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Thành phố Hồ Chí Minh, ngày 31 tháng 03 năm 2025
Ho Chi Minh City, 31 March 2025

CÔNG BỐ THÔNG TIN ĐỊNH KỲ BÁO CÁO TÀI CHÍNH
REGULAR DISCLOSURE OF INFORMATION ON FINANCIAL REPORTS

Kính gửi: Sở Giao dịch Chứng khoán Hà Nội (HNX)
To: Hanoi Stock Exchange (HNX)

Thực hiện quy định tại khoản 3, khoản 4 Điều 14 Thông tư số 96/2020/TT- BTC ngày 16/11/2020 của Bộ Tài chính hướng dẫn công bố thông tin trên thị trường chứng khoán, **Tổng Công Ty Cổ phần Phong Phú** (MCK: PPH) thực hiện công bố thông tin báo cáo tài chính (BCTC) kiểm toán năm 2024 với Sở Giao dịch Chứng khoán Hà Nội như sau:

Complying with the provisions of Clause 3, Article 14 of Circular No. 96/2020/TT-BTC dated November 16th, 2020 of the Ministry of Finance guiding information disclosure on the stock market, Phong Phu Corporation (Stock code: PPH) would like to disclose the Audited Financial Statements in 2024 with Hanoi Stock Exchange as follows:

1. Tên tổ chức/ Name of Organization: TỔNG CÔNG TY CỔ PHẦN PHONG PHÚ/ Phong Phu Corporation

- Mã chứng khoán/ Stock code: PPH
- Địa chỉ/ Address: 48 Tầng Nhon Phú, Kp18, Phường Tăng Nhon Phú B, Tp. Thủ Đức, Tp. HCM/ No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City, Vietnam.
- Điện thoại liên hệ/ Tel: 02822101693 Fax:
- Email:..... Website: www.phongphucorp.com

2. Nội dung thông tin công bố/ Content of information disclosure:

- BCTC kiểm toán năm 2024** theo quy định tại khoản 3 Điều 14 Thông tư số 96/2020/TT- BTC gồm/ Audited Financial Statements in 2024 in accordance with Clause 3, Article 14 of Circular No. 96/2020/TT-BTC, including:

☐ BCTC riêng (Tổ chức không có công ty con và đơn vị kế toán cấp trên có đơn vị trực thuộc)/ Separate Financial Statements (Listed organizations has no subsidiaries and superior accounting units have affiliated units);

☐ BCTC hợp nhất (Tổ chức có công ty con)/ Consolidated Financial Statements (Listed organizations have subsidiaries);

☒ BCTC tổng hợp (Tổ chức có đơn vị kế toán trực thuộc tổ chức bộ máy kế toán riêng)/ Combined Financial Statements (Listed organizations has an accounting units directly under its own accounting system).

- Các trường hợp thuộc diện phải giải trình nguyên nhân/ Cases in which the cause must be explained:**



+ Tổ chức kiểm toán đưa ra ý kiến không phải là ý kiến chấp nhận toàn phần đối với BCTC (đối với BCTC được kiểm toán năm) / *The auditing organization expresses an opinion that is not a fully accepted opinion for financial statements (for audited financial statements in 2024):*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có / *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

+ Lợi nhuận sau thuế trong kỳ báo cáo có sự chênh lệch trước và sau kiểm toán từ 5% trở lên, chuyển từ lỗ sang lãi hoặc ngược lại (đối với BCTC được kiểm toán năm)/ *Profit after tax in the reporting period has a difference before and after the audit of 5% or more, converted from loss to profit or vice versa (for audited financial statements in 2024):*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có/ *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

+ Lợi nhuận sau thuế thu nhập doanh nghiệp tại Báo cáo kết quả kinh doanh của kỳ báo cáo có thay đổi từ 10% trở lên so với báo cáo cùng kỳ năm trước?/ *The profit after corporate income tax in the business performance statement of the reporting period changes by 10% or more compared to the same period of the previous year?*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có/ *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

+ Lợi nhuận sau thuế trong kỳ báo cáo có bị lỗ, chuyển từ lãi ở báo cáo cùng kỳ năm trước sang lỗ ở kỳ này hoặc ngược lại? / *The profit after tax in the reporting period suffered a loss, converted from profit in the same period last year to a loss in this period or vice versa?*

☐ Có/ Yes

☒ Không/ No

Văn bản giải trình trong trường hợp tích có/ *Explanatory documents in case of a "Yes" answer:*

☐ Có/ Yes

☐ Không/ No

Thông tin này được công bố trên trang thông tin điện tử của Công ty vào ngày: 31/03/2025 tại đường dẫn/ *This information was published on the Company's website on 31 March 2025 at the link: <http://www.phongphucorp.com/shareholder/bao-cai-tai-chinh.html>.*

Chúng tôi xin cam kết các thông tin công bố trên đây là đúng sự thật và hoàn toàn chịu trách nhiệm trước pháp luật về nội dung thông tin công bố./ *We hereby commit that the information published above is true and take full responsibility before the law for the content of the published information.*

Đại diện tổ chức/ Organization Representative

Người đại diện theo pháp luật/ *Legal Representative*

(Ký, ghi rõ họ tên, chức vụ, đóng dấu)

(Signature, full name, position, and company seal)

TỔNG GIÁM ĐỐC/ GENERAL DIRECTOR



DƯƠNG KHUÊ

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Phong Phu Corporation (hereinafter referred to as “the Corporation”) presents this statement together with the Combined Financial Statements for the fiscal year ended 31 December 2024.

Business highlights

Phong Phu Corporation is a company formed by equitizing the former State-owned company in line with the Decision No. 06/2007/QĐ-BCN dated 11 January 2007 of the Minister of Industry (now is the Ministry of Industry and Trade). The Corporation has been operating under the Business Registration Certificate No. 0301446006, which was registered for the first time on 20 February 2009 and amended for the 19th time on 20 January 2025, granted by Ho Chi Minh City Department of Planning and Investment.

Head office

- Address : No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City
- Tel. : (84-28) 35 147 340
- Fax : (84-28) 38 406 790

The Corporation's affiliates:

Affiliates	Address
Branch of Phong Phu Corporation	No. 378 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City
Branch of Phong Phu Corporation in Nha Trang	Km1447, Vinh Phuong Commune, Nha Trang City, Khanh Hoa Province
Branch of Phong Phu Corporation in Da Lat – Du Lys Hotel	No. 14 Nam Ky Khoi Nghia Street, Ward 1, Da Lat City, Lam Dong Province
Branch of Phong Phu Corporation in Ninh Thuan – Ninh Phu Fiber Factory	Hanh Tri Village, Quang Son Commune, Ninh Son District, Ninh Thuan Province
Branch of Phong Phu Corporation in Da Nang	No. 34 Ong Ich Duong Street, Hoa Tho Dong Ward, Cam Le District, Da Nang City

Principal business activities of the Corporation are:

- Manufacturing fibers, sewing thread, embroidery thread, woven cloth, towels, fabric, fibers, garments, readymade garments (excluding clothes, bleaching, dyeing, starching, printing and processing second-hand goods), packages (excluding scrap recycling, pulp production at the head office);
- Trading machines, spare parts used in garment and textile industries. Trading office equipment, electrical materials, machinery and equipment serving industrial production, checking and measuring system serving environmental experiment. Wholesaling electrical machinery and equipment, electrical materials (generators, electric motors, electric wires, equipment used in electronic boards). Wholesaling machinery and equipment, spare parts of agricultural machinery;
- Providing services of scientific researches and technology transfer;
- Breeding pigs (not at the head office);
- Afforesting and tending forest;
- Exploiting and processing forestal products;
- Executing, consulting, designing and installing civil-industrial and refrigerant electric system;
- Providing food and beverage services (not providing food and beverage service and games at the head office);
- Constructing infrastructures, industrial and urban parks, developing houses;
- Giving consulting and brokerage services in real estate;
- Kindergarten and primary education;
- Mechanical processing;
- Producing, distributing steam, hot water, air-conditioning;
- Treating sewage;
- Providing interior decoration services;
- Providing advertising services;

PHONG PHU CORPORATION**STATEMENT OF THE BOARD OF DIRECTORS (cont.)**

- Retailing garments;
- Growing bulbs with starch content, sugar cane, tobacco including rustic tobacco, plants or crops in order to harvest thread or fiber, plants or crops with oil seeds or nuts containing oil, pepper, rubber, coffee, tea, bean of all types, ornamentals and flowers (not at the head office).

Board of Management and Executive Board

The Board of Management and the Executive Board of the Corporation during the year and as of the date of this statement include:

The Board of Management

Full name	Position	Appointing/Re-appointing/Resigning date
Mr. Tran Quang Nghi	Chairman	Re-appointed on 23 May 2024
Mr. Duong Khue	Member	Re-appointed on 16 May 2024
Mr. Pham Phu Chung	Member	Re-appointed on 16 May 2024
Ms. Pham Minh Huong	Member	Re-appointed on 16 May 2024
Ms. Bui Thi Thu	Member	Resigned on 16 May 2024
Ms. Truong Thi Ngoc Phuong	Member	Appointed on 16 May 2024

The Supervisory Board

Full name	Position	Appointing/Re-appointing/Resigning date
Ms. Nguyen Thi My Le	Head of the Board	Re-appointed on 23 May 2024
Ms. Vu Thi Thuy Duong	Member	Re-appointed on 16 May 2024
Ms. Tran Lien Huu	Member	Resigned on 16 May 2024
Mr. Le Hong Linh	Member	Appointed on 16 May 2024

The Executive Board

Full name	Position	Appointing/Re-appointing date
Mr. Duong Khue	General Director	Appointed on 06 October 2020
Ms. Le Thi Hoang Trang	Deputy General Director	Appointed on 15 July 2022
Mr. Pham Phu Chung	Deputy General Director	Appointed on 07 October 2022
Mr. Ly Anh Tai	Deputy General Director	Appointed on 07 October 2022
Mr. Nguyen Van Nhiem	Chief Executive Officer	Re-appointed on 01 June 2019
Mr. Doan Kien	Chief Executive Officer	Appointed on 01 April 2021
Ms. Truong Thi Ngoc Phuong	Chief Executive Officer	Appointed on 15 July 2022

Legal representative

The legal representative of the Corporation during the year and as of the date of this statement is Mr. Duong Khue – General Director (appointed on 06 October 2020).

Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Corporation's Combined Financial Statements for the fiscal year ended 31 December 2024.

Responsibilities of the Board of Directors

The Board of Directors of the Corporation is responsible for the preparation of the Combined Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Corporation during the year. In order to prepare these Combined Financial Statements, the Board of Directors must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Corporation are followed or not, and all the material differences from these standards are disclosed and explained in the Combined Financial Statements;
- prepare the Combined Financial Statements of the Corporation on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;

PHONG PHU CORPORATION

STATEMENT OF THE BOARD OF DIRECTORS (cont.)

- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Combined Financial Statements.

The Board of Directors hereby ensures that all the proper accounting books of the Corporation have been fully recorded and can fairly reflect the financial position of the Corporation at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Directors is also responsible for managing the Corporation's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Directors hereby commits to the compliance with the aforementioned requirements in preparation of the Combined Financial Statements.

Approval of the Financial Statements

The Board of Directors hereby approves the accompanying Combined Financial Statements, which give a true and fair view of the financial position as of 31 December 2024 of the Corporation, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements.

For and on behalf of the Board of Directors,



Duong Khue
General Director

Date: 29 March 2025



No. 1.0821/25/TC-AC

INDEPENDENT AUDITOR'S REPORT**To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS
PHONG PHU CORPORATION**

We have audited the accompanying Combined Financial Statements of Phong Phu Corporation (hereinafter referred to as "the Corporation"), which were prepared on 28 March 2025 (from page 07 to page 50) including the Combined Balance Sheet as of 31 December 2024, the Combined Income Statement, the Combined Cash Flow Statement for the fiscal year then ended and the Notes to the Combined Financial Statements.

Responsibility of Board of Directors

The Corporation's Board of Directors is responsible for the preparation, true and fair presentation of these Combined Financial Statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements; and responsible for such internal control as the Board of Directors determines necessary to enable the preparation and presentation of Combined Financial Statements to be free from material misstatement, whether due to fraud or error.

Responsibility of Auditors

Our responsibility is to express an opinion on these Combined 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 standards and requirements and plan and perform the audit to obtain assurance about whether the Combined Financial Statements of the Corporation are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Combined Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and true and fair presentation of the Combined 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Combined Financial Statements.

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

Opinion of Auditors

In our opinion, the Combined Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2024 of Phong Phu Corporation, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements.

Emphasis of matter

Without qualifying our opinion above, we would like to draw the readers' attention to the followings:

- As presented at Note No. VIII.7 in the Notes to the Combined Financial Statements regarding the transfer of Residential Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City between Saigon Agriculture Incorporation and the Corporation. The Corporation accordingly appropriated provision for loss payable to Saigon Agriculture Incorporation on the basis of the loss determined at the transfer date under the Judgment dated 18 December 2021 and the Appellate Judgments dated 08, 09 and 15 June 2022 of the People's Court of Ho Chi Minh City. Currently, the Corporation and Saigon Agriculture Incorporation are waiting for guidance on resolving civil issues (if any) arising from the cancellation of the project transfer contract between the involved parties in accordance with the applicable laws.
- The Corporation received the Notices of Ho Chi Minh City Tax Department and Ho Chi Minh City Department of Natural Resources and Environment regarding the determination of land leasing rate applicable to the period from 10 April 2017 to 31 December 2024 as well as the land areas and the land use purposes corresponding to each land area and location of land leased by the Corporation (see Note No. VIII.1). Currently, the Corporation has not received any official notices from Tax Department regarding the payments of land rental to the State Budget, these amounts accordingly have not been recognized in the Combined Financial Statements.

For and on behalf of
A&C Auditing and Consulting Co., Ltd.



Hoang Thai Vuong

Partner

Audit Practice Registration Certificate No. 2129-2023-008-1

Authorized Signatory

Ho Chi Minh City, 29 March 2025

Nguyen Thi Phuoc Tien

Auditor

Audit Practice Registration Certificate No. 1199-2023-008-1

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

COMBINED BALANCE SHEET

As of 31 December 2024

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		1.305.091.264.770	1.233.523.890.409
I. Cash and cash equivalents	110	V.1	48.821.827.874	25.407.206.986
1. Cash	111		48.821.827.874	24.631.183.432
2. Cash equivalents	112		-	776.023.554
II. Short-term financial investments	120		546.189.593.362	490.656.983.597
1. Trading securities	121		-	-
2. Provisions for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123	V.2a	546.189.593.362	490.656.983.597
III. Short-term receivables	130		387.271.746.631	410.447.585.794
1. Short-term trade receivables	131	V.3	356.039.714.909	305.547.986.655
2. Short-term prepayments to suppliers	132	V.4	12.967.093.911	3.257.040.347
3. Short-term inter-company receivables	133		-	-
4. Receivables according to the progress of construction contract	134		-	-
5. Receivables for short-term loans	135		-	-
6. Other short-term receivables	136	V.5	53.741.672.529	136.534.831.672
7. Allowance for short-term doubtful debts	137	V.6	(35.491.061.945)	(35.529.241.945)
8. Deficit assets for treatment	139		14.327.227	636.969.065
IV. Inventories	140		322.115.489.144	305.893.861.862
1. Inventories	141	V.7	323.543.334.021	307.140.281.770
2. Allowance for devaluation of inventories	149	V.7	(1.427.844.877)	(1.246.419.908)
V. Other current assets	150		692.607.759	1.118.252.170
1. Short-term prepaid expenses	151	V.8a	411.646.587	287.461.643
2. Deductible VAT	152		73.192.157	623.021.512
3. Taxes and other receivables from the State	153	V.15	207.769.015	207.769.015
4. Trading Government bonds	154		-	-
5. Other current assets	155		-	-

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
B- NON-CURRENT ASSETS	200		1.411.111.406.597	1.478.905.456.774
I. Long-term receivables	210		307.066.666	-
1. Long-term trade receivables	211		-	-
2. Long-term prepayments to suppliers	212		-	-
3. Working capital in affiliates	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Receivables for long-term loans	215		-	-
6. Other long-term receivables	216		307.066.666	-
7. Allowance for long-term doubtful debts	219		-	-
II. Fixed assets	220		746.422.718.729	846.038.865.594
1. Tangible fixed assets	221	V.9	746.314.162.328	845.918.247.381
- Historical cost	222		1.893.966.104.332	1.932.222.743.807
- Accumulated depreciation	223		(1.147.651.942.004)	(1.086.304.496.426)
2. Financial leased assets	224		-	-
- Historical cost	225		-	-
- Accumulated depreciation	226		-	-
3. Intangible fixed assets	227	V.10	108.556.401	120.618.213
- Initial cost	228		583.927.273	583.927.273
- Accumulated amortization	229		(475.370.872)	(463.309.060)
III. Investment property	230		-	-
- Historical costs	231		-	-
- Accumulated depreciation	232		-	-
IV. Long-term assets in process	240		2.723.566.654	1.648.961.819
1. Long-term work in process	241		-	-
2. Construction-in-progress	242	V.11	2.723.566.654	1.648.961.819
V. Long-term financial investments	250		654.692.266.189	623.195.466.900
1. Investments in subsidiaries	251	V.2b	234.450.000.000	230.050.000.000
2. Investments in joint ventures and associates	252	V.2b	371.267.159.796	349.675.919.796
3. Investments in other entities	253	V.2b	105.929.737.637	105.929.737.637
4. Provisions for devaluation of long-term financial investments	254	V.2b	(56.954.631.244)	(62.460.190.533)
5. Held-to-maturity investments	255		-	-
VI. Other non-current assets	260		6.965.788.359	8.022.162.461
1. Long-term prepaid expenses	261	V.8b	6.965.788.359	8.022.162.461
2. Deferred income tax assets	262	V.12	-	-
3. Long-term components and spare parts	263		-	-
4. Other non-current assets	268		-	-
TOTAL ASSETS	270		2.716.202.671.367	2.712.429.347.183

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
C - LIABILITIES	300		1.248.774.350.413	1.373.137.582.989
I. Current liabilities	310		698.054.628.481	829.537.625.385
1. Short-term trade payables	311	V.13	205.037.265.215	209.195.885.150
2. Short-term advances from customers	312	V.14	129.315.513.090	131.490.065.476
3. Taxes and other obligations to the State Budget	313	V.15	4.279.472.601	151.487.001.111
4. Payables to employees	314	V.16	36.211.658.961	30.857.672.348
5. Short-term accrued expenses	315	V.17	4.089.822.379	5.061.066.905
6. Short-term inter-company payables	316		-	-
7. Payables according to the progress of construction contracts	317		-	-
8. Short-term unearned revenue	318	V.18a	4.029.941.115	3.440.009.981
9. Other short-term payables	319	V.19a	129.763.651.965	101.134.601.093
10. Short-term borrowings and financial leases	320	V.20a	110.557.998.607	120.294.891.976
11. Provisions for short-term payables	321	V.21	62.473.188.366	62.473.188.366
12. Bonus and welfare funds	322	V.22	12.296.116.182	14.103.242.979
13. Price stabilization fund	323		-	-
14. Trading Government bonds	324		-	-
II. Non-current liabilities	330		550.719.721.932	543.599.957.604
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for working capital	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336	V.18b	20.497.647.770	24.487.076.071
7. Other long-term payables	337	V.19b	13.891.296.000	9.926.000.000
8. Long-term borrowings and financial leases	338	V.20b	516.330.778.162	509.186.881.533
9. Convertible bonds	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liability	341		-	-
12. Provisions for long-term payables	342		-	-
13. Science and technology development fund	343		-	-

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
D - OWNER'S EQUITY	400		1.467.428.320.954	1.339.291.764.194
I. Owner's equity	410		1.467.428.320.954	1.339.291.764.194
1. Owner's capital	411	V.23	746.708.910.000	746.708.910.000
- Ordinary shares carrying voting rights	411a		746.708.910.000	746.708.910.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.23	32.368.276.001	32.368.276.001
3. Bond conversion options	413		-	-
4. Other sources of capital	414		-	-
5. Treasury stocks	415		-	-
6. Differences on asset revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418	V.23	457.277.635.476	439.748.201.476
9. Business arrangement supporting fund	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421	V.23	231.073.499.477	120.466.376.717
- Retained earnings accumulated to the end of the previous period	421a		31.455.269.217	120.466.376.717
- Retained earnings of the current period	421b		199.618.230.260	-
12. Construction investment fund	422		-	-
II. Other sources and funds	430		-	-
1. Sources of expenditure	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL LIABILITIES AND OWNER'S EQUITY	440		2.716.202.671.367	2.712.429.347.183

Ho Chi Minh City, 28 March 2025


Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief AccountantDuong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

COMBINED INCOME STATEMENT

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
Revenue from sales of goods and provisions of				
1. services	01	VI.1	1.558.814.712.969	1.349.701.198.193
2. Revenue deductions	02	VI.2	252.998.662	1.939.835.765
3. Net revenue	10		1.558.561.714.307	1.347.761.362.428
4. Cost of sales	11	VI.3	1.353.316.313.088	1.209.520.900.800
5. Gross profit	20		205.245.401.219	138.240.461.628
6. Financial income	21	VI.4	405.259.403.104	459.101.489.232
7. Financial expenses	22	VI.5	56.785.212.760	62.014.678.812
In which: Loan interest expenses	23		28.215.740.005	20.889.780.400
8. Selling expenses	25	VI.6	15.754.352.782	16.342.562.507
9. General and administration expenses	26	VI.7	192.936.012.223	166.812.792.478
10. Net operating profit	30		345.029.226.558	352.171.917.063
11. Other income	31	VI.8	8.751.758.177	2.175.840.884
12. Other expenses	32	VI.9	4.416.798.832	3.356.419.917
13. Other profit/(loss)	40		4.334.959.345	(1.180.579.033)
14. Total accounting profit before tax	50		349.364.185.903	350.991.338.030
15. Current income tax	51	V.15	29.729.199	-
16. Deferred income tax	52		-	-
17. Profit after tax	60		<u>349.334.456.704</u>	<u>350.991.338.030</u>
18. Basic earnings per share	70	VI.10		
19. Diluted earnings per share	71	VI.10		

Ho Chi Minh City, 28 March 2025


Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief AccountantDuong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

COMBINED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit before tax	01		349.364.185.903	350.991.338.030
2. Adjustments				
- Depreciation/(Amortization) of fixed assets and investment properties	02	V.9, V.10	107.806.182.448	107.249.222.151
- Provisions and allowances	03	V.2, V.6, V.7	(5.362.314.320)	28.248.757.040
- Exchange gain/(loss) due to revaluation of monetary items in foreign currencies	04	VI.5	22.249.150.320	16.801.234.976
- Gain/(loss) from investing activities	05	VI.4, VI.8	(406.491.603.746)	(458.711.435.207)
- Interest expenses	06	VI.5	28.215.740.005	20.889.780.400
- Others	07		-	-
3. Operating profit before changes of working capital	08		95.781.340.610	65.468.897.390
- Increase/(decrease) of receivables	09		25.062.174.267	(23.531.744.315)
- Increase/(decrease) of inventories	10		(16.403.052.251)	794.878.343
- Increase/(decrease) of payables	11		(105.136.601.683)	118.059.942.074
- Increase/(decrease) of prepaid expenses	12		932.189.158	2.409.133.470
- Increase/(decrease) of trading securities	13		-	-
- Interest paid	14	V.17, V.19a, V.20a, VI.5, VII	(41.636.820.411)	(43.519.611.166)
- Corporate income tax paid	15		-	-
- Other cash inflows	16		-	-
- Other cash outflows	17	V.22, V.23	(36.327.799.241)	(26.769.678.415)
Net cash flows from operating activities	20		(77.728.569.551)	92.911.817.381
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other non-current assets	21	V.9, V.11, VII	(45.259.352.440)	(48.988.569.703)
2. Proceeds from disposals of fixed assets and other non-current assets	22	V.9, VI.8	5.783.895.716	3.536.506.600
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2a	(1.014.189.593.362)	(938.286.972.597)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2a	958.656.983.597	720.629.989.000
5. Investments into other entities	25	V.2b	(25.991.240.000)	(10.000.000.000)
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.5, VI.4, VII	405.312.894.907	472.385.516.582
Net cash flows from investing activities	30		284.313.588.418	199.276.469.882

This statement should be read in conjunction with the Notes to the Combined Financial Statements

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Combined Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
III. Cash flows from financing activities				
1. Proceeds from issuing stocks and capital contributions from owners	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		-	-
3. Proceeds from borrowings	33	V.20	55.730.357.863	83.415.186.017
4. Repayment for loan principal	34	V.20	(84.364.764.073)	(104.894.333.508)
5. Payments for financial leased assets	35		-	(55.466.326.328)
6. Dividends and profit paid to the owners	36	V.19, V.23	(156.374.609.475)	(254.433.371.765)
<i>Net cash flows from financing activities</i>	<i>40</i>		<u><i>(185.009.015.685)</i></u>	<u><i>(331.378.845.584)</i></u>
Net cash flows during the year	50		21.576.003.182	(39.190.558.321)
Beginning cash and cash equivalents	60	V.1	25.407.206.986	64.597.765.307
Effects of fluctuations in foreign exchange rates	61		1.838.617.706	-
Ending cash and cash equivalents	70	V.1	<u>48.821.827.874</u>	<u>25.407.206.986</u>

Ho Chi Minh City, 28 March 2025


Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief AccountantDuong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

I. GENERAL INFORMATION**1. Investment form**

Phong Phu Corporation (hereinafter referred to as “the Corporation”) is a joint stock company.

2. Operating fields

The Corporation’s operating fields are industrial manufacturing, trading and servicing.

3. Principal business activities

The principal business activities of the Corporation are manufacturing and trading fibers, cloth, towels, sewing thread, embroidery thread, garments and fashion clothes (excluding bleaching, dyeing, starching and printing on the textile, sewed, knitted products, processing second-hand goods); trading silk, thread, textile fibers and garments, etc.

4. Normal operating cycle

The normal operating cycle of the Corporation is within 12 months.

5. Corporation’s structure***Subsidiaries***

Subsidiaries	Address	Principal business activities	Capital contribution rate	Benefit rate	Voting rate
Phong Phu Home Textile Joint Stock Company (formerly known as Quang Phu Textile and Garment Joint Stock Company)	Hanh Tri Village, Quang Son Commune, Ninh Son District, Ninh Thuan Province	Manufacturing, trading cotton, fibers, fabric, garments; trading chemicals, dye, machinery and equipment of textile and garment industries	90%	90%	90%
Nam Duong Phu Joint Stock Company (*)	No. 48 Tang Nhon Phu Street, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City	Manufacturing, trading cotton, fibers	81,08%	81,08%	81,08%

(*) According to the Charter of Nam Duong Phu Joint Stock Company, the Corporation invests in Nam Duong Phu Joint Stock Company at the voting rate and benefit rate of 48% and Phong Phu Home Textile Joint Stock Company invests in Nam Duong Phu Joint Stock Company at the voting rate and benefit rate of 10%. As at the balance sheet date, the shareholders of Nam Duong Phu Joint Stock Company have not fully contributed the registered charter capital; therefore, the Corporation’s voting rate and benefit rate in Nam Duong Phu Joint Stock Company are corresponding to the direct contribution rate of 81,08%.

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

Joint ventures, associates

Companies	Address	Principal business activities	Capital contribution rate	Benefit rate	Voting rate
Coats Phong Phu Limited Liability Company	No. 48 Tang Nhon Phu Street, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City	Manufacturing and trading cotton, fibers	35,65%	30,00%	35,65%
HUD Saigon Housing and Urban Development Investment Joint Stock Company	No. 159 Dien Bien Phu Street, Ward 15, Binh Thanh District, Ho Chi Minh City	Investing, constructing and trading real estate	21,51%	21,51%	21,51%
Dalat Garment Joint-Stock Company	No. 09 Phu Dong Thien Vuong Street, Da Lat City, Lam Dong Province	Manufacturing and trading garments, materials, machinery and equipment used in garment and textile industries	40,00%	40,00%	40,00%
Phong Phu Trading & Investment Promotion Corporation	No. 168B Bui Thi Xuan Street, Pham Ngu Lao Ward, District 1, Ho Chi Minh City	Manufacturing, trading cotton, imported materials; manufacturing and exporting towel of all kinds	31,71%	31,71%	31,71%
Phong Phu - Daewon - Thu Duc Housing Development Corporation	No. 378 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City	Trading real estate, land use right of owners, users or lessees	47,64%	47,64%	47,64%
Dong Nam Textile Joint Stock Company	No. 727 Au Co Street, Tan Thanh Ward, Tan Phu District, Ho Chi Minh City	Manufacturing textile products	35,99%	35,99%	35,99%
Nha Trang Textile & Garment Joint Stock Company	Vinh Phuong Commune, Nha Trang City, Khanh Hoa Province	Manufacturing textile products	23,89%	23,89%	23,89%

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

Affiliates	Address
Branch of Phong Phu Corporation	No. 378 Minh Khai Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City
Branch of Phong Phu Corporation in Nha Trang	Km1447, Vinh Phuong Commune, Nha Trang City, Khanh Hoa Province
Branch of Phong Phu Corporation in Da Lat – Du Lys Hotel	No. 14 Nam Ky Khoi Nghia Street, Ward 1, Da Lat City, Lam Dong Province
Branch of Phong Phu Corporation in Ninh Thuan – Ninh Phu Fiber Factory	Hanh Tri Village, Quang Son Commune, Ninh Son District, Ninh Thuan Province
Branch of Phong Phu Corporation in Da Nang	No. 34 Ong Ich Duong Street, Hoa Tho Dong Ward, Cam Le District, Da Nang City

6. Statement of information comparability on the Financial Statements

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

7. Headcount

As of the balance sheet date, the Corporation's headcount is 613 (headcount at the beginning of the year: 710).

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

II. FISCAL YEAR AND ACCOUNTING CURRENCY

1. Fiscal year

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

2. Accounting currency unit

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

III. ACCOUNTING STANDARDS AND SYSTEM

1. Accounting System

The Corporation applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 and other Circulars guiding implementation of the Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Combined Financial Statements.

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

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 and other Circulars guiding implementation of the Vietnamese Accounting Standards of the Ministry of Finance in preparation and presentation of the Combined Financial Statements.

IV. ACCOUNTING POLICIES

1. Accounting convention

All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).

The Corporation's affiliates have their own accounting sections but cannot do the accounts recording independently. The Combined Financial Statements of the whole Corporation are prepared on the basis of the combining of the Financial Statements of the Corporation's affiliates. Revenue and balances between affiliates are excluded when the Combined Financial Statements are prepared.

2. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Corporation and the Bank.
- For capital contribution made or received: the buying rate ruling as at the date of capital contribution of the bank where the Corporation opens its account to receive contributed capital.
- For receivables: the buying rate ruling as at the time of transactions of the commercial bank where the Corporation designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transactions of the commercial bank where the Corporation supposes to make payment.
- For acquisition of assets or immediate payments in foreign currency (not included into payable accounts): the buying rate of the commercial bank where the Corporation makes payments.

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Corporation opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of each bank.
- For monetary items in foreign currencies classified as liabilities: the selling rate of each bank.

3. Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

4. Financial investments

Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Corporation intends and is able to hold to maturity. Held-to-maturity investments include held-to-maturity term deposits for the purpose of receiving periodical interest.

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

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

Investments in subsidiaries, joint ventures, associates

Subsidiaries

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

Joint ventures

A joint venture is an entity which is established by a contractual arrangement whereby the Corporation and the involved parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the venturers.

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

Associates

An associate is an entity which the Corporation has significant influence but not the control to govern the financial and operating policies. Significant influence is the right to participate in making the associate's financial and operating policies but not control those policies.

Initial recognition

Investments in subsidiaries, joint ventures, associates are initially recognized at costs, including the purchase price or capital contributions plus other directly attributable expenditure. In case of investment in non-monetary assets, the costs of the investment are recognized at the fair value of non-monetary assets at the arising time.

Dividends and profits incurred prior to the acquisition of investments are deducted into the investment costs. Dividends and profits incurred after the acquisition of investments are recorded into the Corporation's financial income. Particularly, the dividends paid in form of shares are not recorded as an increase in values but the increasing quantity of shares is followed up.

Provisions for impairment of investments in subsidiaries, joint ventures and associates

Provisions for impairment of investments in subsidiaries, joint ventures and associates are made when the subsidiaries, joint ventures, associates suffer from losses at the rate equal to the difference between the actual capital invested by investors in subsidiaries, joint ventures, associates and the actual owner's equity multiplying (x) by the Corporation's rate of capital contribution over the total actual capital invested by investors in subsidiaries, joint ventures, associates. If the subsidiaries, joint ventures, associates are consolidated into the Consolidated Financial Statements, the basis for impairment provisions is the Consolidated Financial Statements.

Increases/(decreases) in the provisions for impairment of investments in subsidiaries, joint ventures, associates as of the balance sheet date are recorded into financial expenses.

Investments in equity instruments of other entities

Investments in equity instruments of other entities include such investments in equity instruments that do not enable the Corporation to have the control, joint control or significant influence on these entities.

Investments in equity instruments of other entities are initially recognized at costs, including cost of acquisition plus other directly attributable transaction costs. Dividends and profits incurred prior to the acquisition of investments are deducted into investment costs. Dividends and profits incurred after the acquisition of investments are recorded into the Corporation's financial income. Particularly, the dividends paid in form of shares are not recorded as an increase in costs, but the increases in quantity of shares is followed up.

Provisions for impairment of investments in equity instruments of other entities are made as follows:

- For investments in listed shares or fair value of investments which is reliably measured, provisions are made on the basis of the market value of shares.
- For investments of which the fair value cannot be measured at the time of reporting, provision is made based on the losses suffered by investees, with the amount defined by the difference between owners' actual contributed capital and the total owners' equity as of the balance sheet date multiplied (x) by the Corporation's rate of charter capital owning in these investees.

Increases/(decreases) in the provisions for impairment of investments in equity instruments of other entities as of the balance sheet date are recorded into financial expenses.

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

5. Receivables

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

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

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Corporation and customers who are independent to the Corporation.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the ages of debts after offsetting against liabilities (if any) or estimated loss as follows:

- As for overdue debts:
 - 30% of the value of debts overdue between 6 months and less than 1 year.
 - 50% of the value of debts overdue between 1 year and less than 2 years.
 - 70% of the value of debts overdue between 2 years and less than 3 years.
 - 100% of the value of debts overdue more than 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Allowance for other receivables is made for each doubtful debt on the basis of estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- For work-in-process: Costs are as follows:
 - Construction of real estate project: Costs include construction costs, loan interest, land use right and other directly relevant expenses.
 - Production of products: Costs include costs of main materials, labors and other directly relevant expenses.
- For finished goods: Costs comprise costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business deducts the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for devaluation of inventories is recognized for each category of inventory when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for devaluation of inventories as of the balance sheet date are recorded into costs of sales.

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

7. Prepaid expenses

Prepaid expenses comprise actual expenses incurred but relevant to financial performance in several accounting periods. Prepaid expenses of the Corporation mainly include expenses on land use right, repair expenses, expenses of tools and rental. These prepaid expenses are allocated over the prepayment period or period in which corresponding benefits are realized.

Land use right

Expenses on transfer of land use right include the actual expenses paid for the transferred land being used by the Corporation. Expenses on transfer of temporary land use right are allocated over the term specified in Land Use Right Certificate.

Repair expenses

Repair expenses include the actual expenses used to repair offices for lease, machinery and equipment. These expenses are allocated into the financial performance for the maximum period of 3 years.

Expenses of tools

Expenses on tools being put into use are allocated into costs in accordance with the straight-line method for the maximum period of 3 years.

8. Operating leased assets

A lease is classified as an operating lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessor. The lease expenses are allocated in the Corporation's operation costs in accordance with the straight-line method over the lease term and do not depend on the method of lease payment.

9. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Corporation to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation expenses during the year.

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation period applied is as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 40
Machinery and equipment	05 – 15
Vehicles	06 – 10
Office equipment	03 – 08

10. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Corporation to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the year only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Corporation's intangible fixed asset only includes computer software.

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Corporation until the date the software is put into use. Computer software is amortized in accordance with the straight-line method from 2 - 5 years.

11. Construction-in-progress

Construction-in-progress reflects the expenses (including relevant loan interest expenses following the accounting policies of the Corporation) directly attributable to assets under construction, machinery and equipment under installation for purposes of production, leasing and management as well as the repair of fixed assets in progress. These assets are recorded at historical costs and not depreciated.

12. Contractual arrangement

Jointly controlled operations

In respect of its interest in jointly controlled operations, the Corporation shall recognize in its Combined Financial Statements:

- the assets that the Corporation controls.
- the liabilities that the Corporation incurs.
- the Corporation earns from the sale of goods or services by the joint venture.
- the expenses that the Corporation incurs

13. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recognized on the basis of reasonable estimates for the amount payable.

The classification of payables as trade payables, accrued expenses or other payables is made according the following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Corporation.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Combined Balance Sheet on the basis of their remaining term as of the balance sheet date.

14. Owner's equity

Owner's capital

The contributed capital is recorded according to the actual amount invested by the shareholders.

Share premiums

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

PHONG PHU CORPORATION

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Notes to the Combined Financial Statements (cont.)

15. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Corporation as well as legal regulations and approved by the General Meeting of Shareholders.

Profit distribution to shareholders is done under consideration to non-monetary items belonging to retained earnings which probably affects cash flows and dividend payment ability, including gains arisen from the revaluation of assets contributed as capital, interest due to the revaluation of monetary items, financial instruments and other non-monetary items.

Dividends are recorded as payables upon the approval of the General Meeting of Shareholders.

16. Recognition of revenue and income

Revenue from sales of merchandise and finished goods

Revenue from sales of merchandise and finished goods are recognized when the following conditions are satisfied:

- The Corporation transfers most of risks and benefits incident to the ownership of merchandise or products to customers.
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandise, products sold.
- The amount of revenue can be measured reliably. Where the contracts stipulate that buyers have the right to return products, merchandise purchased under specific conditions, the revenue is recorded only when those specific conditions are no longer exist and buyers retains no right to return merchandise, products (except for the case that such returns are in exchange for other goods or services).
- The Corporation received or shall probably receive the economic benefits associated with sale transactions.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

Revenue from provisions of services

Revenue from provisions of services shall be recognized when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably. When the contract stipulates that the buyer is entitled to return the services provided under specific conditions, the revenue is recognized only when these specific conditions are no longer existed and the buyer is not entitled to return the services provided.
- The Corporation received or shall probably receive the economic benefits associated with the provision of services.
- The stage of completion of the transaction at the end of reporting period can be measured reliably.
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

In the case that the services are provided in several accounting periods, the determination of revenue is done on the basis of the volume of work done as of the balance sheet date.

Revenue from sales of real estate

Revenue from sales of real estate that invested by the Corporation shall be recognized when all of the following conditions have been satisfied:

- the real estate is fully completed and handed over to the buyers, and the Corporation has transferred to the buyer the significant risks and rewards of ownership of the real estate.
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the real estate sold.
- The amount of revenue can be measured reliably.

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- The Corporation received or shall probably receive the economic benefits associated with the transaction.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.
- In case the customer has the right to complete the interior of the real estate and the Corporation completes the interior of the real estate according to the designs, models, and customer requirements under the separate contract, sales are recognized upon the completion and handover of the main construction works to customers.

Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

Dividends and profit shared

Dividends and profit shared are recognized when the Corporation has the right to receive dividends or profit from the capital contribution.

17. Revenue deductions

Revenue deductions only include sales returns incurred in the same period of providing products, merchandise, services, in which revenue is derecognized.

In case of products, merchandise, services provided in the previous years but sales returns incurred in the current year, revenue is derecognized as follows:

- If sales returns incur prior to the release of the Combined Financial Statements, revenue is derecognized on the Combined Financial Statements of the current year.
- If sales returns incur after the release of the Combined Financial Statements, revenue is derecognized on the Combined Financial Statements of the following year.

18. Borrowing costs

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

19. Expenses

Expenses are those that result in outflows of the Corporation's economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

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Notes to the Combined Financial Statements (cont.)

20. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

Deferred income tax

Deferred income tax is the amount of corporate income tax liability or refundable due to temporary differences between carrying values of assets and liabilities serving the preparation of the Financial Statements and basis for calculation of income tax. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, that corporate income tax will be included in the owner's equity.

The Corporation shall offset deferred tax assets and deferred tax liabilities if:

- The Corporation has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
 - Of the same subject to corporate income tax; or
 - The Corporation has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

21. Related parties

A party is considered a related party in case that party is able to control the Corporation or to cause material effects on the financial decisions as well as the operations of the Corporation. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

Considering the relationship of related parties, the nature of relationship is focused more than its legal form.

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22. Segment reporting

A business segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Segment information is prepared and presented in compliance with accounting policies on preparation and presentation of the Corporation's Combined Financial Statements.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED BALANCE SHEET

1. Cash and cash equivalents

	Ending balance	Beginning balance
Cash on hand	1.984.031.115	620.690.435
Demand bank deposits	46.837.796.759	24.010.492.997
Cash equivalents – Deposits of which the principal maturity is from 3 months or less	-	776.023.554
Total	48.821.827.874	25.407.206.986

2. Financial investments

The financial investments of the Corporation include held-to-maturity investments and investments in other entities. The Corporation's financial investments are as follows:

2a. Held-to-maturity investments

This item reflects bank deposits, of which the principal maturity is from 6 months to 1 year. The Contracts of Term Deposits at VietinBank and ACB with total amount of VND 55.500.000.000 have been used to secure the payment obligations for L/C and guarantees at the same banks (see Note No. V.20).

2b. Investments in other entities

	Ending balance		Beginning balance	
	Original amount	Provision	Original amount	Provision
Investments in subsidiaries	234.450.000.000	-	230.050.000.000	-
Phong Phu Home Textile Joint Stock Company ⁽ⁱ⁾	220.050.000.000	-	220.050.000.000	-
Nam Duong Phu Joint Stock Company ⁽ⁱⁱ⁾	14.400.000.000	-	10.000.000.000	-
Investments in joint ventures, associates	371.267.159.796	(23.917.720.035)	349.675.919.796	(40.284.745.399)
Coats Phong Phu Limited Liability Company ⁽ⁱⁱⁱ⁾	85.253.638.578	-	85.253.638.578	-
HUD Saigon Housing and Urban Development Investment Joint Stock Company ^(iv)	10.000.000.000	-	10.000.000.000	-
Dalat Garment Joint-Stock Company ^(v)	6.769.616.000	-	6.769.616.000	-
Phong Phu Trading & Investment Promotion Corporation ^(vi)	6.800.516.237	(6.800.516.237)	6.800.516.237	(6.800.516.237)

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Notes to the Combined Financial Statements (cont.)

	Ending balance		Beginning balance	
	Original amount	Provision	Original amount	Provision
Phong Phu - Daewon - Thu Duc Housing Development Corporation ^(vii)	144.586.200.608	(5.228.765.629)	144.586.200.608	(14.610.737.957)
Dong Nam Textile Joint Stock Company ^(viii)	46.888.561.208	-	25.297.321.208	-
Nha Trang Textile & Garment Joint Stock Company ^(ix)	70.968.627.165	(11.888.438.169)	70.968.627.165	(18.873.491.205)
Investments in other entities	105.929.737.637	(33.036.911.209)	105.929.737.637	(22.175.445.134)
Binh An Garment Textile Material Accessories Joint Stock Company ^(x)	13.027.052.451	(1.423.365.164)	13.027.052.451	(246.155.288)
Lien Phuong Textile & Garment Corporation ^(xi)	32.288.540.334	(9.402.117.994)	32.288.540.334	-
Gia Dinh Development Corporation ^(xii)	12.533.634.095	-	12.533.634.095	-
Gia Dinh - Phong Phu Textile and Garment Corporation ^(xiii)	5.852.355.319	(5.852.355.319)	5.852.355.319	(5.852.355.319)
Vietnam Wool Joint Stock Company ^(xiv)	1.337.103.882	(877.928.858)	1.337.103.882	(949.900.491)
Vietnam Textile Garment Materials Trading and Manufacturing Joint Stock Company ^(xv)	11.282.879.453	(10.683.281.723)	11.282.879.453	(10.508.383.656)
Saigon - Rach Gia Corporation ^(xvi)	2.984.184.383	(2.984.184.382)	2.984.184.383	(2.804.972.612)
Hung Phu Joint Stock Company ^(xvii)	1.813.677.769	(1.813.677.769)	1.813.677.769	(1.813.677.768)
Vinatex Nam Dinh City Development Joint Stock Company ^(xviii)	7.500.000.000	-	7.500.000.000	-
Phuoc Loc Joint Stock Company ^(xix)	3.216.754.481	-	3.216.754.481	-
Phong Phu International Joint Stock Company ^(xx)	14.093.555.470	-	14.093.555.470	-
Total	711.646.897.433	(56.954.631.244)	685.655.657.433	(62.460.190.533)

- (i) The Corporation has held 14.400.000 shares, equivalent to 90% of charter capital of Phong Phu Home Textile Joint Stock Company.
- (ii) According to the first Business Registration Certificate No. 0317851321 dated 26 May 2023, granted by Ho Chi Minh City Department of Planning and Investment, the Corporation invests in Nam Duong Phu Joint Stock Company an amount of VND 48.000.000.000, equivalent to 4.800.000 shares, accounting for 48% of charter capital. During the year, the Corporation invested VND 4.400.000.000. As of the balance sheet date, the Corporation has invested VND 14.400.000.000, equivalent to 14,4% of charter capital. The charter capital to be invested in Nam Duong Phu Joint Stock Company is VND 33.600.000.000.
- (iii) The Corporation has invested in Coats Phong Phu Limited Liability Company an amount of VND 85.253.638.578, equivalent to 35,65% of charter capital.
- (iv) The Corporation has invested in 1.000.000 shares of HUD Saigon Housing and Urban Development Investment Joint Stock Company, equivalent to 21,51% of charter capital.
- (v) The Corporation has invested in 423.100 shares of Dalat Garment Joint-Stock Company, equivalent to 40,00% of charter capital.
- (vi) The Corporation has invested in 634.192 shares of Phong Phu Trading & Investment Promotion Corporation, equivalent to 31,71% of charter capital.

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- (vii) The Corporation has invested in 12,519,778 shares of Phong Phu - Daewon - Thu Duc Housing Development Corporation, equivalent to 47,64% of charter capital.
- (viii) The Corporation has invested in 4,331,572 shares, equivalent to 35,99% of charter capital of Dong Nam Textile Joint Stock Company.
- (ix) The Corporation has invested in 5,614,375 shares, equivalent to 23,89% of charter capital of Nha Trang Textile & Garment Joint Stock Company.
- (x) The Corporation has invested in 1,301,424 shares of Binh An Garment Textile Material Accessories Joint Stock Company, equivalent to 11,72% of charter capital.
- (xi) The Corporation has invested in 2,999,772 shares of Lien Phuong Textile & Garment Corporation, equivalent to 12,74% of charter capital.
- (xii) The Corporation has invested in 880,808 shares of Gia Dinh Development Corporation, equivalent to 2,33% of charter capital.
- (xiii) The Corporation has invested in 600,000 shares of Gia Dinh - Phong Phu Textile and Garment Corporation, equivalent to 10,91% of charter capital.
- (xiv) The Corporation has invested in 130,000 shares of Vietnam Wool Joint Stock Company, equivalent to 2,02% of charter capital.
- (xv) The Corporation has invested in 1,126,228 shares of Vietnam Textile Garment Materials Trading and Manufacturing Joint Stock Company, equivalent to 23,66% of charter capital.
- (xvi) The Corporation has invested in 300,000 shares of Saigon - Rach Gia Corporation, equivalent to 2,25% of charter capital.
- (xvii) The Corporation has invested in 180,100 shares of Hung Phu Joint Stock Company, equivalent to 6,00% of charter capital.
- (xviii) The Corporation has invested in 825,843 shares of Vinatex Nam Dinh City Development Joint Stock Company, equivalent to 12,04% of charter capital.
- (xix) The Corporation has invested in 30,000 shares of Phuoc Loc Joint Stock Company, equivalent to 15,79% of charter capital.
- (xx) The Corporation has invested in 2,400,000 shares of Phong Phu International Joint Stock Company, equivalent to 16,34% of charter capital.

Fair values

The Corporation has not measured the fair values of investments because there has been no specific guidance on measurement of fair values.

Operations of subsidiaries, joint ventures and associates

The subsidiaries, joint ventures and associates have been in normal operations and have not experienced significant changes as compared to the previous year.

Provision for investments in other entities

Changes in provision for investments in other entities are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	62.460.190.533	39.141.468.383
Provision/(Reversal of provision)	(5.505.559.289)	23.318.722.150
Ending balance	<u>56.954.631.244</u>	<u>62.460.190.533</u>

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Notes to the Combined Financial Statements (cont.)*Transactions with subsidiaries, joint ventures and associates*

Significant transactions between the Corporation and subsidiaries, joint ventures and associates are as follows:

	<u>Current year</u>	<u>Previous year</u>
<i>Phong Phu Home Textile Joint Stock Company</i>		
Purchase of goods and materials	275.214.534.140	303.234.920.992
Purchase of services	8.731.802.310	7.873.730.207
Sales of merchandise and finished goods	135.133.738.809	221.710.709.180
Service provisions	90.502.789.240	81.810.079.787
Dividends shared	14.400.000.000	11.520.000.000
Receivable for interest on asset rental	9.937.646.252	15.829.556.439
<i>Nam Duong Phu Joint Stock Company</i>		
Capital contribution	4.400.000.000	10.000.000.000
Purchase of materials	20.037.276.542	-
Sales of merchandise and finished goods	745.223.902	-
<i>Nha Trang Textile & Garment Joint Stock Company</i>		
Purchase of goods and materials	29.324.984	9.534.114.491
Receipt of services	23.962.409.646	15.852.609.622
Sales of merchandise and finished goods	-	3.592.970.303
Service provisions	-	6.553.775.136
Receivable for interest on asset rental	-	4.527.399.646
Factory transfer support	-	2.564.726.758
Purchase of tools, fixed assets	3.361.155.981	-
<i>Dalat Garment Joint-Stock Company</i>		
Dividends shared	-	634.652.566
<i>Coats Phong Phu Limited Liability Company</i>		
Profit shared	354.945.528.945	410.844.829.248
Sales of merchandise and finished goods	719.788.233.270	496.504.226.292
Service provisions	16.047.715.530	15.177.221.087
Purchase of materials	372.234.312.970	229.215.946.870

3. Short-term trade receivables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Receivables from related parties</i>	<i>302.290.911.046</i>	<i>227.553.226.802</i>
Coats Phong Phu Limited Liability Company	262.239.956.872	196.535.436.993
Phong Phu Home Textile Joint Stock Company	25.331.087.476	17.095.052.691
Phong Phu Trading & Investment Promotion Corporation	12.930.807.340	12.930.807.340
Nam Duong Phu Joint Stock Company	35.349.229	-
Phong Phu International Joint Stock Company	1.479.363.077	991.929.778
Hoa Tho Textile - Garment Joint Stock Corporation	274.347.052	-
<i>Receivables from other customers</i>	<i>53.748.803.863</i>	<i>77.994.759.853</i>
Total	<u>356.039.714.909</u>	<u>305.547.986.655</u>

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Notes to the Combined Financial Statements (cont.)**4. Short-term prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Hoang Thi Loan Textile& Garment Joint Stock Company – prepayment for processing services	10.000.000.000	-
Allenberg Cotton Co.	-	582.476.385
Olam Global Agri Pte Ltd	-	1.090.921.650
Other suppliers	2.967.093.911	1.583.642.312
Total	<u>12.967.093.911</u>	<u>3.257.040.347</u>

5. Other short-term receivables

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Value</u>	<u>Allowance</u>	<u>Value</u>	<u>Allowance</u>
Phong Phuoc Investment Development Joint Stock Company - Profit receivable from business co-operation in Dong Mai project	-	-	74.071.866.212	-
Phong Phuoc Investment Development Joint Stock Company - Receivable for deferred payment	-	-	11.448.047.374	-
Saigon Agriculture Incorporation - Receivable for business co-operation in Lang Le – Bau Co project (*)	43.532.895.759	(16.291.758.178)	43.532.895.759	(16.291.758.178)
Advance	4.516.764.120	-	2.778.812.602	-
Receivable for interest on asset rental	354.507.539	-	400.801.124	-
Dividends, profit shared	1.651.686.000	-	-	-
Other short-term receivables	3.685.819.111	(3.242.551.090)	4.302.408.601	(3.242.551.090)
Total	<u>53.741.672.529</u>	<u>(19.534.309.268)</u>	<u>136.534.831.672</u>	<u>(19.534.309.268)</u>

(*) On 09 April 2021, Ho Chi Minh City People's Committee Office issued the Notice No. 279/TB-VP on conclusion of Vo Van Hoan, Vice Chairman of the Municipal People's Committee agreeing the policy that Saigon Agriculture Incorporation would not continue the project implementation and it is assigned to enter into negotiation to terminate the business co-operation contract with the Corporation. On 26 May 2021, the Department of Natural Resources and Environment issued the Document No. 4046/STNMT-QLĐ to report to HCMC People's Committee on taking back the project land and handing it over to the People's Committee of Binh Chanh District.

On 15 May 2023, the People's Committee of Ho Chi Minh City issued the Decision No. 1923/QĐ-UBND on recovery of land for Lang Le – Bau Co Industrial Cluster project. The Corporation and Saigon Agriculture Incorporation are working to reach an agreement on unfinished investment costs, shared capital and outstanding balances of the involved parties to report to the Municipal People's Committee for appraisal and direction toward handling.

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Notes to the Combined Financial Statements (cont.)

6. Doubtful debts

	Ending balance		Beginning balance	
	Original amount	Recoverable value	Original amount	Recoverable value
<i>Related party</i>	12.930.807.340	-	12.930.807.340	-
Phong Phu Trading & Investment Promotion Corporation	12.930.807.340	-	12.930.807.340	-
<i>Other organizations and individuals</i>	49.905.822.183	27.345.567.578	49.905.822.183	27.307.387.578
Saigon Agriculture Incorporation	43.532.895.759	27.241.137.581	43.532.895.759	27.241.137.581
Tai Tin Company Limited	3.242.551.090	-	3.242.551.090	-
Other organizations and individuals	3.065.695.334	39.749.997	3.130.375.334	66.249.997
Total	62.771.949.523	27.280.887.578	62.836.629.523	27.307.387.578

Changes in allowances for doubtful debts are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	35.529.241.945	30.466.396.439
Allowance/(Reversal of allowance)	(38.180.000)	5.062.845.506
Ending balance	35.491.061.945	35.529.241.945

7. Inventories

	Ending balance		Beginning balance	
	Original cost	Allowance	Original cost	Allowance
Goods in transit	-	-	6.365.471.268	-
Materials and supplies	53.504.488.225	(1.304.453.894)	32.771.259.145	(931.977.686)
Work-in-process	23.434.012.227	-	28.345.846.626	-
Construction-in-progress costs of the project (*)	187.766.564.464	-	187.766.564.464	-
Finished goods	51.725.535.854	(123.390.983)	37.405.361.180	(314.442.222)
Merchandise	7.112.733.251	-	14.485.779.087	-
Total	323.543.334.021	(1.427.844.877)	307.140.281.770	(1.246.419.908)

(*) This item reflects Construction-in-progress costs of Residence Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City (see Note No. VIII.7).

Changes in allowance for devaluation of inventories are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1.246.419.908	1.379.230.524
Allowance/(Reversal of allowance)	181.424.969	(132.810.616)
Ending balance	1.427.844.877	1.246.419.908

8. Prepaid expenses**8a. Short-term prepaid expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Tools	379.563.256	98.529.935
Other short-term prepaid expenses	32.083.331	188.931.708
Total	411.646.587	287.461.643

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Notes to the Combined Financial Statements (cont.)**8b. Long-term prepaid expenses**

	Ending balance	Beginning balance
Land use right	3.918.367.320	5.387.755.080
Repair expenses	784.921.825	2.029.329.480
Tools	2.262.499.214	320.077.901
Other long-term prepaid expenses	-	285.000.000
Total	6.965.788.359	8.022.162.461

9. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
Historical costs					
Beginning balance	564.879.749.986	1.327.736.270.169	28.838.920.199	10.767.803.453	1.932.222.743.807
Acquisition during the year	-	3.016.155.981	-	1.448.000.000	4.464.155.981
Completed construction	-	5.115.114.092	-	-	5.115.114.092
Liquidation and disposal	-	(47.835.909.548)	-	-	(47.835.909.548)
Ending balance	564.879.749.986	1.288.031.630.694	28.838.920.199	12.215.803.453	1.893.966.104.332
<i>In which:</i>					
Assets fully depreciated but still in use	60.421.713.025	414.229.836.112	9.304.225.257	3.313.387.883	487.269.162.277
Assets waiting for liquidation	-	-	-	-	-
Depreciation					
Beginning balance	205.583.477.521	858.157.028.413	16.565.731.408	5.998.259.084	1.086.304.496.426
Depreciation during the year	23.676.709.127	81.306.021.388	2.222.041.576	589.348.545	107.794.120.636
Liquidation and disposal	-	(46.446.675.058)	-	-	(46.446.675.058)
Ending balance	229.260.186.648	893.016.374.743	18.787.772.984	6.587.607.629	1.147.651.942.004
Carrying values					
Beginning balance	359.296.272.465	469.579.241.756	12.273.188.791	4.769.544.369	845.918.247.381
Ending balance	335.619.563.338	395.015.255.951	10.051.147.215	5.628.195.824	746.314.162.328
<i>In which:</i>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

Some tangible fixed assets, of which the carrying value is VND 377.056.811.368, have been mortgaged to secure the loans from banks and Vietnam National Textile and Garment Group (see Note No. V.20).

10. Intangible fixed assets

	Initial costs	Amortization	Carrying values
Beginning balance	583.927.273	463.309.060	120.618.213
Amortization during the year		12.061.812	
Ending balance (*)	583.927.273	475.370.872	108.556.401

(*) In which, the initial costs of intangible fixed assets fully amortized but still in use are VND 403.000.000.

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Notes to the Combined Financial Statements (cont.)**11. Construction-in-progress**

	<u>Beginning balance</u>	<u>Increases during the year</u>	<u>Inclusion into fixed assets during the year</u>	<u>Inclusion into expenses</u>	<u>Ending balance</u>
Construction-in-progress	1.648.961.819	7.172.224.627	(5.115.114.092)	(982.505.700)	2.723.566.654
<i>Vung Tau City new market project</i>	1.407.780.001	-	-	-	1.407.780.001
<i>Investment in machinery and equipment</i>	-	7.172.224.627	(5.115.114.092)	(982.505.700)	1.074.604.835
<i>Other projects</i>	241.181.818	-	-	-	241.181.818
Total	1.648.961.819	7.172.224.627	(5.115.114.092)	(982.505.700)	2.723.566.654

12. Deferred income tax assets***Unrecognized deferred income tax assets***

The Corporation has not recognized deferred income tax assets for the following items:

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Temporarily deductible difference</i>	66.563.010.745	67.534.255.271
Accrued expenses	4.089.822.379	5.061.066.905
Provision for payables	62.473.188.366	62.473.188.366
<i>Unused taxable loss</i>	88.947.721.291	232.194.236.862
Total	155.510.732.036	299.728.492.133

According to the current Law on Corporate Income Tax, the loss of any tax year is brought forward to offset against the profit of the following years for the maximum period of 5 years from year after the loss suffering year and the temporary differences can be deducted without any limit on time. Deferred income tax assets are not recognized for these accounts since there is little possibility on the availability of taxable income in the future against which these accounts can be used.

13. Short-term trade payables

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	181.401.664.608	185.086.698.268
Nha Trang Textile & Garment Joint Stock Company	1.465.953.176	39.837.546.572
Phong Phu Home Textile Joint Stock Company	18.950.941.924	31.668.942.177
Coats Phong Phu Limited Liability Company	160.984.769.508	113.580.209.519
<i>Payables to other suppliers</i>	23.635.600.607	24.109.186.882
Total	205.037.265.215	209.195.885.150

The Corporation has no overdue trade payables.

14. Short-term advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Advances from related party</i>	9.962.577.900	9.962.577.900
Vietnam Textile Garment Materials Trading and Manufacturing Joint Stock Company	9.962.577.900	9.962.577.900
<i>Advances from other customers</i>	119.352.935.190	121.527.487.576
Vinh Phuong Trading Production Company Limited	-	2.165.201.342
Advances from customers with respect to the transfer of terrace houses of Residence Area project in Phuoc Long B Ward (see Note No. VIII.7)	115.401.827.748	115.401.827.748
Other customers	3.951.107.442	3.960.458.486
Total	129.315.513.090	131.490.065.476

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15. Taxes and other obligations to the State Budget

	Beginning balance		Increases during the year		Ending balance	
	Payables	Receivables	Amount payable	Amount paid	Payables	Receivables
VAT on local sales	309.920.740	-	15.160.502.586	(13.069.859.186)	2.400.564.140	-
VAT on imports	-	-	2.638.529.654	(2.638.529.654)	-	-
Import-export duties	-	-	382.923.306	(382.923.306)	-	-
Corporate income tax	-	207.769.015	29.729.199	-	29.729.199	207.769.015
Personal income tax	4.224.495.652	-	20.839.401.902	(23.825.046.656)	1.238.850.898	-
Natural resource tax	9.212.000	-	142.713.060	(142.897.300)	9.027.760	-
Land rental	121.208.629.036	-	82.490.526.578	(203.097.855.010)	601.300.604	-
Withholding tax	-	-	90.877.326	(90.877.326)	-	-
Other taxes	-	-	8.500.000	(8.500.000)	-	-
Fees, legal fees and other duties	25.734.743.683	-	3.505.431.841	(29.240.175.524)	-	-
Total	151.487.001.111	207.769.015	125.289.135.452	(272.496.663.962)	4.279.472.601	207.769.015

Value added tax (VAT)

The Corporation pays VAT in accordance with the deduction method. The VAT rates applied are as follows:

- Leasing, trading fiber^(*) 10%
- Using water, trading cotton, scraps 5%

^(*) For the period from 01 January 2024 to 30 June 2024, the VAT rate applied to some goods and services is 8% according to the Government's Decree No. 94/2023/NĐ-CP dated 28 December 2023 stipulating the VAT reduction policy under the Resolution No. 110/2023/QH15 dated 29 November 2023 of the National Assembly. For the period from 01 July 2024 to 31 December 2024, the VAT rate applied to some goods and services is 8% according to the Government's Decree No. 72/2024/NĐ-CP dated 30 June 2024 stipulating the VAT reduction policy under the Resolution No. 142/2024/QH15 dated 29 June 2024 of the National Assembly.

Import-export duties

The Corporation has declared and paid these duties in line with the Customs' notices.

Corporate income tax

The Corporation has to pay corporate income tax at the rate of 20% on taxable income.

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Notes to the Combined Financial Statements (cont.)

Estimated corporate income tax payable during the year is as follows:

	Current year	Previous year
Total accounting profit before tax	349.364.185.903	350.991.338.030
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- <i>Increases</i>	74.152.967.656	92.286.401.598
- <i>Decreases</i>	(1.652.572.722)	(3.448.815.457)
Income subject to tax	421.864.580.837	439.828.924.171
<i>In which:</i>		
- <i>Income from business operations</i>	421.715.934.840	439.828.924.171
- <i>Income from trading real estate</i>	148.645.997	-
Income exempted from tax	(379.097.214.945)	(431.841.051.814)
Loss brought forward	(42.618.719.895)	(7.987.872.357)
Taxable income	148.645.997	-
Corporate income tax rate	20%	20%
Corporate income tax payable	29.729.199	-

Determination of corporate income tax liability of the Corporation is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Combined Financial Statements can be changed upon the inspection of tax authorities.

Natural resource tax

The Corporation has to pay natural resource tax for the activity of exploiting underground water.

Land rental

The Corporation has to pay land rental for land lots being used according to the notices of the tax department. As for the rental for land lot No. 02 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, the Corporation estimates the areas of S1, S2 on the basis of the Official Letter No. 11055/STNMT-QLĐ dated 21 December 2022 of the Department of Natural Resources and Environment and the adjustment coefficient for commercial and service land prices applicable to Area 2 in Ho Chi Minh City according to the Decision No. 05/2023/QĐ-UBND dated 27 January 2023 of the People's Committee of Ho Chi Minh City.

During the year, the Corporation retroactively adjusted the land rental and fines for late payment of land rental according to the Notice No. 3369/TB-CTTPHCM dated 22 February 2024 of Ho Chi Minh City Tax Department and the Official Letter No. 6238/STNMT-QLĐ dated 27 June 2024 of the Department of Natural Resources and Environment (see Note No. VIII.5).

Other taxes

The Corporation has declared and paid these taxes in line with the prevailing regulations.

16. Payables to employees

The ending balance of this item is the salary, bonus to be paid to employees.

17. Short-term accrued expenses

	Ending balance	Beginning balance
Loan interest expenses	-	330.231.761
Welfares for employees	-	683.775.592
Utility costs	3.552.006.566	3.408.494.183
Other short-term accrued expenses	537.815.813	638.565.369
Total	4.089.822.379	5.061.066.905

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Notes to the Combined Financial Statements (cont.)

18. Unearned revenues**18a. Short-term unearned revenues**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Unearned revenues relevant to related party</i>	<i>3.157.462.000</i>	<i>3.157.462.000</i>
Coats Phong Phu Limited Liability Company - Prepayments for leasing fixed assets	3.157.462.000	3.157.462.000
<i>Unearned revenues relevant to other organizations and individuals</i>	<i>872.479.115</i>	<i>282.547.981</i>
Total	4.029.941.115	3.440.009.981

18b. Long-term unearned revenues

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Unearned revenues relevant to related party</i>	<i>17.366.041.000</i>	<i>20.523.503.000</i>
Coats Phong Phu Limited Liability Company - Prepayments for leasing fixed assets	17.366.041.000	20.523.503.000
<i>Unearned revenues relevant to other organizations and individuals</i>	<i>3.131.606.770</i>	<i>3.963.573.071</i>
Vinh Phuong Trading Production Company Limited – Expenses for investment and expansion of Denim Textile Factory 1	3.131.606.770	3.963.573.071
Total	20.497.647.770	24.487.076.071

19. Other payables**19a. Other short-term payables**

	<u>Ending balance</u>	<u>Beginning balance</u>
<i>Payables to related parties</i>	<i>55.203.190.148</i>	<i>40.488.480.033</i>
Vietnam National Textile and Garment Group – Loan interest expenses	2.794.184.998	3.079.684.033
Vietnam National Textile and Garment Group – Dividends payable	52.372.314.400	37.408.796.000
Phong Phu Home Textile Joint Stock Company – Payment made on the Corporation's behalf	36.690.750	-
<i>Payables to other organizations and individuals</i>	<i>74.501.152.567</i>	<i>60.646.121.060</i>
An Tam Investment Development Joint Stock Company – Receipt of business cooperation capital	19.500.000.000	19.500.000.000
Dividends payable	53.293.689.860	37.954.590.235
Other short-term payables	1.766.771.957	3.191.530.825
Total	129.763.651.965	101.134.601.093

19b. Other long-term payables

	<u>Ending balance</u>	<u>Beginning balance</u>
Lien Phuong Textile & Garment Corporation – Receipt of long-term capital contribution	5.226.000.000	5.226.000.000
Receipt of long-term deposits, mortgages	8.665.296.000	4.700.000.000
Total	13.891.296.000	9.926.000.000

19c. Overdue debts

The Corporation has no other overdue payables.

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Notes to the Combined Financial Statements (cont.)**20. Borrowings****20a. Short-term borrowings**

	Ending balance	Beginning balance
<i>Short-term loans payable to related party</i>	16.438.837.322	14.250.503.699
Vietnam National Textile and Garment Group (see Note No. V.20b)	16.438.837.322	14.250.503.699
<i>Short-term loans payable to other organizations and individuals</i>	94.119.161.285	106.044.388.277
Short-term loans from banks (i)	22.646.200.332	35.411.821.069
<i>BIDV – Ho Chi Minh City Branch</i>	<i>8.980.019.302</i>	<i>-</i>
<i>VietinBank – Ho Chi Minh City Branch</i>	<i>2.970.661.960</i>	<i>17.933.894.018</i>
<i>Vietcombank – Ho Chi Minh City Branch</i>	<i>5.016.412.424</i>	<i>11.414.296.230</i>
<i>VIB</i>	<i>-</i>	<i>6.063.630.821</i>
<i>ACB – Phan Dinh Phung Branch</i>	<i>5.679.106.646</i>	<i>-</i>
Short-term loans from individuals (ii)	71.472.960.953	70.632.567.208
Total	110.557.998.607	120.294.891.976

(i) The loans from banks are to supplement working capital.

(ii) The short-term loans from individuals are to serve the operation.

The Corporation is solvent over short-term loans.

Details of increases/(decreases) of short-term loans during the year are presented in the attached Appendix 01.

20b. Long-term borrowings

The loan from Vietnam National Textile and Garment Group (a related party) is to restructure finance, pay non-current liabilities from credit institutions according commitments of Vietnam National Textile and Garment Group with ADB and the Ministry of Finance. This loan is secured by mortgaging some fixed assets (see Note No. V.9).

The Corporation is solvent over long-term loans.

Repayment schedule of long-term loans is as follows:

	Ending balance	Beginning balance
1 year or less	16.438.837.322	14.250.503.699
More than 1 year to 5 years	84.422.609.147	73.184.298.000
More than 5 years	431.908.169.015	436.002.583.533
Total	532.769.615.484	523.437.385.232

Details of increases/(decreases) of long-term loan from Vietnam National Textile and Garment Group are as follows:

Beginning balance	509.186.881.533
Exchange difference	23.551.334.181
Transfer to short-term loans	(16.407.437.552)
Ending balance	516.330.778.162

20c. Overdue borrowings

The Corporation has no overdue loans.

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Notes to the Combined Financial Statements (cont.)**21. Provisions for short-term payables**

In 2021, based on the judgement dated 18 December 2021 of the People's Court of Ho Chi Minh City on the violation of Saigon Agriculture Incorporation regarding the transfer of the Residence Area project in Quarter 4, Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City, the Corporation made provision for loss payable to Saigon Agriculture Incorporation on the basis of the loss determined as at the transfer date for an amount of VND 62.473.188.366. Accordingly, the provision for loss is made on the basis of the land area of 9,568 m² (corresponding to the adjacent land area, for which capital was mobilized and signed the transfer contract) and the loss rate was determined at 28% of the capital contributed by Saigon Agriculture Incorporation.

22. Bonus and welfare funds

	Beginning balance	Increases due to extraction from profit	Disbursement during the year	Ending balance
Bonus fund	10.618.701.259	11.529.434.000	(15.189.684.581)	6.958.450.678
Welfare fund	657.094.501	6.000.000.000	(4.740.670.216)	1.916.424.285
Bonus fund for the Executive Board	2.827.447.219	16.616.794.000	(16.023.000.000)	3.421.241.219
Total	14.103.242.979	34.146.228.000	(35.953.354.797)	12.296.116.182

23. Owner's equity**23a. Statement of the changes in owner's equity**

Information on the changes in owner's equity is presented in the attached Appendix 02.

23b. Details of owner's capital

	Ending balance	Beginning balance
Vietnam National Textile and Garment Group	374.087.960.000	374.087.960.000
Other shareholders	372.620.950.000	372.620.950.000
Total	746.708.910.000	746.708.910.000

23c. Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	74.670.891	74.670.891
Number of shares sold to the public	74.670.891	74.670.891
- Common shares	74.670.891	74.670.891
- Preferred shares	-	-
Number of shares repurchased	-	-
- Common shares	-	-
- Preferred shares	-	-
Number of outstanding shares	74.670.891	74.670.891
- Common shares	74.670.891	74.670.891
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

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Notes to the Combined Financial Statements (cont.)

23d. Profit distribution

During the year, the Corporation distributed the 2023 profit in accordance with the Resolution No. 142/NQ-DHĐCĐ/PP dated 16 May 2024 of 2024 Annual General Meeting of Shareholders as follows:

	Amount distributed	Dividends advanced in the previous year	Amount appropriated in the current year
• Distribution of dividends to shareholders	224.012.673.000	186.677.227.500	37.335.445.500
• Appropriation for investment and development fund	17.529.434.000	-	17.529.434.000
• Appropriation for bonus and welfare funds	17.529.434.000	-	17.529.434.000
• Appropriation for bonus to the Board of Management, the Supervisory Board, the Executive Board and hospitality expenditure (3%)	10.517.660.000	-	10.517.660.000
• Appropriation for bonus for performance over target (10% of extra-profit)	6.099.134.000	-	6.099.134.000

Additionally, the Corporation made the 1st advance and the 2nd advance of 2024 dividends as follows:

- According to the Decision No. 172/QĐ-HĐQT dated 13 June 2024 of the Board of Management, and the Notice No. 173/TB-PP dated 13 June 2024, the Corporation made the 1st advance of 2024 dividends at the rate of 6%/face value. The final date for registration to exercise the dividend advance right is 28 June 2024, and the dividend payment date is 26 July 2024 onwards, with the amount of VND 44.802.534.600.
- According to the Decision No. 378/QĐ/HĐQT dated 16 December 2024 of the Board of Management, the Notices No. 379/TB-PP dated 16 December 2024, and No. 413/TB-PP dated 31 December 2024, and the Decision No. 411/QĐ-HĐQT dated 31 December 2024, regarding the adjustment of the closing date for registration of 2024 dividend payment right, the Corporation made the 2nd advance of 2024 dividends at the rate of 14%/ face value. The final date for registration to exercise the dividend advance right is 13 January 2025. The Corporation recognized the 2nd advance of 2024 dividends with the amount of VND 104.539.247.400 at item "Other short-term payables" (code 319) in the Combined Balance Sheet.

24. Off-Combined balance sheet items**Foreign currencies**

	Ending balance	Beginning balance
United States Dollar (USD)	1.455.095,88	702.270,91
Euro (EUR)	269,38	279,46

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Notes to the Combined Financial Statements (cont.)

VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED INCOME STATEMENT**1. Revenue from sales of goods and provisions of services****1a. Gross revenue**

	<u>Current year</u>	<u>Previous year</u>
Revenue from sales of finished goods	724.396.621.734	499.799.461.959
Revenue from sales of merchandise and service provisions	834.269.445.238	849.281.858.890
Revenue from sales of real estate	148.645.997	619.877.344
Total	<u>1.558.814.712.969</u>	<u>1.349.701.198.193</u>

1b. Revenue from sales of goods and provisions of services to related parties

Apart from sales of goods and service provisions to subsidiaries, joint ventures and associates presented in Note No. V.2b, the Corporation has the following sales of goods and service provisions to other related parties which are not its subsidiaries, joint ventures and associates:

	<u>Current year</u>	<u>Previous year</u>
<i>Phong Phu International Joint Stock Company</i>		
Service provisions	16.391.493.534	14.981.054.966
<i>Phuoc Loc Joint Stock Company</i>		
Sales of merchandise, finished goods	70.842.612.052	48.025.067.514
Service provisions	7.849.603.204	5.789.008.155
<i>Hoa Tho Textile - Garment Joint Stock Corporation</i>		
Service provisions	2.251.027.071	2.008.961.060

2. Revenue deductions

This item reflects sales returns.

3. Costs of sales

	<u>Current year</u>	<u>Previous year</u>
Costs of finished goods sold	605.205.525.812	409.073.770.492
Costs of merchandise, services provided	747.929.362.307	799.934.486.379
Costs of real estate sold	-	645.454.545
Allowance/(Reversal of allowance) for devaluation of inventories	181.424.969	(132.810.616)
Total	<u>1.353.316.313.088</u>	<u>1.209.520.900.800</u>

4. Financial income

	<u>Current year</u>	<u>Previous year</u>
Term deposit interest	22.999.727.575	24.839.409.805
Demand deposit interest	55.096.777	35.145.820
Interest on deferred payment	-	416.750.517
Dividends and profit shared	379.097.214.945	431.841.051.814
Exchange gain arising	3.107.363.807	1.969.131.276
Total	<u>405.259.403.104</u>	<u>459.101.489.232</u>

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Notes to the Combined Financial Statements (cont.)**5. Financial expenses**

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	28.215.740.005	20.889.780.400
Exchange loss arising	2.410.119.912	984.941.286
Exchange loss due to the revaluation of monetary items in foreign currencies	22.249.150.320	16.801.234.976
Provisions/(Reversal of provisions) for investment loss	(5.505.559.289)	23.318.722.150
Expenses on liquidation of other long-term investments	-	20.000.000
Support for reducing interest on deferred payment	9.415.761.812	-
Total	56.785.212.760	62.014.678.812

6. Selling expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	4.615.652.855	4.280.425.060
Transportation expenses	5.386.873.886	3.749.152.103
Other expenses	5.751.826.041	8.312.985.344
Total	15.754.352.782	16.342.562.507

7. General and administration expenses

	<u>Current year</u>	<u>Previous year</u>
Expenses for office staff	49.217.280.255	41.176.203.457
Office supplies	3.341.890.948	2.824.080.386
Depreciation/(amortization) of fixed assets	3.492.608.899	3.934.616.005
Taxes, fees and legal fees	80.605.064.105	78.909.175.060
Allowance/(Reversal of allowance) for doubtful debts	(38.180.000)	5.062.845.506
Expenses for external services	48.780.031.830	30.296.453.436
Other expenses	7.537.316.186	4.609.418.628
Total	192.936.012.223	166.812.792.478

8. Other income

	<u>Current year</u>	<u>Previous year</u>
Gain from liquidation and disposal of fixed assets	4.394.661.226	2.050.973.588
Fines for contract violation	4.255.437.193	60.000.000
Other income	101.659.758	64.867.296
Total	8.751.758.177	2.175.840.884

9. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Fines, late payment	3.712.443.258	473.850.000
Factory transfer support	-	2.564.726.758
Other expenses	704.355.574	317.843.159
Total	4.416.798.832	3.356.419.917

10. Earnings per share

Information on earnings per share is presented in the Consolidated Financial Statements.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)**11. Operating costs by factors**

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	778.813.202.427	519.624.148.566
Labor costs	157.907.336.891	140.828.713.811
Depreciation/(amortization) of fixed assets	107.806.182.448	107.249.222.151
Expenses for external services	234.316.662.502	192.749.289.884
Other expenses	98.282.667.728	97.780.037.999
Total	<u>1.377.126.051.996</u>	<u>1.058.231.412.411</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED CASH FLOW STATEMENT

The Corporation has the following non-cash transactions:

	<u>Current year</u>	<u>Previous year</u>
- Offsetting interest on loans given against loan interest expenses	14.758.991.054	25.537.718.488
- Offsetting interest on asset rental against payables	9.937.646.252	15.999.775.543

As of the balance sheet date, balances relevant to acquisition and construction of fixed assets and other non-current assets are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
- Payables for acquisition of fixed assets	2.131.843.770	36.747.617.612
- Prepayments for acquisition of fixed assets	630.600.000	640.896.310

VIII. OTHER DISCLOSURES**1. Contingent liabilities**

The Corporation made retroactive adjustments for land rental and fines for late payment of rental for the land lot at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, which incurred as to 2024 according to the Notices of Tan Phu District Tax Department (see Note No. VIII.5).

On the other hand, the Corporation received the Notice No. 14447/TB-CTTPHCM dated 09 September 2024 of Ho Chi Minh City Tax Department regarding the land leasing rate applicable to the period from 10 April 2017 to 31 December 2024, and the Notice No. 10874/STNMT-QLĐ dated 21 October 2024 of the Department of Natural Resources and Environment regarding the land areas and the land use purposes, i.e. non-agricultural land for production facilities and commercial, service land, corresponding to each land area and location of land leased by the Corporation. As to the reporting date, the Corporation has not received any official notices from Ho Chi Minh City Tax Department regarding the payments of land rental, these amounts accordingly have not been recognized in the Combined Financial Statements. Therefore, the land rental and the relevant obligations (if any) incurred, which were presented in the Combined Financial Statements, might be subject to changes upon the official decision of the tax authority on the amounts payable by the Corporation.

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)**2. Operating leased assets**

As at the balance sheet date, the total minimum rental to be collected in the future from irrevocable operating leases is as follows:

	Ending balance	Beginning balance
1 year or less	71.370.791.069	56.445.363.656
More than 1 year to 5 years	252.192.968.973	178.406.423.965
More than 5 years	258.904.260.687	232.989.913.420
Total	582.468.020.729	467.841.701.041

3. Transactions and balances with related parties

The related parties of the Corporation include the key managers, individuals related to the key managers and other related parties.

3a. Transactions and balances with the key managers and their related individuals

The key managers include the Board of Management, the Supervisory Board and the Executive Board. The individuals related to the key managers are their close family members.

Transactions with the key managers and their related individuals

The Corporation has no sales of goods and service provisions and no other transactions with the key managers and their related individuals.

Balances with the key managers and their related individuals

The Corporation has no balances with the key managers and their related individuals.

Remuneration of the Board of Management, the Supervisory Board, salary of the General Director and other managers

	Current year	Previous year
The Board of Management and the Supervisory Board	904.000.000	756.000.000
The General Director and other managers	7.261.022.582	6.100.022.860
Total	8.165.022.582	6.856.022.860

3b. Transactions and balances with other related parties

Other related parties of the Corporation include:

Other related parties	Relationship
Vietnam National Textile and Garment Group	Parent Company
Phong Phu Home Textile Joint Stock Company	Subsidiary
Nam Duong Phu Joint Stock Company	Subsidiary
Dong Nam Textile Joint Stock Company	Associate
Nha Trang Textile & Garment Joint Stock Company	Associate
Coats Phong Phu Limited Liability Company	Associate
HUD Saigon Housing and Urban Development Investment Joint Stock Company	Associate
Dalat Garment Joint-Stock Company	Associate
Phong Phu Trading & Investment Promotion Corporation	Associate
Phong Phu - Daewon - Thu Duc Housing Development Corporation	Associate
Phong Phu International Joint Stock Company	Related company of the key managers
Vinatex Nam Dinh City Development Joint Stock Company	Related company of Vietnam National Textile and Garment Group
Phuoc Loc Joint Stock Company	Related company of the key managers
Hoa Tho Textile - Garment Joint Stock Corporation	Subsidiary of Vietnam National Textile and Garment Group

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For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

Transactions with other related parties

Apart from transactions with subsidiaries, joint ventures and associates presented in Note No. V.2b, the Corporation also has other following transactions with other related parties:

	Current year	Previous year
<i>Vietnam National Textile and Garment Group</i>		
Dividends payable	93.521.990.000	149.635.184.000
Loan interest payable	38.531.336.966	36.299.798.884
Purchase of goods	624.228.016	492.083.000
Service charges	487.303.727	298.860.606
<i>Phong Phu International Joint Stock Company</i>		
Dividends shared	7.200.000.000	7.200.000.000
Dividends payable	2.509.687.500	4.015.500.000
<i>Vinatex Nam Dinh City Development Joint Stock Company</i>		
Dividends shared	1.651.686.000	-
<i>Phuoc Loc Joint Stock Company</i>		
Dividends shared	900.000.000	900.000.000
Purchase of goods, materials	85.312.333.418	64.397.577.810
Dividends payable	64.487.500	103.180.000
<i>Hoa Tho Textile - Garment Joint Stock Corporation</i>		
Service provisions	2.251.027.071	-

The prices of goods and services provided to other related parties are mutually agreed prices. The purchases of goods and services from other related parties are done at the agreed prices.

Balances with other related parties

Balances with other related parties are presented in Notes No. V.3, V.13, V.14, V.19a and V.20.

The receivables from other related parties are not secured and will be settled in cash.

4. Segment information

The main segment report is business segment because the Corporation's business activities are organized and managed on the basis of the features of products and services provided by the Corporation. Each segment is a business unit which provides different products and serves different markets.

4a. Information on business segment

The Corporation's principal business activities:

- Manufacturing: manufacturing and consuming cloth, towels, sewing thread, embroidery thread, garments and fashion clothes.
- Others: trading fibers and other materials, providing kindergarten education service, trading real estate and performing industrial projects, resorts and complex buildings.

Segment information according to the business segment of the Corporation is presented in the attached Appendix 03.

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For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

4b. Information on geographical segment

All of the plants of the Corporation are in Vietnam. The Corporation's market is mainly in Vietnam, other Asian countries (Korea, Japan, Hong Kong, China, Thailand) and other European and American countries.

Details of net external revenue in respect of geographical segment based on the location of customers are as follows:

	Current year	Previous year
Local sales	1.300.788.634.735	1.087.143.251.469
Exports	257.773.079.572	260.618.110.959
Total	1.558.561.714.307	1.347.761.362.428

5. Comparative figures

The Corporation made retroactive adjustments for land rental and fines for late payment of rental for the land lot at No. 2 Truong Chinh Street, Tay Thanh Ward, Tan Phu District, Ho Chi Minh City, which incurred as to 2024 according to the Notices No. 09/TB-CCTTP dated 20 March 2024, No. 253487/TB-TB07-CCTTP dated 09 April 2024, and No. 14791/TB-CCTTP dated 30 October 2024 of Tan Phu District Tax Department, regarding the land rental to be paid as to 2024.

Effects of these retroactive adjustments on comparative figures in the Combined Financial Statements are as follows:

	Code	Unadjusted figures	Adjustments	Adjusted figures
Combined Balance Sheet				
Taxes and other obligations to the State Budget	313	106.710.822.437	44.776.178.674	151.487.001.111
Retained earnings	421	165.242.555.391	(44.776.178.674)	120.466.376.717

6. Subsequent events

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

7. Other disclosures

On 22 June 2019, the People's Committee of Ho Chi Minh City issued the Decision No. 2649/QĐ-UBND on revoking and repealing the Decision No. 6077/QĐ-UBND dated 17 November 2017 of the People's Committee of Ho Chi Minh City approving the transfer of Residence Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City between Saigon Agriculture Incorporation and the Corporation. Accordingly, the two parties shall return and transfer whatever they agreed upon and commit not to making any complaints afterwards; notify the relevant parties of the cancellation of the contract for transferring Residence Area Project in Quarter 4, Phuoc Long B Ward, Thu Duc City; handle any issues arising with organizations and individuals related to cancellation of the project transfer contracts previously signed by the two parties according to the applicable laws.

On 18 December 2021, the People's Court of Ho Chi Minh City made the judgement on the case in the first trial and appeal trial on 08, 09 and 15 June 2022 and released the judgement on violation of Saigon Agriculture Incorporation regarding the transfer of the Residence Area project in Quarter 4, Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City as at the transfer date for an amount of VND 348.779.619.741. Accordingly, the Corporation made provision for loss payable to Saigon Agriculture Incorporation on the basis of the loss determined at the transfer date for an amount of VND 62.473.188.366 (see Note No. V.21).

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

As of the balance sheet date, work-in-process of the Residence Area project in Quarter 4, Phuoc Long B Ward, Thu Duc City is VND 187.766.564.464 (see Note No. V.7) and advances from customers with respect to the transfer of terrace houses of the project are VND 115.401.827.748 (see Note No. V.14).

To date, the Business Cooperation Contract No. 52/HĐHT-TCT dated 31 October 2008 between Saigon Agriculture Incorporation and the Corporation has not been declared as void or invalid and the concerned parties have not requested for termination, cancellation or change of capital contribution and profit distribution rates. The two parties also agreed to hire an independent surveyor to make the field survey, evaluation and conclusion on the construction of the entire project and audit the project's financial position as a basis for handing over the project to Saigon Agriculture Incorporation to work as an investor. The parties will thereby propose to the People's Committee of Ho Chi Minh City to handle relationship with customers who have signed contracts on sales of house to be formed in the future.

On 17 January 2024, the Corporation handed over assets of Residence Area project in Phuoc Long B Ward, Thu Duc City, Ho Chi Minh City to Saigon Agriculture Incorporation. Currently, the Corporation and Saigon Agriculture Incorporation are taking the next steps and waiting for guidance on resolving issues (if any) arising from the cancellation of the project transfer contract between the involved parties in accordance with the applicable laws.



Tran Lan Anh
Preparer



Le Thi Tu Anh
Chief Accountant



Ho Chi Minh City, 28 March 2025

Duong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 01: Increases/(decreases) in short-term borrowings

Unit: VND

Details of increases/(decreases) in short-term loans during the year are as follows:

	Beginning balance	Increases during the year	Transfer from long-term loans	Principal-added interest	Amount repaid during the year	Exchange difference	Ending balance
Current portions of long-term loans payable to related parties	14.250.503.699	-	16.407.437.552	-	(14.822.960.557)	603.856.628	16.438.837.322
Short-term loans from banks	35.411.821.069	54.696.857.863	-	-	(67.395.055.817)	(67.422.783)	22.646.200.332
Short-term loans from individuals	70.632.567.208	1.033.500.000	-	1.953.641.444	(2.146.747.699)	-	71.472.960.953
Total	120.294.891.976	55.730.357.863	16.407.437.552	1.953.641.444	(84.364.764.073)	536.433.845	110.557.998.607

Ho Chi Minh City, 28 March 2025



Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief Accountant

Duong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 02: Statement of changes in owner's equity

Unit: VND

	Owner's capital	Share premiums	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	746.708.910.000	32.368.276.001	432.112.320.476	93.826.115.960	1.305.015.622.437
Profit in the previous year	-	-	-	350.991.338.030	350.991.338.030
Appropriation for funds in the previous year	-	-	7.635.881.000	(25.028.938.000)	(17.393.057.000)
Distribution of remaining dividends of the previous year	-	-	-	(112.006.336.500)	(112.006.336.500)
Advance for dividends in the previous year	-	-	-	(186.677.227.500)	(186.677.227.500)
Compensation to the Board of Management and the Supervisory Board	-	-	-	(402.666.666)	(402.666.666)
Payment of fines for administrative violations	-	-	-	(235.908.607)	(235.908.607)
Ending balance of the previous year	746.708.910.000	32.368.276.001	439.748.201.476	120.466.376.717	1.339.291.764.194
Beginning balance of the current year	746.708.910.000	32.368.276.001	439.748.201.476	120.466.376.717	1.339.291.764.194
Profit in the current year	-	-	-	349.334.456.704	349.334.456.704
Appropriation for funds in the current year	-	-	17.529.434.000	(51.675.662.000)	(34.146.228.000)
Distribution of remaining dividends of the previous year	-	-	-	(37.335.445.500)	(37.335.445.500)
Advance for dividends in the current year	-	-	-	(149.341.782.000)	(149.341.782.000)
Compensation to the Board of Management and the Supervisory Board	-	-	-	(374.444.444)	(374.444.444)
Ending balance of the current year	746.708.910.000	32.368.276.001	457.277.635.476	231.073.499.477	1.467.428.320.954


Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief Accountant

Ho Chi Minh City, 28 March 2025

Duong Khue
General Director

PHONG PHU CORPORATION

Address: No. 48 Tang Nhon Phu Street, Quarter 18, Tang Nhon Phu B Ward, Thu Duc City, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 03: Segment information according to the business segments

Unit: VND

Information on the Corporation's financial performance, fixed assets, other non-current assets and values of remarkable non-cash expenses according to the business segments is as follows:

	Manufacturing	Others	Deductions	Total
Current year				
Net external revenue	724.143.623.072	834.418.091.235	-	1.558.561.714.307
Net inter-segment revenue	-	-	-	-
Total net revenue	724.143.623.072	834.418.091.235	-	1.558.561.714.307
Segment financial performance	118.756.672.291	86.488.728.928	-	205.245.401.219
Expenses not attributable to segments				(208.690.365.005)
Operating profit/(loss)				(3.444.963.786)
Financial income				405.259.403.104
Financial expenses				(56.785.212.760)
Other income				8.751.758.177
Other expenses				(4.416.798.832)
Current income tax				(29.729.199)
Deferred income tax				-
Profit after tax				349.334.456.704
Total expenses on acquisition of fixed assets and other non-current assets	10.607.758.073	2.081.960.838	-	12.689.718.911
Total depreciation/(amortization) and allocation of long-term prepayments	62.045.585.867	45.913.350.183	-	107.958.936.050
Total remarkable non-cash expenses (except depreciation/(amortization) and allocation of long-term prepayments)	181.424.969	(38.180.000)	-	143.244.969

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Appendix 03: Segment information according to the business segments (cont.)

	Manufacturing	Others	Deductions	Total
Previous year				
Net external revenue	497.859.626.194	849.901.736.234		1.347.761.362.428
Net inter-segment revenue	-	-	-	-
Total net revenue	497.859.626.194	849.901.736.234	-	1.347.761.362.428
Segment financial performance	88.918.666.318	49.321.795.310	-	138.240.461.628
Expenses not attributable to segments				(183.155.354.985)
Operating profit/(loss)				(44.914.893.357)
Financial income				459.101.489.232
Financial expenses				(62.014.678.812)
Other income				2.175.840.884
Other expenses				(3.356.419.917)
Current income tax				-
Deferred income tax				-
Profit after tax				350.991.338.030
Total expenses on acquisition of fixed assets and other non-current assets	192.664.484.758	10.479.009.625	-	203.143.494.383
Total depreciation/(amortization) and allocation of long-term prepayments	66.849.565.804	43.912.189.655	-	110.761.755.459
Total remarkable non-cash expenses (except depreciation/(amortization) and allocation of long-term prepayments)	-	5.062.845.506	-	5.062.845.506



PHONG PHU CORPORATION

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For the fiscal year ended 31 December 2024

Appendix 03: Segment information according to the business segments (cont.)

The Corporation's assets and liabilities according to the business segments are as follows:

	Manufacturing	Others	Deductions	Total
Ending balance				
Direct assets of segment	580.569.470.962	831.585.485.386	-	1.412.154.956.348
Allocated assets	-	73.192.157	-	73.192.157
Unallocated assets				1.303.974.522.862
Total assets				2.716.202.671.367
Direct liabilities of segment	306.782.078.322	696.002.888.016	-	1.002.784.966.338
Allocated liabilities	1.988.341.408	2.291.131.193	-	4.279.472.601
Unallocated liabilities				241.709.911.474
Total liabilities				1.248.774.350.413
Beginning balance				
Direct assets of segment	557.788.274.680	877.378.823.757	-	1.435.167.098.437
Allocated assets	230.707.224	392.314.288	-	623.021.512
Unallocated assets				1.276.639.227.234
Total assets				2.712.429.347.183
Direct liabilities of segment	366.508.486.888	691.349.568.879	-	1.057.858.055.767
Allocated liabilities	766.156.304	105.944.666.133	-	106.710.822.437
Unallocated liabilities				208.568.704.785
Total liabilities				1.373.137.582.989


Tran Lan Anh
Preparer

Le Thi Tu Anh
Chief AccountantDuong Khue
General Director

Ho Chi Minh City, 28 March 2025