



**PHUONG NAM EDUCATION
INVESTMENT AND DEVELOPMENT
JOINT STOCK COMPANY**

Financial statements

For the year ended 31 December 2024

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REPORT OF THE MANAGEMENT

The Management of Phuong Nam Education Investment and Development Joint Stock Company is pleased to present this report together with the audited financial statements for the year ended 31 December 2024.

Overview

Phuong Nam Education Investment and Development Joint Stock Company (“the Company”) was established under Decision No. 309/NXBGDQĐ dated 23 March 2007 issued by the Education Publishing House. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being Enterprise Registration Certificate) No. 4103006644 dated 9 May 2007 issued by the Ho Chi Minh City Department of Planning and Investment (since its establishment, the Enterprise Registration Certificate has been amended 8 times and the most recent amendment was made on 23 November 2021, and the current enterprise identification number is 0304952106). The Company operates in compliance with the Enterprise Law, its Charter and relevant regulations.

The Company was approved for listing its common shares on the Hanoi Stock Exchange under Decision No. 458/QĐ-SGDHN dated 11 August 2009 with the stock code SED. The official trading date for the shares is 19 August 2009.

Head office

- Address: 231 Nguyen Van Cu Street, Ward 4, District 5, Ho Chi Minh City, Vietnam
- Tel: (84) 028 73035556
- Fax: (84) 028 38300702
- Website: www.phuongnam.edu.vn

Principal scope of business

Production and commercial trading of books and educational equipment.

Employees

As at 31 December 2024, the Company had 117 employees (as at 1 January 2024: 110 employees), including 25 managing officers.

Members of the Board of Directors, Board of Supervisors, Management and Chief Accountant during the year and up to this reporting date are as follows:

Board of Directors

- | | | |
|-----------------------------|----------|---------------------------|
| • Mr. Le Huy | Chairman | Reappointed on 09/04/2022 |
| • Mr. Dinh Gia Le | Member | Appointed on 09/04/2022 |
| • Ms. Le Phuong Mai | Member | Reappointed on 09/04/2022 |
| • Mr. Nguyen Phong Yen | Member | Appointed on 09/04/2022 |
| • Ms. Nguyen Thi Thanh Xuan | Member | Appointed on 14/04/2023 |

Board of Supervisors

- | | | |
|------------------------|------------------|---------------------------|
| • Mr. Do Huy Kien | Chief Supervisor | Appointed on 09/04/2022 |
| • Ms. Nguyen Thi Chanh | Supervisor | Reappointed on 09/04/2022 |

REPORT OF THE MANAGEMENT (cont'd)

- Ms. Le Thi Tuyet Minh Supervisor Appointed on 09/04/2022

Management and Chief Accountant

- Ms. Le Phuong Mai General Director Appointed on 18/11/2021
- Ms. Mai Ngoc Lien Deputy General Director Reappointed on 12/06/2024
- Ms. Bui Thu Giang Deputy General Director Appointed on 18/11/2021
- Mr. Nguyen Phong Yen Deputy General Director Appointed on 31/05/2022
- Ms. Pham Lan Anh Chief Accountant Reappointed on 31/05/2022

Independent Auditor

These financial statements have been audited by AAC Auditing and Accounting Co., Ltd. (Head office: Lot 78-80, 30th April Street, Hai Chau District, Da Nang City; Telephone: (84) 236.3655886; Fax: (84) 0236.3655887; Website: www.aac.com.vn; Email: aac@dng.vnn.vn).

Statement of the Management's responsibility in respect of the financial statements

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

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

Members of the Company's Management hereby confirm that the accompanying financial statements including the balance sheet, the income statement, the statement of cash flows and the notes thereto give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the year then ended, in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

On behalf of the Management



Le Phuong Mai
General Director

Ho Chi Minh City, 12 March 2025



AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL

AUDITING - ACCOUNTING - FINANCE SPECIALITY

Head Office: Lot 78 - 80, April 30th Street, Hai Chau District, Da Nang City

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dng.vnn.vn; Website: http://www.aac.com.vn

No.:249/2025/BCKT-AAC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders, Board of Directors and Management
Phuong Nam Education Investment and Development Joint Stock Company

We have audited the accompanying financial statements prepared on 12 March 2025 of Phuong Nam Education Investment and Development Joint Stock Company ("the Company") as set out on pages 4 to 33, which comprise the balance sheet as at 31 December 2024, the income statement, statement of cash flows for the year then ended, and the notes thereto.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

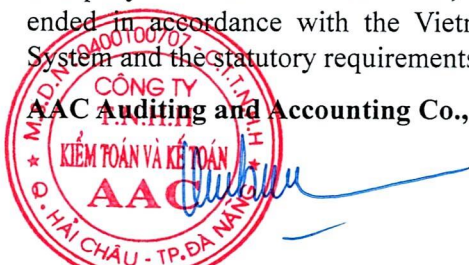
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

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

Opinion

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

AAC Auditing and Accounting Co., Ltd.



Tran Thi Thu Hien - Deputy General Director
Audit Practicing Registration Certificate
No. 0753-2023-010-1
Da Nang City, 12 March 2025

Do Thi Thanh Van - Auditor
Audit Practicing Registration Certificate
No. 1483-2023-010-1

BALANCE SHEET
As at 31 December 2024

Form B 01 - DN
Issued under Circular No. 200/2014/TT - BTC
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2024 VND	01/01/2024 VND
A. CURRENT ASSETS	100		506,663,217,988	428,718,041,355
I. Cash and cash equivalents	110	5	96,240,197,333	78,267,307,155
1. Cash	111		23,240,197,333	58,267,307,155
2. Cash equivalents	112		73,000,000,000	20,000,000,000
II. Short-term financial investments	120		-	-
III. Short-term receivables	130		152,714,248,789	58,543,523,508
1. Short-term trade receivables	131	6	157,361,676,535	63,273,603,777
2. Short-term prepayments to suppliers	132	7	534,172,834	1,470,248,096
3. Other short-term receivables	136	8.a	3,599,998,981	739,279,072
4. Provision for short-term doubtful debts	137	9	(8,781,599,561)	(6,939,607,437)
IV. Inventories	140	10	256,553,584,894	284,119,977,038
1. Inventories	141		315,881,287,825	325,990,072,811
2. Provision for obsolete inventories	149		(59,327,702,931)	(41,870,095,773)
V. Other current assets	150		1,155,186,972	7,787,233,654
1. Short-term prepaid expenses	151	11.a	1,155,186,972	7,787,233,654
2. Taxes and amounts receivable from the State	153		-	-
B. NON-CURRENT ASSETS	200		100,355,100,398	104,530,253,740
I. Long-term receivables	210		22,222,369,898	22,610,089,898
1. Other long-term receivables	216	8.b	22,222,369,898	22,610,089,898
2. Provision for long-term doubtful debts	219		-	-
II. Fixed assets	220		54,776,306,719	57,123,397,601
1. Tangible fixed assets	221	12	54,776,306,719	57,123,397,601
- Cost	222		78,604,311,297	78,068,127,157
- Accumulated depreciation	223		(23,828,004,578)	(20,944,729,556)
2. Intangible fixed assets	227	13	-	-
- Cost	228		1,839,737,688	1,839,737,688
- Accumulated amortisation	229		(1,839,737,688)	(1,839,737,688)
III. Investment properties	230		-	-
IV. Non-current assets in progress	240		-	-
V. Long-term financial investments	250		770,000,000	770,000,000
1. Investments in other entities	253	14	770,000,000	770,000,000
2. Provisions for long-term financial investments	254		-	-
VI. Other non-current assets	260		22,586,423,781	24,026,766,241
1. Long-term prepaid expenses	261	11.b	22,586,423,781	24,026,766,241
2. Other non-current assets	268		-	-
TOTAL ASSETS	270		607,018,318,386	533,248,295,095

BALANCE SHEET (cont'd)

As at 31 December 2024

RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
C. LIABILITIES	300		273,149,526,052	236,089,840,210
I. Short-term liabilities	310		273,149,526,052	236,089,840,210
1. Short-term trade payables	311	15	43,068,573,137	46,739,325,681
2. Short-term advances from customers	312	16	2,488,330,529	3,807,086,518
3. Taxes and amounts payable to the State budget	313	17	21,666,609,389	11,771,364,905
4. Payables to employees	314		36,085,251,964	17,118,942,279
5. Short-term accrued expenses	315	18	92,216,567,385	66,597,575,270
6. Other short-term payables	319	19	92,592,200	377,566,680
7. Short-term loans and finance lease liabilities	320	20	53,416,894,433	70,355,235,700
8. Reward and welfare fund	322		24,114,707,015	19,322,743,177
II. Long-term liabilities	330		-	-
D. EQUITY	400		333,868,792,334	297,158,454,885
I. Owners' equity	410	21	333,868,792,334	297,158,454,885
1. Paid-in capital	411	21	100,000,000,000	100,000,000,000
- Common shares with voting rights	411a		100,000,000,000	100,000,000,000
- Preferred shares	411b		-	-
2. Share premium	412	21	(71,500,000)	(71,500,000)
3. Treasury shares	415	21	(11,541,426,210)	(11,541,426,210)
4. Development investment fund	418	21	192,977,228,612	172,691,066,328
5. Other equity funds	420	21	1,886,452,483	1,886,452,483
6. Undistributed profit	421	21	50,618,037,449	34,193,862,284
- Undistributed profit accumulated to the end of prior period	421a		-	-
- Undistributed profit for the current period	421b		50,618,037,449	34,193,862,284
II. Other resources and funds	430		-	-
TOTAL RESOURCES	440		607,018,318,386	533,248,295,095



Le Phuong Mai
General Director

Ho Chi Minh City, 12 March 2025

Pham Lan Anh
Chief Accountant

Nguyen Thi Phuong
Preparer

INCOME STATEMENT
For the year ended 31 December 2024

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

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
1. Revenue from sales and service provision	01	22	1,337,505,037,043	1,050,476,910,141
2. Revenue deductions	02	23	6,271,499,227	9,313,060,157
3. Net revenue from sales and service provision	10		1,331,233,537,816	1,041,163,849,984
4. Cost of goods sold	11	24	1,021,823,786,446	781,034,714,550
5. Gross profit from sales and service provision	20		309,409,751,370	260,129,135,434
6. Financial income	21	25	4,886,096,583	2,551,421,806
7. Financial expenses	22	26	4,954,336,090	5,947,965,698
Including: Interest expense	23		3,308,853,208	4,583,836,084
8. Selling expenses	25	27.a	154,596,347,258	129,220,716,088
9. Administrative expenses	26	27.b	76,278,479,052	69,620,608,665
10. Net operating profit	30		78,466,685,553	57,891,266,789
11. Other income	31	28	354,545,455	41,151,853
12. Other expenses	32		153,628,595	426,025,113
13. Other profit	40		200,916,860	(384,873,260)
14. Accounting profit before tax	50		78,667,602,413	57,506,393,529
15. Current corporate income tax expense	51	29	17,682,015,126	16,308,969,090
16. Deferred corporate income tax expense	52		-	-
17. Profit after tax	60		60,985,587,287	41,197,424,439
18. Basic earnings per share	70	30	5,459	3,688
19. Diluted earnings per share	71	30	5,459	3,688



Le Phuong Mai
General Director

Ho Chi Minh City, 12 March 2025

Pham Lan Anh
Chief Accountant

Nguyen Thi Phuong
Preparer

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

Form B 03 - DN

Issued under Circular No. 200/2014/TT - BTC

dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Year 2024 VND	Year 2023 VND
I. Cash flows from operating activities			
1. Cash receipts from sales, service and other income	01	1,235,826,709,069	1,053,671,590,297
2. Cash paid to suppliers	02	(1,103,628,283,411)	(982,862,463,690)
3. Cash paid to employees	03	(57,887,487,498)	(40,938,672,242)
4. Interest paid	04	(3,068,769,346)	(4,613,585,539)
5. Corporate income tax paid	05	(10,527,876,635)	(13,246,684,034)
6. Other cash receipts from operating activities	06	11,183,454,475	6,028,410,599
7. Other cash payments for operating activities	07	(22,443,792,665)	(17,382,347,742)
Net cash provided by operating activities	20	49,453,953,989	656,247,649
II. Cash flows from investing activities			
1. Purchases and construction of fixed assets and other non-current assets	21	(1,949,337,278)	-
2. Proceeds from disposals of fixed assets and other non-current assets	22	354,545,455	41,818,181
3. Recovery of loans, re-sales of debt instruments of other entities	24	-	10,000,000,000
4. Dividend, profit and interest received	27	950,506,779	795,593,362
Net cash used in investing activities	30	(644,285,044)	10,837,411,543
III. Cash flows from financing activities			
1. Proceeds from borrowings	33	162,856,564,878	204,800,048,768
2. Repayment of borrowings	34	(179,794,906,145)	(195,102,828,393)
3. Dividends, profit paid to owners	36	(13,898,437,500)	(13,907,700,000)
Net cash used in financing activities	40	(30,836,778,767)	(4,210,479,625)
Net cash flows for the period	50	17,972,890,178	7,283,179,567
Cash and cash equivalents at the beginning of the period	60	78,267,307,155	70,984,127,588
Impacts of exchange rate fluctuations	61	-	-
Cash and cash equivalents at the end of the period	70	96,240,197,333	78,267,307,155



Le Phuong Mai
General Director

Ho Chi Minh City, 12 March 2025

Pham Lan Anh
Chief Accountant

Nguyen Thi Phuong
Preparer

NOTES TO THE FINANCIAL STATEMENTS

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

Form B 09 - DN

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

1. Nature of operations

1.1. Overview

Phuong Nam Education Investment and Development Joint Stock Company ("the Company") was established under Decision No. 309/NXBGDQD dated 23 March 2007 issued by the Education Publishing House. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being Enterprise Registration Certificate) No. 4103006644 dated 9 May 2007 issued by the Ho Chi Minh City Department of Planning and Investment (since its establishment, the Enterprise Registration Certificate has been amended 8 times and the most recent amendment was made on 23 November 2021, and the current enterprise identification number is 0304952106). The Company operates in compliance with the Enterprise Law, its Charter and relevant regulations.

1.2. Principal scope of business: Production and commercial trading of books and educational equipment.

2. Accounting period, currency used in accounting

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

Currency unit used for accounting records and presented in the financial statements is Vietnamese Dong (VND).

3. Applied accounting standards and system

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

4. Summary of significant accounting policies

4.1 Cash and cash equivalents

Cash includes: cash on hand and demand deposits.

Cash equivalents are short-term investments which are collectible or mature within 3 months at the date of purchase, readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date.

4.2 Receivables

Receivables include: trade receivables and other receivables.

- Trade receivables include commercial receivables generating from purchase-sale related transactions between the Company and buyers;
- Other receivables include non-commercial receivables, receivables not related to purchase-sale and intra-company transactions.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.3 Inventories

Inventories are accounted for using the perpetual method and value of inventories is calculated using the weighted average method.

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

Cost of inventories comprises:

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

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

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

4.4 Tangible fixed assets

Cost

Tangible fixed assets are stated at cost less accumulated depreciation.

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

Depreciation

Depreciation of fixed assets is calculated in accordance with the straight-line method over their estimated useful lives. Depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. The Company applies the double-declining balance (DDB) method, an accelerated depreciation approach, for fixed assets classified as machinery and equipment, motor vehicles, and office equipment. Details are as follows:

<u>Kind of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	6 - 25
Machinery, equipment	3 - 6
Motor vehicles	6
Office equipment	1.5

4.5 Intangible fixed assets

Cost

Intangible fixed assets are stated at cost less accumulated amortization.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

Amortization

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

The amortization period for intangible fixed assets at the Company is specifically as follows:

<u>Kind of assets</u>	<u>Amortization period (years)</u>
Software	3

4.6 Financial investments

Equity investments in other companies

Long-term equity investments in other companies are investments which the company has no power to control or jointly control, no significant influence over the investees.

Long-term equity investments in other companies are stated at cost less provision for diminution in value. Dividends and profits received in money or non-monetary asset for the period before the investment date shall be recorded as a decrease in value of investment.

Provision

Provision for long-term equity investments in other companies is made as follows:

- If an investment in listed shares or the fair value of the investment is determined reliably, the provision shall be made based on the market value of the shares;
- If the market value of the shares is not identifiable, the provision shall be made based on the loss reported in the financial statements of the investee.

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

4.7 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses. These are expenditures that have been incurred but related to the operations of many accounting periods. The Company selects appropriate method and criteria of allocation over the period in which economic benefits are expected to be received based on the nature and extent of the prepaid expenses.

4.8 Payables

Payables include: trade payables and other payables.

- Trade payables are trade-related amounts, arising from trading activities between the Company and its suppliers;

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

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

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

4.9 Accrued expenses

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

4.10 Loans and finance lease liabilities

Loans and finance lease liabilities are reflected at cost and classified into current liabilities and long-term liabilities based on their remaining terms at the balance sheet date.

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

Borrowing costs

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

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

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

4.11 Owners' equity

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

Share premium

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

Treasury shares

Treasury shares are the amounts payable to repurchase the shares that the Company has issued and all costs directly related to this repurchase transaction.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Profit distribution

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

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

4.12 Recognition of revenue and other income

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

4.13 Revenue deductions

Revenue deductions include trade discounts, sales rebates and sales returns.

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

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

4.14 Cost of goods sold

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

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

4.15 Financial expenses

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, interest on installment purchase, payment discounts for buyers, expenses and loss on

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

liquidating, transferring investments; provision for diminution in value of trading securities, provision for loss from investment in other entities, and other expenses attributable to investing activities.

4.16 Selling expenses, administrative expenses

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

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

4.17 Current income tax expense, deferred income tax expense

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

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

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

4.18 Financial instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement

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

4.19 Tax rates and charges payable to the State Budget which the Company is applying

- Value-Added Tax (VAT):
 - + Textbooks and reference books supplementary to textbooks are not subject to VAT;
 - + Reference books not supplementary to textbooks: VAT rate of 5% is applicable;
 - + Calendars and educational equipment: VAT rate of 10% is applicable. During the period from 1 January 2024 to 31 December 2024, these products are subject to a VAT rate of 8% under the Government's Decree No. 94/2023/ND-CP and Decree No. 72/2024/ND-CP.
 - + Other activities: The VAT rates are applied in accordance with the prevailing regulations.
- Corporate Income Tax (CIT): CIT rate of 20 % is applicable.
- Other taxes, fees and chargers are fulfilled in accordance with the prevailing regulations.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

4.20 Related parties

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

Currency unit: VND

5. Cash and cash equivalents

	31/12/2024	01/01/2024
Cash on hand	162,942,812	93,543,209
Demand deposits	23,077,254,521	58,173,763,946
Term deposits with maturities not exceeding 3 months	73,000,000,000	20,000,000,000
Total	96,240,197,333	78,267,307,155

6. Short-term trade receivables

	31/12/2024	01/01/2024
Tiengiang Book and School Equipment Joint Stock Company	23,930,579,225	9,134,675,155
Cuu Long Books & Educational Equipment Joint Stock Company	-	5,219,738,735
Others	133,431,097,310	48,919,189,887
Total	157,361,676,535	63,273,603,777

In which, the total value of receivables pledged as collateral for loans as at 31 December 2024 is at least VND70,000,000,000.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Of which: Trade receivables from related parties

	Relationship	31/12/2024	01/01/2024
Viet Nam Education Publishing House Limited Company	Investing company	7,419,418,561	2,202,556,968
Viet Nam Education Publishing House in Ha Noi	Dependent unit of investing company	-	565,110,840
Viet Nam Education Publishing House in Da Nang	Dependent unit of investing company	-	307,255,498
Ben Tre Book and Equipment Joint Stock Company	Under the same investing company	154,957,731	371,129,234
Textbook Printing Joint Stock Company in HCMC	Under the same investing company	-	-
Can Tho City School Book and Equipment JSC	Under the same investing company	5,150,327,638	2,160,899,450
Educational Materials Joint Stock Company	Under the same investing company	3,050,743,401	1,308,494,181
Book and Educational Equipment JSC of HCMC	Under the same investing company	-	-
Binh Thuan Books and Equipment JSC	Under the same investing company	81,760,799	-
Danang Education Investment and Development JSC	Under the same investing company	3,637,815,039	2,388,199,451
Cuu Long Books & Educational Equipment JSC	Under the same investing company	-	5,219,738,735
South Books and Educational Equipment JSC	Under the same investing company	2,769,899,952	1,206,008,687
Education Publishing and Investment JSC	Under the same investing company	2,442,037,317	1,406,197,299
Total		24,706,960,438	17,135,590,343

7. Short-term prepayments to suppliers

	31/12/2024	01/01/2024
Educational Books and Learning Materials Research Institute	397,195,416	1,000,000,000
Others	136,977,418	470,248,096
Total	534,172,834	1,470,248,096

Of which: Short-term prepayment to suppliers being related parties

	Relationship	31/12/2024	01/01/2024
Educational Books and Learning Materials Research Institute	Dependent unit of investing company	397,195,416	1,000,000,000
Total		397,195,416	1,000,000,000

8. Other receivables

a. Short-term

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Receivables on employees's PIT	3,071,877,981	-	522,794,955	-
Advances	-	-	97,627,673	-
Deposits, collaterals	528,121,000	-	110,412,000	-
Accrued interest receivable	-	-	8,444,444	-
Total	3,599,998,981	-	739,279,072	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Long-term

	31/12/2024	01/01/2024
Viet Nam Education Publishing House Limited Company (*)	22,222,369,898	22,222,369,898
Long-term deposits, collaterals	-	387,720,000
Total	22,222,369,898	22,610,089,898

(*) This represents the capital contribution with the Education Publishing House in Ho Chi Minh City (a dependent unit of Viet Nam Education Publishing House Limited Company – a related party of the Company) for the construction of an office building at 104 Mai Thi Luu, Dakao Ward, District 1, Ho Chi Minh City, under the tripartite Business Cooperation Contract No. 108HD/2011 dated 1 April 2011, and its subsequent amendments. The total contributed capital amounts to VND50 billion, of which the Company contributed VND22.5 billion. On 1 July 2014, the parties agreed to sign Amendment No. 01, transferring the project implementation responsibility to Viet Nam Education Publishing Limited Company, replacing the former contracting party, Education Publishing House in Ho Chi Minh City. According to the audited project completion report, the total final settlement value of the construction was VND49,383,044,219, in which the Company's contributed value was VND22,222,369,898 (equivalent to the ratio of 45%). On 15 December 2018, the parties agreed to sign Amendment No. 02 to adjust the pre-tax profit-sharing ratio as follows: Viet Nam Education Publishing House Limited Company (37.5%), South Books and Educational Equipment Joint Stock Company (25%), Phuong Nam Education Investment and Development Joint Stock Company (37.5%).

9. Provision for short-term doubtful debts

	Year 2024	Year 2023
Provision for doubtful debts at the beginning of the year	6,939,607,437	8,232,414,278
Provision for doubtful debts made during the year	1,841,992,124	-
Reversal of provision for doubtful debts during the year	-	1,292,806,841
Provision for doubtful debts at the end of the year	8,781,599,561	6,939,607,437

10. Inventories

	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Materials, raw materials	28,881,715,830	747,882,525	42,909,691,394	1,495,482,512
Work in process	6,171,843,138	-	14,395,954,977	-
Finished products	58,383,288,065	16,502,098,281	89,651,583,109	10,578,174,549
Merchandise goods	222,444,440,792	42,077,722,125	179,032,843,331	29,796,438,712
Total	315,881,287,825	59,327,702,931	325,990,072,811	41,870,095,773

- The value of slow-moving and stagnant inventories as at 31 December 2024 is VND123,983,031,554.
- The value of inventories pledged as collateral for borrowings as at 31 December 2024 is at least VND90,000,000,000.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

11. Prepaid expenses

a. Short-term

	31/12/2024	01/01/2024
Input VAT pending amortization for unsold goods	-	3,066,844,424
Manuscript preparation costs	926,226,972	4,162,469,230
Other prepaid expenses	228,960,000	557,920,000
Total	1,155,186,972	7,787,233,654

b. Long-term

	31/12/2024	01/01/2024
Life insurance expenses for employees	1,262,150,000	2,012,350,000
Land rental expenses (*)	21,324,273,781	22,014,416,241
Total	22,586,423,781	24,026,766,241

(*) See Note 35.

12. Tangible fixed assets

	Buildings, architectures	Machinery, equipment	Motor vehicles	Office equipment	Total
Cost					
Beginning balance	58,772,601,672	3,960,756,230	14,961,234,687	373,534,568	78,068,127,157
Newly-purchased	-	-	1,949,337,278	-	1,949,337,278
Sold, disposed	-	-	1,413,153,138	-	1,413,153,138
Ending balance	58,772,601,672	3,960,756,230	15,497,418,827	373,534,568	78,604,311,297
Depreciation					
Beginning balance	4,007,841,389	1,770,611,634	14,854,521,418	311,755,115	20,944,729,556
Charge for the year	2,382,538,575	1,319,925,075	532,185,057	61,779,453	4,296,428,160
Sold, disposed	-	-	1,413,153,138	-	1,413,153,138
Ending balance	6,390,379,964	3,090,536,709	13,973,553,337	373,534,568	23,828,004,578
Net book value					
Beginning balance	54,764,760,283	2,190,144,596	106,713,269	61,779,453	57,123,397,601
Ending balance	52,382,221,708	870,219,521	1,523,865,490	-	54,776,306,719

- Cost of tangible fixed assets fully depreciated but still in active use as at 31 December 2024 is VND12,420,272,430.
- There are no tangible fixed assets pledged or mortgaged as collateral for borrowings as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

13. Intangible fixed assets

	Software	Total
Cost		
Beginning balance	1,839,737,688	1,839,737,688
Newly-purchased	-	-
Sold, disposed	-	-
Ending balance	1,839,737,688	1,839,737,688
Amortization		
Beginning balance	1,839,737,688	1,839,737,688
Charge for the year	-	-
Sold, disposed	-	-
Ending balance	1,839,737,688	1,839,737,688
Net book value	-	-
Beginning balance	-	-
Ending balance	-	-

- Cost of intangible fixed assets fully amortized but still in active use as at 31 December 2024 is VND1,839,737,688.
- There are no intangible fixed assets pledged or mortgaged as collateral for borrowings as at 31 December 2024.

14. Long-term financial investments

		31/12/2024				01/01/2024	
	Operating status	% holding	Voting rate	Cost	Provision	Cost	Provision
Investment in other entity							
- Giadinh Education Publishing Service Joint Stock Company (*)	Operating	7.50%	7.50%	770,000,000	-	770,000,000	-
Total				770,000,000	-	770,000,000	-

(*) The shares of Giadinh Education Publishing Service Joint Stock Company are not listed on any stock exchange. The 2024 income statement of this Company shows profit and no accumulated losses as at 31 December 2024. Therefore, the investment is recognized at cost, with no provision recorded.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

15. Short-term trade payables

	31/12/2024	01/01/2024
Viet Nam Education Publishing House in Ho Chi Minh City	14,763,189,196	7,968,329,649
Ha Noi Education Development and Investment JSC	2,145,332,328	2,700,296,648
CP Paper Corporation	17,086,901,684	11,765,103,607
Others	9,073,149,929	24,305,595,777
Total	43,068,573,137	46,739,325,681

Of which: Amounts payable to suppliers being related parties

	Relationship	31/12/2024	01/01/2024
Viet Nam Education Publishing House in HCM City	Dependent entity of investing company	14,763,189,196	7,968,329,649
Educational Book Joint Stock Company in Ha Noi City	Under the same investing company	176,000,000	188,722,955
Ha Noi Education Development and Investment JSC	Under the same investing company	2,145,332,328	2,700,296,648
Giadinh Education Publishing Service JSC	Under the same investing company	1,999,656,464	4,295,828,584
Cuu Long Books & Educational Equipment JSC	Under the same investing company	773,199,410	-
Ha Noi Education Publishing Services JSC	Under the same investing company	-	1,001,995,733
Educational Book Joint Stock Company in Da Nang City	Under the same investing company	94,705,680	189,497,699
Total		19,952,083,078	16,344,671,268

16. Short-term advances from customers

	31/12/2024	01/01/2024
Book and Educational Equipment JSC of Ho Chi Minh City	-	86,745,208
Vinh Long Book and Equipment Joint-Stock Company	338,835,484	-
Binh Phuoc Educational Book and Equipment Joint Stock Company	306,985,263	-
Others	1,842,509,782	3,720,341,310
Total	2,488,330,529	3,807,086,518

Of which: Advances from customers being related parties

	Relationship	31/12/2024	01/01/2024
Book and Educational Equipment JSC of HCMC	Under the same investing company	-	86,745,208
Total		-	86,745,208

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

17. Taxes and amounts payable to the State budget

	Beginning balance		Amount payable in the year	Amount actually paid in the year	Ending balance	
	Amount receivable/ To be deducted	Amount payable			Amount receivable/ To be deducted	Amount payable
VAT	-	1,416,572,704	2,634,916,768	3,744,628,747	-	306,860,725
CIT	-	7,773,858,049	17,682,015,126	10,527,876,635	-	14,927,996,540
PIT	-	2,580,934,152	10,001,321,745	6,150,503,773	-	6,431,752,124
License tax	-	-	4,000,000	4,000,000	-	-
Contractor tax	-	-	14,118,973	14,118,973	-	-
Total	-	11,771,364,905	30,336,372,612	20,441,128,128	-	21,666,609,389

The Company's tax returns are subject to examination by the tax authorities. The amounts reported in the financial statements could be changed at later date upon final determination by the tax authorities.

18. Short-term accrued expenses

	31/12/2024	01/01/2024
Accrued expenses for book editing	977,682,500	1,948,652,500
Accrued interest expenses	342,904,176	102,820,314
Accrued royalty fees and manuscript expenses	89,142,761,812	62,153,230,600
Other accruals	1,753,218,897	2,392,871,856
Total	92,216,567,385	66,597,575,270

19. Other short-term payables

	31/12/2024	01/01/2024
Trade union fees	83,329,700	377,566,680
Dividends payable	9,262,500	-
Total	92,592,200	377,566,680

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

20. Short-term loans and finance lease liabilities

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
Short-term loans	70,355,235,700	162,856,564,878	179,794,906,145	53,416,894,433
HSBC Bank	33,899,465,804	98,010,984,562	104,104,533,893	27,805,916,473
Standard Chartered Bank	18,771,418,586	57,991,124,736	51,151,565,362	25,610,977,960
HongLeong Bank	17,684,351,310	6,854,455,580	24,538,806,890	-
Total	70,355,235,700	162,856,564,878	179,794,906,145	53,416,894,433

21. Owners' equity

a. Statement of changes in equity

	Share capital	Share premium	Treasury shares	Development investment fund	Other equity's fund	Undistributed profit after tax	Total
As at 01/01/2023	100,000,000,000	(71,500,000)	(11,541,426,210)	155,131,558,902	1,886,452,483	31,467,207,426	276,872,292,601
Increase in the year	-	-	-	17,559,507,426	-	41,197,424,439	58,756,931,865
Decrease in the year	-	-	-	-	-	38,470,769,581	38,470,769,581
As at 31/12/2023	100,000,000,000	(71,500,000)	(11,541,426,210)	172,691,066,328	1,886,452,483	34,193,862,284	297,158,454,885
As at 01/01/2024	100,000,000,000	(71,500,000)	(11,541,426,210)	172,691,066,328	1,886,452,483	34,193,862,284	297,158,454,885
Increase in the year	-	-	-	20,286,162,284	-	60,985,587,287	81,271,749,571
Decrease in the year	-	-	-	-	-	44,561,412,122	44,561,412,122
As at 31/12/2024	100,000,000,000	(71,500,000)	(11,541,426,210)	192,977,228,612	1,886,452,483	50,618,037,449	333,868,792,334

b. Breakdown of share capital

	31/12/2024	01/01/2024
Viet Nam Education Publishing House Limited Company	43,390,000,000	43,390,000,000
Other shareholders	49,328,000,000	49,328,000,000
Treasury shares (at par value)	7,282,000,000	7,282,000,000
Total	100,000,000,000	100,000,000,000

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

c. Shares

	31/12/2024	01/01/2024
	Shares	Shares
Number of shares registered to be issued	10,000,000	10,000,000
Number of shares sold publicly	10,000,000	10,000,000
- Common shares	10,000,000	10,000,000
Number of shares bought back (treasury shares)	728,200	728,200
- Common shares	728,200	728,200
Number of outstanding shares	9,271,800	9,271,800
- Common shares	9,271,800	9,271,800
Par value of outstanding shares: VND10,000 each		

d. Undistributed profit after tax

	Year 2024	Year 2023
Profit brought forward	34,193,862,284	31,467,207,426
Profit after corporate income tax this year	60,985,587,287	41,197,424,439
Distribution of profit	44,561,412,122	38,470,769,581
Distribution of prior-year profit	34,193,862,284	31,467,207,426
- To development investment fund	20,286,162,284	17,559,507,426
- Paying dividends to shareholders	13,907,700,000	13,907,700,000
Distribution of current-year profit	10,367,549,838	7,003,562,155
- To reward and welfare fund	7,318,270,474	4,943,690,933
- To remuneration and bonus fund for the Executive Board	3,049,279,364	2,059,871,222
Undistributed profit after tax	50,618,037,449	34,193,862,284

The Company distributes the after-tax profit for 2023 and temporarily distributes the profit for 2024 in accordance with the Resolution of the 2024 Annual General Shareholders' Meeting No. 15/NQHCD-SED dated 22 April 2024.

e. Dividends

The 2024 Annual General Shareholders' Meeting held on 22 April 2024 approved the plan to distribute cash dividends from the after-tax profit of 2023 at a rate of 15% (equivalent to VND13,907,700,000). Accordingly, the Company finalized the list of shareholders entitled to dividends on 31 May 2024, payment date: 14 June 2024.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

22. Revenue from sales and service provision

	Year 2024	Year 2023
Revenue from publications	1,320,664,551,394	1,025,413,982,804
Other revenue	16,840,485,649	25,062,927,337
Total	1,337,505,037,043	1,050,476,910,141

23. Revenue deductions

	Year 2024	Year 2023
Sales returns	605,742,671	4,471,049,215
Trade discounts	5,665,756,556	4,842,010,942
Total	6,271,499,227	9,313,060,157

24. Cost of goods sold

	Year 2024	Year 2023
Cost of publications	991,348,264,078	741,157,559,770
Cost of other products	13,017,915,210	21,413,047,520
Appropriation to/(Reversal of) provision for decline in value of inventories	17,457,607,158	18,464,107,260
Total	1,021,823,786,446	781,034,714,550

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

25. Financial income

	Year 2024	Year 2023
Deposit interest	749,562,335	788,412,806
Profits, dividends received	192,500,000	-
Payment discounts	3,944,034,248	1,763,009,000
Total	4,886,096,583	2,551,421,806

26. Financial expenses

	Year 2024	Year 2023
Loan interest	3,308,853,208	4,583,836,084
Payment discounts, interest on deferred payments	1,645,482,882	1,364,129,614
Total	4,954,336,090	5,947,965,698

27. Selling expenses and administrative expenses

a. Selling expenses

	Year 2024	Year 2023
Transportation expenses	10,295,384,188	10,407,222,093
Salaries and salary-based payments	42,157,744,080	28,923,884,620
Depreciation and amortization of fixed assets	3,702,763,650	3,937,104,264
Outside service expenses	65,006,270,380	53,842,657,098
Others	33,434,184,960	32,109,848,013
Total	154,596,347,258	129,220,716,088

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Administrative expenses

	Year 2024	Year 2023
Salaries and salary-based payments	39,537,932,973	27,400,781,648
Depreciation and amortization of fixed assets	593,664,510	2,099,945,408
Appropriation to/(Reversal of) provision for doubtful debts	1,841,992,124	(1,292,806,841)
Outside service expenses	10,540,160,994	23,746,556,158
Others	23,764,728,451	17,666,132,292
Total	76,278,479,052	69,620,608,665

28. Other income

	Year 2024	Year 2023
Proceeds from disposals of fixed assets	354,545,455	39,151,853
Other income	-	2,000,000
Total	354,545,455	41,151,853

29. Current corporate income tax expense

	Year 2024	Year 2023
Total accounting profit before tax	78,667,602,413	57,506,393,529
Adjustments to taxable income	5,972,380,284	14,058,501,348
Increase	6,164,880,284	14,058,501,348
Decrease	192,500,000	-
Total taxable income	84,639,982,697	71,564,894,877
Corporate income tax - current year	16,927,996,539	14,312,978,975
Current corporate income tax expense	17,682,015,126	16,308,969,090

In which:

- Current income tax expense incurred this year	16,927,996,540	14,312,978,975
- Adjusting prior-year income tax expenses to current-year income tax expenses	754,018,586	1,995,990,115

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

30. Basic/diluted earnings per share

	Year 2024	Year 2023
Profit after corporate income tax	60,985,587,287	41,197,424,439
Adjustments increasing or decreasing profit after tax	(10,367,549,838)	(7,003,562,155)
- Increase adjustments	-	-
- Decrease adjustments (appropriated to reward and welfare fund & executive board fund)	10,367,549,838	7,003,562,155
Profit or loss attributable to common shareholders	50,618,037,449	34,193,862,284
Weighted average number of common shares outstanding during the year	9,271,800	9,271,800
Basic/diluted earnings per share	5,459	3,688

31. Operating expenses by element

	Year 2024	Year 2023
Materials expenses	65,697,163,452	75,192,712,773
Labor costs	81,695,677,053	56,324,666,268
Depreciation and amortization of fixed assets	4,296,428,160	6,037,049,672
Outside service expenses	287,970,746,764	244,952,122,323
Other cash expenses	57,651,499,303	50,049,011,461
Total	497,311,514,732	432,555,562,497

32. Segment reporting

According to Vietnamese Accounting Standard No. 28 and the relevant guidelines, the Company is required to have segment reporting. Accordingly, a business segment is a distinguishable component of the Company that is engaged in providing related products or service (business segment) or providing goods or services in a specific economic environment (segment by geographical area) and that is subject to risks and returns that are different from those of other business segment.

Based on the Company's actual operations, the Management assesses that specific economic environments by geographical areas have no differences in bearing risks and obtaining returns. Accordingly, the Company presents its segment report based on business segments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Year 2024	Manufacturing activities	Trading activities	Total
Revenue from sales and service provision	511,250,285,529	826,254,751,514	1,337,505,037,043
Revenue deductions	3,973,649,190	2,297,850,037	6,271,499,227
Net revenue from sales and service provision	507,276,636,339	823,956,901,477	1,331,233,537,816
Cost of goods sold	299,800,798,602	722,022,987,844	1,021,823,786,446
Gross profit	207,475,837,737	101,933,913,633	309,409,751,370
Selling expenses			154,596,347,258
Administrative expenses			76,278,479,052
Financial income			4,886,096,583
Financial expenses			4,954,336,090
Interest expense			3,308,853,208
Other income			354,545,455
Other expenses			153,628,595
Profit (loss) in associates			-
Accounting profit before tax			<u>78,667,602,413</u>

Year 2023	Manufacturing activities	Trading activities	Total
Revenue from sales and service provision	412,653,863,257	637,823,046,884	1,050,476,910,141
Revenue deductions	6,720,164,450	2,592,895,707	9,313,060,157
Net revenue from sales and service provision	405,933,698,807	635,230,151,177	1,041,163,849,984
Cost of goods sold	239,846,333,910	541,188,380,640	781,034,714,550
Gross profit	166,087,364,897	94,041,770,537	260,129,135,434
Selling expenses			129,220,716,088
Administrative expenses			69,620,608,665
Financial income			2,551,421,806
Financial expenses			5,947,965,698
Interest expense			4,583,836,084
Other income			41,151,853
Other expenses			426,025,113
Profit (loss) in associates			-
Accounting profit before tax			<u>57,506,393,529</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

33. Risk management

a. Capital risk management

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

b. Financial risk management

Financial risk includes market risk (comprising interest rate risk, exchange rate risk and commodity risk), credit risk and liquidity risk.

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

Interest rate risk management

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

Commodity price risk management

Paper costs and printing costs are the two largest components of total production expenses. To minimize risks associated with fluctuations in input commodity and service prices, the Company selects reputable suppliers, long-term cooperation suppliers and always monitors market changes. Besides, cross-checks of prices are often done in order to ensure sufficient material sources at the most reasonable prices. With such price management policies, the Management assesses that the Company's exposure to uncontrollable risks of changes in commodity prices is low.

Credit risk management

The Company's customers are primarily entities within the Vietnam Education Publishing House system. These are long-standing customers with a history of timely payments. The Management assesses that the Company's exposure to credit risk is controllable.

Liquidity risk management

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

In: VND

31/12/2024	Within 1 year	Over 1 year	Total
Trade payables	43,068,573,137	-	43,068,573,137
Accrued expenses	92,216,567,385	-	92,216,567,385
Loans and finance lease liabilities	53,416,894,433	-	53,416,894,433
Other payables	9,262,500	-	9,262,500
Total	188,711,297,455	-	188,711,297,455

01/01/2024	Within 1 year	Over 1 year	Total
Trade payables	46,739,325,681	-	46,739,325,681
Accrued expenses	66,597,575,270	-	66,597,575,270
Loans and finance lease liabilities	70,355,235,700	-	70,355,235,700
Total	183,692,136,651	-	183,692,136,651

The Company is not exposed to short-term liquidity risk. Thus the Management believes that the Company has the ability to meet its financial obligations as they fall due.

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

31/12/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	96,240,197,333	-	96,240,197,333
Financial investments	-	770,000,000	770,000,000
Trade receivables	148,580,076,974	-	148,580,076,974
Other receivables	528,121,000	22,222,369,898	22,750,490,898
Total	245,348,395,307	22,992,369,898	268,340,765,205

01/01/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	78,267,307,155	-	78,267,307,155
Financial investments	-	770,000,000	770,000,000
Held-to-maturity investments	-	-	-
Trade receivables	56,333,996,340	-	56,333,996,340
Other receivables	118,856,444	22,610,089,898	22,728,946,342
Total	134,720,159,939	23,380,089,898	158,100,249,837

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

34. Related-party information

a. Related parties

	Relationship
Viet Nam Education Publishing House Limited Company ("Viet Nam Education Publishing House")	Investing company
Viet Nam Education Publishing House in Ha Noi	Dependent entity of investing company
Viet Nam Education Publishing House in Da Nang	Dependent entity of investing company
Viet Nam Education Publishing House in HCM City	Dependent entity of investing company
Education Publishing House in Can Tho City	Dependent entity of investing company
Ben Tre Book and Equipment Joint Stock Company	Under the same investing company
Textbook Printing Joint Stock Company in HCMC	Under the same investing company
Can Tho City School Book and Equipment JSC	Under the same investing company
Educational Book Joint Stock Company in Ha Noi City	Under the same investing company
Educational Materials Joint Stock Company	Under the same investing company
Book and Educational Equipment JSC of HCMC	Under the same investing company
Binh Thuan Books and Equipment JSC	Under the same investing company
Ha Noi Education Development and Investment JSC	Under the same investing company
Danang Education Investment and Development JSC	Under the same investing company
Giadinh Education Publishing Service JSC	Under the same investing company
Cuu Long Books & Educational Equipment JSC	Under the same investing company
South Books and Educational Equipment JSC	Under the same investing company
Ha Noi Education Publishing Services JSC	Under the same investing company
Education Publishing and Investment JSC	Under the same investing company
North Books and Educational Equipment JSC	Under the same investing company
Educational Book Joint Stock Company in Da Nang City	Under the same investing company
ECI Group Joint Stock Company	Under the same investing company
Educational Books and Learning Materials Research Institute	Dependent entity of investing company

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

b. Significant transactions with related parties

	Particulars	Year 2024	Year 2023
Selling			
Viet Nam Education Publishing House Limited Company	Providing educational books and seminar fee	4,470,942,700	3,397,532,274
Viet Nam Education Publishing House in Ha Noi	Providing calendars and educational books	-	523,250,778
Viet Nam Education Publishing House in Da Nang	Providing calendars and educational books	-	284,495,832
Viet Nam Education Publishing House in HCM City	Providing educational books and seminar fee	110,191,476,820	29,136,621,145
	Revenue from adjusted textbook cover price:	914,527,500	-
Education Publishing House in Can Tho City	Providing calendars and educational books	-	228,126,352
Ben Tre Book and Equipment Joint Stock Company	Providing educational books and seminar fee	51,827,784,440	47,994,421,908
Can Tho City School Book and Equipment JSC	Providing educational books and seminar fee	9,842,509,301	12,337,478,241
Educational Book Joint Stock Company in Ha Noi City	Providing calendars and educational books	-	49,920,000
Educational Materials Joint Stock Company	Providing educational books and seminar fee	3,359,973,500	7,089,940,736
Book and Educational Equipment JSC of HCMC	Providing educational books and seminar fee	221,638,655,323	221,766,998,509
Binh Thuan Books and Equipment JSC	Providing educational books and seminar fee	12,565,111,950	13,856,013,167
Ha Noi Education Development and Investment JSC	Providing educational books and seminar fee	4,954,954,090	4,513,637,280
Danang Education Investment and Development JSC	Providing educational books and seminar fee	11,478,619,555	11,299,372,657
Giadinh Education Publishing Service JSC	Providing educational books and seminar fee	10,072,560	-
Cuu Long Books & Educational Equipment JSC	Providing educational books and seminar fee	5,546,938,542	10,459,272,471
South Books and Educational Equipment JSC	Providing educational books and seminar fee	4,742,841,458	5,413,628,206
Ha Noi Education Publishing Services JSC	Providing educational books and seminar fee	2,761,200	-
Education Publishing and Investment JSC	Providing calendars and educational books	2,197,730,374	1,828,442,966
North Books and Educational Equipment JSC	Providing educational books and seminar fee	455,968,335	2,057,029,800
Educational Book Joint Stock Company in Da Nang City	Providing materials and educational books	384,202,800	199,231,201
Purchasing			
Viet Nam Education Publishing House Limited Company	Purchase of educational books and publishin	5,391,906,611	7,054,245,510
Viet Nam Education Publishing House in Ha Noi	Educational book introduction fees	241,760,000	-
Viet Nam Education Publishing House in HCM City	Purchase of educational books	685,464,220,430	594,337,445,150
	Purchase of materials	1,100,940,000	1,061,700,000
	Publishing fees, royalties, and manuscript preparation	52,780,444,874	18,097,537,722
	Office rental expenses	1,776,775,499	1,571,641,270
Education Publishing House in Can Tho City	Editing fees for reprints	31,416,000	-
Ben Tre Book and Equipment Joint Stock Company	Purchase of textbooks and reference books	1,829,337,210	-
Textbook Printing Joint Stock Company in HCMC	Printing services	-	636,741,254
Can Tho City School Book and Equipment JSC		165,637,191	-
Educational Book Joint Stock Company in Ha Noi City	Purchase of educational books	683,920,000	775,505,825
Educational Materials Joint Stock Company	Purchase of educational books	17,095,360	2,667,919,620
Book and Educational Equipment JSC of HCMC	Purchase of educational books	22,321,148,475	9,195,898,459
	Expenses for changes in educational book pr	130,933,889	-
Binh Thuan Books and Equipment JSC		232,583,065	-
Ha Noi Education Development and Investment JSC	Purchase of supplementary and educational t	5,496,213,771	2,313,798,055
	Purchase of sample books and market deploy	391,324,463	-
	Royalties, manuscript preparation and card fees	42,671,574,685	47,680,870,200
Danang Education Investment and Development JSC	Purchase of educational books, market depl	1,589,350,285	1,417,737,307
	Market deployment fees	778,936,200	-
Giadinh Education Publishing Service JSC	Purchase of educational books	12,946,093,440	11,532,780,000
	Manuscript costs	238,253,558	160,340,220
	Royalties, manuscript preparation	10,950,568,372	12,764,016,038
Cuu Long Books & Educational Equipment JSC	Purchase of educational books	15,591,739,300	3,429,680,689
South Books and Educational Equipment JSC	Purchase of educational books, manuscript p	464,824,649	708,631,680
Ha Noi Education Publishing Services JSC	Manuscript preparation	568,396,480	184,536,332
Education Publishing and Investment JSC	Purchase of educational books	261,942,000	534,917,500
North Books and Educational Equipment JSC	Purchase of educational books	381,382,553	555,437,240
Educational Book Joint Stock Company in Da Nang City	Purchase of educational books	1,885,330,740	391,800,900

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

	Particulars	Year 2024	Year 2023
Others			
Giadinh Education Publishing Service JSC	Dividends, profit received	192,500,000	-
Book and Educational Equipment JSC of HCMC	Early payment discount	282,906,146	11,404,884
	Trade discount, sales returns	1,125,768,732	976,359,565
Binh Thuan Books and Equipment JSC	Early payment discount	100,184,203	128,692,764
	Trade discount, sales returns	7,410,000	6,624,762
Ben Tre Book and Equipment Joint Stock Company	Early payment discount	76,120,285	-
	Trade discount, sales returns	211,277,398	264,600,160
Educational Materials Joint Stock Company	Trade discount, sales returns	1,213,600	235,538,150

c. Income of key management personnel

			Year 2024	Year 2023
Le Huy	Chairman of the BOI	Remuneration	60,000,000	120,000,000
		Bonus	209,956,636	178,000,000
Dinh Gia Le	Member	Remuneration	72,000,000	72,000,000
		Bonus	155,973,982	129,000,000
Le Phuong Mai	Member	Remuneration	72,000,000	72,000,000
		Bonus	155,973,982	129,000,000
Bui Thu Giang	Member	Remuneration	-	-
		Bonus	-	22,500,000
Nguyen Thi Thu Hong	Member	Remuneration	-	18,000,000
		Bonus	-	129,000,000
Nguyen Phong Yen	Member	Remuneration	72,000,000	72,000,000
		Bonus	155,973,982	106,500,000
Nguyen Thi Thanh Xuan	Member	Remuneration	72,000,000	54,000,000
		Bonus	116,980,486	-
Salaries and bonuses of the Management and Chief Accountant			4,836,333,938	4,342,599,250
Remuneration of the Supervisory Board			136,982,655	118,801,522

35. Operating lease commitment

The Company has leased 12,571.9 m² of land at Street D4 and N2 Lot A 5, Tan Phu Trung Industrial Park, Tan Phu Trung Commune, Cu Chi District, Ho Chi Minh City under Contract No. 12/HDTD/SCD-2018 dated 19 January 2018. The lease is for the project "Book and Paper Warehouse - Phuong Nam Education Investment and Development Joint Stock Company" as per Investment Registration Certificate No. 7731323272 issued on 25 December 2017 by the Ho Chi Minh City People's Committee. The lease term runs from 19 January 2018 to 16 December 2054.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

36. Events after the balance sheet date

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

37. Corresponding figures

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



Le Phuong Mai
General Director

Ho Chi Minh City, 12 March 2025

Pham Lan Anh
Chief Accountant

Nguyen Thi Phuong
Preparer