balance at the end | Balance at the beginning |
|-------------------------------------|--------------------|--------------------------|
| Constructing and repairing expenses | 195.050.000        | -                        |
| <b>Total</b>                        | <b>195.050.000</b> | <b>-</b>                 |

**7b. Chi phí trả trước dài hạn**

|                                         | Balance at the end   | Balance at the beginning |
|-----------------------------------------|----------------------|--------------------------|
| Repairing expenses                      | 15.922.068           | 63.688.308               |
| Fee on transfer of premises lease right | 229.166.687          | 291.666.686              |
| Credit insurance expenses               | 1.162.499.995        | 1.549.999.996            |
| Other long-term prepaid expenses        | 66.600.000           | 88.875.000               |
| <b>Total</b>                            | <b>1.474.188.750</b> | <b>1.994.229.990</b>     |

**8. Tangible fixed assets**

|                                                            | Buildings and structures | Machinery and equipment | Vehicles             | Office equipment  | Total                 |
|------------------------------------------------------------|--------------------------|-------------------------|----------------------|-------------------|-----------------------|
| <b>Historical cost</b>                                     |                          |                         |                      |                   |                       |
| Balance at the beginning                                   | 14.778.328.727           | 19.091.088.105          | 4.709.003.853        | 55.778.000        | 38.634.198.685        |
| Liquidation of fixed assets during the period              | -                        | (324.370.000)           | -                    | -                 | (324.370.000)         |
| <b>Balance at the end</b>                                  | <b>14.778.328.727</b>    | <b>18.766.718.105</b>   | <b>4.709.003.853</b> | <b>55.778.000</b> | <b>38.309.828.685</b> |
| <b>In which: Assets fully depreciated but still in use</b> | <b>7.743.507.747</b>     | <b>17.868.422.855</b>   | <b>3.569.721.796</b> | <b>55.778.000</b> | <b>29.237.430.398</b> |
| <b>Depreciation</b>                                        |                          |                         |                      |                   |                       |
| Balance at the beginning                                   | 11.765.602.290           | 18.793.757.292          | 4.075.607.401        | 55.778.000        | 34.690.744.983        |
| Depreciation during the period                             | 70.348.212               | 50.259.585              | 48.722.805           | -                 | 169.330.602           |
| Liquidation of fixed assets during the period              | -                        | (324.370.000)           | -                    | -                 | (324.370.000)         |
| <b>Balance at the end</b>                                  | <b>11.835.950.502</b>    | <b>18.519.646.877</b>   | <b>4.124.330.206</b> | <b>55.778.000</b> | <b>34.535.705.585</b> |
| <b>Net book values</b>                                     |                          |                         |                      |                   |                       |
| Balance at the beginning                                   | 3.012.726.437            | 297.330.813             | 633.396.452          | -                 | 3.943.453.702         |
| <b>Balance at the end</b>                                  | <b>2.942.378.225</b>     | <b>247.071.228</b>      | <b>584.673.647</b>   | <b>-</b>          | <b>3.774.123.100</b>  |

Some tangible fixed assets, of which the net book values are 3.012.726.437 VND, have been mortgaged to secure the loans from banks (see Note No. V.19).

## 9. Intangible fixed assets

|                                                          | Land use right        | Ground leveling      | Computer software  | Total                 |
|----------------------------------------------------------|-----------------------|----------------------|--------------------|-----------------------|
| <b>Historical cost</b>                                   |                       |                      |                    |                       |
| Balance at the beginning                                 | 25.255.147.500        | 2.620.320.917        | 319.531.500        | 28.194.999.917        |
| <b>Balance at the end</b>                                | <b>25.255.147.500</b> | <b>2.620.320.917</b> | <b>319.531.500</b> | <b>28.194.999.917</b> |
| <i>In which: assets fully amortized but still in use</i> |                       |                      | 319.531.500        | 319.531.500           |
| <b>Depreciation</b>                                      |                       |                      |                    |                       |
| Balance at the beginning                                 | -                     | 960.706.605          | 319.531.500        | 1.280.238.105         |
| <b>Balance at the end</b>                                | -                     | <b>960.706.605</b>   | <b>319.531.500</b> | <b>1.280.238.105</b>  |
| <b>Net book values</b>                                   |                       |                      |                    |                       |
| Balance at the beginning                                 | 25.255.147.500        | 1.659.614.312        | -                  | 26.914.761.812        |
| <b>Balance at the end</b>                                | <b>25.255.147.500</b> | <b>1.659.614.312</b> | -                  | <b>26.914.761.812</b> |

- Some intangible fixed assets, of which the net book values are 25.255.147.500 VND have been mortgaged to secure the loans from BIDV - Ho Chi Minh City Branch (see Note No. V.19).

## 10. Investment property

### 10a. Investment property for lease

Investment property of the Group only includes infrastructure and land use right. Details are as follows:

|                                | Historical costs       | Accumulated depreciation | Net book values       |
|--------------------------------|------------------------|--------------------------|-----------------------|
| Balance at the beginning       | 106.202.325.022        | 49.241.934.067           | 56.960.390.955        |
| Depreciation during the period |                        | 1.041.965.274            |                       |
| <b>Balance at the end</b>      | <b>106.202.325.022</b> | <b>50.283.899.341</b>    | <b>55.918.425.681</b> |

- Investment property that fully depreciated but still for lease or holding: 2.005.797.381 VND.

- All investment properties, of which the net values are 56.960.390.955 VND have been mortgaged to secure the loans from banks (see Note No. V.19).

List of investment properties as at the balance sheet date as follows:

|                                                    | Historical costs       | Accumulated depreciation | Net book values       |
|----------------------------------------------------|------------------------|--------------------------|-----------------------|
| House, No. 451-453 Nguyen Tri Phuong Street        | 141.035.215            | 141.035.215              | -                     |
| House, No. 01-03 Ngo Gia Tu Street                 | 225.346.533            | 220.463.993              | 4.882.540             |
| House, No. 355-365 Ngo Gia Tu Street               | 1.090.075.017          | 923.172.447              | 166.902.570           |
| House, No. 192-198 Ngo Gia Tu Street               | 523.520.568            | 512.177.746              | 11.342.822            |
| House, No. 07-09 Ly Thai To Street                 | 59.117.794             | 59.117.794               | -                     |
| Office, No. 355 Ngo Gia Tu Street                  | 291.231.724            | 246.640.821              | 44.590.903            |
| Office, No. 192-198 Ngo Gia Tu Street              | 1.627.213.182          | 1.627.213.182            | -                     |
| Office, No. 451-453 Nguyen Tri Phuong Street       | 178.431.190            | 178.431.190              | -                     |
| Office Building, No.111-121 Ngo Gia Tu Street      | 22.794.709.320         | 13.216.163.068           | 9.578.546.252         |
| Store and Office, No.277B Cach Mang Thang 8 Street | 79.271.644.479         | 33.159.483.885           | 46.112.160.594        |
| <b>Total</b>                                       | <b>106.202.325.022</b> | <b>50.283.899.341</b>    | <b>55.918.425.681</b> |

## 11. Short-term trade payables

|                                                   | Balance at the end     | Balance at the beginning |
|---------------------------------------------------|------------------------|--------------------------|
| SoHo NewYork Trading Investment Corporation       | 114.460.112.106        | 121.753.112.106          |
| International Logistics Goods Joint Stock Company | 159.520.485.985        | 181.558.578.033          |
| Hanwa Vietnam Company Limited                     | 82.166.602.042         | 82.166.602.042           |
| <i>Other suppliers</i>                            | <i>262.326.789.373</i> | <i>266.395.341.141</i>   |
| <b>Total</b>                                      | <b>618.473.989.506</b> | <b>651.873.633.322</b>   |

This explanatory note is an integral part and should be read in conjunction with the Financial Statements.

## 12. Short-term advances from customers

|                                                             | Balance at the end     | Balance at the beginning |
|-------------------------------------------------------------|------------------------|--------------------------|
| <i>a. Advances from related parties (see Note No.34)</i>    | 79.977.141.137         | 49.667.103.523           |
| Sai Gon 168 Trading Business Development Corporation        | 79.977.141.137         | 49.667.103.523           |
| <i>b. Advances from the third party</i>                     | 39.857.619.484         | 45.409.731.484           |
| United Nations International Investment Joint Stock Company | 36.870.147.194         | 36.870.147.194           |
| Other customers                                             | 2.987.472.290          | 8.539.584.290            |
| <b>Total</b>                                                | <b>119.834.760.621</b> | <b>95.076.835.007</b>    |

## 13. Tax and other obligations to the State Budget

|                       | Balance at the beginning | Payables during the period | Amount paid        | Balance at the end    |
|-----------------------|--------------------------|----------------------------|--------------------|-----------------------|
| VAT on domestic sales | 4.296.739.168            | 1.346.212.013              | -                  | 5.642.951.181         |
| Corporate income tax  | -                        | 12.885.355.233             | -                  | 12.885.355.233        |
| Personal income tax   | 358.936.465              | 47.644.333                 | -                  | 406.580.798           |
| License tax           | -                        | 6.000.000                  | (6.000.000)        | -                     |
| Other taxes           | -                        | 3.886.499.808              | -                  | 3.886.499.808         |
| <b>Total</b>          | <b>4.655.675.633</b>     | <b>18.171.711.387</b>      | <b>(6.000.000)</b> | <b>22.821.387.020</b> |

### Value added tax (VAT)

The Company have paid VAT in accordance with the deduction method. The tax rates applied are as follows

|                                                     |     |
|-----------------------------------------------------|-----|
| - Export goods                                      | 0%  |
| - Local sales                                       | 5%  |
| - Goods for domestic consumption and other services | 10% |

### Export-import tax

The company declares and pays according to the notice from Customs

### Special Consumption Tax

The company declares and pays according to the notice from Customs

### Corporate income tax

The Company have to pay corporate income tax on taxable income at the rate of 20%.

The company's tax finalization will be subject to inspection by the tax authorities. Due to the fact that the application of laws and tax regulations for various types of transactions can be interpreted in different ways, the amount of tax presented in the financial statements may be adjusted according to the decision of the tax authorities.

## 14. Payables to employees

|              | Balance at the end | Balance at the beginning |
|--------------|--------------------|--------------------------|
| Salary       | 539.345.101        | -                        |
| <b>Total</b> | <b>539.345.101</b> | <b>-</b>                 |

## 15. Short-term accrued expenses

|                                            | Balance at the end    | Balance at the beginning |
|--------------------------------------------|-----------------------|--------------------------|
| Loan interest expenses                     | 42.646.765.327        | 31.483.127.952           |
| Personal income tax paid on other's behalf | 182.050.000           | 563.200.000              |
| Accruals for land rental expenses          | 845.817.008           | 563.878.004              |
| Accruals for UPAS L/C expenses             | 40.908.292.488        | 38.008.819.014           |
| Other short-term accrued expenses          | 130.000.001           | 164.600.001              |
| <b>Total</b>                               | <b>84.712.924.824</b> | <b>70.783.624.971</b>    |

# 16. Short-term unearned revenue

|                                      | Balance at the end | Balance at the beginning |
|--------------------------------------|--------------------|--------------------------|
| Advance investment properties leases | 148.476.182        | 92.103.634               |
| <b>Total</b>                         | <b>148.476.182</b> | <b>92.103.634</b>        |

# 17. Other payables

## 17a. Other short-term payables

|                                                        | Balance at the end     | Balance at the beginning |
|--------------------------------------------------------|------------------------|--------------------------|
| <i>Payables to related parties</i>                     | <i>12.537.596.876</i>  | <i>32.987.096.876</i>    |
| Mr. Nguyen Quang Hoa                                   | 12.537.596.876         | 25.613.096.876           |
| Sai Gon 168 Trading Business Development Corporation   | -                      | 7.374.000.000            |
| <i>Payables to other organizations and individuals</i> | <i>148.256.772.406</i> | <i>148.130.586.406</i>   |
| Saigon Joint Stock Commercial Bank - Payment gurantee  | 147.253.598.838        | 147.253.598.838          |
| Short-term deposits, collateral                        | 300.610.000            | 298.610.000              |
| Other short-term payables                              | 702.563.568            | 578.377.568              |
| <b>Total</b>                                           | <b>160.794.369.282</b> | <b>181.117.683.282</b>   |

## 17b. Other long-term payables

|                                           | Balance at the end   | Balance at the beginning |
|-------------------------------------------|----------------------|--------------------------|
| Receipt of long-term deposits, collateral | 9.738.424.085        | 9.880.012.085            |
| <b>Total</b>                              | <b>9.738.424.085</b> | <b>9.880.012.085</b>     |

# 18. Borrowings and financial lease

Details of short-term borrowings and financial lease arise as follows:

|                                    | Balance at the beginning | Arising during the period     | Balance at the end     |
|------------------------------------|--------------------------|-------------------------------|------------------------|
|                                    |                          | Increasing during the period  |                        |
|                                    |                          | Amount paid during the period |                        |
| <b>Short-term loans from banks</b> | <b>461.563.696.550</b>   | -                             | <b>460.629.680.716</b> |
| - BIDV - HCMC Branch               | 326.875.004.152          | -                             | 325.941.004.152        |
| - VPBank - HCMC Branch             | 117.831.800.203          | -                             | 117.831.784.369        |
| - Sinopac - HCMC Branch            | 16.856.892.195           | -                             | 16.856.892.195         |
| <b>Other short-term borrowings</b> | <b>10.500.000.000</b>    |                               | <b>10.500.000.000</b>  |
| <b>Total</b>                       | <b>472.063.696.550</b>   | -                             | <b>471.129.680.716</b> |

Summary of short-term borrowings and financial lease arise as follows:

|                             | Balance at the beginning | Arising during the period     | Balance at the end     |
|-----------------------------|--------------------------|-------------------------------|------------------------|
|                             |                          | Increasing during the period  |                        |
|                             |                          | Amount paid during the period |                        |
| Short-term loans from banks | 461.563.696.550          | -                             | 460.629.680.716        |
| Other short-term borrowings | 10.500.000.000           | -                             | 10.500.000.000         |
| <b>Total</b>                | <b>472.063.696.550</b>   | -                             | <b>471.129.680.716</b> |

# 19. Bonus and welfare funds

|                                       | Balance at the beginning | Gain due to appropriation from profit | Disbursement during the year | Balance at the end     |
|---------------------------------------|--------------------------|---------------------------------------|------------------------------|------------------------|
| Bonus fund                            | 430.995.987              | -                                     | -                            | 430.995.987            |
| Welfare fund                          | 170.459.625              | -                                     | (47.587.000)                 | 122.872.625            |
| Bonus fund for the Executive Officers | (9.580.057.030)          | -                                     | (54.147.900)                 | (9.634.204.930)        |
| <b>Total</b>                          | <b>(8.978.601.418)</b>   | -                                     | <b>(101.734.900)</b>         | <b>(9.080.336.318)</b> |

## 20. Off-consolidated balance sheet items

|                      | Balance at the end | Balance at the beginning |
|----------------------|--------------------|--------------------------|
| * Foreign currencies |                    |                          |
| - USD                | 912,67             | 919,27                   |
| <b>Total</b>         | <b>912,67</b>      | <b>919,27</b>            |

## 21. Owner's equity

### 21a. Details of owner's equity

|                                                                 | Rate        | Balance at the end     | Balance at the beginning |
|-----------------------------------------------------------------|-------------|------------------------|--------------------------|
| - Capital contribution from other organizations and individuals | 100%        | 495.762.640.000        | 495.762.640.000          |
| <b>Total</b>                                                    | <b>100%</b> | <b>495.762.640.000</b> | <b>495.762.640.000</b>   |

### 21b. Capital transactions, dividend and profit distribution

|                                        | Balance at the end | Balance at the beginning |
|----------------------------------------|--------------------|--------------------------|
| - Capital                              |                    |                          |
| + Balance at the beginning of the year | 495.762.640.000    | 495.762.640.000          |
| + Increases during the period          |                    |                          |
| + Decreases during the period          |                    |                          |
| + Balance at the end of the period     | 495.762.640.000    | 495.762.640.000          |
| - Dividend, profit distributed         |                    |                          |

### 21c. Shares

|                                            | Balance at the end | Balance at the beginning |
|--------------------------------------------|--------------------|--------------------------|
| - Number of shares registered to be issued | 49.576.264         | 49.576.264               |
| - Number of shares sold to the public      | 49.576.264         | 49.576.264               |
| + Common shares                            | 49.576.264         | 49.576.264               |
| + Preferred shares                         |                    |                          |
| - Number of shares repurchased             | 344.954            | 344.954                  |
| + Common shares                            | 344.954            | 344.954                  |
| + Preferred shares                         |                    |                          |
| - Number of outstanding shares             | 49.231.310         | 49.231.310               |
| + Common shares                            | 49.231.310         | 49.231.310               |
| + Preferred shares                         |                    |                          |

\* Face value of outstanding shares: 10.000 VND per share

### 21d. Dividends

|                                                       |
|-------------------------------------------------------|
| - Dividends disclosed after the end of fiscal year    |
| + Dividends on common stock                           |
| + Dividends on preferred stock                        |
| - Accumulated unrealized dividends on preferred stock |

### 21e. Funds

|                                   |                |                |
|-----------------------------------|----------------|----------------|
|                                   | 31.763.082.105 | 31.763.082.105 |
| - Investment and Development Fund | 31.763.082.105 | 31.763.082.105 |

**21f. Statement of fluctuation in owner's equity**

|                                                                        | Capital                | Share premiums       | Treasury shares         | Investment and<br>development fund | Retained earnings       | Total                  |
|------------------------------------------------------------------------|------------------------|----------------------|-------------------------|------------------------------------|-------------------------|------------------------|
| Beginning balance of the previous period                               | 495.762.640.000        | 4.034.353.637        | (11.978.525.300)        | 31.763.082.105                     | 70.762.127.811          | 590.343.678.253        |
| Profit/(loss) in the previous period                                   | -                      | -                    | -                       |                                    | (5.748.519.424)         | (5.748.519.424)        |
| Appropriation for bonus and welfare funds in<br>the previous period    | -                      | -                    |                         |                                    | -                       | -                      |
| Appropriation for fund of Executive Officers<br>in the previous period | -                      | -                    |                         |                                    | -                       | -                      |
| <b>Balance at the end of the previous period</b>                       | <b>495.762.640.000</b> | <b>4.034.353.637</b> | <b>(11.978.525.300)</b> | <b>31.763.082.105</b>              | <b>65.013.608.387</b>   | <b>584.595.158.829</b> |
| Balance at the beginning of the current year                           | 495.762.640.000        | 4.034.353.637        | (11.978.525.300)        | 31.763.082.105                     | 1.532.604.956           | 521.114.155.398        |
| Profit/(loss) in the previous period                                   | -                      | -                    |                         |                                    | (23.164.347.056)        | (23.164.347.056)       |
| Appropriation for bonus and welfare funds in<br>the current period     | -                      | -                    |                         |                                    | -                       | -                      |
| Appropriation for fund of Executive Officers<br>in the current period  | -                      | -                    |                         |                                    | -                       | -                      |
| <b>Balance at the end of the current period</b>                        | <b>495.762.640.000</b> | <b>4.034.353.637</b> | <b>(11.978.525.300)</b> | <b>31.763.082.105</b>              | <b>(21.631.742.100)</b> | <b>497.949.808.342</b> |

## VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT

### 1. Revenue from sales of goods and provision of services

|                                   | Quarter 1/2025        | Quarter 1/2024         |
|-----------------------------------|-----------------------|------------------------|
| Revenue from sales of goods       | 26.161.403.181        | 95.476.316.623         |
| Revenue from real estate business | 12.600.036.597        | 13.376.040.790         |
| Revenue from other services       | 1.383.603.128         | 1.567.528.469          |
| <b>Total</b>                      | <b>40.145.042.906</b> | <b>110.419.885.882</b> |
|                                   | -                     | -                      |

### 2. Sales deductions

### 3. Cost of sales

|                                  | Quarter 1/2025        | Quarter 1/2024         |
|----------------------------------|-----------------------|------------------------|
| Cost of goods sold               | 26.203.307.650        | 94.508.925.763         |
| Costs of real estate business    | 2.727.252.489         | 4.765.860.489          |
| Cost of other services provision | 579.848.838           | 820.115.119            |
| <b>Total</b>                     | <b>29.510.408.977</b> | <b>100.094.901.371</b> |
|                                  | -                     | -                      |

### 4. Financial income

|                              | Quarter 1/2025     | Quarter 1/2024       |
|------------------------------|--------------------|----------------------|
| Term deposit interest        | 193.019.177        | 80.923.824           |
| Demand deposit interest      | 1.253.018          | 3.555.371            |
| Interest on bonds            | 80.753.425         | -                    |
| Interest on deferred payment | -                  | 2.037.362.820        |
| <b>Total</b>                 | <b>275.025.620</b> | <b>2.121.842.015</b> |
|                              | -                  | -                    |

### 5. Financial expenses

|                                         | Quarter 1/2025        | Quarter 1/2024        |
|-----------------------------------------|-----------------------|-----------------------|
| Loan interest expenses                  | 11.163.637.375        | 10.387.972.261        |
| Exchange rate loss incurred.            | -                     | 33.111.751            |
| Interest on deferred payment purchases. | -                     | 12.974.869            |
| <b>Total</b>                            | <b>11.163.637.375</b> | <b>10.434.058.881</b> |
|                                         | -                     | -                     |

### 6. Selling expenses

|                                                    | Quarter 1/2025       | Quarter 1/2024       |
|----------------------------------------------------|----------------------|----------------------|
| Staff expenses                                     | 544.832.944          | 2.732.199.295        |
| Materials, packages expenses                       | -                    | 7.724.727            |
| Depreciation/amortization of fixed assets          | 50.259.585           | 215.774.979          |
| External services expenses                         | 461.446.098          | 906.120.337          |
| - <i>Utility expenses</i>                          | 48.371.097           | 97.702.266           |
| - <i>Warehouse rental and maintenance expenses</i> | 413.075.001          | 768.952.449          |
| - <i>Cost of receiving self-trading goods</i>      | -                    | 37.085.622           |
| - <i>Other external services expenses</i>          | -                    | 2.380.000            |
| Other expenses                                     | 113.416.090          | 393.740.936          |
| <b>Total</b>                                       | <b>1.169.954.717</b> | <b>4.255.560.274</b> |

**7. General and administration expenses**

|                                           | Quarter 1/2025       | Quarter 1/2024       |
|-------------------------------------------|----------------------|----------------------|
| Staff expenses                            | 1.813.198.000        | 1.865.727.645        |
| Materials, packages expenses              | 20.346.226           | 86.579.396           |
| Depreciation/amortization of fixed assets | 48.722.805           | 196.208.493          |
| External services expenses                | 3.029.966.916        | 78.607.461           |
| Other expenses                            | 75.570.048           | 371.825.566          |
| <b>Total</b>                              | <b>4.987.803.995</b> | <b>2.598.948.561</b> |

**8. Other income**

|                                               | Quarter 1/2025    | Quarter 1/2024    |
|-----------------------------------------------|-------------------|-------------------|
| Profit from disposal or sale of fixed assets. | -                 | 10.545.000        |
| Other income                                  | 34.600.000        | 1.568.296         |
| <b>Total</b>                                  | <b>34.600.000</b> | <b>12.113.296</b> |

**9. Other expenses**

|                                    | Quarter 1/2025       | Quarter 1/2024     |
|------------------------------------|----------------------|--------------------|
| Fines for administrative violation | 2.615.242.142        | -                  |
| Tax penalties and back taxes.      | 1.271.257.666        | 917.976.304        |
| Other expenses                     | 15.355.477           | 915.226            |
| <b>Total</b>                       | <b>3.901.855.285</b> | <b>918.891.530</b> |

**10. Operating expenses by factors**

|                                           | Quarter 1/2025       | Quarter 1/2024        |
|-------------------------------------------|----------------------|-----------------------|
| Materials expenses                        | 20.346.226           | 94.304.123            |
| Staff expenses                            | 2.358.030.944        | 4.597.926.940         |
| Depreciation/amortization of fixed assets | 1.211.295.876        | 1.524.296.958         |
| External services expenses                | 4.634.863.014        | 984.727.798           |
| Other expenses                            | 1.240.323.979        | 5.239.228.624         |
| <b>Total</b>                              | <b>9.464.860.039</b> | <b>12.440.484.443</b> |

**11. Current corporate income tax expenses**

|                                                                                                          | Quarter 1/2025        | Quarter 1/2024 |
|----------------------------------------------------------------------------------------------------------|-----------------------|----------------|
| - Corporate income tax expenses calculated on current taxable income                                     |                       |                |
| - Adjustment of corporate income tax expenses from previous years into the current period's tax expenses | 12.885.355.233        | -              |
| <b>Total</b>                                                                                             | <b>12.885.355.233</b> | <b>-</b>       |

**12. Corporate income tax payable and Profit after tax**

|                                                                | Quarter 1/2025          | Quarter 1/2024         |
|----------------------------------------------------------------|-------------------------|------------------------|
| Total accounting profit before tax                             | (10.278.991.823)        | (5.748.519.424)        |
| - Upward adjustments                                           | -                       | -                      |
| - Downward adjustments                                         | -                       | -                      |
| <b>Taxable income</b>                                          | <b>(10.278.991.823)</b> | <b>(5.748.519.424)</b> |
| Corporate income tax rate                                      | 20%                     | 20%                    |
| Corporate income tax payable at the standard tax rate          | -                       | -                      |
| Adjustment of corporate income tax payable from previous years | 12.885.355.233          | -                      |
| <b>Corporate income tax payable</b>                            | <b>12.885.355.233</b>   | <b>-</b>               |
| <b>Profit after tax</b>                                        | <b>(23.164.347.056)</b> | <b>(5.748.519.424)</b> |

### 13. Earning per share

Information about earning per shares was shown in the Consolidated Financial Statements

## VII. OTHER DISCLOSURE

### 1. Transactions with related parties

#### a. Related parties

| Organizations                                                                                                   | Relationship                                               |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| Thien Nam Foodstuff Technology Company Limited                                                                  | Subsidiary                                                 |
| Thien Nam Education Investment Corporation                                                                      | Subsidiary                                                 |
| Nahaviwel Joint Stock Company                                                                                   | Subsidiary                                                 |
| Sai Gon 168 Trading Business Development Corporation                                                            | Affiliated company                                         |
| Thien Nam Hoa Service Trading Joint Stock Company                                                               | Company having the same members of the Board of Management |
| Ba Ria - Vung Tau House Development Joint Stock Company                                                         | Related party                                              |
| Tinh Phat Vina Trading Service Company Limited                                                                  | Related party                                              |
| Board of Management, Institute of Internal Auditors, Board of Supervisors, Board of Directors, Chief Accountant | Executive Officers                                         |

#### b. During Quarter 1/2025, the Company engage in transactions with related parties as follow:

| Related parties                                      | Details                                          | Transaction value                                  |
|------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
| Mr. Nguyen Quang Hoa<br>(Chairman)                   | Advance for project cost<br>Loan repayment       | 4.977.500.000<br>8.098.000.000                     |
| Thien Nam Education Investment Corporation           | Borrowing                                        | 480.000.000                                        |
| Nahaviwel Joint Stock Company                        | Sales proceeds                                   | 4.125.000.000                                      |
| Sai Gon 168 Trading Business Development Corporation | Goods sold<br>Sales proceeds<br>Loan repayment   | 28.631.118.386<br>62.669.156.000<br>11.102.000.000 |
| Thien Nam Hoa Service Trading Joint Stock Company    | Investment properties for lease<br>Lending Money | 4.660.920.000<br>650.000.000                       |

#### c. As of March 31, 2025, receivable and payable balances to related parties as follows:

| Related parties                                | Details                                     | Balance at the end             | Balance at the beginning        |
|------------------------------------------------|---------------------------------------------|--------------------------------|---------------------------------|
| Mr. Nguyen Quang Hoa<br>(Chairman)             | Other payables                              | 12.537.596.876                 | 25.613.096.876                  |
| Thien Nam Foodstuff Technology Company Limited | Short-term receivables<br>Other receivables | 1.695.837.832<br>305.000.000   | 1.695.837.832<br>305.000.000    |
| Thien Nam Education Investment Corporation     | Other receivables                           | 1.180.000.000                  | 700.000.000                     |
| Nahaviwel Joint Stock Company                  | Short-term receivables<br>Other receivables | 5.905.007.770<br>2.132.000.000 | 10.030.007.770<br>2.132.000.000 |

|                                                      |                         |                |                |
|------------------------------------------------------|-------------------------|----------------|----------------|
| Sai Gon 168 Trading Business Development Corporation | Advances from customers | 79.977.141.137 | 49.667.103.523 |
|                                                      | Other payables          | -              | 7.374.000.000  |
| Thien Nam Hoa Service Trading Joint Stock Company    | Short-term receivables  | 21.919.508.000 | 17.258.588.000 |
|                                                      | Other receivables       | 6.070.000.000  | 6.720.000.000  |

**d. Income of key managers during the period:**

|                                               | Quarter 1/2025     | Quarter 1/2024     |
|-----------------------------------------------|--------------------|--------------------|
| Mr. Nguyen Van Nghia - General Director       | 173.000.000        | -                  |
| Mr. Nguyen Minh Thu - Deputy General Director | 119.000.000        | 188.383.500        |
| Mrs. Le Thi Thanh Thao - Chief Accountant     | 92.600.000         | -                  |
| <b>Total</b>                                  | <b>384.600.000</b> | <b>188.383.500</b> |

**2. Segment information**

- Segment reporting by geographical area: territory of Vietnam.
- Principal business activities: commercial trading, trading iron and steel, so no segment reporting is presented.

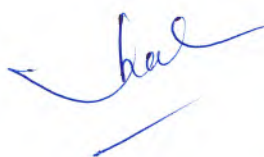
**3. Subsequent events**

There are no material subsequent events which are required adjustments or disclosures in the Financial Statements

Ho Chi Minh City, April 25, 2025



Nguyen Thi Thu Hien  
Preparer



Le Thi Thanh Thao  
Chief Accountant



Nguyen Van Nghia  
General Director