

**VIETNAM MACHINERY INSTALLATION CORPORATION - JSC**

**CONSOLIDATED FINANCIAL STATEMENTS**

**Quarter I 2025**

**Hanoi, April 2025**



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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

Code	ASSETS	Note	31/03/2025 VND	01/01/2025 VND
100	<b>A. CURRENT ASSETS</b>		<b>6,945,435,393,651</b>	<b>5,257,743,842,325</b>
110	<b>I. Cash and cash equivalents</b>		<b>3,056,847,595,800</b>	<b>2,976,474,914,887</b>
111	1. Cash		1,128,620,595,800	1,538,774,914,887
112	2. Cash equivalents		1,928,227,000,000	1,437,700,000,000
120	<b>II. Short-term investments</b>		<b>6,645,590,907</b>	<b>6,361,600,000</b>
123	1. Held to maturity investments		6,645,590,907	6,361,600,000
130	<b>III. Short-term receivables</b>		<b>3,377,714,654,925</b>	<b>1,716,969,351,956</b>
131	1. Short-term trade receivables		3,048,347,732,703	1,403,658,376,872
132	2. Short-term prepayments to suppliers		727,681,564,459	716,551,979,168
135	3. Short-term loan receivables		358,178,701,870	359,312,856,281
136	4. Other short-term receivables		467,165,137,609	470,920,424,895
137	5. Provision for short-term doubtful debts		(1,223,658,481,716)	(1,233,474,285,260)
140	<b>IV. Inventories</b>		<b>476,858,203,565</b>	<b>439,300,807,573</b>
141	1. Inventories		476,858,203,565	439,300,807,573
150	<b>V. Other short-term assets</b>		<b>27,369,348,454</b>	<b>118,637,167,909</b>
151	1. Short-term prepaid expenses		649,334,815	1,074,581,469
152	2. Deductible VAT		20,810,092	47,297,529,829
153	3. Taxes and other receivables from State budget		26,699,203,547	70,265,056,611
200	<b>B. NON-CURRENT ASSETS</b>		<b>841,435,734,484</b>	<b>858,796,682,588</b>
210	<b>I. Long-term receivables</b>		<b>585,000,000</b>	<b>8,742,000,000</b>
216	1. Other long-term receivables		585,000,000	8,742,000,000
220	<b>II. Fixed assets</b>		<b>116,719,508,938</b>	<b>119,849,239,374</b>
221	1. Tangible fixed assets		97,982,324,179	100,995,565,524
222	- Historical costs		726,726,703,734	726,607,203,734
223	- Accumulated depreciation		(628,744,379,555)	(625,611,638,210)
224	2. Finance lease fixed assets		2,395,263,202	2,505,252,292
225	- Historical costs		3,519,650,908	3,519,650,908
226	- Accumulated depreciation		(1,124,387,706)	(1,014,398,616)
227	3. Intangible fixed assets		16,341,921,557	16,348,421,558
228	- Historical costs		18,500,095,231	18,500,095,231
229	- Accumulated depreciation		(2,158,173,674)	(2,151,673,673)



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

(continued)

Code	ASSETS	Note	31/03/2025	01/01/2025
			VND	VND
<b>230</b>	<b>III. Investment properties</b>		<b>12,544,045,884</b>	<b>13,120,334,922</b>
231	- Historical costs		57,127,963,520	57,127,963,520
232	- Accumulated depreciation		(44,583,917,636)	(44,007,628,598)
<b>240</b>	<b>IV. Long-term assets in progress</b>		<b>37,365,447,459</b>	<b>36,788,280,405</b>
242	1. Construction in progress		37,365,447,459	36,788,280,405
<b>250</b>	<b>V. Long-term investments</b>		<b>554,601,075,563</b>	<b>550,696,410,397</b>
252	1. Investments in joint ventures and associates		326,317,057,249	322,511,899,877
253	2. Equity investments in other entities		255,227,056,322	255,227,056,322
254	3. Provision for devaluation of long-term investments		(27,319,940,788)	(27,320,745,802)
255	4. Held to maturity investments		376,902,780	278,200,000
<b>260</b>	<b>VI. Other long-term assets</b>		<b>119,620,656,640</b>	<b>129,600,417,490</b>
261	1. Long-term prepaid expenses		119,620,656,640	129,600,417,490
<b>270</b>	<b>TOTAL ASSETS</b>		<b>7,786,871,128,135</b>	<b>6,116,540,524,913</b>



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

(continued)

Code	CAPITAL	Note	31/03/2025 VND	01/01/2025 VND
300	<b>C. LIABILITIES</b>		<b>6,758,163,044,319</b>	<b>5,138,300,957,827</b>
310	<b>I. Current liabilities</b>		<b>6,354,121,231,979</b>	<b>4,685,143,487,553</b>
311	1. Short-term trade payables		1,376,114,973,912	1,499,571,198,824
312	2. Short-term prepayments from customers		345,371,609,876	320,788,540,466
313	3. Taxes and other payables to State budget		43,870,984,355	5,687,587,578
314	4. Payables to employees		111,857,407,797	96,878,133,511
315	5. Short-term accrued expenses		2,409,932,518,469	873,703,122,417
318	6. Short-term unearned revenue		803,841,460	803,841,460
319	7. Other short-term payments		295,106,159,828	311,596,145,265
320	8. Short-term borrowings and finance lease liabilities		1,488,802,614,569	1,329,685,368,977
321	9. Provisions for short-term payables		235,301,909,466	188,566,036,808
322	10. Bonus and welfare fund		46,959,212,247	57,863,512,247
330	<b>II. Non-current liabilities</b>		<b>404,041,812,340</b>	<b>453,157,470,274</b>
336	1. Long-term unearned revenue		13,555,144,066	13,714,796,931
337	2. Other long-term payables		1,151,886,839	1,151,886,839
338	3. Long-term borrowings and finance lease liabilities		933,452,281	1,108,474,582
341	4. Deferred income tax liabilities		16,048,994,841	15,818,258,562
342	5. Provisions for long-term payables		372,352,334,313	421,364,053,360
400	<b>D. OWNER'S EQUITY</b>		<b>1,028,708,083,816</b>	<b>978,239,567,086</b>
410	<b>I. Owner's equity</b>		<b>1,028,982,576,256</b>	<b>978,514,059,526</b>
411	1. Contributed capital		797,261,040,000	797,261,040,000
411a	0 Ordinary shares with voting rights		797,261,040,000	797,261,040,000
414	2. Other capital		1,126,365,735	1,126,365,735
416	3. Differences upon asset revaluation		(32,374,321,082)	(32,374,321,082)
417	4. Exchange rate differences		(7,034,386,821)	(7,468,801,166)
418	5. Development investment funds		107,936,133,757	107,936,133,757
420	6. Other reserves		18,290,851	18,290,851
421	7. Retained earnings		235,003,491,476	183,105,198,192
421a	Retained earnings accumulated till the end of the previous year		183,105,198,192	90,410,541,765
421b	Retained earnings of the current year		51,898,293,284	92,694,656,427
429	9. Non controlling interest		(72,954,037,660)	(71,089,846,761)
430	<b>II. Non-business funds and other funds</b>		<b>(274,492,440)</b>	<b>(274,492,440)</b>
431	1. Non-business funds		(274,492,440)	(274,492,440)
440	<b>TOTAL CAPITAL</b>		<b>7,786,871,128,135</b>	<b>6,116,540,524,913</b>

Lai Viet Tan  
Preparer

To Phi Son  
Chief Accountant



Nguyen Van Hung  
General Director  
Hanoi, 28 April 2025



## CONSOLIDATED STATEMENT OF INCOME

Quarter I 2025

Code	ITEM	Note	Quarter I 2025	Quarter I 2024	For the 3-month period ended 31 March 2025	For the 3-month period ended 31 March 2024
			VND	VND	VND	VND
01	1. Revenue from sales of goods and rendering of services		2,326,760,129,449	1,650,753,831,139	2,326,760,129,449	1,650,753,831,139
10	3. Net revenue from sales of goods and rendering of services		2,326,760,129,449	1,650,753,831,139	2,326,760,129,449	1,650,753,831,139
11	4. Cost of goods sold		2,280,304,431,289	1,594,622,585,635	2,280,304,431,289	1,594,622,585,635
20	5. Gross profit from sales of goods and rendering of services		46,455,698,160	56,131,245,504	46,455,698,160	56,131,245,504
21	6. Financial income		19,926,357,303	34,440,098,458	19,926,357,303	34,440,098,458
22	7. Financial expense		27,946,790,313	38,081,765,115	27,946,790,313	38,081,765,115
23	<i>In which: Interest expenses</i>		20,228,263,437	24,494,754,786	20,228,263,437	24,494,754,786
24	8. Share of joint ventures and associates' profit or loss		3,805,157,372	(4,025,460,931)	3,805,157,372	(4,025,460,931)
25	9. Selling expenses		-	-	-	-
26	10 General and administrative expense		4,378,797,775	13,615,862,826	4,378,797,775	13,615,862,826
30	11. Net profit from operating activities		37,861,624,747	34,848,255,090	37,861,624,747	34,848,255,090
31	12. Other income		14,768,259,167	1,745,319,933	14,768,259,167	1,745,319,933
32	13. Other expense		2,369,433,390	1,256,676,327	2,369,433,390	1,256,676,327
40	14. Other profit		12,398,825,777	488,643,606	12,398,825,777	488,643,606
50	15. Total net profit before tax		50,260,450,524	35,336,898,696	50,260,450,524	35,336,898,696



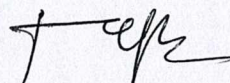
# CONSOLIDATED STATEMENT OF INCOME

Quarter I 2025  
(Continued)

Code	ITEM	Note	Quarter I 2025	Quarter I 2024	For the 3-month period ended 31 March 2025	For the 3-month period ended 31 March 2024
			VND	VND	VND	VND
51	16. Current corporate income tax expenses		-	-	-	-
52	17. Deferred corporate income tax expenses		230,736,278	1,439,995,939	230,736,278	1,439,995,939
60	18. Profit after corporate income tax		<u>50,029,714,246</u>	<u>33,896,902,757</u>	<u>50,029,714,246</u>	<u>33,896,902,757</u>
61	19. Profit after tax attributable to owners of the parent		51,898,293,284	35,959,956,405	51,898,293,284	35,959,956,405
62	20. Profit after tax attributable to non-controlling interest		(1,868,579,038)	(2,063,053,648)	(1,868,579,038)	(2,063,053,648)
70	21. Basic earnings per share		651	451	651	451



Lai Viet Tan  
Preparer



To Phi Son  
Chief Accountant



Nguyễn Văn Hùng  
General Director

Hanoi, 28 April 2025



## CONSOLIDATED STATEMENT OF CASH FLOWS

Quarter I 2025  
(Indirect method)

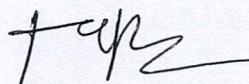
Code	ITEM	Note	For the 3-month period ended 31 March 2025 VND	For the 3-month period ended 31 March 2024 VND
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
01	1. Profit before tax		50,260,450,524	35,336,898,696
	2. Adjustments for			
02	- Depreciation and amortization of fixed assets and investme		3,825,519,474	4,342,249,461
03	- Provisions		(12,092,454,947)	(5,250,836,409)
04	- Exchange gains / losses from retranslation of monetary iten		(5,184,857,541)	(14,464,774,430)
05	- Gains / losses from investment		(14,788,791,507)	(8,757,574,762)
06	- Interest expense		20,228,263,437	24,494,754,786
08	3. Operating profit before changes in working capital		42,248,129,440	35,700,717,342
09	- Increase or decrease in receivables		(1,549,588,445,162)	(102,305,306,833)
10	- Increase or decrease in inventories		(37,557,395,992)	(4,916,368,511)
11	- Increase or decrease in payables (excluding interest payable/ corporate income tax payable)		1,471,621,834,959	(239,069,641,879)
12	- Increase or decrease in prepaid expenses		10,405,007,504	10,547,507,106
14	- Interest paid		(18,181,249,171)	(22,560,709,271)
15	- Corporate income tax paid		(43,361,687)	(824,501,004)
17	- Other payments on operating activities		(10,904,300,000)	(8,427,100,000)
20	Net cash flows from operating activities		(91,999,780,109)	(331,855,403,050)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
21	1. Purchase or construction of fixed assets and other long-term assets		(149,500,000)	(607,310,000)
22	2. Proceeds from disposals of fixed assets and other long-term assets		-	1,075,925,926
23	3. Loans and purchase of debt instruments from other entities		(382,693,687)	-
24	4. Collection of loans and resale of debt instrument of other entities		1,134,154,411	50,000,000
27	5. Interest and dividend received		8,427,609,806	9,918,606,905
30	Net cash flows from investing activities		9,029,570,530	10,437,222,831
33	1. Proceeds from borrowings		675,030,992,559	1,174,134,539,305
34	2. Repayment of principal		(515,913,746,967)	(1,230,030,179,536)
35	3. Repayment of financial principal		(175,022,301)	(175,022,301)
40	Net cash flows from financing activities		158,942,223,291	(56,070,662,532)



## CONSOLIDATED STATEMENT OF CASH FLOWS

Quarter I 2025  
(Indirect method)

Code ITEM	Note	For the 3-month period ended 31 March 2025	For the 3-month period ended 31 March 2024
		VND	VND
50 Net cash flows in the year		75,972,013,712	(377,488,842,751)
60 Cash and cash equivalents at the beginning of the period		2,976,474,914,887	2,738,040,007,941
61 Effect of exchange rate fluctuations		4,400,667,201	14,962,174,353
70 Cash and cash equivalents at the end of the period		<u>3,056,847,595,800</u>	<u>2,375,513,339,543</u>


Lai Viet Tan  
Preparer  
Hanoi, 28 April 2025

To Phi Son  
Chief Accountant

Nguyen Van Hung  
General Director



## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

*Quarter I 2025*

### 1 . GENERAL INFORMATION OF THE COMPANY

#### **Form of Ownership**

Vietnam Machinery Installation Corporation - JSC was incorporated under the equitization from Vietnam Machinery Installation Corporation - Co., Ltd under the Prime Minister's Decision No.1036/QĐ-TTg dated 10 July 2015 approving the equitization plan of Vietnam Machinery Installation Corporation.

Vietnam Machinery Installation Corporation - Co., Ltd as a State-owned enterprise directly under management of the Ministry of Construction, was incorporated under Decision No.999/BXD - TCLD dated 01 December 1995 of the Minister of Construction and operates under the corporation model in accordance with Enterprise Registration Certificate No.0100106313 first registered on 01 September 2010.

Under the second amended Enterprise Registration Certificate dated 06 April 2016 issued by Hanoi Authority for Planning and Investment, Vietnam Machinery Installation Corporation – Co., Ltd was officially transformed into a joint stock company named Vietnam Machinery Installation Corporation – JSC.

The Corporation's head office is located at: No. 124 Minh Khai Street, Hai Ba Trung District, Hanoi, Vietnam.

The registered charter capital of the Corporation is 797,261,040,000 VND, the actual contributed charter capital as of 31 March, 2025 is 797,261,040,000 VND; equivalent to 79,726,104 shares, par value per share is 10,000 VND.

#### **Business field**

The principal activities of Corporation and subsidiaries are construction and installation of works.

#### **Business activities**

Main business activities of the Corporation include:

- Production, business and construction according to the State's plannings and plans for construction development, including the domains of construction and installation of machinery and equipment;
- Acting as EPC general contractor in building civil, industrial, transportation, irrigation, post office, urban and industrial zone infrastructure constructions, line constructions for transformer stations;
- Investment and construction of works including: industrial (hydropower, thermal power, cement, petrochemical, paper and steel), civil, transportation, irrigation, water supply and drainage and urban technical infrastructure works;
- Trading in real estate, tourism, travel, hotels, restaurants and amusement parks; transportation of cargo and super-heavy equipment, leasing of transport construction equipment;
- Construction consultancy, general contractor of all or part of investments projects in industry, civil and technical infrastructure works such as: project formulation, designing (only within the field of registered industry) and set up total cost estimate, supervision consultancy, project management, supply of
- Designing, manufacturing equipment and processing steel structures for industrial and civil projects;
- Building and repairing ships and boats for river and sea transportation;
- Inspection, testing, adjustment of electrical equipment, automatic control systems, systems for technological lines, monitoring and quality control of welds and mechanical characteristics of materials;
- Training of technical workers in the professions to serve the Corporation's production and social needs, provision of advanced training and certification to welders; training and implementation of export of Vietnamese labor (within and outside the Corporation) to work abroad for a certain period of time;
- Business, production of materials, machinery, equipment, spare parts, production materials, consumption materials, production and consumption raw materials, auto-technological lines, consumer goods, motor vehicle, acting as agents for domestic and foreign manufacturers of goods for production and consumption in compliance with laws.



**Normal business and production cycle**

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less, except some specific works of construction and real estate investment with a time period of more than 12 months.

**Group structure**

- The Group's subsidiaries have consolidated in Consolidated Financial Statements as at 31 March, 2025 include :

Name of company	Address	Proportion of ownership	Proportion of voting rights	Principal activities
Lilama South East Asia SDN BHD Company Limited	Brunei	99.00%	99.00%	Installation Work
Lilama 5 Joint Stock Company	Thanh Hoa	51.00%	51.00%	Installation Work
Lilama 7 Joint Stock Company	Da Nang	51.00%	51.00%	Installation Work
Lilama Erection Mechanical Joint Stock Company	Ninh Binh	51.00%	51.00%	Installation Work
LHT International Engineering Joint Stock Company	Ha Noi	60.00%	60.00%	Industrial factory design consulting

The Group's associates have consolidated in Consolidated Financial Statements as at 31 March, 2025 include :

Name of company	Address	Proportion of ownership	Proportion of voting rights	Principle activities
Lilama 10 Joint Stock Company	Ha Noi	36.00%	36.00%	Installation Work
Lilama 18 Joint Stock Company	HCM City	36.00%	36.00%	Installation Work
Lilama 69.1 Joint Stock Company	Bac Ninh	41.10%	41.10%	Installation Work
Lilama 69.3 Joint Stock Company	Hai Duong	36.00%	36.00%	Installation Work
Lilama Technology and Construction Design Consultant	Ha Noi	45.45%	45.45%	Design consultancy
Lilama 45.3 Joint Stock Company	Quang Ngai	40.83%	40.83%	Installation Work
Erection - Electromechanics Testing Joint Stock Company	Ha Noi	36.18%	36.18%	Testing of technological lines
Lilama 45.1 Joint Stock Company	HCM City	36.00%	36.00%	Installation Work
Lilama 45.4 Joint Stock Company	Dong Nai	35.06%	35.06%	Installation Work
Lilama Land Joint Stock Company	Ha Noi	27.93%	27.93%	Real estate business

## **2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY**

### **2.1 . Accounting period and accounting currency**

Annual accounting period commences from 1st January and ends as at 31st December.

The Corporation maintains its accounting records in VND.



## **2.2 . Standards and Applicable Accounting Policies**

### *Applicable Accounting Policies*

The Corporation applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC and the Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

### *Declaration of compliance with Accounting Standards and Accounting System*

The Corporation applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

## **2.3 . Basis for preparation of interim consolidated financial statements**

The Interim Consolidated Financial Statements are prepared on the basis of consolidating the Separate Interim financial statements and the interim financial statements of its subsidiaries controlled by the Corporation is prepared for the accounting period from 1 January, 2025 to 31 March, 2025. Control is achieved when the Corporation has the ability to control the financial and operating policies of the investee companies in order to obtain benefits from the activities of these companies.

Vietnam Machinery Installation Corporation – JSC was incorporated under the equitization from Vietnam Machinery Installation Corporation – Co., Ltd under the Prime Minister's Decision No. 1036/QĐ-TTg dated 10 July 2015 approving the equitization plan of Vietnam Machinery Installation Corporation. By the time of issuing these financial statements, all work related to the equitization finalization is ongoing and the Corporation has not received the decision of the competent authority on the approval of the settlement of State capitalization on the official date of transformation into a joint stock company.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Corporation. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Corporation and its subsidiaries.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from Consolidated financial statements.

Non – controlling interests

Non – controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Corporation.

## **2.4 . Accounting estimates**

The preparation of Interim Consolidated Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent liabilities and assets at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the accounting year.

The estimates and assumptions that have a material impact in the Interim Consolidated Financial Statements

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated income tax.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Corporation's Consolidated Financial Statements and that are assessed by the Board of Management to be reasonable under the circumstances.



## 2.5 . Financial Instruments

### *Initial recognition*

#### Financial assets

Financial assets of the Corporation include cash, cash equivalents, trade receivables, other receivables, lending loans, long-term and short-term investments. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

#### Financial liabilities

Financial liabilities of the Corporation include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

### *Subsequent measurement after initial recognition*

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No.210/2009/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

## 2.6 . Translation of Financial Statements prepared in foreign currencies into Vietnam Dong

Lilama South East Asia SDN BHD Co., Ltd. – a subsidiary of the Corporation uses Brunei Dollar (BND) as presenting currency. For the purpose of preparing the Consolidated Financial Statements for the accounting period from 1 January, 2025 to 31 March, 2025 of the Corporation in accordance with the Vietnamese laws, the Corporation has converted the financial statements of Lilama South East Asia SDN BHD Co., Ltd. for the accounting period from 1 January, 2025 to 31 March, 2025 prepared in Brunei Dollar (BND) to Vietnam Dong (VND) based on the following principles:

- Assets and liabilities are exchanged into Vietnam Dong at the real closing rate at the end of the period, the transfer rate of the commercial bank where the enterprise regularly has transactions at the reporting date;
- Retained earnings arising after the investment date are exchanged into Vietnam Dong based on the income statement items;
- Owner's contributed capital is exchanged into Vietnam Dong at the real transaction rates at the capital
- Items of the income statement and the cash flow statement are exchanged into Vietnam Dong at the real transaction rates at the dates of the transactions.
- Exchange differences arising on the conversion of the Financial Statements prepared in foreign currency into Vietnam Dong are presented in the "Exchange rate differences" line item with the code 417 under the "Owner's equity" section in the Interim Consolidated Statement of Financial Position.

## 2.7 . Foreign currency transactions

The foreign currency transactions during the year are translated into Vietnam Dong using the real exchange rate ruling at the transaction date.

Real exchange rate when revaluing monetary items denominated in foreign currencies at the reporting date of Consolidated Financial Statements is determined under the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Corporation regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Corporation opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Corporation regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the period and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating



## 2.8 . Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

## 2.9 . Business combination and goodwill

Goodwill arises on the business consolidation is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. If the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income. After initial recognition, goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis during its estimated useful life over 10 years. Annually, the Group shall assess impairment loss of goodwill at subsidiaries, whether there is any indication that impaired loss of goodwill is higher than the goodwill allocated, the Group shall recognise the impaired loss immediately in year that incurred.

## 2.10 . Financial investments

*Investments held to maturity* comprise term deposits (including treasury bills and promissory notes), bonds, preference shares which the issuer is required to repurchase at a certain time in the future and loans, etc. held to maturity to earn profits periodically and other held to maturity investments.

In the Consolidated Financial Statements, investments in joint ventures and associates are accounted for using equity method. Under this method, the investments are initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share in net assets of the associate after acquisition date. Goodwill incurred from the investment in the associates is reflected in the carrying amount of the investment in the associate. The Corporation will not allocate such goodwill but assess annually to determine whether the goodwill is under impaired loss or not.

The share of investor in post-acquisition profits or losses of the associate is recognised in the consolidated income statement, and the share of investor in post-acquisition movements in equity of the associate is recognised in equity. The post-acquisition accumulated changes are adjusted to carrying amount of investments. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Financial Statements of associates are prepared in the same period with the Corporation's consolidated financial statements and use the consistent accounting policies with the Corporation's policies. Adjustment shall be made if necessary to ensure the consistence with the Corporation's accounting policies.

Provision for devaluation of investments is made at the end of the period as follows:

- With regard to investments held long-term (other than trading securities) without significant influence on the investee: If the investment is made in listed shares or the fair value of the investment is determined reliably, the provisions shall be made on the basis of the market value of the shares; if the fair value of the investment is not determined at the reporting date, the provision shall be made based on the Financial Statements at the provision date of the investee.
- With regard to investments held to maturity, the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.



## 2.11 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Corporation. The receivables shall be classified into short-term receivables or long-term receivables on the consolidated financial statements according to their remaining terms at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing or estimating possible losses.

## 2.12 . Inventories

Inventories are initially recognized at original cost including purchase price, processing cost and other costs incurred in bringing the inventories to their location and condition at the time of initial recognition. After initial recognition, at the reporting date, inventories are stated at the lower of cost and net realizable value.

Net realizable value is estimated based on the selling price of the inventory minus the estimated costs for completing the products and the estimated costs needed for their consumption.

The cost of inventory is calculated by specification price.

Inventory is recorded by perpetual method.

Method for valuation of work in process at the end of the year: The value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the period.

Provision for devaluation of inventories made at the end of the period is based on the excess of original cost of inventory over their net realizable value.

## 2.13 . Fixed assets, Finance lease fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount.

### *Subsequent measurement after initial recognition*

If these costs augment future economic benefits obtained from the use of tangible fixed assets are extended to their initial standards conditions, these costs are capitalized as an incremental in their historical cost.

Other costs incurred after tangible fixed assets have been put into operation such as repair, maintenance and overhaul costs are recognized in the Consolidated Statement of income in the period in which the costs are incurred.



The historical cost of finance lease fixed assets is recognised at the lower of fair value and present value of the minimum lease payments plus any directly attributable costs incurred related with finance lease (exclusive of value added tax). During the using time, finance lease fixed assets are recorded at historical cost, accumulated depreciation and carrying amount. Finance lease fixed assets are depreciated over the lease term and charged to operating expenses in order to fully recover the capital.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives as follows:

- Buildings, structures	04 - 40 years
- Machinery, equipment	03 - 15 years
- Vehicles, Transportation equipment	03 - 20 years
- Office equipment and furniture	03 - 08 years
- Other fixed assets	03 - 10 years
- Land use rights	No depreciation
- Management software	03 - 05 years

#### **2.14 . Construction in progress**

Construction in progress includes fixed assets which is being purchased and constructed as at the balance sheet date and is recognised in historical cost. This includes costs of construction, installation of equipment and other direct costs.

#### **2.15 . Operating lease**

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

#### **2.16 . Prepaid expenses**

The expenses incurred but related to operating results of several accounting periods are recorded as prepaid expenses and are allocated to the operating results in the following accounting periods.

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses include:

- Prepaid land expenses include prepaid land rental, including those related to leased land for which the Corporation has received certificate of land use right but not eligible for recording as intangible fixed asset in accordance with the Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance guiding regulation on management, use and depreciation of fixed assets and other expenses related to ensure for the use of leased land. These expenses are recognized in the interim consolidated statement of income on a straight-line basis according to the lease term of the contract.

- Tools and supplies include assets which are possessed by the Corporation in an ordinary course of business, with historical cost of each asset less than 30 million dongs and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis from 03 to 36 months.

- Other prepaid expenses are recorded at their historical costs and allocated on the straight-line basis from 03 to 60 months.



## **2.17 . Payables**

The payables shall be recorded in details in terms of due date, entities payable, types of currency and other factors according to the requirements for management of the Corporation. The payables shall be classified into short-term payables or long-term payables on the interim consolidated financial statements according to their remaining terms at the reporting date.

## **2.18 . Borrowings and finance lease liabilities**

The value of finance lease liabilities is recognized at the payable amount equal to the present value of minimum lease payments or the fair value of leased assets.

Borrowings and finance lease liabilities shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings and finance lease liabilities. In case of borrowings or liabilities denominated in foreign currency, they shall be recorded in details in terms of types of currency.

## **2.19 . Borrowing costs**

Borrowing costs are recognized as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

## **2.20 . Accrued expenses**

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as annual leave salary, expenses arising from seasonal cessation of production, interest expenses, etc. which are recorded as operating expenses of the accounting period.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the year. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

## **2.21 . Provision for payables**

Provision for payables is only recognized when meeting all of the following conditions:

- The Corporation have a present debt obligation (legal obligation or joint obligation) as a result of past events;
- It is probable that the decrease in economic benefits may lead to the requirement for debt settlement;
- Debt obligation can be estimated reliably.

Value recorded as a provision for payable is the most reasonably estimated amount required to settle the present debt obligation at the end of the accounting period.

Only expenses related to the previously recorded provision for payable shall be offset by that provision for payable.

Provision for warranty obligation of construction project is estimated up to 5% on value of the project based on the specification of each project and evaluation made by the Board of Management on actual time and expenses for warranty.

Provisions for payables are recorded as operating expenses of the accounting year. In case provision made for the previous accounting year but not used up exceeds the one made for the current accounting period, the difference is recorded as a decrease in operating expenses. The excess of the provision for payables relating to construction warranty is recorded as other income in the fiscal period.



## **2.22 . Unearned revenues**

Unearned revenues include prepayments from customers for one or many accounting periods relating to asset leasing.

Unearned revenues are transferred to revenue from sale of goods and rendering of services or financial income with the amount corresponding to each accounting period.

## **2.23 . Owner's equity**

Owner's equity is stated at actually contributed capital of owners.

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

Differences arising from asset revaluation shall be recorded when having the decision of State on asset revaluation; or when carrying out the equitization of State-owned enterprises and other cases in accordance with the provisions of the law.

Retained earnings are used to present the Corporation's operating results (profit, loss) after corporate income tax and profits appropriation or loss handling of the Corporation.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Viet Nam Securities Depository and Clearing Corporation.

## **2.24 . Revenue**

Revenue is recognized when it is probable that the economic benefits, which can be measured reliably, will flow to the Corporation. Revenue is determined at the fair value of amounts received or expect to get after deducting trade discounts, sales discounts, and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

*Revenue from construction contracts:* Recognized based on the value of work performed, when the results of the construction contract are reliably determinable and confirmed by the customer, revenue and related expenses are recognized corresponding to the portion of work completed confirmed by the customer in the period reflected on the invoice issued.

*Revenue from sale of goods*

- The majority of risks and benefits associated with the right to own the products or goods have been transferred to the buyer;
- The Corporation no longer holds the right to manage the goods as the goods owner, or the right to control the goods.

*Revenue from rendering of services*

- The percentage of completion of the transaction at the Statement of financial position can be measured reliably.



*Financial income*

Revenue arising from the used by the others of entity assets yielding interest, royalties and dividends shall be recognised when:

- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The amount of the revenue can be measured reliably.

Dividend income shall be recognised when the Corporation's right to receive dividend is established.

**2.25 . Cost of goods sold**

The recognition of cost of goods sold is matched against the revenue in the period and complies with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the period.

**2.26 . Financial expenses**

Items recorded into financial expenses comprise:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Provision for provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc.

The above items are recorded by the total amount arising in the period without offsetting against financial income.

**2.27 . Corporate income tax**

- a) Current corporate income tax expenses and Deferred corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during period, and current corporate income tax rate.

Deferred corporate income tax expenses are determined based on deductible temporary difference, the taxable temporary differences and income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

- b) Current corporate income tax rate

The Corporation applies the corporate income tax rate of 20% for the operating activities which has taxable income for the accounting period from 1 January, 2025 to 31 March, 2025.

**2.28 . Earnings per share**

Basic earnings per share are calculated by dividing net profit or loss after tax for the year attributable to ordinary shareholders of the Corporation (after adjusting for the bonus and welfare fund and allowance for Board of Directors) by the weighted average number of ordinary shares outstanding during the period.



## 2.29 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Corporation's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Corporation or being under the control of the Corporation, or being under common control with the Corporation, including the Company's parent, subsidiaries and associates;
- Individuals, directly or indirectly, holding voting power of the Corporation that have a significant influence on the Corporation, key management personnel including directors and employees of the Corporation, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of Interim Consolidated Financial Statements, the Corporation should consider the nature of the relationship rather than the legal form of the relationship.

## 2.30 . Segment information

A segment is a distinguishable component of the Corporation that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

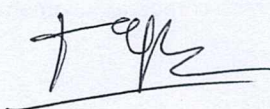
Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Corporation in order to help users of financial statements better understand and make more informed judgements about the Corporation as a whole.

## 3 . COMPARATIVE FIGURES

The comparative figures on the Consolidated Balance Sheet for Quarter I 2025 and the corresponding notes are the figures from the Consolidated Financial Statements for the fiscal year ended 31 March, 2025, which have been audited by AASC Auditing Firm Co., Ltd. The figures in the Consolidated Income Statement, Consolidated Cash Flow Statement, and the corresponding notes are the figures from the Consolidated Financial Statements for Quarter I 2024, prepared by the Corporation.



**Lai Viet Tan**  
Preparer



**To Phi Son**  
Chief Accountant



**Nguyen Van Hung**  
General Director  
Hanoi, 28 April 2025