

**PHUONG ANH
INTERNATIONAL JOINT
STOCK COMPANY**

No: 09/2025/CBTT-PAS

THE SOCIALIST REPUBLIC OF VIETNAM
Independence – Freedom – Happiness

HungYen, March 29, 2025

**DISCLOSURE OF INFORMATION ON THE WEBSITE OF THE STATE
SECURITIES COMMISSION**

To : - Hanoi Stock Exchange

Company: PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY

Stock Code: PAS

**Head Office Address: No. 60, Pham Ngu Lao Street, Tu My Ward, Phung Chi Kien, My Hao
Town, Hung Yen Province**

Phone: 0221 394 82 68

Fax:

Person Responsible for Information Disclosure: Doan Thi Thu Thuy

Phone (Mobile, Office, Home): 0335724136

Type of information disclosure ☐ 24h ☐ 72h ☐ Extraordinary ☐ On demand ☒ Periodic

Content of Disclosed Information (*):

Phuong Anh International Joint Stock Company announces the audited 2024 consolidated financial report, along with an explanatory letter regarding the financial report.

This information has been disclosed on the company's official website on March 29, 2025, at the following link: <http://www.phuonganhgroup.com.vn>

We hereby confirm that the information disclosed is true, and we take full responsibility for the content of the disclosed information under the law.

Attachments:

- Content of the disclosed information
and related documents.

Authorized Person for Information Disclosure

(Signature, Full Name, Title, Seal)



Doan Thi Thu Thuy

PHUONG ANH INTERNATIONAL JOINT STOCK COMPANY
AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024



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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Phuong Anh International Joint Stock Company (hereinafter referred to as the “Company”) presents this report together with the Company ‘s audited consolidated financial statements for the year ended 31 December 2024.

BOARD OF GENERAL DIRECTORS AND THE BOARD OF MANAGEMENT

Members of Board of General Directors, Board of Management and Supervisory Board of the Company who held office during the year ended 31 December 2024 and to the date of this report are as follows:

The Board of Management

Mr. Nguyen Hung Cuong	Chairman	
Ms. Phan Thi Thanh Thuy	Member	(Dismissed on 24 April 2024)
Ms. Nguyen Thi Ngoc Ha	Member	
Ms. Luu Thi Thu Thuy	Member	
Mr. Tran Duy Cuong	Member	
Ms. Le Hoang Yen	Independent member	(Appointed on 24 April 2024)

Board of General Directors and Chief Accountant

Mr. Tran Duy Cuong	General Director
Ms. Tran Thi Hong Khang	Chief Accountant

Supervisory Board

Ms. Nguyen Thi Thu Hang	Chief Supervisor
Mr. Le Hong Quan	Chief Supervisor
Mr. Pham Xuan Bac	Supervisor

EVENTS AFTER THE BALANCE SHEET DATE

The Board of Management confirms that there have been no significant events occurring after 31 December 2024 which would require adjustments to or disclosures to be made in the consolidated financial statements for the year ended 31 December 2024 of the Company.

THE AUDITOR

The consolidated financial statements have been audited by UHY Auditing and Consulting Company Limited.

STATEMENT OF THE BOARD OF MANAGEMENT (CONT'D)

THE BOARD OF MANAGEMENT' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2024, its results and cash flows for the year then ended. In preparing these consolidated financial statements, The Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- Establish and implement an internal control system effectively to limit the risk of material misstatement due to fraud or error in preparing and presenting the Financial Statements.

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

The Board of General Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and to ensure that the consolidated financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other related legal regulations on preparation and presentation of the financial statements. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of General Directors commits that the Company does not violate obligations on information disclosure under Circular No.96/2020/TT-BTC dated 16 November 2020 by the Ministry of Finance on information disclosure in the stock market; Decree No. 155/2020/ND-CP dated 31 December 2020 of the Government detailing the implementation of a number of articles of the Securities Law and Circular No. 116/2020/TT-BTC dated 31 December 2020 of The Ministry of Finance guiding a number of articles on corporate governance applicable to public companies in Decree 155/2020/ND-CP.

For and on behalf of the Board of General Directors,



Nguyen Hung Cuong
Chairman

Hung Yen, 28 March 2025

No.: 424 /2025/UHY-BCKT

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, Board of Management and Board of General Directors of
Phuong Anh International Joint Stock Company**

We have audited the consolidated financial statements of Phuong Anh International Joint Stock Company (hereinafter referred to as the "Company") which were prepared on 28 March 2025 as set out on pages 06 to 37 herein, including the consolidated Balance sheet as at 31 December 2024, related Consolidated Income Statement and Consolidated Cash Flow Statement for the fiscal year then ended and the Notes thereto.

Responsibilities of the Board of Management

The Board of Management of the Company is responsible for preparing and presenting the consolidated financial statements in a true and fair view in conformity with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and related legal regulations on the preparation and presentation of the consolidated financial statements and for such internal control as the Board of Management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditors

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

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

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

Auditors' Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the financial position of Phuong Anh International Joint Stock Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended, in accordance with Vietnamese Accounting standards, Vietnamese Corporate Accounting Systems and related legal regulations on the preparation and presentation of the financial statements

INDEPENDENT AUDITORS' REPORT (CONT'D)

Emphasis of Matter

We would like to draw the reader's attention to Note No. 29 - Comparative Figures, in the Notes to the Consolidated Financial Statements: The year 2024 marks the first year the Company has a subsidiary structure; therefore, there are no comparative figures in the Consolidated Financial Statements for the fiscal year ended on 31 December 2024. The comparative figures are derived from the Company's Separate Financial Statements for the fiscal year ended on 31 December 2023, which have been audited. Certain comparative figures in the 2023 Separate Financial Statements have been restated by the Company due to the retrospective exclusion of interest expenses for related-party transactions as per Decree 132/2020/ND-CP, when calculating corporate income tax.

Our audit opinion is not related to this Emphasis Matter.



Pham Gia Dat
Deputy General Director
Auditor's Practicing Certificate
No. 0798-2023-112-1

For and on behalf of

UHY AUDITING AND CONSULTING COMPANY LIMITED
Hanoi, 28 March 2025

A blue signature of Hoang Thi Nga.

Hoang Thi Nga
Auditor
Auditor's Practicing Certificate
4079-2023-112-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

ASSETS	Code	Note	31/12/2024	01/01/2024
			VND	VND
CURRENT ASSETS	100		766,745,735,052	341,049,946,887
Cash and cash equivalents	110	5	19,058,250,921	4,291,422,319
Cash	111		19,058,250,921	4,291,422,319
Short-Term Financial Investments	120		-	1,119,000,000
Held-to-Maturity Investments	123		-	1,119,000,000
Short-term receivables	130		441,193,065,398	40,145,879,868
Short-term trade accounts receivable	131	6	196,022,758,111	88,098,429,196
Short-term advances to suppliers	132	7	142,080,937,892	21,912,545,095
Other short-term receivables	136	8	138,667,727,472	3,559,131,799
Provision for short-term doubtful debts	137	10	(35,578,358,077)	(73,424,226,222)
Inventories	140	9	305,128,470,913	294,794,297,593
Inventories	141		308,177,605,099	299,687,153,718
Provision for devaluation of inventories	149		(3,049,134,186)	(4,892,856,125)
Other current assets	150		1,365,947,820	699,347,107
Short-term prepayment	151		363,673,048	215,474,996
Deducted value added tax	152		945,308,107	426,905,446
Taxes and other receivables from the State Budget	153	16	56,966,665	56,966,665
NON-CURRENT ASSETS	200		118,092,844,828	363,328,228,129
Fixed assets	220		53,081,421,405	45,806,221,120
Tangible fixed assets	221	12	53,081,421,405	45,806,221,120
- Cost	222		130,559,615,091	117,854,288,828
- Accumulated depreciation	223		(77,478,193,686)	(72,048,067,708)
Financial lease assets	224		-	-
- Cost	225		410,000,004	-
- Accumulated depreciation	226		(410,000,004)	-
Investment property	230	13	31,581,783,000	31,581,783,000
- Cost	231		31,581,783,000	31,581,783,000
- Accumulated amortization	232		-	-
Non-current assets in progress	240		11,423,647,054	211,355,458,862
Construction in progress	242		11,423,647,054	211,355,458,862
Long term financial investment	250	11	100,000,000	69,664,378,124
Capital investment in associates	252		-	47,114,252,062
Capital investment in other entities	253		100,000,000	30,000,000,000
Provision for investment devaluation	254		-	(7,449,873,938)
Other non-current assets	260		21,905,993,369	4,920,387,023
Long-term prepayment	261		1,206,410,918	4,920,387,023
Goodwill	269	14	20,699,582,451	-
TOTAL ASSETS	270		884,838,579,880	704,378,175,016

CONSOLIDATED BALANCE SHEET (CONT'D)*As at 31 December 2024*

RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
LIABILITIES	300		451,967,729,246	336,376,260,328
Current liabilities	310		451,764,714,583	336,376,260,328
Short-term trade accounts payable	311	15	108,200,955,854	174,852,599,796
Short-term advances from customers	312		2,158,702,623	58,116,568,870
Statutory obligations	313	16	5,384,182,422	9,105,638,810
Payables to employees	314		542,217,749	381,140,268
Short-term accrued expense	315		889,468,478	457,024,572
Other short-term payables	319		926,988,000	6,272,400
Short-term borrowings and finance lease liabilities	320	17	333,422,586,607	93,217,402,762
Bonus and welfare fund	322		239,612,850	239,612,850
Non-current liabilities	330		203,014,663	-
Deferred Tax Liabilities	341		203,014,663	-
OWNERS' EQUITY	400		432,870,850,634	368,001,914,688
Share capital	410	18	432,870,850,634	368,001,914,688
Capital	411		280,499,680,000	280,499,680,000
- Ordinary shares with voting rights	411a		280,499,680,000	280,499,680,000
Investment and development fund	418		556,025,698	556,025,698
Retained earnings	421		57,155,540,532	86,946,208,990
- Accumulated retained earnings brought forward	421a		52,746,082,928	89,220,235,535
- Retained earnings for the current year	421b		4,409,457,604	(2,274,026,545)
Non-Controlling Interests	429		94,659,604,404	-
TOTAL LIABILITIES AND OWNERS' EQUITY	440		884,838,579,880	704,378,175,016

Hung Yen, 28 February 2025


Tran Thi Hong Khang
Preparer



Tran Thi Hong Khang
Chief Accountant



Nguyen Hung Cuong
Chairman

CONSOLIDATED INCOME STATEMENT*For the year ended 31 December 2024*

Items	Code	Note	Year 2024	Year 2023
			VND	VND
Gross sales of merchandise and services	01	20	1,068,182,064,178	683,231,557,618
Less deductions	02	21	92,346,790	68,870,168
Net sales of merchandise and services	10		1,068,089,717,388	683,162,687,450
Cost of goods sold	11	22	1,051,410,663,104	684,142,632,959
Gross profit from sales of merchandise and services	20		16,679,054,284	(979,945,509)
Financial income	21	23	9,030,783,328	10,386,821,271
Financial expenses	22	24	11,731,588,787	16,500,754,208
- Including : Interest expense	23		11,577,396,315	16,259,762,984
Selling expenses	25	25	2,374,177,477	1,475,585,432
General and administrative expenses	26	25	3,003,575,194	(9,316,314,227)
Operating profit	30		8,600,496,154	746,850,349
Other income	31		344,523	15,119,118
Other expenses	32	26	1,763,618,292	885,490,225
Other profit	40		(1,763,273,769)	(870,371,107)
Profit before tax	50		6,837,222,385	(123,520,758)
Current Corporate income tax expense	51		2,417,367,130	2,150,505,787
Deferred Corporate income tax expense	52		203,014,663	-
Profit after corporate income tax	60		4,216,840,592	(2,274,026,545)
Net profit attributable to equity holders of the parent	61		4,409,457,604	(2,274,026,545)
Net profit attributable to non-controlling interests	62		(192,617,012)	-
Earnings per share	70	27	150	(81)

Hung Yen, 28 February 2025


Tran Thi Hong Khang
Preparer



Tran Thi Hong Khang
Chief Accountant



Nguyen Hung Cuong
Chairman

CONSOLIDATED CASH FLOW STATEMENT*(Applying indirect method)**For the year ended 31 December 2024*

Items	Codes Note	Year 2024 VND	Year 2023 VND
I. Cash flows from operating activities			
1. Profit before tax	01	6,837,222,385	(123,520,758)
2. Adjustments for:			
- Depreciation and amortization	02	3,894,842,814	3,963,188,101
- Provisions	03	(47,139,464,022)	(10,831,557,327)
- Unrealized foreign exchange difference	04	(1,695,293)	3,511,339
- Gain/loss from investing activities	05	(49,274,285)	(9,776,676,586)
- Interest expense	06	11,577,396,315	16,259,762,984
3. Operating profit before movements in working capital	08	(24,880,972,086)	(505,292,247)
- Decrease/(Decrease) in receivables	09	29,325,141,764	178,873,198,049
- Decrease/(Increase) in inventories	10	(8,490,451,381)	16,402,146,652
- Decrease/(Decrease) in accounts payable	11	(123,720,732,144)	(137,365,546,385)
- Increase/(Increase) in other assets	12	3,565,778,053	(3,957,909,025)
- Interest paid	14	(11,621,972,602)	(16,063,303,849)
- Corporate income tax paid	15	(4,963,461,283)	(5,678,862,144)
- Other cash inflows	16	4,204,224,730	-
Net cash from operating activities	20	(136,582,444,949)	31,704,431,051
II. Cash flows from investing activities			
1. Acquisition of fixed assets and other long - term assets	21	(124,945,129,433)	(66,000,000)
3. Cash outflow for lending, buying debt instruments of other companies	23	-	(1,119,000,000)
4. Cash recovered from lending, selling debt instruments of other companies	24	1,119,000,000	-
6. Cash recovered from investments in other entities	26	29,900,000,000	96,587,000,000
7. Interest income, dividend and profit paid	27	49,274,285	3,179,256
Net cash from (used in) investing activities	30	(93,876,855,148)	95,405,179,256
III. Cash flows from financing activities			
1. Proceeds from issuing stocks, receiving owners' equity	31	5,000,000,000	-
3. Proceeds from borrowings	33	535,269,470,991	329,547,567,753
4. Repayment of borrowings	34	(295,064,287,146)	(454,768,566,121)
Net cash from (used in) financing activities	40	245,205,183,845	(125,220,998,368)
Net decrease/(increase) in cash and cash equivalents	50	14,745,883,748	1,888,611,939
Cash and cash equivalents at the beginning of the year	60	4,291,422,319	2,406,321,719
Effect from changing foreign exchange rate	61	20,944,854	(3,511,339)
Cash and cash equivalents at the end of the year	70 4	19,058,250,921	4,291,422,319

Hung Yen, 28 February 2025


Tran Thi Hong Khang
Preparer

Tran Thi Hong Khang
Chief Accountant

 Nguyen Hung Cuong
Chairman

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

1.1 THE COMPANY

Phuong Anh International Joint Stock Company, abbreviated as PAS (referred to as “the Company”); was established and operated under the business registration certificate No. 0900613295 issued by the Department of Planning and Investment of Hung Yen Province for the first time on August 30, 2010 and changed for the 19th time on January 24, 2024.

The Company's head office is located at: 60 Pham Ngu Lao, Tu My Village, Phung Chi Kien Commune, My Hao District, Hung Yen Province, Vietnam

On November 13, 2018, the State Securities Commission issued Official Dispatch No. 7595/UBCK-GSDC approving Phuong Anh International Joint Stock Company to become a public company.

On November 21, 2018, Phuong Anh International Joint Stock Company was granted Securities Registration Certificate No. 105/2018/GCNCP-VSD by the Vietnam Securities Depository (VSD) with the stock code PAS.

The charter capital of the Company as stated in the Business Registration Certificate is: VND 280,499,680,000 (Two hundred and eighty billion, four hundred and ninety-nine million, six hundred and eighty thousand dong./.).

The total number of employees of the Company including Head Office as of 31 December 2024 is 46 people (as of 01 January 2024 is 40 people).

1.2 BUSINESS LINES AND PRINCIPAL ACTIVITIES

The Company's main business activities include:

- Manufacturing plastic products. Details: Manufacturing plastic packaging
- Other specialized wholesale not elsewhere classified. Details: Wholesale of scrap, metal and non-metal waste (except for those prohibited by the State)
- Wholesale of metals and metal ores. Details: Wholesale of iron and steel
- Mechanical processing; metal processing and coating
- Loading and unloading of goods (excluding loading and unloading of goods at airports)
- Short-term accommodation services
- Restaurants and mobile catering services (excluding bar, dance hall, karaoke room business)
- Construction of all types of houses
- Construction of railway and road works
- Wholesale of cars and other motor vehicles, etc.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

1.3 COMPANY STRUCTURE

As of 31 December 2024, the Company has the following subsidiaries, joint ventures and associates:

Company	Chartered capital (million dong)	Ownership ratio (%)	Headquarters
Vuon Dao Ha Long Hotel Joint Stock Company	100,000	51%	Ha Long Street - Zone 4, Bai Chay Ward, Ha Long City, Quang Ninh Province, Vietnam
Kien Ocean Hotel Joint Stock Company (*)	120,000	95.83%	135 Tran Bach Dang Street, My An Ward, Ngu Hanh Son District, Da Nang City, Vietnam
Thanh Lam Real Estate Joint Stock Company	500,000	0.02%	97 Ly Trien Street, An Khe Ward, Thanh Khe District, Da Nang City, Vietnam

As of 31 December 2024, the direct and indirect voting rights of the Company in Ocean Architecture Hotel Joint Stock Company were 25% and 70.83%, respectively.

2. ACCOUNTING CONVENTION, ACCOUNTING PERIOD AND CURRENCY

The accounting period begins on 1 January and ends on 31 December of the calendar year. The accompanying financial statements were prepared for the year ended 31 December 2024.

Accounting currency is Vietnam dong (VND).

3. ADOPTION OF ACCOUNTING STANDARDS AND SYSTEM

The Company adopted Vietnamese Corporate Accounting System issued under Circular No.200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding corporate accounting regime and Circular No.202/2014/TT-BTC dated 22 December 2014 guiding the preparation of the consolidated financial statements of the Ministry of Finance.

The Company complies with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System for preparation and presentation of the financial statements for the year ended 31 December 2024.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Company in the preparation of these financial statements are as follows:

4.1 BASIS OF PREPARATION

The consolidated financial statements for the fiscal year ending 31 December 2024, of Phuong Anh International Joint Stock Company are prepared based on the consolidation of the financial statements of the parent company and its subsidiaries.

The business performance of subsidiaries that were acquired or sold during the year is presented in the consolidated income statement from the acquisition date or until the date of disposal of the investment in that subsidiary.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

4.1 BASIS OF PREPARATION (CONT'D)

Where necessary, the financial statements of the subsidiaries are adjusted so that the accounting policies applied at the Company and its subsidiaries are consistent.

Transactions and balances between the parent company and its subsidiaries are eliminated when preparing the financial statements.

The interests of non-controlling shareholders in the net assets of the consolidated subsidiaries are presented as a separate line item within equity

4.2 BUSINESS COMBINATION AND GOODWILL

Business combinations are accounted for using the purchase method. The cost of a business combination includes the fair value of the assets exchanged, liabilities incurred or assumed, and equity instruments issued by the acquirer to gain control over the acquiree at the exchange date, along with direct costs related to the business combination. Identifiable assets, liabilities, and contingent liabilities of the acquiree are recognized at their fair values on the acquisition date.

Goodwill arising from a business combination is initially recognized at cost, which represents the excess of the cost of the business combination over the acquirer's share of the fair value of the identifiable assets, liabilities, and recognized contingent liabilities. If the cost of the business combination is lower than the fair value of the acquiree's net assets, the difference is recognized in the consolidated income statement. After initial recognition, goodwill is measured at cost less accumulated amortization. Goodwill is amortized on a straight-line basis over an estimated useful life of 10 years. The parent company periodically assesses goodwill impairment in its subsidiaries. If there is evidence that the impairment loss exceeds the annual allocation, the impairment amount is immediately recognized in the year of occurrence.

Upon the liquidation of a subsidiary, any remaining unamortized goodwill value is included in the gain or loss from the disposal of the subsidiary.

4.3 ACCOUNTING ESTIMATES

Consolidated financial reporting in conformity with Vietnamese Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year (operating period). Actual results could differ from those estimates.

4.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and at bank, cash in transit, deposits, mortgages, deposits and highly liquid investments that are readily convertible to known amounts of cash with an original maturity of less than three months and subject to an insignificant risk of changes in value.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

4.5 RECEIVABLES

Receivables are presented at book value minus provision for doubtful debts.

The classification of receivables is conducted under the following principle:

- Trade receivables reflect commercial receivables arising from purchase and sale transactions between the Company and the buyer – independent of the Company.
- Other receivables reflect non-commercial receivables that are not related to purchase and sale transactions.

Provision for doubtful debts is made for those that are overdue as prescribed in the economic contracts, contract commitments or debt commitment and repeatedly urged for repayment but not yet recovered. The determination of the overdue period of receivables is made based on time of principal payment of the initial sales and purchase contract, other than debt rescheduling between parties; Allowance is also made for those that have not fallen due but debtors are on the verge of bankruptcy or finalizing procedures for dissolution, missing or fled and reversed when debts are recovered.

The increase or decrease in allowance for doubtful debts is accounted for in administrative expenses in the period.

4.6 INVENTORIES

Inventories are stated at the lower cost and net realizable value. Cost comprises those that have been incurred in bringing the inventories to their present location and condition, namely purchase price, non-refundable taxes, stevedoring, loading and unloading, preservation cost, wastage norm and other costs directly attributable to purchase of inventories.

The Company applies the perpetual method to account for inventories. The cost of inventories is calculated using the weighted average method.

Provision for devaluation of inventories of the Company is made in accordance with current regulations. Accordingly, the Company is allowed to make an inventory impairment provision in case the original cost of inventory is higher than the net realizable value at the end of the accounting period.

4.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

The recognition of tangible fixed assets and depreciation of fixed assets are carried out in accordance with Vietnamese Accounting Standard No. 03 - Tangible Fixed Assets, Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the corporate accounting regime.

The cost of tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location to be ready for use. The costs of fixed assets constructed by contractors are the finalized cost of the work, directly related expenses and registration fee. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

4.7 TANGIBLE FIXED ASSETS AND DEPRECIATION (CONT'D)

Depreciation is calculated on a straight-line basis for all assets over their estimated useful lives. The principal annual depreciation rates in use are as follows:

Assets	Useful lives (years)
Buildings and structures	05 – 50
Machinery, equipment	05 – 15
Motor vehicles, transmission	03 - 10
Office equipment	03 – 10

4.8 INVESTMENT REAL ESTATE

Investment real estate is the land use right owned by the Company to earn rental income or for capital appreciation, initially recorded at cost. The cost of investment property is the total cost that the Company has to pay or the fair value of the consideration given to acquire the investment property up to the time of purchase or completion of construction.

For investment property held for capital appreciation, no depreciation is made. In case there is solid evidence that the value of investment property held for capital appreciation has decreased compared to the market value and the decrease can be determined reliably, the investment property held for capital appreciation is recorded as a decrease in cost and the loss is recorded in cost of goods sold.

4.9 FINANCIAL INVESTMENTS

Investment in other entities: Investments in equity instruments of other entities that the Corporation do not have control, joint control or have significant influence over the investee.

Investments in other entities are accounted for using the cost method; Net profit shared from other entities arising after the investment date is recorded in the income statement. Other shared amounts (other than net profit) are considered as payback and charged to the cost of investment.

Provisions for investment losses are made at the time of preparing financial statements if the investments show a decline compared to their original cost. The Company establishes provisions as follows:

- For investments in listed shares or investments with reliably determined fair values, provisions are based on the market value of the shares.
- For investments whose fair value cannot be determined at the reporting date, provisions are based on the losses of the investee (provisions for losses on investments in other entities) and the Company's proportion of capital contribution compared to the total actual contributed capital in the investee entity.

In cases where there is no reference information to determine the extent of the decline in investment value, the value of other long-term investments will continue to be recognized and reflected at their book value in the financial statements.

Held-to-maturity investments: An investment is classified as held to maturity when the Company has the intention and ability to hold it to maturity date. These represents term deposits held for the purpose of collecting interest periodically.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

4.10 PAYABLES

Payables are amounts payable to suppliers and other entities. Payables are not recorded as lower than the obligation to pay.

ayables are amounts payable to suppliers and other entities. Payables are not recorded as lower than the obligation to pay.

The classification of payables is carried out according to the following principles:

- Payables to sellers include commercial payables arising from transactions of purchasing goods, services, assets and the seller is an independent entity from the buyer, including payables between the parent company and subsidiaries, joint ventures, and associates. These payables include payables when importing through a consignee (in consignment import transactions);
- Other payables include non-commercial payables, not related to transactions of purchasing, selling, and providing goods and services.
- Accrued expenses are actual expenses incurred but do not have full documentation and are deducted in advance from production and business expenses in the period to ensure that when actual payments arise, they do not cause sudden changes in production and business expenses. Transfers of accrued expenses into production and business expenses during the year must be carried out according to the principle of matching between revenue and expenses incurred during the period.

4.11 PREPAYMENT

Long-term prepayment expenses include expenses incurred during the fiscal year that are related to many periods of production and business activities. These expenses are recorded as long-term prepaid expenses to be gradually allocated to the business results in many periods.

The calculation and allocation of long-term prepaid expenses into production and business costs in each accounting period is based on the nature and level of each type of expense to select a reasonable allocation method and criteria.

4.12 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is debited to the cost of those assets.

Where a borrowing is intended for use in investment in construction or manufacturing of an asset, borrowing cost that is qualified for capitalization of that asset shall be determined as actually arisen from borrowings minus (-) income from temporary investments of these borrowings.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

4.13 REVENUE AND EXPENSE RECOGNITION

Revenue is recognized when the Company may receive reliably measured economic benefits. Net sales are measured by the fair value of amounts received or receivable less trade discount, sales rebate and sales return.

Revenue from sales of goods is recognized when all following conditions are satisfied:

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

Sale of services is recognized when all following conditions are satisfied:

- *Revenue can be reliably measured;*
- *It is probable that economic benefits associated with the transaction will flow to the Company;*
- *Percentage of completion of services at the balance sheet date can be measured;*
- *Costs incurred in respect of rendering of services and costs incurred to completion of rendering of services can be measured.*

Financial income comprises bank interest, interest from investment, dividends, profits received from investing activities. Financial income is recognized when it is reliably measured and economic benefits from this transaction are possibly obtained.

Operating costs incurred and related to generation of revenue in year is actually gathered and estimated for the proper year.

4.14 TAXES AND OTHER PAYABLES TO THE STATE

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit before tax as reported in the income statement (in case the Company makes adjustment to deferred tax or applies accounting policies reflecting revenue and expense different from those of the current year) and it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. It is calculated using the rate of 20% that has been enacted by the balance sheet date.

Taxable profit is determined based on business results after adjustment for non-taxable income and non-deductible expenses. The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and its ultimate determination depends on the results of tax authorities' examination. Other taxes are in accordance with the prevailing regulations in Vietnam.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

4.15 FOREIGN CURRENCIES

Transactions in foreign currencies are converted at the actual exchange rate applied on the transaction date. Exchange rate differences arising from these transactions will be recorded as revenue or expense in the period.

The balance of foreign currency items at the end of the accounting period is converted at the exchange rate on this date.

The exchange rate difference resulting from the revaluation of the ending balance after offsetting the increase and decrease, the remaining difference is recorded as financial revenue or financial expense in the period.

4.16 RELATED PARTIES

A party is considered a Related Party of the Company if it has the ability to control or exercise significant influence over the Company in making financial and operating decisions. A party has the ability to control the Company when it holds a significant role in voting rights and the right to decide on the financial and operating policies of the Company. In addition, the relationship of assets, liabilities and transactions with parties controlled by the same entity are also considered relationships and transactions with related parties. The controlling entity can be an economic unit or an individual investor or manager.

When considering each relationship of related parties, attention is paid to the nature of the relationship, not just the legal form of such relationships. Accordingly, all transactions and balances with related parties arising during the year are presented by the Company in the notes below.

5. CASH AND CASH EQUIVALENTS

	31/12/2024	01/01/2024
	VND	VND
- Cash on hand	8,512,489,869	3,185,007,740
- Cash at bank	10,545,761,052	1,106,414,579
	19,058,250,921	4,291,422,319

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6. TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Short-term				
- Asian Impex Ltd	196,022,758,111	(27,667,951,085)	88,098,429,196	(62,457,317,595)
- Thiep Viet Commercial One Member Company Limited	26,618,330,643	(26,618,330,643)	26,618,330,643	(26,618,330,643)
- South Thang Long Commercial and Consultant Company Limited	33,534,705,665	-	-	-
- 83 Mechanical One Member Company Limited	24,192,442,758	-	912,596,312	-
- Green Solar Viet Nam Company Limited	18,615,654,849	-	-	-
- Green World Energy Company Limited	16,614,142,536	-	-	-
- Blue Ocean investment construction and Commercial Company Limited	12,935,042,274	-	-	-
- Green Galaxy Energy Company Limited	-	-	30,683,278,231	(30,683,278,231)
- Kscons Construction Joint Stock company	8,598,998,773	-	-	-
- Other customers	8,511,245,611	-	-	-
	46,402,195,002	(1,049,620,442)	29,884,224,010	(5,155,708,721)
	<u>196,022,758,111</u>	<u>(27,667,951,085)</u>	<u>88,098,429,196</u>	<u>(62,457,317,595)</u>
Trade receivables with relates	-	-	107,800,000	-
<i>(Note No, 28 for more details)</i>				

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7. ADVANCE TO SUPPLIERS

	31/12/2024		01/01/2024	
	Balance	Provision	Balance	Provision
	VND	VND	VND	VND
Short-term				
- Global Posco Co.,Ltd	142,080,937,892	(7,910,406,992)	21,912,545,095	(10,966,908,627)
- Mr.Ngo Kim Cuong (*)	7,910,406,992	(7,910,406,992)	9,126,341,127	(9,126,341,127)
- Saigon Steel joint stock company	114,000,000,000	-	-	-
- IPS Engineering Company Limited	8,556,948,367	-	10,158,689,542	-
- Dong A international joint stock company	-	-	1,660,500,000	(1,660,500,000)
- Others	8,761,727,061	-	-	-
	2,851,855,472	-	967,014,426	(180,067,500)
	<u>142,080,937,892</u>	<u>(7,910,406,992)</u>	<u>21,912,545,095</u>	<u>(10,966,908,627)</u>
Prepayment to supplier with relates	8,556,948,367	-	10,158,689,542	-
<i>(Note No. 28 for more details)</i>				

(*): Advance payment under Deposit Agreement No. 01/2024/ĐN-HDDC dated 24 June 2024, for the transfer of three plots of land and assets attached to the land, Plots No. 35, 36, and 39 on Map No. 51—located in the Northern Residential Area of Saint Paul Monastery, My An Ward, Ngu Hanh Son District, Da Nang City, to Kien Ocean Hotel Joint Stock Company. The total area is 270 square meters, with a transaction value of 115 billion VND. As of the date of this report, both parties have completed the notarized transfer agreement, and Mr. Ngo Kim Cuong has handed over construction permits, land use rights certificates, and assets attached to the land to the Company

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8. OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
Other receivables				
- Advanced to employees (**)	138,667,727,472	-	3,559,131,799	-
- Mortgage, collateral and shortterm deposits	7,470,823,468	-	3,500,000,000	-
- Others (*)	216,904,004	-	307,004	-
	130,980,000,000	-	58,824,795	-
	<u>138,667,727,472</u>	<u>-</u>	<u>3,559,131,799</u>	<u>-</u>
Other receivables with relates	<u>7,450,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Note No. 28 for more details)

In which:

- The entrusted investment pursuant to Resolution No. 21/2024/NQ-HĐQT dated 27 December 2024, of the Company's Board of Directors regarding the entrusted investment to Mr. Nguyen Hung Cuong for the acquisition of land use rights and attached assets in the Co Rua Hamlet area, Phu Man Commune, Quoc Oai District, Hanoi City, with a value of 83 billion VND. According to the handover record of assets dated 12 March 2025, Mr. Nguyen Hung Cuong has completed the investment under delegation and handed over the land use right certificates numbered AA 01283897, AA 00236712, AA 236173 issued by the Hanoi Land Registration Office, Quoc Oai District branch, with a total land use area of 5,049.1 m² to the company.
- A receivable from Mr. Nguyen Hung Cuong valued at 47,980,000,000 VND (the Company fully recovered this receivable on 14 March 2025)

(**): This is an advance payment made for the hotel renovation project, which has been recovered on 20 January 2025.

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9. INVENTORIES

	31/12/2024		01/01/2024	
	Cost VND	Provision VND	Cost VND	Provision VND
- Goods in transit	12,076,591,090	-	2,384,590,680	-
- Raw materials	494,895,487	-	636,891,485	-
- Tools and supplies	133,877,517	-	82,249,925	-
- Merchandise goods	290,022,484,369	(3,049,134,186)	293,985,598,093	(4,892,856,125)
	308,177,605,099	(3,049,134,186)	299,687,153,718	(4,892,856,125)

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10. DOUBTFUL DEBT

	31/12/2024		01/01/2024	
	Historical cost	Amount can be settled	Historical cost	Amount can be settled
	VND	VND	VND	VND
Trade receivables				
<i>Debts overdue for 3 years or more</i>				
+ Dai Thanh Phat Steel Trading Service Company Limited	-	-	2,260,582,089	-
+ TSC Hanoi Joint Stock Company	-	-	519,868,800	-
+ Minh Hieu Trading and Metal Company Limited	-	-	460,224,740	-
+ Lam Quan Thanh Production and Trading Company Limited	-	-	421,548,384	-
+ Other objects	-	-	443,864,265	-
<i>Debts overdue from 2 years to less than 3 years</i>				
+ Blue Ocean Investment Construction and Trading Company Limited	-	-	-	-
+ Asian Impex Ltd	26,618,330,643	-	30,683,278,231	-
+ Other customers	1,049,620,442	-	26,618,330,643	-
Prepayment to seller	-	-	1,049,620,443	-
<i>Debts overdue for 3 years or more</i>				
+ IPS Engineering Co., Ltd.	-	-	-	-
+ Global Posco Co.,Ltd	7,910,406,992	-	1,660,500,000	-
+ Other customers	-	-	9,126,341,127	-
Total	35,578,358,077	-	480,225,000	300,157,500
			73,724,383,722	300,157,500
				73,424,226,222

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11. LONG-TERM FINANCIAL INVESTMENTS

	31/12/2024		01/01/2024	
	Historical cost	Provision	Historical cost	Provision
	VND	VND	VND	VND
Investments in equity of other entities	100,000,000	-	77,114,252,062	(7,449,873,938)
Investments in other associates	100,000,000	-	30,000,000,000	(59,824,846)
+ Thanh Lam real estate joint stock company	100,000,000	-	30,000,000,000	(59,824,846)
Investments in associate entity	-	-	47,114,252,062	(7,390,049,092)
+ Vuon Dao Ha Long Hotel joint stock company	-	-	47,114,252,062	(7,390,049,092)

As at 31 December 2024, the Company has not had the basis to determined the fair values of investments in associates for disclosure in the Consolidated Financial Statements because there is no data on market prices or sufficient information to determine fair values. The fair value of these investments may differ from their carrying value.

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12. TANGIBLE FIXED ASSETS

	Buildings structures	Machinery equipment	Motor vehicles transmission	Office equipment	Other fixed assets	Total
	VND	VND	VND	VND	VND	VND
COST						
01/01/2024	67,703,138,254	41,938,685,314	6,945,362,727	293,308,980	973,793,553	117,854,288,828
- Consolidated	9,839,999,996	-	165,000,000	-	-	10,004,999,996
- Acquisition	1,473,818,563	1,226,507,704	-	-	-	2,700,326,267
31/12/2024	79,016,956,813	43,165,193,018	7,110,362,727	293,308,980	973,793,553	130,559,615,091
ACCUMULATED DEPRECIATION						
01/01/2024	24,821,190,108	39,501,517,642	6,739,947,554	293,308,980	692,103,424	72,048,067,708
- Consolidated	1,742,500,016	-	-	-	-	1,742,500,016
- Depreciation	2,799,045,807	601,003,137	177,580,302	-	109,996,716	3,687,625,962
31/12/2024	29,362,735,931	40,102,520,779	6,917,527,856	293,308,980	802,100,140	77,478,193,686
NET BOOK VALUE						
01/01/2024	42,881,948,146	2,437,167,672	205,415,173	-	281,690,129	45,806,221,120
31/12/2024	49,654,220,882	3,062,672,239	192,834,871	-	171,693,413	53,081,421,405

- The carrying amount at the end of the year of tangible fixed assets used as collateral for loans as of 31 December 2024 (Note No 17 for more details)
- The cost of fixed assets fully depreciated but still in use is VND 49,799,140,736. (as of 01 January 2024: 49,799,140,736 VND).

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13. INVESTMENT REAL ESTATE

Land use right of plot No. 18, map sheet No. 758 (now land plot No. 197, map sheet No. 79) at Lot B7 of Son Tra – Dien Ngoc urban, high-rise commercial service and front-line apartment complex, Tho Quang ward, Son Tra district, Da Nang city according to the land use right certificate No. BA 645774, registration number: CT01687 issued by Da Nang City People's Committee on 25/11/2010. Area: 1052.2 m2. Purpose of use: Residential land with trade, service, tourism purposes. Usage period: long-term

The Company has not determined the fair value of the investment real estate as at 31 December 2024, so it has not been presented in the Notes to the Financial Statements. To determine this fair value, the Company will have to hire an independent consulting firm to assess the fair value of the investment property. Currently, the Company has not found a suitable consulting company to perform this work.

This investment property is used by the Company as collateral for a loan of Thanh Nam Group Joint Stock Company

14. GOODWILL

- Increased in the year
- Allocated in the year
- Balance at the end of year

31/12/2024

VND

21,230,340,975

(530,758,524)

20,699,582,451

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15. TRADE ACCOUNTS PAYABLE

	31/12/2024		01/01/2024	
	Balance	Amount that can be settle	Balance	Amount that can be settle
	VND	VND	VND	VND
Short-term payables	108,200,955,854	108,200,955,854	174,852,599,796	174,852,599,796
- Marubeni Itochu Steel Viet Nam Company limited	27,287,884,027	27,287,884,027	29,991,307,922	29,991,307,922
- Everland Phu Yen Joint Stock Company	6,966,953,368	6,966,953,368	32,046,691,702	32,046,691,702
- Xuan Dai Bay Investment Joint Stock Company	8,355,792,434	8,355,792,434	47,744,090,586	47,744,090,586
- Vietnam Infrastructure Design and Development Consulting Company Limited	10,838,704,924	10,838,704,924	8,603,094,409	8,603,094,409
- Thang Long Construction anh Service Company Limited	-	-	13,602,348,090	13,602,348,090
- Dong A Joint Stock Company	-	-	16,471,176,787	16,471,176,787
- China Steel Sumikin Viet Nam Company Limited	9,984,235,428	9,984,235,428	-	-
- Everland Coporation joint stock company	17,041,515,218	17,041,515,218	-	-
- Others suppliers	27,725,870,455	27,725,870,455	26,393,890,300	26,393,890,300
	108,200,955,854	108,200,955,854	174,852,599,796	174,852,599,796

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16. TAXES AND PAYABLES TO/RECEIVABLES FROM STATE BUDGET

	01/01/2024	Amount Payable During the Year	Amount Paid During the Year	31/12/2024
	VND	VND	VND	VND
Payables				
- VAT	9,105,638,810	109,587,698,487	113,309,154,875	5,384,182,422
- Corporate Income Tax	-	105,391,134,868	105,391,134,868	-
- Personal Income Tax	6,695,789,031	2,417,367,130	4,963,461,283	4,149,694,878
- Real Estate Tax, Land Rent	604,309,596	100,754,067	676,963,879	28,099,784
- Business license fee	832,004,798	1,651,708,599	2,185,979,637	297,733,760
- Other Taxes	-	3,000,000	3,000,000	-
	973,535,385	26,733,823	91,615,208	908,654,000
	9,105,638,810	109,587,698,487	113,309,154,875	5,384,182,422
	01/01/2024	Amount Payable During the Year	Amount Paid During the Year	30/12/2024
	VND	VND	VND	VND
Receivables				
- Import, export VAT	56,966,665	4,542,104,174	4,542,104,174	56,966,665
- Import Tax	23,829,364	4,542,104,174	4,542,104,174	23,829,364
	33,137,301	-	-	33,137,301
	56,966,665	4,542,104,174	4,542,104,174	56,966,665

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17. BORROWINGS

Items	31/12/2024		During the year		01/01/2024	
	Balance	Amount can be settled	Increase	Decrease	Balance	Amount can be settled
	VND	VND	VND	VND	VND	VND
Short-term Loans	333,422,586,607	333,422,586,607	535,269,470,991	295,064,287,146	93,217,402,762	93,217,402,762
- Saigon Hanoi Commercial Joint Stock Bank - Vinh Phuc branch (1)	27,500,000,000	27,500,000,000	34,306,241,413	10,206,241,413	3,400,000,000	3,400,000,000
- Vietnam Prosperity Commercial Joint Stock Bank (2)	105,927,307,133	105,927,307,133	224,340,950,104	208,231,045,733	89,817,402,762	89,817,402,762
- Saigon Thuong Tin Commercial Joint Stock Bank - Thanh Tri branch (3)	199,995,279,474	199,995,279,474	276,622,279,474	76,627,000,000	-	-
	333,422,586,607	333,422,586,607	535,269,470,991	295,064,287,146	93,217,402,762	93,217,402,762

(1) Credit Line Contract No. 0126/2024/HDHM-PN/SHB.112500 dated 18 July 2024 signed between Saigon Hanoi Commercial Joint Stock Bank – Vinh Phuc Branch and Phuong Anh International Joint Stock Company, with the following detailed terms:

- Credit limit: VND 30,000,000,000;
- Loan purpose: Supplement working capital for steel trading activities;
- Term of the contract: 12 months;
- Loan interest rate: Specific regulations on each specific credit document;

The collateral are properties of the Company, specifically as follows:

- 01 HINO crane truck, license plate 89H-008.74, manufactured in 2015 in Vietnam according to the car registration certificate No. 277194 issued by the Traffic Police Department of Hanoi City Police to the Hanoi branch of Phuong Anh International Joint Stock Company on 09 August 2016.
- Land use right certificate and asset ownership document for the property at No. 8 Alley 63 Le Duc Tho Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi, issued to Mr. Nguyen Chinh Nghia and Ms. Nguyen Thanh Hang, and transferred to Mr. Nguyen Van Thu and Ms. Nguyen Thi Huong on 17 February 2022.
- Land use rights, house ownership, and other assets attached to land as per certificate number DN562845, recorded in certificate issuance book number CN/02854, issued by the Krong Pac District Branch of the Land Registration Office, Dak Lak Province on 08 May 2024, and certificate number DN562844, recorded in certificate issuance book number CN/02853, issued by the Krong Pac District Branch of the Land Registration Office, Dak Lak Province on 07 May 2024, issued to Ms. Nguyen Thi Kim Dung

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17. BORROWINGS (CONT'D)

- (2) Credit contract No. CLC-2994-01 dated 20 March 2024 signed between Vietnam Prosperity Joint Stock Commercial Bank and Phuong Anh International Joint Stock Company, with the following detailed terms:

- Credit limit: VND 200,000,000,000;
- Loan purpose: Supplement working capital for steel trading activities;
- Term of the contract: 12 months;
- Loan interest rate: Specific regulations on each specific credit document;

The collateral are properties of the Company, specifically as follows:

- Land use right of plot No. 11, Map sheet No. 61, Lot No. 32, Area B1.25, Son Tra – Dien Ngoc Front-line Resettlement Area, Tho Quang Ward, Son Tra District, Da Nang City according to Certificate No. DG 261048 issued on 06 October 2022 in the names of Mr. Nguyen Van Thu and Ms. Nguyen Thi Huong according to the Mortgage Contract Notarization No. 004151 signed on 29 October 2022 and amendments, supplements and replacements (if any);
- Land use right of plot No. 12, map sheet No. 61, Lot No. 31, Area B1.25, Son Tra – Dien Ngoc Front-line Resettlement area, Tho Quang ward, Son Tra district, Da Nang city according to the certificate No. DG 261049 issued on 06 October 2022 in the name of Mr. Nguyen Van Thu and Ms. Nguyen Thi Huong according to the Mortgage Contract Notarization No. 004152 signed on 29 October 2022 and amendments, supplements and replacements (if any);
- Land use right of plot No. 4, map sheet No. 756, Lot A22 of Son Tra – Dien Ngoc urban, high-rise commercial service and front-line apartment complex, Tho Quang Ward, Son Tra District, Da Nang City according to Certificate No. BA645833 issued on 09 December 2010 in the name of Mr. Nguyen Hung Cuong and Ms. Vu Thi Thu Huong according to the Mortgage Contract Notarization No. 000141 signed on 16 January 2023 and amendments, supplements and replacements (if any);
- Land use right of plot No. 34, map sheet No. 756, Lot B4.1-5 of Son Tra – Dien Ngoc urban, high-rise commercial service and front-line apartment complex, Tho Quang Ward, Son Tra District, Da Nang City according to Certificate No. BA645940 issued on 31 December 2010 in the name of Ms. Nguyen Thi Huong according to the Mortgage Contract Notarization No. 000140 signed on 16 January 2023 and amendments, supplements and replacements (if any);
- Factory located at land plot No. 186, map sheet No. 07, Phung Chi Kien Ward, My Hao Town, Hung Yen Province according to Certificate No. CV 380399 issued by Hung Yen Provincial People's Committee on 21 April 2020 according to Mortgage Contract No. 3143 signed on 09 June 2023 and amendments, supplements and replacement documents (if any).

- (3) Credit contract No. 202427705586 dated 23 May 2024 signed between Sai Gon Thuong Tin Commercial Joint Stock Bank and Phuong Anh International Joint Stock Company, with the following detailed terms:

- + Credit limit: 200,000,000,000 VND;
- + Purpose of loan: Supplementing working capital for steel production and trading of all kinds;
- + Term of the contract: 12 months;
- + Loan interest rate: Specific regulations on each debt acceptance contract

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

17. BORROWINGS (CONT'D)

The collateral as follow:

- Real estate located at plot number: 16, map sheet number: 3, address: My Dinh 2 Ward, Nam Tu Liem District, Hanoi City as per the Land Use Right Certificate No. AD 722216 issued in the name of Mr. Nguyen Van Thu by the People's Committee of Tu Liem District, Hanoi City on 12 April 2006. Certificate entry number: H1578. Decision number: 1092/QĐ-UB
- Real estate located at plot number: 29, map sheet number: 29, address: Tran Voi, Phu Man, Quoc Oai, Ha Tay (now Hanoi City) as per the Land Use Right Certificate No. AH 196361 issued in the name of Ms. Dinh Thi Tho (transferred to Mr. Nguyen Hung Cuong on 20 January 2022) by the People's Committee of Quoc Oai District, Hanoi City on 30 September 2008
- Land Use Right, house ownership, and attached property Certificate No. BG 925313 issued by the People's Committee of Quoc Oai District on 05 January 2012 for Mrs. Phung Thi Mai Huong, transferred to Mr. Nguyen Hung Cuong on 20 January 2022
- Land Use Right Certificate, house ownership, and attached property Certificate No. AH498534 issued on 07 March 2007 by the People's Committee of Quoc Oai District for Ms. Dinh Thi Tho, amended and transferred to Ms. Nguyen Thi Thanh Nga on 22 February 2022
- Land use rights Certificate No. BA 412746 issued by the People's Committee of Tu Liem District (now Nam Tu Liem District) on 09 March 2010. Property owners: Mr. Nguyen Van Thu and Mrs. Nguyen Thi Huong. Plot number: 253, map number: 1, address: 86 Alley 63/5 Le Duc Tho, My Dinh 2, Nam Tu Liem District.
- Land Use Right, house ownership, and attached property Certificate for plot number: 254, map sheet number: 1, address: My Dinh Commune, Tu Liem District, Hanoi City, as per Certificate No. BA 412485. Certificate entry number: CH00032 issued by the People's Committee of Tu Liem District, Hanoi City on 09 March 2010
- Land Use Right, house ownership, and attached property Certificate No. CO033712 issued by the People's Committee of Quang Ninh Province on 11 October 2018 for the Vuon dao Ha long Hotel Joint Stock Company.

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18. OWNERS' EQUITY

18.1 CHANGES IN OWNERS' EQUITY

Items	Owner's equity		Non-controlling Interest	Retained earnings	Total
	VND	Investment development fund VND			
01/01/2023	280,499,680,000	556,025,698	-	89,220,235,535	370,275,941,233
- Profit in year	-	-	-	(2,274,026,545)	(2,274,026,545)
31/12/2023	280,499,680,000	556,025,698	-	86,946,208,990	368,001,914,688
01/01/2024	280,499,680,000	556,025,698	-	86,946,208,990	368,001,914,688
- Consolidated	-	-	94,852,221,416	(34,200,126,062)	60,652,095,354
- Profit in year	-	-	(192,617,012)	4,409,457,604	4,216,840,592
31/12/2024	280,499,680,000	556,025,698	94,659,604,404	57,155,540,532	432,870,850,634

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

18. OWNERS' EQUITY (CONT'D)

18.2 EQUITY TRANSACTIONS WITH OWNERS

	Year 2024 VND	Year 2023 VND
Owner's invested equity		
+ Consolidated	280,499,680,000	280,499,680,000
+ Increase during year	-	-
+ At the end of year	280,499,680,000	280,499,680,000

18.3 SHARES

	31/12/2024 Shares	01/01/2024 Shares
Number of shares registered for issuance	28,049,968	28,049,968
Number of shares sold in public market	28,049,968	28,049,968
+ <i>Common shares</i>	28,049,968	28,049,968
Number of shares in circulation	28,049,968	28,049,968
+ <i>Common shares</i>	28,049,968	28,049,968
Par value of shares outstanding (10,000 VND/shares)		

19. OFF-BALANCE SHEET ITEM

	31/12/2024	01/01/2024
USD	20,113.73	1,322.45
Bad debts written off (VND)	33,404,085,060	-

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

20. SALES OF MERCHANDISE AND SERVICES

	Year 2024	Year 2023
	VND	VND
Sales of merchandise and services	1,068,182,064,178	683,231,557,618
+ Revenue from Goods Sales	1,044,200,465,307	671,874,971,710
+ Revenue from Service	23,981,598,871	11,356,585,908
	<u>1,068,182,064,178</u>	<u>683,231,557,618</u>
Revenue with relates	59,228,442,089	1,724,346,532
<i>(Note No, 28 for more details)</i>		

21. SALES DEDUCTIONS

	Year 2024	Year 2023
	VND	VND
Deductions	92,346,790	68,870,168
In which		
+ Deduction of sales	30,086,170	1,715,828
+ Returned goods	62,260,620	67,154,340

22. COST OF GOODS SOLD

	Year 2024	Year 2023
	VND	VND
- Cost of goods sold	1,039,884,948,036	667,868,716,029
- Cost of Service	13,369,437,007	11,381,060,805
- Devaluation of inventories provision	(1,843,721,939)	4,892,856,125
	<u>1,051,410,663,104</u>	<u>684,142,632,959</u>

23. FINANCIAL INCOME

	Year 2024	Year 2023
	VND	VND
- Interest Income from Deposits and Loans	49,274,285	62,004,051
- Interest form consolidated	8,885,747,938	-
- Interest Income from Share transfer	-	9,714,672,535
- Exchange Rate Gain from transactions	94,065,812	610,144,685
- Exchange Rate Gain from Revaluation	1,695,293	-
	<u>9,030,783,328</u>	<u>10,386,821,271</u>

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

24. FINANCIAL EXPENSE

	Year 2024	Year 2023
	VND	VND
- Financial expense	11,577,396,315	16,259,762,984
- Exchange Rate loss from transactions	-	63,882,902
- Reversal of provisions	154,192,472	482,209,590
- Devaluation of investment provision	-	(308,612,605)
- Exchange Rate loss from Revaluation	-	3,511,337
	11,731,588,787	16,500,754,208

25. SELLING AND GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2024	Year 2023
	VND	VND
Administrative expenses	3,003,575,194	(9,316,314,227)
- Staff expenses	2,516,845,749	1,941,476,201
- Fixed asset depreciation	20,086,884	64,232,110
- Office equipment expenses	80,420,397	20,086,884
- Provision for Bad Debts	(4,441,783,075)	(14,677,555,099)
- Taxes, Fees, and Charges	4,009,900	(161,777,280)
- Outsource expenses	867,939,832	178,471,312
- Other expenses	3,425,296,983	3,318,751,645
- Goodwill	530,758,524	-
Selling expenses	2,374,177,477	1,475,585,432
- Equipment expenses	1,549,867	-
- Staff expenses	1,179,728,250	966,159,646
- Fixed asset depreciation	201,611,988	201,611,988
- Outsource expenses	511,632,946	43,475,304
- Other expenses	481,551,504	264,338,494
	5,377,752,671	(7,840,728,795)

26. OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
- Penalties	1,602,280,366	854,052,268
- Depreciation expenses not serving production and business	6,600,000	3,300,000
- Other expenses	154,737,926	28,137,957
	1,763,618,292	885,490,225

**PHUONG ANH INTERNATIONAL
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NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

27. BASIC EARNINGS PER SHARE

	Year 2024 VND	Year 2023 VND
Profit/Loss After Corporate Income Tax	4,216,840,592	(2,274,026,545)
Adjustment for Reward and Welfare Funds	-	-
Profit or Loss Allocated to Common Shareholders	4,216,840,592	(2,274,026,545)
Total Number of Shares	28,049,968	28,049,968
Average Outstanding Common Shares During the Year	28,049,968	28,049,968
Basic Earnings Per Share	150	(81)

28. INFORMATION ABOUT RELATED PARTIES

No.	Related parties	Relationship
1	Thanh Nam Group JointStock Company	Related with Chairman
2	Sai gon steel joint stock company	Related with Chairman
3	Thanh Lam real estate Joint Stock Company	Related party
4	Ms. Nghiem Thi Tuyet Thi	Related with Subsidiaries
5	Ms. Bui Thi Ngoc	Related with Subsidiaries

Transactions with related parties

	Year 2024 VND	Year 2023 VND
Revenue from related parties	59,228,442,089	1,724,346,532
- Thanh Nam Group JointStock Company	672,000,000	1,485,982,897
- Sai gon steel joint stock company	58,556,442,089	238,363,635
Purchase of goods from related parties	89,040,357,998	98,769,233,157
- Thanh Nam Group JointStock Company	-	14,966,769,402
- Sai gon steel joint stock company	89,040,357,998	83,802,463,755
Advances	7,450,000,000	-
- Ms. Nghiem Thi Tuyet Thi	4,000,000,000	-
- Ms. Bui Thi Ngoc	3,450,000,000	-

Balances with related parties

	31/12/2024 VND	01/01/2024 VND
Trade receivables	-	107,800,000
- Thanh Nam Group JointStock Company	-	61,600,000
- Sai gon steel joint stock company	-	46,200,000
Prepayment to seller	8,556,948,367	10,158,689,542
- Sai gon steel joint stock company	8,556,948,367	10,158,689,542
Advances	7,450,000,000	-
- Ms. Nghiem Thi Tuyet Thi	4,000,000,000	-
- Ms. Bui Thi Ngoc	3,450,000,000	-

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

28. INFORMATION ABOUT RELATED PARTIES (CONT'D)

Income of members of the Board of Directors and Executive Board

	Position	Year 2024 VND	Year 2023 VND
Board of Directors			
- Ms Nguyen Thi Ngoc Ha	Member of BOD	698,158,527	704,587,303
- Ms Luu Thi Thu Thuy	Member of BOD	320,045,317	338,178,578
- Mr Tran Duy Cuong	Member of BOD	161,282,132	148,313,725
Board of Management			
- Mr. Tran Duy Cuong	General Director	216,831,078	218,095,000
Board of Supervisory			
- Mr Le Hong Quan	Member	216,831,078	218,095,000
Chief Accountant			
- Ms Tran Thi Hong Khang	Chief Accountant	44,106,800	37,284,000
		285,802,911	250,236,333

Use of Assets as Collateral by Related Parties

The Company has utilized investment property, specifically the land use rights for plot No. 18 on map No. 758 (now plot No. 197 on map No. 79), located at Lot B7, Complex Urban Area, High-rise Commercial Services, and Apartments at the starting point of Son Tra-Dien Ngoc, Tho Quang Ward, Son Tra District, Da Nang City, as collateral for a loan with Thanh Nam Group Joint Stock Company. (Reference Note No. 13).

Use of Related Parties' Assets as Collateral for Loans

Vuon dao Ha Long Hotel Joint Stock Company used the Certificate of Land Use Rights, Ownership of Residential Housing, and Other Assets Attached to Land No. CO033712 issued by Quang Ninh Province People's Committee on 11 October 2018, as collateral for the company's loans. (Reference Note No. 17)

Mr. Nguyen Hung Cuong, Chairman of the Board of Directors, and his relatives have used certain assets as collateral for the Company's loans. (Reference Note No. 17)

29. COMPARATIVE FIGURES

The year 2024 marks the first year the Company has a subsidiary structure, so there are no comparative figures in the Consolidated Financial Statements for the fiscal year ending 31 December 2023. The comparative figures are based on the Company's Separate Financial Statements for the fiscal year ending 31 December 2023, which have been audited. The Company retrospectively adjusted the increase in corporate income tax payable and the current corporate income tax expense for 2023 by VND 1,985,083,943 due to the exclusion of interest expenses for related-party transactions as per Decree 132/2020/ND-CP. The impacts of the retrospective adjustment to the Separate Financial Statements for 2023 are as follows:

NOTE TO THE FINANCIAL STATEMENTS (CONT'D)

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

29. COMPARATIVE FIGURES (CONT'D)

INDICATORS ON THE SEPARATE BALANCE SHEET AS OF 01/01/2024:

ITEMS	No	Before adjustment	After adjustment	Adjustment Increase
		VND	VND	VND
RESOURCES				
Taxes and other payables to government budget	313	7,120,554,867	9,105,638,810	1,985,083,943
Undistributed profit after tax	421	88,931,292,933	86,946,208,990	(1,985,083,943)
- Undistributed profit after tax for the current period	421b	(288,942,602)	(2,274,026,545)	(1,985,083,943)
TOTAL LIABILITIES AND OWNERS'EQUITY	440	704,378,175,016	704,378,175,016	-

INDICATORS ON THE REPORT OF SEPARATE BUSINESS RESULTS IN 2023:

ITEMS	No	Before adjustment	After adjustment	Adjustment Increase (+)/Decrease (-)
		VND	VND	VND
Current corporate income tax expense	51	165,421,844	2,150,505,787	1,985,083,943
Net profit after tax	60	(288,942,602)	(2,274,026,545)	(1,985,083,943)
Basic earnings per share	70	(10)	(81)	(71)

Hung Yen, 28 March 2025



Tran Thi Hong Khang
Preparer



Tran Thi Hong Khang
Chief Accountant



Nguyen Hung Cuong
Chairman