

ME LIN STEEL JOINT STOCK COMPANY

Audited financial statements
For the year ended 31 December 2024



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ME LIN STEEL JOINT STOCK COMPANY

Administrative Area No. 8, Dong Da Ward, Vinh Yen City, Vinh Phuc Province

STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Me Lin Steel Joint Stock Company (hereinafter called "the Company") presents this report together with the financial statements of the Company for the year ended 31 December 2024.

GENERAL INFORMATION

Me Lin Steel Joint Stock Company (hereinafter called "the Company") is a Joint Stock Company established and operating in Vietnam under the Certificate of Business Registration No. 2500222727 issued for the first time by the Vinh Phuc Department of Planning and Investment 13 January 2003, and the nineteenth amendment dated 22 January 2025.

The company's headquarters is located at: Administrative Area No. 08, Dong Da Ward, Vinh Yen City, Vinh Phuc Province.

THE MEMBERS OF THE BOARD OF MANAGEMENT, THE BOARD OF GENERAL DIRECTORS AND THE BOARD OF SUPERVISORS

The members of the Board of Management, the Board of General Directors and the Board of Supervisors of the Company during the year and to the date of this statement are as follows:

The Board of Management

<u>Full name</u>	<u>Position</u>
Mrs. Le Thi Huong Giang	Chairwoman
Mr. Pham Quang	Member
Ms. Bach Thi Ngoc Thuy	Member

The Board of General Directors

<u>Full name</u>	<u>Position</u>
Mr. Pham Quang	General Director
Mr. Le Hong Minh	Deputy General Director

The Board of Supervisors

<u>Full name</u>	<u>Position</u>	<u>Date of appointment/dismissal</u>
Mr. Nguyen The Giang	Head of BOS	Dismissal on 25/05/2024
Mrs. Do Thi Xuan Kiem	Head of BOS	Appointment on 18/07/2024
Mr. Nguyen Manh Hai	Member	
Mr. Chu Duc Khuong	Member	

The legal representative of the Company during the year and to the date of this statement is Mr. Pham Quang – General Director.

AUDITORS

International Auditing and Valuation Company Limited has been appointed to audit the financial statements of the Company for the year ended 31 December 2024.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continue)

DISCLOSURE OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of General Directors approves the attached financial statements. The financial statements reflected truly and fairly the Company's financial position as at 31 December 2024, as well as the financial performance and cash flows for the year ended 31 December 2024, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

COMMITMENT ON INFORMATION DISCLOSURE

The Board of General Directors confirms to have complied with Decree 155/2020/ND-CP dated 31 December 2020 elaborating some articles of the Law on Securities and the Company does not violate the obligation to disclose information under Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding some articles on disclosure of information on the securities market.

For and on behalf of The Board of General Directors,



Phạm Quang
General Director
Vinh Phuc, 10 March 2025

No: 26062/2024/BCTC/IAV

INDEPENDENT AUDITORS' REPORT

To: The shareholders
The Board of Management, the Board of Supervisors, and the Board of
General Directors Of Me Lin Steel Joint Stock Company

We have audited the accompanying financial statements for the year ended 31 December 2024 of Me Lin Steel Joint Stock Company (hereinafter called "the Company"), prepared on date 10 March 2025, as set out from page 5 to page 38, which comprise the statement of financial position as at 31 December 2024, the statement of income, and statement of cash flows for the year ended 31 December 2024, and the notes to the financial statements.

The Board of General Directors' Responsibility

The Board of General Directors of the Company is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as The Board of General Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Auditors' Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITORS' REPORT (Continue)

Other Matter

The financial statements of Me Lin Joint Stock Company for the year ended 31 December 2023 were audited by another independent audit firm. The auditor expressed an unmodified opinion on those statements.



NGUYEN MINH TU

Deputy Director

Audit Practising Registration Certificate
No. 2721-2023-283-1

NGUYEN KI ANH

Auditor

Audit Practising Registration Certificate
No. 3331-2022-283-1

INTERNATIONAL AUDITING AND VALUATION COMPANY LIMITED

Hanoi, 10 March 2025

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

ASSETS	Codes	Notes	Closing balance VND	Opening balance VND
A. SHORT-TERM ASSETS	100		656,321,558,697	572,079,195,662
I. Cash and cash equivalents	110	4.1	17,220,861,473	8,156,464,399
1. Cash	111		17,220,861,473	8,156,464,399
II. Short-term investments	120		-	-
III. Short-term receivables	130		101,610,365,358	80,698,968,519
1. Short-term trade receivables	131	4.2	102,122,495,463	74,031,186,001
2. Short-term advances to suppliers	132	4.3	1,208,849,422	994,055,118
3. Other short-term receivables	136	4.4	4,538,122,403	11,751,252,142
4. Short-term allowance for doubtful debts	137	4.5	(6,259,101,930)	(6,077,524,742)
IV. Inventories	140	4.6	533,421,737,149	480,524,028,658
1. Inventories	141		533,421,737,149	480,524,028,658
V. Other short-term assets	150		4,068,594,717	2,699,734,086
1. Value added tax deductibles	152		2,295,496,057	1,591,374,828
2. Taxes and other receivables from the State budget	153	4.13	1,773,098,660	1,108,359,258
B. LONG-TERM ASSETS	200		72,811,833,796	76,417,879,354
I. Long-term receivables	210		-	-
II. Fixed assets	220		62,201,939,809	64,801,060,774
1. Tangible fixed assets	221	4.8	57,311,752,055	60,551,108,487
- Cost	222		157,011,843,612	157,982,900,230
- Accumulated depreciation	223		(99,700,091,557)	(97,431,791,743)
2. Intangible fixed assets	227	4.9	4,890,187,754	4,249,952,287
- Cost	228		6,766,332,001	6,126,096,534
- Accumulated amortisation	229		(1,876,144,247)	(1,876,144,247)
III. Investment properties	230		-	-
IV. Long-term assets in progress	240		-	640,235,467
1. Construction in progress	242		-	640,235,467
V. Long-term financial investments	250		-	-
VI. Other long-term assets	260		10,609,893,987	10,976,583,113
1. Long-term prepaid expenses	261	4.7	10,609,893,987	10,976,583,113
TOTAL ASSETS (270 = 100 + 200)	270		729,133,392,493	648,497,075,016

STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2024

RESOURCES	Codes	Notes	Closing balance VND	Opening balance VND
C. LIABILITIES	300		469,833,513,428	397,302,455,092
I. Short-term liabilities	310		467,170,027,589	394,653,350,092
1. Short-term trade payables	311	4.11	67,752,067,413	28,655,372,530
2. Short-term advances from customers	312	4.12	1,321,075,291	1,274,626,504
3. Taxes and amounts payable to the State budget	313	4.13	160,770,284	1,850,000
4. Payables to employees	314		540,381,669	-
5. Short-term accrued expenses	315		318,112,333	455,862,081
6. Short-term unearned revenue	318		1,691,594,500	1,454,767,273
7. Short-term borrowings and finance lease liabilities	320	4.10	395,386,026,099	362,810,871,704
II. Long-term liabilities	330		2,663,485,839	2,649,105,000
1. Other long-term payables	337	4.14	2,663,485,839	2,649,105,000
D. EQUITY	400		259,299,879,065	251,194,619,924
I. Owner's equity	410	4.15	259,299,879,065	251,194,619,924
1. Owner's contributed capital	411		150,000,000,000	150,000,000,000
- Ordinary shares with voting rights	411a		150,000,000,000	150,000,000,000
2. Retained earnings	421		109,299,879,065	101,194,619,924
- Retained earnings accumulated to the prior year end	421a		101,194,619,924	96,748,241,204
- Retained earnings of the current year	421b		8,105,259,141	4,446,378,720
II. Other resources and funds	430		-	-
TOTAL RESOURCES (440=300+400)	440		729,133,392,493	648,497,075,016



Preparer
Nguyen Thi Khanh



Chief Accountant
Nguyen The Giang



General Director
Pham Quang
Vinh Phuc, Viet Nam
10 March 2025

STATEMENT OF INCOME
For the year ended 31 December 2024

ITEMS	Codes	Notes	Current year VND	Prior year VND
1. Gross revenue from goods sold and services rendered	01	5.1	880,916,669,901	670,846,723,210
2. Deductions	02	5.2	1,071,307,074	21,998,988
3. Net revenue from goods sold and services rendered (10 = 01 - 02)	10		879,845,362,827	670,824,724,222
4. Cost of goods sold and services rendered	11	5.3	841,073,591,817	623,658,368,324
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		38,771,771,010	47,166,355,898
6. Financial income	21	5.4	3,725,583,686	599,390,582
7. Financial expenses	22	5.5	25,225,080,759	29,199,828,322
In which: Interest expense	23		24,370,053,782	28,219,132,195
8. Selling expenses	25	5.6	3,300,164,274	4,546,646,240
9. General and administration expenses	26	5.7	8,617,546,863	8,839,418,509
10. Net operating profit {30 = 20 + (21 - 22) - (25 + 26)}	30		5,354,562,800	5,179,853,409
11. Other income	31	5.8	4,070,150,361	498,445,803
12. Other expenses	32	5.9	120,909,443	108,772,670
13. Other profit (40 = 31 - 32)	40		3,949,240,918	389,673,133
14. Accounting profit before tax (50=30+40)	50		9,303,803,718	5,569,526,542
15. Current corporate income tax expense	51	5.10	1,198,544,577	1,123,147,822
16. Deferred corporate tax expense	52		-	-
17. Net profit after corporate income tax (60 = 50 - 51 - 52)	60		8,105,259,141	4,446,378,720
18. Basic earnings per share	70	5.11	540	296
19. Diluted earnings per share	71	5.11	540	296



Preparer
Nguyen Thi Khanh



Chief Accountant
Nguyen The Giang




General Director
Pham Quang
Vinh Phuc, Viet Nam
10 March 2025

STATEMENT OF CASH FLOWS*For the year ended 31 December 2024**(Direct method)*

ITEMS	Notes	Codes	Current year VND	Prior year VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Proceeds from goods sold, services rendered and other revenues	01		945,657,033,643	714,882,292,074
2. Expenditures paid to suppliers	02		(914,194,162,113)	(815,607,197,870)
3. Expenditures paid to employees	03		(6,438,342,589)	(8,781,534,273)
4. Interest paid	04	6.1	(24,507,803,530)	(28,050,834,815)
5. Corporate income tax paid	05		(266,947,281)	(2,803,263)
6. Other cash inflows from operating activities	06		27,054,233,390	45,029,386,764
7. Other cash outflows on operating activities	07		(48,177,145,815)	(34,130,313,976)
Net cash flows from operating activities	20		(20,873,134,295)	(126,661,005,359)
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Acquisition and construction of fixed assets and other long-term assets	21		(3,194,535,499)	-
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22		545,454,545	-
3. Interest earned, dividends and profits received	27		11,789,784	10,317,256
Net cash flows from investing activities	30		(2,637,291,170)	10,317,256

STATEMENT OF CASH FLOWS (Continued)*For the year ended 31 December 2024**(Direct method)*

ITEMS	Notes	Codes	Current year VND	Prior year VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33	6.1	819,973,535,119	697,368,922,546
2. Repayment of borrowings	34	6.1	(787,398,380,724)	(578,019,634,999)
Net cash flows from financing activities	40		32,575,154,395	119,349,287,547
Net increase/(decrease) in cash for the year (50=20+30+40)	50		9,064,728,930	(7,301,400,556)
Cash and cash equivalents at the beginning of the year	60		8,156,464,399	15,407,276,887
Effects of changes in foreign exchange rates	61		(331,856)	50,588,068
Cash and cash equivalents at the end of the year (70=50+60+61)	70		17,220,861,473	8,156,464,399



Preparer
Nguyen Thi Khanh



Chief Accountant
Nguyen The Giang




General Director
Pham Quang
Vinh Phuc, Viet Nam
10 March 2025

NOTES TO THE FINANCIAL STATEMENTS*For the year ended 31 December 2024*

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

1. GENERAL INFORMATION**1.1. Structure of ownership**

Me Lin Steel Joint Stock Company (hereinafter called "the Company") is a Joint Stock Company established and operating in Vietnam under the Certificate of Business Registration No. 2500222727 issued for the first time by the Vinh Phuc Department of Planning and Investment on 13 January 2003, and the nineteenth amendment dated 22 January 2025.

The company's headquarters is located at: Administrative Area No. 08, Dong Da Ward, Vinh Yen City, Vinh Phuc Province.

The Company's charter capital is VND 150,000,000,000; equivalent to 15,000,000 shares, with a par value of 10,000 VND per share.

The number of employees as at 31 December 2024 was 60 people (01 January 2024: 62 people).

1.2. Business area

The Company's main business area are:

- Manufacturing other metal products not elsewhere classified. Details: *Processing, manufacturing, trading, and importing/exporting steel products;*
- Wholesale of metals and metal ores. Details: *Trading iron, machinery, and equipment;*
- Wholesale of machinery, equipment, and spare parts, including steel pipes and non-ferrous metals;
- Warehousing and storage of goods. Details: *Warehouse rental services;*

1.3. Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months.

1.4. The Company's structure

The company's headquarters is located at: Administrative Area No. 08, Dong Da Ward, Vinh Yen City, Vinh Phuc Province.

The company has the following branches:

- Branch name: Me Linh Steel Joint Stock Company - Hanoi Branch.

Address: Quang Minh Industrial Park (Km9 Bac Thang Long – Noi Bai Road), Quang Minh Town, Me Linh District, Hanoi City, Viet Nam.

1.5. Disclosure of information comparability in the financial statements

The data presented in the financial statements for the year ended 31 December 2024 are comparable to the corresponding figures of the prior year.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**2.1. Accounting convention**

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

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

2.2. Going concern assumption

There have been no events that cast significant doubt on its ability to continue as a going concern. The company neither intends nor is forced to cease operations, or significantly scales back its operations.

2.3. Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1. Estimates

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

3.2. Accounting standards and regulations applied

Accounting Regulations Applied

The company applies the Enterprise Accounting Regime issued under Circular No. 200/2014/TT-BTC dated 22 December 2014, by the Ministry of Finance, and Circular No. 53/2016/TT-BTC dated 21 March 2016, amending and supplementing certain provisions of Circular No. 200/2014/TT-BTC.

Statement on Compliance with Accounting Standards and Regulations

The company has applied Vietnamese Accounting Standards (VAS) and relevant guidelines issued by the State. Financial statements are prepared and presented in full compliance with the requirements of each standard, circular, and the current Enterprise Accounting Regime in effect.

3.3. Financial instruments

Initial recognition

Financial assets

The company's financial assets include cash and cash equivalents, trade receivables, and other receivables. At the time of initial recognition, financial assets are measured at purchase price/issuance cost, plus any directly attributable transaction costs related to the issuance of the financial asset.

Financial liabilities

The company's financial liabilities include borrowings, trade payables, other payables, and accrued expenses. At the time of initial recognition, financial liabilities are measured at issuance price, plus any directly attributable transaction costs related to the issuance of the financial liability.

Subsequent measurement after initial recognition

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

3.4. Transactions in foreign currencies

Transactions arising in currencies other than the Company's accounting currency are accounted for at the actual exchange rate on the date of the transaction.

This exchange rate is applied based on the following principles:

- When buying or selling foreign currency: The exchange rate applied is the rate specified in the foreign exchange purchase and sale contract between the company and the commercial bank;

- When recognizing receivables: The exchange rate applied is the buying rate of the commercial bank designated by the company for customer payments at the time the transaction occurs;
 - When recognizing payables: The exchange rate applied is the selling rate of the commercial bank where the company expects to conduct the transaction at the time the liability arises;
- The actual exchange rate used for re-evaluating foreign currency-denominated monetary items at the time of preparing the interim financial statements is determined based on the following principles:
- For monetary items denominated in foreign currencies are classified as other assets: purchasing foreign exchange rate of the Bank company regularly traded;
 - For foreign currency deposits: The exchange rate applied is the buying rate of the commercial bank where the company holds its foreign currency account;
 - For monetary items denominated in foreign currencies are classified as liabilities: selling foreign exchange rate of Bank company regularly traded.

All actual exchange rate differences arising during the year and differences due to reassessment of foreign currency balances at the end of the period are accounted for in the results of operations. Exchange rate difference gains from the year-end revaluation of foreign currency-denominated monetary items shall not be used for profit distribution or dividend payments.

3.5. Cash and cash equivalents

Cash includes cash on hand and demand deposits at banks.

3.6. Receivables

Receivables represent the amounts recoverable from customers or other debtors. Receivables are tracked in detail based on due dates, debtor entities, currency types, and other factors according to the company's management needs.

The allowance for doubtful debts is established for each receivable based on the overdue aging of debts, the estimated potential loss, or receivables from debtors who are unlikely to pay due to liquidation, bankruptcy, or similar financial difficulties.

3.7. Inventories

Inventories are initially recognized at cost, which includes purchase costs, processing costs, and other directly attributable expenses incurred to bring the inventory to its present location and condition at the time of initial recognition. After initial recognition, at the time of preparing interim financial statements, if the net realizable value of inventories is lower than their cost, inventories are recorded at their net realizable value.

Cost is calculated using the weighted average method.

Inventories are accounted for using the perpetual inventory method.

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

3.8. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful life, as specified below:

	Years
Buildings and structures	10 – 25 years
Machinery and equipment	06 – 10 years
Motor vehicles	08 – 10 years
Office equipment	06 – 10 years

3.9. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of intangible fixed assets comprises all the expenses incurred to obtain this asset put into use. Costs incurred after the initial recognition are recognized to increase the cost of intangible fixed assets if these costs certainly increase economic benefits in the future due to using this asset.

When intangible fixed assets are sold or retired, their cost and accumulated amortisation are removed from the statement of financial position and any profit or loss resulting from its disposal is included in the income or expense in the year.

Intangible fixed assets are depreciated using the straight-line method over their estimated useful life, as specified below:

	Years
Land use rights	Non - depreciable
Accounting software	05 years
Other intangible assets	02 – 05 years

3.10. Construction in progress

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

3.11. Prepaid expenses

Prepaid expenses related to multiple accounting periods are recorded as prepaid costs and gradually allocated to operating expenses in subsequent periods. These expenses include office rental costs, infrastructure rental costs, and tools and equipment expenses,...

The allocation of long-term prepaid expenses is based on the nature and scale of each cost to ensure a reasonable allocation method and criteria. These expenses are allocated to operating costs using the straight-line method.

3.12. Payables and accrued expenses

Payables and accrued expenses are recognized as the amount of money to be paid in the future related to the goods and services received. Payable expenses are recognized based on a reasonable estimate of the payable.

Payables are classified as payable to suppliers, accrued expenses, and other payables according to the following principles:

- Payables to suppliers reflect the trade payables arising from commercial transactions between the Company and the seller, which is an independent entity of the Company.
- Accrued expenses reflect the payables for goods and services received from the seller or provided for the buyer, for which no invoices have yet been received from suppliers. Those payables also

reflect the number of payables to employees on vacation wages, production, and business costs that must accrue. When these expenses actually incur, if there is a difference compared to the amount previously allocated, the accountant will record an additional expense or reduce the cost accordingly to reflect the difference.

- Other payables reflect non-commercial receivables, not related to the purchase and sale transactions.

3.13. Borrowings and financial lease liabilities

Borrowings are tracked according to each object, each contract and the repayment term. In case of borrowings in foreign currency, detailed tracking is done in the original currency.

3.14. Borrowing costs

Borrowing costs are recognised in the statement of income in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

3.15. Owner's equity

Capital is recorded according to the amount actually invested by shareholders.

Undistributed after-tax profit reflects the company's business results (profit or loss) after corporate income tax, as well as the distribution of profits or loss handling.

3.16. Revenue and earnings recognition

Revenue from sales of finished goods and merchandise goods

Revenue from sales of finished goods and merchandise goods is recorded when simultaneously satisfy the following conditions:

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

Revenue from service rendered

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the statement of financial position date of that period. The outcome of a transaction can be measured reliably when all four following conditions are satisfied:

- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Company.
- The percentage of completion of the transaction at the statement of financial position date can be measured reliably; and.

- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Financial income

Interest

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

Dividends and profits received

Dividends and profit shared are recognized when the Company receive the notice of dividends or profit from the capital contribution.

3.17. Cost of goods sold

Cost of goods sold includes the cost of products, goods and service rendered during the year and is recorded in accordance with revenue during the year. The cost of direct raw materials consumed in excess of normal levels, labor costs, and fixed general production costs that are not allocated to the value of warehoused products must be immediately calculated into the cost of goods sold (after minus compensation, if any) even when the products and goods have not been determined to be consumed.

3.18. Selling expenses

Selling expenses reflect the actual expenses in the process of sales of goods and services rendered.

3.19. Administration expenses

Administration expenses reflect actual expenses incurred during the general management of the Company, mainly including expenses for labour of management department salaries; social insurance, health insurance, trade union fees, unemployment insurance for labour; office equipment expenses; depreciation and amortisation; provision expenses; outside services and other expenses.

3.20. Financial expenses

The expenses recognized as financial expenses include:

- Borrowing costs;
- Losses incurred from selling foreign currencies, exchange rate differences,...

The above expenses are recognized at the total amount incurred during the year, without offsetting against financial income.

3.21. Taxation

Value – added tax (VAT)

The VAT rates applicable to the Company's activities are 0%, 5%, and 10%.

Corporate income tax (CIT)

The Company is subject to corporate income tax (CIT) at a rate of 20%.

Current income tax is the tax calculated based on taxable income for the period using the applicable tax rate during the accounting period. Taxable income differs from accounting profit due to adjustments for temporary differences between tax accounting and financial accounting, as well as adjustments for non-taxable income or non-deductible expenses.

Other taxes are applied in accordance with the prevailing tax laws in Viet Nam.

3.22. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss after tax attributable to the Company's common shareholders (after adjustments for the allocation to the Reward and Welfare Fund and the Executive Bonus Fund) by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit or loss after tax attributable to the Company's common shareholders (after adjustments for the allocation to the Reward and Welfare Fund, the Executive Bonus Fund, and the dividends on convertible preferred shares) by the weighted average number of common shares that would be issued if all potentially dilutive common shares were converted into common shares.

3.23. Related parties

The parties are considered to be related if that party has the ability to control or significantly influence the other party in making decisions on financial policies and operations. Parties are considered a related party of the Company in case that party is able to control the company or to cause material effects on the financial decisions.

In considering the relationship of the parties involved, the nature of the relationship is more emphasized than the legal form of the relationship.

3.25. Information of Department

A segment is a separately identifiable component of the Company that engages in providing related products or services (business segment) or supplying products or services within a specific economic environment (geographical segment). Each segment is subject to risks and earns returns that are distinct from those of other segments.

Segment information is prepared and presented in accordance with the accounting policies applied in the preparation and presentation of the Company's financial statements to help users of the financial statements better understand and comprehensively assess the Company's performance.

4. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF FINANCIAL POSITION

4.1. Cash and cash equivalents

	Closing balance VND	Opening balance VND
Cash	505,852,390	824,319,231
Demand deposits in banks	16,715,009,083	7,332,145,168
	17,220,861,473	8,156,464,399

4.2. Short-term trade receivables

	Closing balance VND	Opening balance VND
- Minh Cuong Mechanics - Construction - Trading Joint Stock Company	9,623,108,802	-
- Phu Duc Trading Company Limited	9,076,839,019	5,517,373,980
- Phuong Linh Mechanical Electrical Manufacturing and Trading Company Limited	8,214,107,634	10,870,993,348
- Bao Tien Industrial Company Limited	6,370,128,730	390,709,697
- Quang Minh Hai Phong Company Limited	4,943,810,850	-
- Linkon Mechanical - Trading Company Limited	4,511,467,400	-
- HHPD Real Estate Project Management Unit - Branch of Hoa Lac Hi-tech Park Development One-member Limited Liability Company	4,252,987,881	5,081,198,654
- Bac Viet Industrial Joint Stock Company	2,209,812,908	2,169,782,893
- Hai Phong Construction and Development Investment Joint Stock Company	-	5,162,848,268
- Quang Minh Industrial Technique Joint Stock Company	-	5,175,264,183
- Industry - Construction 204 Joint Stock Company	-	9,450,313,226
- Others	52,920,232,239	30,212,701,752
	102,122,495,463	74,031,186,001

4.3. Short-term advances to suppliers

	Closing balance VND	Opening balance VND
- Tien Dat Fire Protection and Electromechanical Joint Stock Company	1,102,727,000	872,727,000
- PKF Viet Nam Company Limited	49,500,000	49,500,000
- An The Quyen	28,643,542	28,643,542
- Grand Plaza Ha Noi Hotel Company Limited	-	39,184,576
- Others	27,978,880	4,000,000
	1,208,849,422	994,055,118

4.4. Short-term other receivables

	Closing balance		Opening balance	
	Value VND	Allowance VND	Value VND	Allowance VND
- Other receivable	-	-	-	-
NHS Construction Investment Joint Stock Company(*)	-	-	7,160,173,533	-
- Advance payment	40,302,005	-	6,162,465	-
- Deposits and mortgages	4,497,820,398	-	4,584,916,144	-
	4,538,122,403	-	11,751,252,142	-

(*) Investment Cooperation with NHS Construction Investment Joint Stock Company and Quang Minh General Investment and Trading Joint Stock Company under Investment Cooperation Contract No. 09/2014/HTĐT/NHS-QMML dated 19 February 2014, along with Annex No. PL01/HTĐT/NHS-QMML dated 19 February 2014, Annex No. PL02/HTĐT/NHS-QMML dated 19 February 2014, and Annex No. PL03/HTĐT/NHS-QMML dated 21 September 2015, regarding the investment in the construction of a Commercial Complex, Supermarket, Office, and Residential Area for sale at No. 75 Nguyen Tam Trinh Street, Hoang Mai District, Hanoi. The project has now been completed, and as of date 31 July 2024, the company has fully recovered all profits from this project.

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4.5. Bad debts

	Closing balance			Opening balance		
	Overdue	Cost	Recoverable amount	Overdue	Cost	Recoverable amount
		VND	VND		VND	VND
+ Trade receivables		6,259,101,930	(6,259,101,930)		6,259,101,930	(6,077,524,742)
- Thinh Phat Manufacturing - Business and Trading Company Limited	More than 3 years	133,046,031	(133,046,031)	More than 3 years	133,046,031	(133,046,031)
- Tin Nghia Production - Trade - Services Company Limited	More than 3 years	198,257,985	(198,257,985)	More than 3 years	198,257,985	(198,257,985)
- A.C.E Metal Furniture Joint Stock Company	More than 3 years	1,009,021,517	(1,009,021,517)	More than 3 years	1,009,021,517	(1,009,021,517)
- Tan Huong Trading and Investment Joint Stock Company	More than 3 years	3,662,608,858	(3,662,608,858)	More than 3 years	3,662,608,858	(3,662,608,858)
- Hop Thanh Joint Stock Company	More than 3 years	85,919,236	(85,919,236)	More than 3 years	85,919,236	(85,919,236)
- Golden Lotus Import - Export Investment Joint Stock Company	More than 3 years	423,135,779	(423,135,779)	More than 3 years	423,135,779	(423,135,779)
- Ha Noi Fsech Foodstuff Equipment Company Limited	More than 3 years	203,065,910	(203,065,910)	More than 3 years	203,065,910	(203,065,910)
- HP-TECH Viet Nam Engineering & Moulds Joint Stock Company	More than 3 years	54,575,976	(54,575,976)	More than 3 years	54,575,976	(54,575,976)
- Bac Duong Construction Trading Joint Stock Company	More than 3 years	95,274,113	(95,274,113)	More than 3 years	95,274,113	(95,274,113)
- Nhat Minh Transport and Industry Company Limited	More than 3 years	164,576,004	(164,576,004)	More than 3 years	164,576,004	(164,576,004)
- Quoc Thang Trading Service Private Enterprise	More than 3 years	48,043,333	(48,043,333)	More than 3 years	48,043,333	(48,043,333)
- Meeco Viet Nam Joint Stock Company	1 - 2 years	181,577,188	(181,577,188)		181,577,188	-
		6,259,101,930	(6,259,101,930)		6,259,101,930	(6,077,524,742)

4.6. Inventories

	Closing balance		Opening balance	
	Value VND	Allowance VND	Value VND	Allowance VND
Raw materials	521,793,685,969	-	466,693,098,431	-
Finished goods	10,641,496,227	-	11,221,424,975	-
Merchandise	986,554,953	-	2,609,505,252	-
	533,421,737,149	-	480,524,028,658	-

4.7. Prepaid expenses

Long-term prepaid expenses

	Closing balance VND	Opening balance VND
- Office rental expense (*)	4,464,964,860	4,589,582,484
- Infrastructure rental expense	4,162,899,880	4,311,574,876
- Tools and equipment awaiting allocation	191,509,164	387,751,137
- Other expenses	1,790,520,083	1,687,674,616
	10,609,893,987	10,976,583,113

(*) Allocation of office rental expenses under Office Lease Contract No. 05 for the 17th floor of Charmvit Tower - Grand Plaza, dated 13 October 2010. The office lease term is 50 years, starting from the date of issuance of the Investment Certificate for Hanoi Plaza Co., Ltd. (the expiration date of the Investment Certificate for Hanoi Plaza Co., Ltd. is date 15 May 2057). In any case of an extension of this Investment Certificate, the lease term under this Contract will be automatically extended accordingly to match the extended duration of the Investment Certificate.

ME LIN STEEL JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (continued)

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4.8. Increases, decreases in tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
COST					
Opening balance	96,056,917,020	48,081,508,951	12,964,129,392	880,344,867	157,982,900,230
Increase in the year	-	-	3,195,011,689	-	3,195,011,689
- Purchase in the year	-	-	3,194,535,499	-	3,194,535,499
- Other increases	-	-	476,190	-	476,190
Decrease in the year	-	(2,243,144,842)	(1,922,923,465)	-	(4,166,068,307)
- Liquidation or transfer	-	(2,243,144,842)	(1,776,410,556)	-	(4,019,555,398)
- Other decreases	-	-	(146,512,909)	-	(146,512,909)
Closing balance	96,056,917,020	45,838,364,109	14,236,217,616	880,344,867	157,011,843,612
ACCUMULATED DEPRECIATION					
Opening balance	41,723,921,296	42,967,011,688	11,879,155,807	861,702,952	97,431,791,743
Increase in the year	4,421,304,757	1,420,707,852	387,235,311	13,796,431	6,243,044,351
- Depreciation charged	4,421,304,757	1,420,707,852	386,759,121	13,796,431	6,242,568,161
- Other increases	-	-	476,190	-	476,190
Decrease in the year	-	(2,244,356,963)	(1,730,387,574)	-	(3,974,744,537)
- Liquidation or transfer	-	(2,243,144,842)	(1,583,874,665)	-	(3,827,019,507)
- Other decreases	-	(1,212,121)	(146,512,909)	-	(147,725,030)
Closing balance	46,145,226,053	42,143,362,577	10,536,003,544	875,499,383	99,700,091,557
NET BOOK VALUE					
- Opening balance	54,332,995,724	5,114,497,263	1,084,973,585	18,641,915	60,551,108,487
- Closing balance	49,911,690,967	3,695,001,532	3,700,214,072	4,845,484	57,311,752,055
Cost of tangible fixed assets that have been fully depreciated but are still in use:					
- Opening balance	-	31,596,270,465	10,458,592,733	802,817,594	42,857,680,792
- Closing balance	398,010,349	36,649,463,501	8,983,270,299	835,617,594	46,866,361,743
Net book value at the end of the period of tangible fixed assets used to mortgage or pledge to secure the loan:					
- Opening balance	50,663,289,062	586,993,662	-	-	51,250,282,724
- Closing balance	46,977,770,978	-	-	-	46,977,770,978

4.9. Increases, decreases in intangible fixed assets

	<i>Land use rights</i> VND	<i>Computer software</i> VND	<i>Others</i> VND	<i>Total</i> VND
COST				
Opening balance	4,249,952,287	403,000,000	1,473,144,247	6,126,096,534
Increase in the year	640,235,467	-	-	640,235,467
Closing balance	4,890,187,754	403,000,000	1,473,144,247	6,766,332,001
ACCUMULATED DEPRECIATION				
Opening balance	-	403,000,000	1,473,144,247	1,876,144,247
Closing balance	-	403,000,000	1,473,144,247	1,876,144,247
NET BOOK VALUE				
- Opening balance	<u>4,249,952,287</u>	<u>-</u>	<u>-</u>	<u>4,249,952,287</u>
- Closing balance	<u>4,890,187,754</u>	<u>-</u>	<u>-</u>	<u>4,890,187,754</u>
Cost of intangible fixed assets that have been fully depreciated but are still in use:				
- Opening balance	-	403,000,000	1,473,144,247	1,876,144,247
- Closing balance	-	403,000,000	1,473,144,247	1,876,144,247

4.10. Short-term borrowings and finance lease liabilities

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term borrowings	362,810,871,704	362,810,871,704	819,973,535,119	787,398,380,724	395,386,026,099	395,386,026,099
+ Viet Nam Bank for Agriculture and Rural Development - My Dinh Branch (1)	235,426,700,195	235,426,700,195	329,854,509,637	356,688,528,848	208,592,680,984	208,592,680,984
+ Viet Nam Joint Stock Commercial Bank for Industry and Trade - Quang Minh Branch (2)	112,511,516,131	112,511,516,131	257,350,715,984	279,900,486,235	89,961,745,880	89,961,745,880
+ Military Commercial Joint Stock Bank - So Giao Dich 3 Branch (3)	14,872,655,378	14,872,655,378	232,768,309,498	150,809,365,641	96,831,599,235	96,831,599,235
	362,810,871,704	362,810,871,704	819,973,535,119	787,398,380,724	395,386,026,099	395,386,026,099

Detailed information regarding short-term borrowings

(1) Credit Contract No. 1410-LAV-202400606 dated 15 November 2024, signed with Viet Nam Bank for Agriculture and Rural Development – My Dinh Branch, includes the following detailed terms:

- + Borrowing amount: VND 250,000,000,000;
- + Credit limit duration: From dated 18 October 2024, to dated 18 October 2025; the specific loan term is determined in each promissory note.
- + Purpose of the loan: To supplement working capital for the implementation of the 2024-2025 business production plan;
- + Interest rate: Applied according to each specific promissory note;
- + The loan is secured by mortgage contracts for Token steel cutting machine lines, various types of steel, the commercial service floor in Tower B at the commercial complex, supermarket, office, and residential area for sale, under the land use rights certificate, house ownership rights, and other property rights attached to land No. CS847551 at 75 Tam Trinh, Mai Dong, Hoang Mai, Hanoi. Toyota Sienna car with license plate 29X-595.01 and Toyota Fortuner car

with license plate 30Y-405.74; as well as real estate, specifically a villa at HILL 3.2, low-rise residential area TT1 – Khai Son Hill Villas, Khai Son City, Ngoc Thuy Ward, Long Bien District, Hanoi, belonging to a third party (not a related party).

+ As of 31 December 2024, the outstanding principal balance is VND 208,592,680,984.

(2) Credit Limit Loan Contract No. 24.80.0204-HĐCVHM/NHCT264-THEPMELIN dated 3 April 2024, signed with Viet Nam Joint Stock Commercial Bank for Industry and Trade – Quang Minh Branch, includes the following detailed terms:

+ Borrowing amount: VND 120,000,000,000;

+ Credit limit duration is from dated 3 April 2024, to dated 2 April 2025. The loan term for each debt is specified in the promissory note but shall not exceed seven months per note.

+ Purpose of the loan: to supplement working capital for the company's business operations;

+ Interest rate: applied according to each specific promissory note;

+ The collateral includes inventory with a minimum value of VND 40 billion at all times; a commercial service floor (kindergarten) on the first and second floors under the land use rights certificate, house ownership rights, and attached property rights No. CY370591; commercial service floors – 01 and 02 (third floor) under certificates No. CY598342 and CY598343 at 75 Nguyen Tam Trinh, Mai Dong Ward, Hoang Mai District, Hanoi. Additionally, the pledged assets include circulating inventory owned by Me Lin Steel Joint Stock Company, consisting of hot-rolled coil steel, cold-rolled coil steel, hot-rolled steel plates, round bar steel, structural steel, coated steel, and other steel raw materials, with a minimum value of VND 40,000,000,000 at all times.

+ As of 31 December 2024, the outstanding principal balance is VND 89,961,745,880.

(3) Credit Granting Contract No. 251189.24.950.696698.TD dated 21 October 2024, signed with Military Commercial Joint Stock Bank – So Giao Dich 3 Branch, includes the following detailed terms:

+ Borrowing amount is VND 160,000,000,000;

+ Credit limit duration is from the date of contract execution until dated 30 August 2025, loan term: 9 months.

+ Purpose of the loan: provide credit support for the company's business operations;

+ Interest rate: applied according to each specific promissory note;

+ The collateral includes the property rights arising from Land Lease Contract No. 1045/HĐ-TĐ dated 27 August 2007, signed between Me Lin Steel Joint Stock Company and the People's Committee of Vinh Phuc Province; Land Lease Contract Appendix No. 160/PLHĐTĐ dated 27 March 2014; Land Lease Contract Appendix No. 44/PLHĐTĐ-STNMT-KTĐ dated 16 February 2023; and documents proving payment of land rent for Lot No. 29 in Quang Minh Industrial Park, Quang Minh Commune, Me Linh District, Vinh Phuc Province. Additionally, the secured assets include production workshops and office buildings located on Land Lot No. 1033, Map Sheet No. 52, as per Land Use Rights Certificate No. AB 226568, recorded in the land use rights certificate issuance register under No. T00135/5446/QĐ-UB dated 30 December 2003, issued by the People's Committee of Vinh Phuc Province on date 26 April 2005.

+ As of 31 December 2024, the outstanding principal balance is VND 96,831,599,235.

4.11. Short-term trade payables

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
- Guangxi Pingxiang Zhenguan Import& Export Trading Co., Ltd.	-	-	3,592,267,470	3,592,267,470
- R and K Trading Co., Ltd.	29,006,862,179	29,006,862,179	10,010,113,067	10,010,113,067
- Hoa Binh Trading Production Joint Stock Company	9,624,312,216	9,624,312,216	-	-
- Posco Viet Nam Company Limited	7,343,583,221	7,343,583,221	-	-
- Dai Phat Trading Company Limited	6,457,269,727	6,457,269,727	-	-
- China Steel & Nippon Steel Viet Nam Joint Stock Company	3,791,750,094	3,791,750,094	7,417,157,286	7,417,157,286
- Others	11,528,289,976	11,528,289,976	7,635,834,707	7,635,834,707
	67,752,067,413	67,752,067,413	28,655,372,530	28,655,372,530

4.12. Short-term advances from customers

	Closing balance VND	Opening balance VND
- Quang Ninh Mechanics Joint Stock Company	800,000,001	700,000,000
- Cosmos Industrial No.1 Company Limited	478,279,944	-
- Minh Lam Technology Development and Investment Company Limited	-	180,647,759
- Quang Vinh Business Trading Company Limited	-	205,989,834
- Others	42,795,346	187,988,911
	1,321,075,291	1,274,626,504

ME LIN STEEL JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (continued)

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4.13. Taxes and amounts payables to the State budget

	Opening balance		Movement in the year		Closing balance	
	Taxes Payable	Taxes Receivable	Amount payable	Amount paid	Taxes Payable	Taxes Receivable
	VND	VND	VND	VND	VND	VND
VAT on domestic sales	-	335,582,246	87,862,076,924	87,862,076,924	-	335,582,246
Value added tax on imports	-	-	31,124,901,256	32,562,417,670	-	1,437,516,414
Import and export tax	-	-	327,685,391	327,685,391	-	-
Corporate income tax	-	772,777,012	1,198,544,577	266,947,281	158,820,284	-
Personal income tax	1,850,000	-	28,751,695	28,651,695	1,950,000	-
Land and housing tax	-	-	4,000,000	4,000,000	-	-
	1,850,000	1,108,359,258	120,545,959,843	121,051,778,961	160,770,284	1,773,098,660

The company's tax finalization will be subject to examination by the tax authorities. Since the application of tax laws and regulations to various types of transactions can be interpreted in different ways, the amount of tax presented in the financial statements may be adjusted based on the tax authorities' decisions.

4.14. Long-term other payables

	Closing balance VND	Opening balance VND
- Long-term deposits received (*)	2,663,485,839	2,649,105,000
	2,663,485,839	2,649,105,000

(*) This is the security deposit for leasing premises and factories between Me Lin Steel Joint Stock Company and the following companies: Le Phuc Special Steel Company Limited, Igarten Education Joint Stock Company, Moldpia Company Limited, Emc Technology Investment Joint Stock Company, Hanwa SMC Steel Service Ha Noi Company Limited, ASV Commerce and Industry Company Limited, Ha Noi Branch - Wincommerce General Commercial Services Joint Stock Company, DQS Certification Company Limited, EL Effects Company Limited, Lucin VN Consulting Company Limited... and several other entities. The lessees rent the premises for office use. The lease term and rental price are specifically defined in each lease agreement.

4.15. Owner's equity

4.15.1. Reconciliation table of equity

	Owner's contributed capital VND	Retained earnings VND	Total VND
Prior year's opening balance	150,000,000,000	96,748,241,204	246,748,241,204
- Profit for the prior year	-	4,446,378,720	4,446,378,720
Prior year's closing balance	150,000,000,000	101,194,619,924	251,194,619,924
Current year's opening balance	150,000,000,000	101,194,619,924	251,194,619,924
- Profit for the year	-	8,105,259,141	8,105,259,141
Current year's closing balance	150,000,000,000	109,299,879,065	259,299,879,065

4.15.2. Details of owner's investment capital

	Closing balance		Opening balance	
	Actual contributed capital VND	Ratio %	Actual contributed capital VND	Ratio %
Mdm. Le Thi Huong Giang	67,500,000,000	45.00%	67,500,000,000	45.00%
Mr. Pham Quang	8,180,000,000	5.45%	8,180,000,000	5.45%
Mr. Le Hong Minh	15,000,000,000	10.00%	15,000,000,000	10.00%
Others	59,320,000,000	39.55%	59,320,000,000	39.55%
	150,000,000,000	100.00%	150,000,000,000	100.00%

4.15.3. Capital transactions with owners and dividend distribution, profit sharing

	Current year VND	Prior year VND
Owner's invested equity	-	-
Capital contribution at the beginning of the year	150,000,000,000	150,000,000,000
Contributed capital increased during the year	-	-
Contributed capital decreased during the year	-	-
Capital contribution at the end of the year	150,000,000,000	150,000,000,000
Dividends and distributed profits	-	-

4.15.4. Shares

	Closing balance Shares	Opening balance Shares
- Number of shares registered for issuance	15,000,000	15,000,000
- Number of shares issued to the public	15,000,000	15,000,000
+ <i>Ordinary shares</i>	15,000,000	15,000,000
- Number of outstanding shares in circulation	15,000,000	15,000,000
+ <i>Ordinary shares</i>	15,000,000	15,000,000
An ordinary share has par value of 10,000 VND/share		

4.16. Foreign currencies

	Closing balance	Opening balance
US Dollar (USD)	7,735.64	5,748.80

5. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF INCOME

5.1. Revenue from goods sold and services rendered

	Current year VND	Prior year VND
Revenue from sale of goods	681,291,670,588	478,796,028,673
Revenue from sales of finished products	178,610,903,421	172,323,078,977
Revenue from services rendered	21,014,095,892	19,727,615,560
	880,916,669,901	670,846,723,210

5.2. Deductions

	Current year VND	Prior year VND
Sales returns	1,071,307,074	21,998,988
	1,071,307,074	21,998,988

5.3. Cost of goods sold

	Current year VND	Prior year VND
Cost of merchandise sold	655,426,962,605	445,555,863,213
Cost of finished goods sold	180,622,204,771	173,136,632,936
Cost of services rendered	5,024,424,441	4,965,872,175
	841,073,591,817	623,658,368,324

5.4. Financial income

	Current year VND	Prior year VND
Bank and loan interest	11,789,784	10,317,256
Realized foreign exchange gain	237,158,631	518,926,318
Unrealized foreign exchange gain	-	1,451,690
Gain from deferred sales and payment discounts	45,061,394	68,695,318
Revenue from investment cooperation	3,431,573,877	-
	3,725,583,686	599,390,582

5.5. Financial expenses

	Current year VND	Prior year VND
Interest expense	24,370,053,782	28,219,132,195
Realized foreign exchange loss	543,758,077	841,819,734
Year-end revaluation rate difference loss	311,268,900	138,876,393
	25,225,080,759	29,199,828,322

5.6. Selling expenses

	Current year VND	Prior year VND
Labor expenses	1,734,423,762	2,063,744,293
Tool, equipment, and supplies expenses	18,514,052	7,241,653
Outsourced service expenses	1,529,541,006	2,453,265,658
Other cash expenses	17,685,454	22,394,636
	3,300,164,274	4,546,646,240

5.7. Administration expenses

	Current year VND	Prior year VND
Management staff costs	3,848,410,940	3,993,728,065
Tool, equipment, and supplies expenses	233,757,466	294,567,905
Fixed asset depreciation expenses	254,170,706	325,779,120
Taxes, fees, and charges	3,000,000	31,933,840
Outsourced service expenses	1,993,620,426	2,186,085,726
Allowance expenses	181,577,188	-
Other cash expenses	2,103,010,137	2,007,323,853
	8,617,546,863	8,839,418,509

5.8. Other income

	Current year VND	Prior year VND
Compensation for damaged goods	51,761,280	-
Deposit received due to early contract termination	67,892,548	-
Debt recovery	3,592,267,470	-
Profit from disposal and sale of fixed assets	352,918,654	-
+ <i>Proceeds from fixed asset disposal</i>	545,454,545	-
+ <i>Residual value of liquidated fixed assets</i>	(192,535,891)	-
Others	5,310,409	498,445,803
	4,070,150,361	498,445,803

5.9. Other expenses

	Current year VND	Prior year VND
Penalties	323,517	97,130,276
Other costs	120,585,926	11,642,394
	120,909,443	108,772,670

5.10. Current corporate income tax expense

	Current year VND	Prior year VND
Corporate income tax expense based on taxable profit in the current year (i)	1,198,544,577	1,123,147,822
Total current corporate income tax expense	1,198,544,577	1,123,147,822

(i) The current corporate income tax expense for the year was computed as follows:

	Current year VND	Prior year VND
Profit before tax	9,303,803,718	5,569,526,542
- Adjustments increase	120,493,045	96,800,639
+) <i>Administrative penalty fines</i>	161,189	96,800,639
+) <i>Other upward adjustments</i>	120,000,000	-
+) <i>Loss from revaluation of foreign exchange for cash and receivables in foreign currency this year</i>	331,856	-
- Adjustments decrease	3,431,573,877	50,588,050
+) <i>Gain from revaluation of foreign exchange for cash and receivables in foreign currency at year-end</i>	-	50,588,050
- <i>Profit from the 75 Tam Trinh project</i>	3,431,573,877	-
Profits subject to corporate income tax	5,992,722,886	5,615,739,131
Income from business activities is subject to a tax rate of 20%	5,992,722,886	5,615,739,131
Corporate income tax expenses from business activities are subject to a tax rate of 20%	1,198,544,577	1,123,147,822
Estimated corporate income tax payable	1,198,544,577	1,123,147,822

5.11. Basic earnings per share and Diluted earnings per share

The calculation of basic earnings per share distributable to common shareholders of the company is based on the following figures:

	Current year	Prior year
a) Basic earnings per share	-	-
Accounting profit after corporate income tax (VND)	8,105,259,141	4,446,378,720
Profit or loss attributable to ordinary shareholders (VND)	8,105,259,141	4,446,378,720
<i>Average ordinary shares in circulation for the year (shares)</i>	<i>15,000,000</i>	<i>15,000,000</i>
Basic earnings per share (VND/Share)	540	296
b) Diluted earnings per share		
Diluted earnings per share (VND/Share)	540	296

5.12. Production cost by nature

	Current year VND	Prior year VND
Raw material and supplies expenses	810,081,235,503	163,513,086,333
Labor costs	1,768,819,897	8,781,534,273
Tool, equipment, and supplies expenses	1,219,530,126	301,809,558
Fixed asset depreciation expenses	6,243,044,351	6,417,280,101
Taxes, fees, and charges	32,203,210	-
Allowance expenses	181,577,188	-
Outsourced service expenses	11,769,948,635	11,559,514,445
Other cash expenses	2,520,684,516	2,029,718,489
	833,817,043,426	192,602,943,199

6. ADDITIONAL INFORMATION ON THE PRESENTED SECTIONS ON THE STATEMENT OF CASH FLOWS

6.1. Actual amounts of borrowings received during the year

	Current year VND	Prior year VND
Proceeds from borrowings under normal contracts	819,973,535,119	697,368,922,546
	819,973,535,119	697,368,922,546

Actual amounts of principal paid during the year

	Current year VND	Prior year VND
Repayment of borrowings under normal contracts	787,398,380,724	578,019,634,999
	787,398,380,724	578,019,634,999

Actual borrowings interest paid during the year

	Current year VND	Prior year VND
Borrowings interest paid under normal contracts	24,507,803,530	28,050,834,815
	24,507,803,530	28,050,834,815

6.2. Financial instruments

The Company's financial instruments include:

	Carrying amounts	
	Closing balance VND	Opening balance VND
Financial assets		
Cash and cash equivalents	17,220,861,473	8,156,464,399
Trade and other receivables	112,919,719,796	91,859,962,885
	130,140,581,269	100,016,427,284
	Carrying amounts	
	Closing balance VND	Opening balance VND
Financial liabilities		
Trade payables, Other payables	70,415,553,252	31,304,477,530
Accrued expenses	318,112,333	455,862,081
Borrowings and lease	395,386,026,099	362,810,871,704
	466,119,691,684	394,571,211,315

The company has not determined the fair value of financial assets and financial liabilities as of the end of the accounting period because Circular No. 210/2009/TT-BTC, issued by the Ministry of Finance on 6 November 2009, as well as current regulations, do not provide specific guidance on determining the fair value of financial assets and financial liabilities. Circular 210 requires the application of International Financial Reporting Standards for financial statement presentation and disclosure of financial instruments but does not provide equivalent guidance for the measurement and recognition of financial instruments, including the application of fair value, in alignment with International Financial Reporting Standards.

6.3. Financial risk management objectives

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

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

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Credit risk

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

Liquidity risk management

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

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

	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Closing balance				
Cash and cash equivalents	17,220,861,473	-	-	17,220,861,473
Trade and other receivables	100,401,515,936	-	-	100,401,515,936
	117,622,377,409	-	-	117,622,377,409
	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Closing balance				
Trade payables, Other payables	67,752,067,413	2,663,485,839	-	70,415,553,252
Accrued expenses	318,112,333	-	-	318,112,333
Borrowings and lease	395,386,026,099	-	-	395,386,026,099
	463,456,205,845	2,663,485,839	-	466,119,691,684

	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Opening balance				
Cash and cash equivalents	8,156,464,399	-	-	8,156,464,399
Trade and other receivables	79,704,913,401	-	-	79,704,913,401
	87,861,377,800	-	-	87,861,377,800
	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Opening balance				
Trade payables, Other payables	28,655,372,530	2,649,105,000	-	31,304,477,530
Accrued expenses	455,862,081	-	-	455,862,081
Borrowings and lease	362,810,871,704	-	-	362,810,871,704
	391,922,106,315	2,649,105,000	-	394,571,211,315

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

7. OTHER INFORMATION

7.1. Operating lease commitments

Operating lease payments present:

- Office rental expense for unit No. 05 on the 17th floor of Charmvit Tower – Grand Plaza, with a rental cost of VND 6,230,880,958. The office lease term is 50 years, starting from the issuance date of the Investment Certificate for Hanoi Plaza Company Limited (the Investment Certificate expires on 15 May 2057).

- Land lease under Land Lease Agreement No. 1045/HĐ-TĐ dated 27 August 2007, along with Amendment No. 160/PLHĐTĐ dated 27 March 2014, and Amendment No. 44/PLHĐ-STNMT-KTĐ dated 16 February 16 2023. The company leases 30,016 m² of land in Quang Minh Industrial Park, Me Linh, Hanoi, with a lease term until 2052, and annual land rental payments.

Capital commitments

	Closing balance VND	Opening balance VND
Total minimum future land lease payments under non-cancellable operating lease agreements by periods		
- Within 1 year	128,618,560	128,618,560
- From 1 - 5 years	643,092,800	643,092,800
- More than 5 years	2,958,226,880	3,086,845,440
	3,729,938,240	3,858,556,800

7.2. Events arising after the end of the year

There aren't unusual events occurred after the end of the fiscal year that need to be adjusted or presented in these financial statements.

7.3. Transactions and balances with related parties

List of other related parties

Other related parties	Relationship
Mdm. Le Thi Huong Giang	Chairwoman
Mr. Pham Quang	Member of General Director
Ms. Bach Thi Ngoc Thuy	Member of General Director
Mr. Le Hong Minh	Deputy General Director
Mr. Nguyen The Giang	Head of BOS (To 25 May 2024)
Ms. Do Thi Xuan Kiem	Head of BOS (From 18 July 2024)
Mr. Chu Duc Khuong	Member of General Director
Mr. Nguyen Manh Hai	Member of General Director

In addition, the Company also has related parties who are individuals with relationships with members of the Board of Management, the Board of General Directors, and the Board of Supervisors in accordance with legal regulations.

Income of key management members

	Content	Current year VND	Prior year VND
The Board of Management			
Mdm. Le Thi Huong Giang	Chairwoman	343,490,000	342,189,000
Mr. Pham Quang	Member - General Director	303,283,000	303,656,401
Ms. Bach Thi Ngoc Thuy	Member	24,000,000	24,000,000
The Board of Supervisors			
Mr. Nguyen The Giang	Head of BOS	177,710,731	178,881,282
Mr. Chu Duc Khuong	Member	148,315,500	152,960,840
Mr. Nguyen Manh Hai	Member	157,003,375	147,280,169
The Board of General Directors			
Mr. Le Hong Minh	Deputy General Director	217,186,000	213,683,400
		1,370,988,606	1,362,651,092

7.4. Information of Department

PRIOR YEAR

Items	Sale of goods	Sale of finished goods	Provision of services	Total reported segments	Total
	VND	VND	VND	VND	VND
Net external sales	478,774,029,685	172,323,078,977	19,727,615,560	670,824,724,222	670,824,724,222
Operating profit	33,218,166,472	(813,553,959)	14,761,743,385	47,166,355,898	47,166,355,898
Segment assets	435,727,010,574	156,829,350,383	55,940,714,059	648,497,075,016	648,497,075,016
Total assets	435,727,010,574	156,829,350,383	55,940,714,059	648,497,075,016	648,497,075,016
Segment liabilities	283,558,566,880	102,060,016,387	11,683,871,825	397,302,455,092	397,302,455,092
Total liabilities	283,558,566,880	102,060,016,387	11,683,871,825	397,302,455,092	397,302,455,092

CURRENT YEAR

Items	Sale of goods	Sale of finished goods	Provision of services	Total reported segments	Total
	VND	VND	VND	VND	VND
Net external sales	680,220,363,514	178,610,903,421	21,014,095,892	879,845,362,827	879,845,362,827
Operating profit	24,793,400,909	(2,011,301,350)	15,989,671,451	38,771,771,010	38,771,771,010
Segment assets	540,231,473,160	141,852,900,403	47,049,018,930	729,133,392,493	729,133,392,493
Total assets	540,231,473,160	141,852,900,403	47,049,018,930	729,133,392,493	729,133,392,493
Segment liabilities	363,234,650,994	95,377,428,621	11,221,433,813	469,833,513,428	469,833,513,428
Total liabilities	363,234,650,994	95,377,428,621	11,221,433,813	469,833,513,428	469,833,513,428

7.5. Comparative figures

The comparative figures are data on the financial statements 2023 of the Company audited by ASCO Auditing Company Limited.



Preparer
Nguyen Thi Khanh



Chief Accountant
Nguyen The Giang



General Director
Pham Quang
Vinh Phuc, Viet Nam
10 March 2025



**JOINT STOCK COMPANY
MELIN STEEL**

**SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness**

No: 38./2025/MLS-PKT

Vinh Yen, March 12, 2025

(Etc.: Explanation of difference in profit after
tax in year 2024 compared to year 2023)

**To: - State Securities Commission
- Hanoi Stock Exchange**

First of all, Me Lin Steel Joint Stock Company We would like to send our best regards and cooperation to your agency.

Me Lin Steel Joint Stock Company would like to report the difference in profit after tax in the financial statements of the year ended 31/12/2024 compared to the financial statements of the year ended 31/12/2023:

	For the year ended 31/12/2024 (VND)	For the year ended 31/12/2023 (VND)	Difference (VND)
LNST	8.105.259.141	4.446.378.720	3.658.880.421

Reason for difference: The after-tax profit for 2024 is higher than that of 2023 due to:

+ In 2024, due to good sales revenue from goods and services, production and business costs decreased, and the company received an additional profit from the 75 Tam Trinh project.

We appreciated your concerns!

Recipient:

- State Securities Commission
- Hanoi Stock Exchange
- File: VT

MELIN STEEL JOINT STOCK COMPANY



TỔNG GIÁM ĐỐC
Phạm Quang

**MELIN STEEL JOINT STOCK
COMPANY**

Number : 02 /2025

SOCIALIST REPUBLIC OF VIETNAM

Independence - Freedom - Happiness

happiness

Vinh Yen , March 12 , 2025

PERIODIC DISCLOSURE OF FINANCIAL STATEMENTS

Dear : Transaction Office Proof Hanoi Securities

According to rule stated in Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020 of Ministry of Finance direction guide labour dad information on market school proof Contract , Steel Corporation Real Me Lin presently labour dad news fox talent Financial statements (BCTC) for the year ended 31/12/ 2024 with Exchange Proof Hanoi stock exchange as after :

1. Name of the organization : **MELIN STEEL JOINT STOCK COMPANY**

- Hanoi Securities code : **MEL**
- Land only:Area onion main No. 8 – Ward Heap Da – Vinh Yen City – Province Vinh Phuc
- Electricity phone link Contact /Tel: 0243.5840545 Fax: 0243.5840544
- Email: khanhnt@melinsteel.vn Website: <http://melinsteel.vn/>

2. Public information content dad :

- Financial Statements For the year ended 31/12/2024
☒ Separate financial statements (TCNY) no subsidiaries and audit department above affiliated unit) ;

☐ Consolidated financial statements (TCNY has subsidiary);

☐ General financial statements combination (TCNY has single audit department direct belong the organization).

- Factors explain the causes:

+ Audit organization give opinion do not approve entire with financial statements:

☐ Yes

☒ No

Explanation document in case there is a dispute among the financial statements:

☐ Yes

☒ No

+ Profit after tax in reporting period with the difference deviated before and after audit from 5% or more up , move from loss to profit or vice versa:

☐ Yes

☒ No

Explanation document in case there is a dispute with profit after tax:

☐ Yes

☒ No

+ Organization profit after tax in income statement change from 10% or more compared to same period reporting from last year :

☒ Yes

☐ No

Explanation document in case there is a dispute with profit after tax:

☒ Yes

☐ No

+ Negative profit after tax in the period, transferring interest from same period last year to this period or vice versa :

☐ Yes

☒ No

Explanation document in case there is a dispute with negative profit after tax:

☐ Yes

☒ No

This information Satisfied Okay labour dad above page electrical information death belong to company in Date : March 14 2025 at road Link : <http://melinsteel.vn/>

3. Report about the transactions take about 35% of assets in the year .

In case organization perform such transaction will inform with a full report with the following content :

- Transaction content :.....

- Transaction Ratio/ Total Assets belong to business industry (%) (based on the recent financial statements);.....

- Date of completed transaction:.....

We will be responsible for the information released above and take full responsibility presented before the law about the publicized information.

Representative of the Organization

Organization Representative / Position eligible to sign

(Signed , recorded) clear Surname name , position case , close sign)

Document attach with :

- Financial statements



Phạm Quang
TỔNG GIÁM ĐỐC
Phạm Quang