

# POMINA STEEL CORPORATION

**Audited consolidated financial statements  
for the fiscal year ended 31 December 2023**



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**REPORT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of Pomina Steel Corporation ("the Company") has the pleasure in presenting this report and the audited consolidated financial statements of the Company and its subsidiaries ("the Group") to the fiscal year ended 31 December 2023.

**1. General Information**

Pomina Steel Corporation (briefly called "the Company") is a joint-stock company established through the equitization of Pomina Steel Company Limited. The Parent Company operates under Enterprise Registration Certificate No. 3700321364, originally issued by the Department of Planning and Investment of Binh Duong Province on 17 July 2008 and its subsequent amended Enterprise Registration Certificates, the lasted being the 14th amendment issued on 03 March 2023.

The Parent Company's charter capital as at 01 January 2023 and 31 December 2023 was VND 2,796,763,360,000, equivalent to 279,676,336 shares with a par value of VND 10,000 per share.

In 2023, the Parent Company's shares were listed and traded on the Hochiminh Stock Exchange (HOSE). Since 10 May 2024, the Parent Company's shares have been registered for trading on the Unlisted Public Company Market (UPCoM). Details are as follows:

- Type of shares: Common shares
- Stock code: POM
- Par value: VND 10,000/share
- Total number of shares: 279,676,336 shares
- Total value shares listed at par value: VND 2,796,763,360,000

The Parent Company's head office is located at No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam.

The main business activities of the Group are: Manufacturing and processing of iron, steel, and cast iron; scrap recycling; wholesale of metals and metal ores; and other specialized wholesale not elsewhere classified.

In 2023, the Group's main business activities included steel rolling, wholesaling of steel products, manufacturing of iron, steel, and cast iron, metal scrap recycling, and trading in steel products.

The Group has been currently in the process of supplementing its business lines with "forging, pressing, stamping and roll-forming of metal; powder metallurgy" in order to complete the relevant procedures in accordance with applicable regulations.

**2. The members of the Board of Management, the Board of Supervisors and the Board of General Directors**

The members of the Board of Management, the Board of Supervisors and the Board of General Directors during the year and up to the date of this report include:

**The Board of Management**

| Full name              | Position           | Appointed/ Dismissed          |
|------------------------|--------------------|-------------------------------|
| Mr. Do Duy Thai        | Chairman           | Appointed on 10 February 2023 |
|                        | Member             | Dismissed on 10 February 2023 |
| Mr. Do Tien Si         | Deputy Chairman    | Appointed on 10 February 2023 |
|                        | Chairman           | Dismissed on 10 February 2023 |
| Mr. Do Van Khanh       | Member             | Appointed on 10 March 2023    |
|                        | Deputy Chairman    | Dismissed on 10 March 2023    |
| Mr. Do Hoai Khanh Linh | Member             | Appointed on 25 June 2021     |
| Mr. Do Xuan Chieu      | Member             | Appointed on 25 June 2021     |
| Ms. Vo Thi Thu Hien    | Independent Member | Appointed on 27 April 2018    |



**REPORT OF THE BOARD OF GENERAL DIRECTORS****The Board of Supervisors**

| Full name                | Position         | Appointed/ Dismissed      |
|--------------------------|------------------|---------------------------|
| Mr. Tran To Tu           | Chief Supervisor | Appointed on 25 June 2021 |
| Ms. Nguyen Thi Hong Tham | Member           | Appointed on 25 June 2021 |
| Ms. Nguyen Ngoc My Hanh  | Member           | Resigned on 27 July 2024  |

**Board of General Directors and Chief Accountant**

| Full name               | Position                     | Appointed/ Dismissed          |
|-------------------------|------------------------------|-------------------------------|
| Mr. Do Tien Si          | General Director             | Appointed on 10 February 2023 |
| Mr. Do Van Khanh        | General Director             | Dismissed on 10 February 2023 |
| Mr. Do Hoai Khanh Linh  | General Director of Pomina 1 | Appointed on 01 August 2020   |
| Ms. Do Thi Kim Ngoc     | General Director of Pomina 3 | Appointed on 10 March 2023    |
| Ms. Nguyen Ngoc My Hanh | Chief Accountant             | Appointed on 21 July 2024     |
| Mr. Nguyen Nhut Truong  | Chief Accountant             | Dismissed on 21 July 2024     |

**Legal representative**

The Legal Representative of the Company during the fiscal year ended 31 December 2023 and up to the date of this report is:

| Full name        | Nationality | Position         | Appointed/ Dismissed          |
|------------------|-------------|------------------|-------------------------------|
| Mr. Do Tien Si   | Vietnamese  | General Director | Appointed on 10 February 2023 |
| Mr. Do Van Khanh | Vietnamese  | General Director | Appointed on 08 August 2022   |
| Mr. Do Tien Si   | Vietnamese  | General Director | Appointed on 01 January 2022  |

**3. The Group's financial position and operating results**

The Group's financial position for the fiscal year ended 31 December 2023 and its operating result for the year then ended are reflected in the accompanying consolidated financial statements.

**4. Events subsequent to the balance sheet date**

Pursuant to Resolution No. 1685/NQ-UBTVQH15 dated June 16, 2025, on the reorganization of commune-level administrative units in Ho Chi Minh City in 2025, the Company's head office address was changed from: No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Di An City, Binh Duong Province, Vietnam to No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam.

On 01 March 2024, the Extraordinary General Meeting of Shareholders of the Company approved Resolution No. 02/NQ-DHCD/2024 approving Pomina's restructuring plan and the finalization of the capital increase for the Blast Furnace Project.

On 10 April 2024, the Company's shares were compulsorily delisted pursuant to Decision No. 208/QĐ-SGDHCM issued by the Ho Chi Minh Stock Exchange (HOSE), with the delisting taking effect on 10 May 2024.

Other than the events described above, there have been no significant events occurring since the fiscal year ended 31 December 2023 that would require adjustments to, or disclosures in, the notes to the financial statements.

**5. Auditors**

AFC Vietnam Auditing Company Limited has been appointed to perform the audit the consolidated financial statements for the fiscal year ended 31 December 2023.



## REPORT OF THE BOARD OF GENERAL DIRECTORS

### 6. Statement of the Board of General Directors' responsibility in respect of the consolidated financial statements

The Board of General Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company for the fiscal year ended 31 December 2023. In preparing these consolidated financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basic unless it is inappropriate to presume that the Group will continue in business; and
- Design, implement and maintain the Group's internal control for prevention and detection of fraud and error in the preparation and presentation of consolidated financial statements;

The Board of General Directors is responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Group and to ensure that the accounting records comply with the Vietnamese Accounting Standards, Vietnamese Accounting system for enterprises and legal regulations relating to financial reporting. The Board of General Directors is also responsible for controlling the assets of the Group and therefore has taken the appropriate measures for the prevention and detection of fraud and other irregularities.

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

As at 31 December 2023, the Company performed a physical inventory count and recognized the inventory balances in the financial statements based on the results of the physical count, reconciled to the accounting records and relevant supporting documentation.

The Board of General Directors has reviewed the inventory count records, inventory receipt, issue and balance documents, reconciliation results and other relevant supporting documents. Based on such review, the Board of General Directors believes that the inventory balance as at 31 December 2023 has been appropriately reflected in the financial statements.

The Board of General Directors believes that the inventory balances presented in the Company's financial statements are fairly stated in all material respects.

### 7. Publication of the consolidated financial statements

The Board of General Directors hereby publishes the accompanying consolidated financial statements. These financial statements give a true fair view of the financial position of the Group as at 31 December 2023 and of the results of its consolidated operations and its consolidated cash flows for the fiscal year ended 31 December 2023 in accordance with the Vietnamese Accounting Standards, Vietnamese Accounting system for enterprises and legal regulations relevant to preparation and presentation of the consolidated financial statements.

On behalf of the Board of General Directors,



**DO TIEN SI**  
**General Director**

Ho Chi Minh City, 29 May 2026





## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders  
The Board of Management and The Board of General Directors of  
POMINA STEEL CORPORATION**

We have audited the accompanying consolidated financial statements of Pomina Steel Corporation (briefly called "The Parent Company") and its subsidiaries (briefly called "the Group") prepared on 29 May 2026 as set out from page 06 to page 48, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, and the consolidated cash flow statement for the fiscal year then ended, and Notes to the consolidated financial statements.

### The Board of General Directors' responsibility

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 about 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 Group's preparation of the consolidated 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of General Directors, as well as evaluating the 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 qualified audit opinion.

### Basis for Qualified Opinion

- We were unable to attend the inventory count observation at 31 December 2023 because we had not been appointed as auditors at that time. Based on the documentation currently available within the Group, we were also unable to obtain sufficient appropriate audit evidence regarding the existence and completeness of the inventory balance presented in the Consolidated Balance Sheet as at 31 December 2023, amounting to VND 660,450,469,322, through alternative audit procedures. At the same time, we were unable to determine the necessary adjustments to both recorded and unrecorded inventories, as well as the related components of the consolidated balance sheet, the consolidated income statement, and the consolidated cash flow statement.

## INDEPENDENT AUDITORS' REPORT (Cont.)

### Basis for Qualified Opinion (Cont.)

- On note 9.4 to the consolidated financial statements, in which the Group incurred a net loss in the consolidated financial statements for the fiscal year ended 31 December 2023 of VND 1,392,260,450,530, and accumulated losses as at 31 December 2023 of VND 1,646,941,965,227. As at that date, the Group's current liabilities exceeded its current assets by VND 5,302,168,297,872 (as at 01 January 2023: VND 3,743,207,155,968). This condition, together with other matters described in Note 9.4, indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.
- The Board of General Directors of the Group has prepared the consolidated financial statements on a going concern basis. However, as at the date of this report, we have not been provided with a feasible and sufficient plan demonstrating that the Group is able to improve its financial position or secure funding sources to ensure its ability to continue its normal operations in the foreseeable future. Accordingly, we consider that there is a material uncertainty related to the Group's ability to continue as a going concern. The consolidated financial statements and the accompanying notes do not adequately disclose this matter and do not include any adjustments that may be necessary to the Group's assets and liabilities in the event that the Group is unable to continue as a going concern in the future.

### Qualified opinion

In our opinion, except for the effects of the matters described in the section "Basis for Qualified Opinion", the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, as well as its results of operations and cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises, and the relevant statutory regulations regarding the preparation and presentation of consolidated financial statements.

### Other Matter

The consolidated financial statements of the Group for the fiscal year ended 31 December 2022 were audited by the predecessor auditor, who expressed an unmodified opinion on those financial statements on 22 June 2023.



**ĐAU NGUYEN LY HANG**

**Deputy General Director**

Audit Practising Registration Certificate:

1169-2026-009-1

Authorized representative

**AFC VIETNAM AUDITING COMPANY LIMITED**

Ho Chi Minh City, 29 May 2026

**BUI VAN BONG**

**Auditor**

Audit Practising Registration Certificate:

0177-2023-009-1



**POMINA STEEL CORPORATION**

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**CONSOLIDATED BALANCE SHEET**

As at 31 December 2023

|  | Code       | Note  | 31/12/2023<br>VND         | 01/01/2023<br>VND         |
|--|------------|-------|---------------------------|---------------------------|
| <b>ASSETS</b>  |            |       |                           |                           |
| <b>CURRENT ASSETS</b>                                      | <b>100</b> |       | <b>2,552,900,164,479</b>  | <b>3,936,776,214,046</b>  |
| <b>Cash and cash equivalents</b>                           | <b>110</b> | 5.1   | <b>8,125,792,793</b>      | <b>206,282,951,855</b>    |
| Cash   | 111        |       | 8,124,792,793             | 205,281,951,855           |
| Cash equivalents   | 112        |       | 1,000,000                 | 1,001,000,000             |
| <b>Accounts receivable</b>                                 | <b>130</b> |       | <b>1,245,854,473,064</b>  | <b>1,877,429,104,424</b>  |
| Short-term trade receivables                               | 131        | 5.2.1 | 1,200,555,149,599         | 1,857,282,495,242         |
| Short-term advances to suppliers                           | 132        | 5.3   | 69,229,644,447            | 38,126,715,280            |
| Short-term loan receivables                                | 135        |       | -                         | -                         |
| Other short-term receivables                               | 136        | 5.4.1 | 23,395,066,461            | 3,991,818,902             |
| Provision for doubtful debts                               | 137        | 5.5   | (47,325,387,443)          | (21,971,925,000)          |
| <b>Inventories</b>   | <b>140</b> | 5.6   | <b>660,450,469,322</b>    | <b>1,192,867,613,386</b>  |
| Inventories  | 141        |       | 661,945,871,444           | 1,235,977,350,161         |
| Provision for decline inventories                          | 149        |       | (1,495,402,122)           | (43,109,736,775)          |
| <b>Other current assets</b>                                | <b>150</b> |       | <b>638,469,429,300</b>    | <b>660,196,544,381</b>    |
| Prepaid expenses   | 151        | 5.7.1 | 3,098,254,000             | 17,010,385,507            |
| Value added tax deductibles                                | 152        |       | 629,590,127,553           | 634,832,672,768           |
| Taxes receivable   | 153        | 5.15  | 5,781,047,747             | 8,353,486,106             |
| <b>NON-CURRENT ASSETS</b>                                  | <b>200</b> |       | <b>7,511,079,323,594</b>  | <b>7,094,841,585,160</b>  |
| <b>Long-term receivables</b>                               | <b>210</b> |       | <b>305,086,195,985</b>    | -                         |
| Long-term trade receivables                                | 211        | 5.2.2 | 304,116,658,000           | -                         |
| Other long-term receivables                                | 216        | 5.4.2 | 969,537,985               | -                         |
| <b>Fixed assets</b>  | <b>220</b> |       | <b>1,446,374,309,677</b>  | <b>1,621,784,456,893</b>  |
| Tangible fixed assets                                      | 221        | 5.8   | 1,315,584,518,777         | 1,485,368,084,177         |
| Historical cost  | 222        |       | 5,133,925,118,573         | 5,133,055,118,573         |
| Accumulated depreciation                                   | 223        |       | (3,818,340,599,796)       | (3,647,687,034,396)       |
| Finance leasehold assets                                   | 224        | 5.9   | 130,678,624,243           | 136,259,206,061           |
| Historical cost  | 225        |       | 139,514,545,455           | 139,514,545,455           |
| Accumulated depreciation                                   | 226        |       | (8,835,921,212)           | (3,255,339,394)           |
| Intangible fixed assets                                    | 227        | 5.10  | 111,166,657               | 157,166,655               |
| Historical cost  | 228        |       | 14,636,504,484            | 14,636,504,484            |
| Accumulated amortisation                                   | 229        |       | (14,525,337,827)          | (14,479,337,829)          |
| <b>Long-term assets in progress</b>                        | <b>240</b> | 5.11  | <b>5,711,096,539,742</b>  | <b>5,411,193,900,190</b>  |
| Construction in progress                                   | 242        |       | 5,711,096,539,742         | 5,411,193,900,190         |
| <b>Long-term financial investments</b>                     | <b>250</b> | 5.12  | <b>10,000,000,000</b>     | <b>10,000,000,000</b>     |
| Other long-term investments                                | 253        |       | 11,402,985,380            | 11,402,985,380            |
| Provision for diminution in value of long-term investments | 254        |       | (11,402,985,380)          | (11,402,985,380)          |
| Held to maturity investment                                | 255        |       | 10,000,000,000            | 10,000,000,000            |
| <b>Other long-term assets</b>                              | <b>260</b> |       | <b>38,522,278,190</b>     | <b>51,863,228,077</b>     |
| Long-term prepaid expenses                                 | 261        | 5.7.2 | 36,882,638,843            | 49,883,789,328            |
| Deferred income tax assets                                 | 262        |       | 1,639,639,347             | 1,979,438,749             |
| <b>TOTAL ASSETS</b>  | <b>270</b> |       | <b>10,063,979,488,073</b> | <b>11,031,617,799,206</b> |

**POMINA STEEL CORPORATION**

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam


**CONSOLIDATED BALANCE SHEET**

As at 31 December 2023

|   | Code       | Note   | 31/12/2023<br>VND         | 01/01/2023<br>VND         |
|---|------------|--------|---------------------------|---------------------------|
| <b>RESOURCES</b>                              |            |        |                           |                           |
| <b>LIABILITIES</b>                            | <b>300</b> |        | <b>8,847,526,996,881</b>  | <b>8,420,318,605,047</b>  |
| <b>Current liabilities</b>                    | <b>310</b> |        | <b>7,855,068,462,351</b>  | <b>7,679,983,370,014</b>  |
| Short-term trade payables                     | 311        | 5.13   | 1,648,341,062,117         | 2,010,669,476,681         |
| Short-term advance from customers             | 312        | 5.14   | 24,326,722,142            | 23,855,127,968            |
| Tax and payable to the State                  | 313        | 5.15   | 5,491,944,095             | 268,091,806               |
| Payable to employees                          | 314        |        | 5,533,132,952             | 3,006,823,069             |
| Short-term accrued expenses payable           | 315        | 5.16   | 458,459,785,405           | 88,599,109,397            |
| Other short-term payables                     | 319        | 5.17.1 | 234,323,072,755           | 75,239,819,373            |
| Short-term loan and finance lease             | 320        | 5.18.1 | 5,478,573,767,165         | 5,478,325,946,000         |
| Bonus and welfare funds                       | 322        |        | 18,975,720                | 18,975,720                |
| <b>Long-term liabilities</b>                  | <b>330</b> |        | <b>992,458,534,530</b>    | <b>740,335,235,033</b>    |
| Other long-term liabilities                   | 337        | 5.17.2 | 149,216,500,000           | -                         |
| Long-term loans and finance lease obligations | 338        | 5.18.2 | 843,242,034,530           | 740,335,235,033           |
| <b>OWNER'S EQUITY</b>                         | <b>400</b> |        | <b>1,216,452,491,192</b>  | <b>2,611,299,194,159</b>  |
| <b>Capital</b>                                | <b>410</b> | 5.19   | <b>1,216,452,491,192</b>  | <b>2,611,299,194,159</b>  |
| Owners' invested equity                       | 411        |        | 2,796,763,360,000         | 2,796,763,360,000         |
| Shares with voting rights                     | 411a       |        | 2,796,763,360,000         | 2,796,763,360,000         |
| Share premium                                 | 412        |        | 35,000,000,000            | 35,000,000,000            |
| Treasury stocks                               | 415        |        | (31,347,567,000)          | (31,347,567,000)          |
| Investment and development fund               | 418        |        | 61,428,346,574            | 61,428,346,574            |
| Retained earnings                             | 421        |        | (1,646,941,965,227)       | (254,681,514,697)         |
| Retained earnings in previous year            | 421a       |        | (254,681,514,697)         | 633,700,832,452           |
| Retained earnings in current year             | 421b       |        | (1,392,260,450,530)       | (888,382,347,149)         |
| Non - control interest                        | 429        |        | 1,550,316,845             | 4,136,569,282             |
| <b>TOTAL RESOURCES</b>                        | <b>440</b> |        | <b>10,063,979,488,073</b> | <b>11,031,617,799,206</b> |

  
**NGUYEN THI PHUONG MAI**  
 Prepared by

  
**NGUYEN NGOC MY HANH**  
 Chief Accountant

  
**DO TIEN SI**  
 General Director  
 Ho Chi Minh City, 29 May 2026






**POMINA STEEL CORPORATION**

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**CONSOLIDATED INCOME STATEMENT**

For the financial year ended 31 December 2023

|  | Code      | Note       | Year 2023<br>VND           | Year 2022<br>VND           |
|--|-----------|------------|----------------------------|----------------------------|
| <b>Gross sales of merchandise and services</b> | <b>01</b> |            | <b>3,070,813,585,218</b>   | <b>13,041,401,643,316</b>  |
| Less deductions                                | 02        |            | 2,677,689,200              | 24,034,503,734             |
| <b>Net sales</b>                               | <b>10</b> | <b>6.1</b> | <b>3,068,135,896,018</b>   | <b>13,017,367,139,582</b>  |
| <b>Cost of sales</b>                           | <b>11</b> | <b>6.2</b> | <b>3,353,521,127,361</b>   | <b>13,441,440,926,946</b>  |
| <b>Gross profit</b>                            | <b>20</b> |            | <b>(285,385,231,343)</b>   | <b>(424,073,787,364)</b>   |
| Financial income                               | 21        | 6.3        | 16,473,467,507             | 102,645,636,182            |
| Financial expenses                             | 22        | 6.4        | 700,665,272,239            | 556,160,238,753            |
| <i>In which: Interest expenses</i>             | 23        |            | 674,452,697,485            | 433,075,195,354            |
| Selling expenses                               | 25        | 6.5        | 7,776,045,082              | 47,995,636,087             |
| General and administration expenses            | 26        | 6.6        | 185,109,820,631            | 120,616,705,325            |
| <b>Operating profit</b>                        | <b>30</b> |            | <b>(1,162,462,901,788)</b> | <b>(1,065,715,980,527)</b> |
| Other income                                   | 31        | 6.7        | 35,012,055,055             | 200,852,561,163            |
| Other expenses                                 | 32        | 6.8        | 260,574,453,487            | 214,182,698,397            |
| <b>Other profit</b>                            | <b>40</b> |            | <b>(225,562,398,432)</b>   | <b>(13,330,137,234)</b>    |
| <b>Profit before tax</b>                       | <b>50</b> |            | <b>(1,388,025,300,220)</b> | <b>(1,079,046,117,761)</b> |
| Current corporate income tax expense           | 51        |            | 6,680,057,945              | 452,084,581                |
| Deferred corporate income tax expense          | 52        |            | 141,344,802                | 369,843,326                |
| <b>Net profit after tax</b>                    | <b>60</b> |            | <b>(1,394,846,702,967)</b> | <b>(1,079,868,045,668)</b> |
| Net profit after tax of parent company         | 61        |            | (1,392,260,450,530)        | (1,078,384,066,819)        |
| Net profit after tax of non control interest   | 62        |            | (2,586,252,437)            | (1,483,978,849)            |
| <b>Earnings per share</b>                      | <b>70</b> | <b>6.9</b> | <b>(4,998)</b>             | <b>(3,872)</b>             |
| <b>Diluted Earnings Per Share</b>              | <b>71</b> | <b>6.9</b> | <b>(4,998)</b>             | <b>(3,872)</b>             |

  
**NGUYEN THI PHUONG MAI**  
 Prepared by

  
**NGUYEN NGOC MY HANH**  
 Chief Accountant

  
**DO TIEN SI**  
 General Director  
 Ho Chi Minh City, 29 May 2026





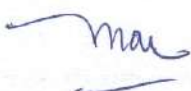
**POMINA STEEL CORPORATION**

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**CONSOLIDATED CASH FLOW STATEMENT (Indirect Method)**

For the financial year ended 31 December 2023

|   | Code      | Note             | Year 2023<br>VND         | Year 2022<br>VND           |
|---|-----------|------------------|--------------------------|----------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                |           |                  |                          |                            |
| Net profit before tax                                     | 01        |                  | (1,388,025,300,220)      | (1,079,046,117,761)        |
| <b>Adjustments for :</b>                                  |           |                  |                          |                            |
| Depreciation and amortisation                             | 02        | 5.8, 5.9<br>5.10 | 176,280,147,216          | 231,451,595,769            |
| Provisions  | 03        |                  | (16,260,872,210)         | 43,109,736,775             |
| Unrealised foreign exchange (gains)/losses                | 04        |                  | 17,189,803,008           | 3,001,195,780              |
| Profits/(losses) from investing activities                | 05        | 6.3              | (715,599,248)            | (56,861,333,473)           |
| Interest expense  | 06        | 6.4              | 674,452,697,485          | 433,075,195,354            |
| <b>Operating income before changes in working capital</b> | <b>08</b> |                  | <b>(537,079,123,969)</b> | <b>(425,269,727,556)</b>   |
| (Increase)/decrease in receivables                        | 09        |                  | 487,621,542,118          | 1,673,620,494,149          |
| (Increase)/decrease in inventories                        | 10        |                  | 574,031,478,716          | 4,502,734,388,941          |
| Increase/(decrease) in payables                           | 11        |                  | (437,026,489,602)        | (3,318,275,125,081)        |
| (Increase)/decrease in prepaid expenses                   | 12        |                  | 26,913,281,992           | 63,821,675,750             |
| Interest paid   | 14        |                  | (261,425,196,165)        | (365,519,185,823)          |
| Corporate income tax paid                                 | 15        |                  | -                        | (27,909,617,186)           |
| <b>Net cash flow from operating activities</b>            | <b>20</b> |                  | <b>(146,964,506,910)</b> | <b>2,103,202,903,194</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                |           |                  |                          |                            |
| Purchase of fixed assets and other long term assets       | 21        |                  | (870,000,000)            | (47,100,973,670)           |
| Proceed from disposal of FA and other LT assets           | 22        |                  | -                        | 139,514,545,455            |
| Payment for loan, purchase of debt instrument             | 23        |                  | (154,221,448,078)        | -                          |
| Proceeds from loans, sale of debt instrument              | 24        |                  | 195,217,719,740          | -                          |
| Investment in other entities                              | 25        |                  | (4,034,190,200)          | -                          |
| Interest and dividends received                           | 27        |                  | 715,253,629              | 4,819,992,956              |
| <b>Net cash flow from investing activities</b>            | <b>30</b> |                  | <b>36,807,335,091</b>    | <b>97,233,564,741</b>      |
| <b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>                |           |                  |                          |                            |
| Proceeds from capital contribution                        | 31        |                  | 4,034,190,200            | -                          |
| Payment of capital to owners                              | 32        |                  | -                        | -                          |
| Proceeds from borrowings                                  | 33        | 7.1              | 3,990,122,575,178        | 12,143,261,000,393         |
| Repayments of borrowings                                  | 34        | 7.2              | (4,082,185,674,256)      | (14,547,293,399,385)       |
| <b>Net cash flow from financing activities</b>            | <b>40</b> |                  | <b>(88,028,908,878)</b>  | <b>(2,419,877,757,948)</b> |
| <b>Net increase/decrease in cash</b>                      | <b>50</b> |                  | <b>(198,186,080,697)</b> | <b>(219,441,290,013)</b>   |
| <b>Cash and cash equivalents at beginning of year</b>     | <b>60</b> | 5.1              | <b>206,282,951,855</b>   | <b>424,202,499,324</b>     |
| Impact of exchange rate fluctuation                       | 61        |                  | 28,921,635               | 1,521,742,544              |
| <b>Cash and cash equivalents at the end of year</b>       | <b>70</b> | 5.1              | <b>8,125,792,793</b>     | <b>206,282,951,855</b>     |

  
**NGUYEN THI PHUONG MAI**  
 Prepared by

  
**NGUYEN NGOC MY HANH**  
 Chief Accountant

  
**DO TIEN SI**  
 General Director  
 Ho Chi Minh City, 29 May 2026



## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

These notes form an integral part of and should be read along with the accompanying consolidated financial statements.

### **1. GENERAL INFORMATION**

#### **1.1 Ownership**

The Group includes: Pomina Steel Corporation ("the Parent Company") and Subsidiaries are Pomina 2 Steel Corporation, Pomina Steel 1 One Member Company Limited.

Pomina Steel Corporation (briefly called "the Parent Company") is a joint-stock company established through the equitization of Pomina Steel Company Limited. The Company operates under Enterprise Registration Certificate No. 3700321364, originally issued by the Department of Planning and Investment of Binh Duong Province on 17 July 2008 and its subsequent amended Enterprise Registration Certificates, with the latest amendment being the 14<sup>th</sup> amendment issued on 03 March 2023.

The Parent Company's charter capital as at 01 January 2023 and 31 December 2023 was VND 2,796,763,360,000, equivalent to 279,676,336 shares with a par value of VND 10,000 per share.

In 2023, the Parent Company's shares were listed and traded on the Hochiminh Stock Exchange (HOSE). Since 10 May 2024, the Company's shares have been registered for trading on the Unlisted Public Company Market (UPCoM). Details are as follows:

- Type of shares: Common shares
- Stock code: POM
- Par value: VND 10,000/shares
- Total number of shares: 279,676,336 shares
- Total value shares listed at par value: VND 2,796,763,360,000

#### **1.2 Scope of operating activities**

The Group operates in the manufacturing sector.

#### **1.3 Line of business**

The Group's business activities are:

- Manufacturing of iron, steel, and cast iron;
- Other specialized wholesale activities not elsewhere classified, including trading in scrap metal and non-metal scrap (excluding scrap processing and recycling in Binh Duong Province), as well as wholesale of lime and limestone;
- Wholesale of metals and metal ores, including steel products;
- Recycling of scrap materials, specifically metal scrap recycling (excluding recycling activities in Binh Duong Province).

In 2023, the Group's main business activities included steel rolling, wholesaling of steel products, manufacturing of iron, steel, and cast iron, metal scrap recycling, and trading in steel products.

The Group is currently in the process of supplementing its business lines with "forging, pressing, stamping and roll-forming of metal; powder metallurgy" in order to complete the relevant procedures in accordance with applicable regulations.

#### **1.4 Normal business and production cycle**

Normal business and production cycle of the Group is not exceeding 12 months.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**1.5 Structure of the Group**

List of subsidiaries are consolidated as at 31 December 2023, as follows::

| Company's name                             | Address  | Main business activity  | Capital contribution ratio | Voting rights ratio | The rate of benefits |
|--|--|---|----------------------------|---------------------|----------------------|
| Pomina 2 Steel Corporation                 | Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam                     | Manufacturing and trading of steel products; wholesale of metals and metal ores; scrap and waste metals and non-metallic scrap. | 99.50%                     | 99.50%              | 99.50%               |
| Pomina Steel 1 One Member Company Limited. | No. 1, Street 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam | Production of iron, steel, and cast iron.   | 100.00%                    | 100.00%             | 100.00%              |

**1.6 Statement on information comparability in the consolidated financial statements**

The figures presented in the consolidated financial statements for the fiscal year ended 31 December 2023 are comparable to the corresponding figures of the previous year.

**1.7 Employees**

As at 31 December 2023, the Group has 769 employees (as at 31 December 2022: 1,208 employees).

**2. THE FINANCIAL YEAR, ACCOUNTING CURRENCY****2.1 Financial year**

The financial year of the Group is from 01 January and ended 31 December annually.

**2.2 Accounting Currency**

The Group maintains its accounting records in Vietnamese Dong ("VND") due to the revenues and expenditures are made primarily by currency VND.

**3. APPLICABLE ACCOUNTING STANDARDS AND REGIME****3.1 Applicable Accounting Standards**

The Group applies Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 and Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance providing guidance on the preparation and presentation of consolidated financial statements.

**3.2 Statement of compliance with Accounting Standards and Accounting System**

The Group's Board of General Directors confirms that it has complied with the requirements of Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 and Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance providing guidance on the preparation and presentation of consolidated financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Basis of preparation the consolidated financial statements

The consolidated financial statements are prepared on the accrual basic (except for information relating to cash flow).

#### 4.2 Basis for consolidating financial statements

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries for the fiscal year ended 31 December 2023.

The subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control over the subsidiary, and continue to be consolidated until the date on which the Company ceases to control the subsidiary.

The financial statements of the Parent Company and its subsidiaries used for consolidation are prepared for the same fiscal year and apply consistent accounting policies. Where necessary, the financial statements of subsidiaries are adjusted to ensure that the accounting policies applied by the Parent Company and its subsidiaries are consistent.

Balances of accounts in the statement of financial position between entities within the Group, as well as income and expenses, and unrealised intra-group gains or losses arising from these transactions, are fully eliminated.

#### *Non-controlling interest*

Non-controlling interests in the net assets of consolidated subsidiaries are determined as an item within equity in the consolidated balance sheet. Non-controlling interests comprise the value of non-controlling interests at the date of the initial business combination and the non-controlling interests' share of changes in total equity since the date of the business combination. Losses incurred by subsidiaries must be allocated proportionately to the ownership interest of non-controlling shareholders, even in cases where such losses exceed the non-controlling interests' share in the subsidiary's net assets.

#### *Business combination and goodwill*

Business combinations are accounted for using the purchase method. The cost of a business combination includes the fair value at the acquisition date of assets transferred, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for obtaining control of the acquiree, as well as directly attributable costs of the business combination. Identifiable assets, liabilities, and contingent liabilities assumed in a business combination are recognized at their fair values at the acquisition date.

Goodwill arising from a business combination is initially recognized at cost, which is the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities recognized. If the cost of the business combination is lower than the fair value of the net assets of the acquiree, the difference is recognized in the consolidated statement of profit or loss. After initial recognition, goodwill is measured at cost less accumulated amortization. Goodwill is amortized on a straight-line basis over its estimated useful life of ten (10) years.

#### 4.3 Foreign currency transactions

Transactions in foreign currencies during the year have been translated into VND at exchange rates ruling at the date of the transaction. At year end, monetary assets and liabilities denominated in foreign currencies are translated into VND at the exchange rates as announced at the balance sheet date.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Exchange differences incurred from transactions in currencies other than VND during the year are recorded in financial income or financial expense. Exchange differences incurred due to revaluation of accounts derived from foreign currencies at year end are recorded net amount after offsetting gain and loss on exchange differences in financial income or financial expenses.

#### 4.4 Cash and cash equivalents

Cash comprises cash on hand, cash at banks (demand deposits). Cash equivalents are short-term highly liquid investments with an original maturity of less than three months from the date of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value at the balance sheet date.

#### 4.5 Investments

##### *Held to maturity investment*

An investment is classified as held-to-maturity when the Group has both the intention and the ability to hold it to maturity. Held to maturity investments include: term bank deposits (including treasury bills and promissory notes), bonds, redeemable preference shares that the issuer is required to repurchase at a specified future date, and loans held to maturity for the purpose of earning periodic interest, as well as other investments held to maturity.

Held to maturity investments are initially recognized at cost, including purchase price and transaction costs directly attributable to the acquisition of the investments. After initial recognition, these investments are subsequently measured at recoverable amount. Interest income from held-to-maturity investments after the acquisition date is recognized in the statement of profit or loss on an accrual basis. Interest accrued before the Group obtains the investments is deducted from the cost at the date of purchase.

When there is clear evidence that part or all of an investment may not be recoverable and the amount of the loss can be reliably measured, the loss is recognized as a financial expense in the period and directly deducted from the carrying amount of the investment.

Upon disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognized in profit or loss as income or expense.

##### *Investments in equity of other companies*

Investments in equity instrument of other companies include investments which the Group have no control, co-control or significant influence on the investee.

Investments in equity instrument of other companies are initially recorded at cost, including purchase price or capital contributions plus the costs directly related to investment. Dividends and profits from previous years of the investments before being purchased are accounted for the decrease in value of the investments. Dividends and profits of the following year are after being purchased is recognized in revenue. Dividends which received by shares are only followed up by the number of shares increases and recorded at face value.

Provision for diminution in value of investments in equity of other companies is appropriated as follows:

- For investments in listed shares or the fair value of the investments is determined reliably, the provision is based on the market value of shares.
- For investments have not determined the fair value at the time of reporting, the provision are made based on the loss of the investment at the rate equal to the difference between actual capital companies in other company and the equity ratio multiplied with the Corporation's capital contribution to the total actual capital contributions of all parties in other investee enterprise.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Increase or decrease in provision for diminution in value of long-term investments have recorded at the closing day and is recognized in the financial expenses.

### 4.6 Receivables

Trade and other receivables are stated at cost less provision for doubtful debts.

The classification of receivables is trade receivables and other receivables, which is complied with the following principles:

- Trade receivables reflect the nature of the receivables arising from commercial transactions with purchase-sale between the Group and buyer which is an independent unit against the Group.
- Other receivables reflect the nature of the receivables arising from non-commercial transactions, and not to be related to the purchase - sale transactions.

Provision for bad debts represents the expected value lost due to receivables not paid by customers arising from the balance of receivables at the time of preparing the Balance Sheet. The provision or reversal of provisions for bad debts is recorded in general and administration expenses in the income statement.

### 4.7 Inventories

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

The cost of inventories is determined as follows:

- Materials and goods: comprising all costs of purchase and related expenses directly incurred in bringing the inventories to their present location and condition.
- Work-in-progress: just include the cost of raw materials based on normal operating levels.
- Finished goods: including the cost of materials, direct labour and general manufacturing costs related to allocate on normal levels.

Net realizable value represents the estimated selling price of inventory during the normal production and business less the estimated costs to completion and the estimated costs necessary to consume them.

The cost of inventories is determined on the weighted average cost method and the perpetual inventory method is used to record inventories.

Provision for impairment of inventories is made for each inventory with the cost greater than the net value realizable. For service in progress, the provision for impairment is calculated for each type of service has a separate price. Increase or decrease in the balance of provision for impairment of inventories should be set aside at the fiscal year and is recognized in cost of goods sold.

### 4.8 Prepaid expenses

Prepaid expenses include expenses actually incurred but they are related to operation output of many accounting years. Prepaid expenses include:

#### *Tools and supplies*

Tools and supplies that have been put into use are amortised to expenses on a straight-line basis over a period not exceeding 36 months.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**Repair cost**

Significant one-off repair costs of assets are amortised to expenses on a straight-line basis over a period of 36 months.

**Other prepaid expenses**

Business advantages, land rental and other prepaid expenses are allocated to expenses using the straight-line method over the prepaid period, lease term, and/or the period during which the related future economic benefits are generated from these expenses.

**4.9 Operating lease assets**

An arrangement is classified as an operating lease if substantially all the risks and rewards incidental to ownership of the asset remain with the lessor. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, irrespective of the payment method.

**4.10 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The historical cost of tangible fixed assets includes all the expenses that the Group incurs to get fixed assets by the time the asset is put into a state ready for use. Costs incurred after initial recognition is only recorded as increase in cost of fixed assets if these costs are sure to increase economic benefits in the future by using these assets. The costs incurred are not satisfied conditions are recognized as an expense in the year.

When selling or liquidating assets, their cost and accumulated depreciation of the assets are written off in the financial statements and any gain or loss which are arising from disposal are recorded in the income statement.

Depreciation of tangible fixed assets which is calculated under the straight-line depreciation method with useful time of the asset is estimated as follows:

|                                     | Years   |
|-------------------------------------|---------|
| Buildings and structures            | 06 - 25 |
| Machinery and equipment             | 05 - 12 |
| Vehicles and transmission equipment | 06 - 08 |
| Office equipment                    | 03 - 05 |

**4.11 Intangible fixed assets**

Intangible fixed assets determined at the initial costs less amortization.

The initial cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Costs relating to intangible assets incurred after initial recognition are recognized to the income statement, except for costs which are related to the specific intangible assets and increase benefits economic from these assets.

When assets are sold or liquidated, their cost and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

Intangible fixed assets of the Group include:

**Computer software**

The purchase cost of computer software that is not an integral part of related hardware is capitalised. The cost of computer software comprises all expenditures incurred by the Group up to the date the software is brought into use. Computer software is amortised on a straight-line basis over a period of 03 to 08 years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 4.12 Construction in progress

Construction in progress presents costs directly expenses related to the Corporation's assets which are in the status of the building, machinery in the status of assembling for manufacturing, leasing and managing as well as expenses related to repairing fixed assets (including interest expenses suitable for relevant accounting policies of the Corporation). Those assets are stated at cost and are not allowed to depreciate.

### 4.13 Accounts payables and accrued expenses

Accounts payable and accrued expenses are recognized for amounts to be paid in the future, which related to receive the goods and services. Accrued expenses are recorded based on reasonable estimates payment.

The classification of liabilities is trade payable, accrued expenses and other payables, which complied with the following principles:

- Trade payables reflect the nature of the payables arising from commercial transactions with purchase of goods, services, property between the Group and an independent seller including payable when imported through a trustee.
- Accrued expenses reflect the payables for goods and services received from the seller or provided with the purchaser but have not been paid until having invoices or having insufficient billing records, accounting records, and payables to employees including salary, production costs, sales must accruals.
- Other payables reflect the nature of the payables of non-commercial, not related to the purchase, sale, rendering service transactions.

### 4.14 Capital

#### *Owner's equity*

Owner's equity is recorded according to the amount actually invested by shareholders.

#### *Share premium*

Share premium is recorded at the difference between the issuance price and the face value upon the initial issuance, additional issuance or the difference between re-issuance price and the net book value of treasury shares. Direct expenses related to additional issuance and re-issuance of treasury shares are recorded as a decrease in share premium.

#### *Funds*

*Funds are appropriated and utilised in accordance with the Group's Charter.*

#### *Treasury shares*

When shares issued by the Company are repurchased, the consideration paid, including directly attributable transaction costs, is recognised as treasury shares and presented as a deduction from equity. Upon re-issuance, the difference between the re-issuance price and the carrying amount of treasury shares is recorded in "Share premium".

### 4.15 Profit distribution

Profit after tax is distributed to shareholders after an appropriation of funds under the Charter of the Group as same as the law and is approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered to non-cash items in undistributed profit may affect cash flow and ability to pay dividends as profit from revaluation of assets contributed as capital, interest due to the revaluation of monetary items, the financial instruments and other non-cash items.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 4.16 Revenue and income

#### *Revenue from sale of goods*

Revenue from the sale of goods shall be recognized if it simultaneously meets the following conditions:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably. When contracts define that buyers are entitled to return products, goods purchased under specific conditions, the Corporation shall only record turnovers if such specific conditions no longer exist and buyers are not entitled to return products, goods (unless the customer is entitled to return the goods under the form of exchange for other goods or services).
- It is probable that the economic benefits associated with the transaction will flow the company;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### *Revenue from sales of service rendered*

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. In case that a transaction involves the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all following conditions are satisfied:

- The amount of revenue can be measured reliably. When contracts define that buyers are entitled to return services purchased under specific conditions, the Group shall only record turnovers if such specific conditions no longer exist and buyers are not entitled to return provided services;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

#### *Interest*

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

#### *Dividends and profits received*

Dividends and profits received are recognized when the Group receive the notice of dividends or profit from the capital contribution. Dividends received in shares are only tracked by the number of additional shares, the value of shares received is not recorded. Dividends received relating to the year before the purchase of the investment are recorded as a reduction in the value of the investment.

### 4.17 Borrowing costs

Borrowing costs include interest and other costs incurred directly related to the borrowings.

Borrowing costs are recognized as expenses when incurred. Where the borrowing costs directly attributable to the acquisition, construction or production of uncompleted assets require a substantial year (over 12 months) to get ready for use or sales, borrowing costs can be capitalized. For specific loan serves the construction of fixed assets and real estate, interest is capitalized, regardless the year of construction is less than 12 months. The income arising from the temporary investment of the borrowings is deducted from the related asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

For general loans including use for purposes of the construction or production of uncompleted assets, the capitalization of borrowing costs is determined in proportion to the cost capitalization weighted average arising for basic construction or production of that asset. The capitalization rate is calculated in proportion to the weighted average rate of borrowings outstanding during the year, except for specific borrowings serving the purpose of a specific property.

### 4.18 Corporate income tax

Corporate income tax ("CIT") expenses for the year comprises current income tax and deferred income tax.

#### *Current income tax*

Current income tax is the tax amount is calculated on assessable income. Assessable income is different from accounting profit due to the adjustments of temporary differences between accounting and tax, non-deductible expenses as well as adjusted income are not taxed and losses be transferred.

#### *Deferred income tax*

Deferred income tax is the corporate income tax will pay or will be refunded by the temporary differences between the carrying amounts of assets and liabilities for the purpose of preparing the financial statements and the basis to calculate income tax. Deferred income tax is recognized for all temporary differences tax. Deferred tax assets are only recognized when the certainty of future get the taxable profits to use those temporary deductible differences.

The carrying amount of deferred tax assets are reconsidered at closing of the fiscal year and will be reversed to make sure that there is enough taxable profit to allow the benefit assets to be used fully or partly. The deferred tax assets were not previously recognized is reconsidered at closing of the fiscal year and is recognized when it is sure to enough taxable profit to be able to use this deferred tax assets.

Deferred tax assets and deferred income tax payable is calculated at the estimated tax rates that is applied in the asset is realized or the liability is settled in accordance with the tax rates in effect at closing fiscal year. Deferred income tax is recognized in the income statement and record directly to equity when the tax relates to items directly to equity.

Deferred tax assets and deferred income tax payables are off set as follows:

- The Group has a legal right to offset between current income tax assets and current income taxes payable; and
- Deferred tax assets and deferred income tax payables are related to corporate income tax is administered by the same tax authority:
  - For the same taxable company; or
  - The Group intends to pay current income taxes and deferred tax assets on the basis of net assets or recovered asset at the same with the payment of liabilities for each of years in future when the materiality of deferred income tax or deferred tax assets to be paid or recovered.

Tax settlement of the companies in the Group will be assessed by the Tax Department. Due to the application of laws and regulations on taxes for different incurred transactions which can be explained in many ways, tax payable presented in the financial statements can be immediately changed according to the decision of the tax authorities.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 4.19 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit after tax attributable to the common shareholders of the Parent Company by the weighted average number of common shares outstanding during the year.

### 4.20 Financial Instruments

#### *Financial assets*

The classification of these financial assets depends on the nature and purpose of the financial assets and is determined at the initial recognition. The financial assets of the Group consist of cash and cash equivalents, trade receivables, other receivables, and short-term and long-term investments.

At the time of initial recognition, financial assets are determined at cost plus any costs directly acquisition, issuance of such financial assets.

#### *Financial Liabilities*

Classification of financial liabilities depends on the nature and purpose of the financial liability and is determined at the initial recognition. Financial liabilities of the Group consist of amounts payable to suppliers, borrowings and payables, accrued expenses, and other payables.

At the initial recognition, except for finance lease payables and convertible bonds, which are recognized at allocated prices, other financial liabilities are initially recognized at their original values net of transaction costs directly attributable to the financial liability.

The allocated value is determined as the initial recognition value of the financial liability, less principal repayments made, plus or minus cumulative allocations computed using the effective interest rate method based on the difference between the initial recognition value and the maturity value, less any reductions (either directly or through a provision account) due to impairment or recoverability.

The effective interest rate method is a method for calculating the allocation value of one or a group of financial liabilities and allocating interest income or interest expense in a relevant year. The effective interest rate is the discount rate that discounts the estimated cash flows to be paid or received in the future over the expected life of the financial instrument, or a shorter year, if necessary, to the net carrying amount of the financial liability.

#### *Equity instruments*

Equity instruments represent contracts that evidence residual interests in the Group's assets after deducting all its obligations.

#### *Offsetting financial instruments*

Financial assets and financial liabilities are only offset and presented on the statement of financial position at their net value when and only when the Group:

- Has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### 4.21 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

The following parties are known as the Corporation's related parties:

| Related parties  | Location | Relationship                                     |
|--|----------|--|
| Viet Steel Co., Ltd  | Vietnam  | Parent Company                                   |
| Pomina Steel Commerce Company Limited  | Vietnam  | Under common control of the same Parent Company  |
| Pomina Flat Steel Joint Stock Company  | Vietnam  | Under common control of key management personnel |
| The Board of Management, the Board of Supervisors and the Board of General Directors |          | Key management personnel                         |

**5. ADDITIONAL INFORMATION TO ITEMS IN THE CONSOLIDATED BALANCE SHEET****5.1 Cash and cash equivalents**

|                       | 31/12/2023<br>VND    | 01/01/2023<br>VND      |
|-----------------------|----------------------|------------------------|
| Cash on hand - VND    | 96,092,806           | 3,815,893,022          |
| Cash in bank (*)      | 8,028,699,987        | 201,466,058,833        |
| Cash equivalents (**) | 1,000,000            | 1,001,000,000          |
|                       | <b>8,125,792,793</b> | <b>206,282,951,855</b> |

(\*) Details of bank deposit balances denominated in foreign currencies as at 31 December 2023:

|                    | 31/12/2023 |                      | 01/01/2023   |                        |
|--------------------|------------|----------------------|--------------|------------------------|
|                    | Original   | Equivalent to VND    | Original     | Equivalent to VND      |
| Cash in bank - USD | 115,875.46 | 2,790,143,532        | 8,400,573.15 | 198,684,379,413        |
| Cash in bank - EUR | 1,189.45   | 31,016,098           | 1,411.38     | 34,474,564             |
|                    |            | <b>2,821,159,630</b> |              | <b>198,718,853,977</b> |

(\*\*) These are the deposits in banks with a term of 01 month, with interest rate from 3.00% per year to 3.25% per year.

**5.2 Trade receivables****5.2.1 Short - term trade receivables**

|  | 31/12/2023               |                        | 01/01/2023               |                  |
|--|--------------------------|------------------------|--------------------------|------------------|
|  | Amount<br>VND            | Provision<br>VND       | Amount<br>VND            | Provision<br>VND |
| <b>Receivables from related parties</b>  |                          |                        |                          |                  |
| Viet Steel Co., Ltd                      | 1,140,150,455,278        | -                      | 1,351,851,798,014        | -                |
| Mr. Do Xuan Chieu                        | -                        | -                      | 234,116,658,000          | -                |
| Ms. Do Thi Kim Ngoc                      | -                        | -                      | 30,000,000,000           | -                |
| Mr. Do Duc Chung                         | -                        | -                      | 20,000,000,000           | -                |
| Ms. Do Dieu Huyen                        | -                        | -                      | 20,000,000,000           | -                |
| Pomina Flat Steel Joint Stock Company    | -                        | -                      | 6,744,839,224            | -                |
| <b>Receivables from other customers</b>  |                          |                        |                          |                  |
| Chip Mong Group Co., Ltd                 | -                        | -                      | 86,162,921,988           | -                |
| Lim Hok Chhourn Steel Co Limited         | 22,524,071,907           | (149,806,139)          | 68,111,473,127           | -                |
| Nippon Sanso Vietnam Joint Stock Company | 11,882,942,385           | -                      | 11,882,942,385           | -                |
| Other customers                          | 25,997,680,029           | (5,955,740,890)        | 28,411,862,504           | -                |
|  | <b>1,200,555,149,599</b> | <b>(6,105,547,029)</b> | <b>1,857,282,495,242</b> | -                |



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For the fiscal year ended 31 December 2023

As at 31 December 2023, all short-term trade receivables from customers had been pledged as collateral for borrowings from commercial banks (Note 5.18).

**5.2.2 Long - term trade receivables**

|   | 31/12/2023             |                  | 01/01/2023    |                  |
|---|------------------------|------------------|---------------|------------------|
|   | Amount<br>VND          | Provision<br>VND | Amount<br>VND | Provision<br>VND |
| <b>Receivables from related parties</b> |                        |                  |               |                  |
| Mr. Do Xuan Chieu (*)                   | 304,116,658,000        | -                | -             | -                |
|   | <b>304,116,658,000</b> | -                | -             | -                |

(\*) This is a receivable arising from the transfer of shares in Pomina Sheet Steel Joint Stock Company under capital transfer contracts No. 7/HĐ/22110, 7/HĐ/22167, 7/HĐ/22165 and 7/HĐ/22166 dated 20 July 2022, 10 November 2022, 09 November 2022 and 20 July 2022, respectively, with a total amount of VND 305,147,488,391. As at 31 December 2023, the parties had entered into a debt confirmation agreement with the following terms: Mr. Do Xuan Chieu agreed to assume repayment obligations on behalf of Ms. Do Dieu Huyen, Ms. Do Thi Kim Ngoc and Mr. Do Duc Chung, with a total amount of VND 70,000,000,000. The total amount owed by Mr. Do Xuan Chieu to the Company is VND 304,116,658,000. Pursuant to Appendix No. PL01/7/HĐ/22164 to the capital transfer contract dated 31 December 2023, this amount will be repaid within 36 months from the signing date of the appendix.

**5.3 Short-term advances to suppliers**

|                                      | 31/12/2023            |                         | 01/01/2023            |                         |
|--------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
|                                      | Amount<br>VND         | Provision<br>VND        | Amount<br>VND         | Provision<br>VND        |
| <b>Advances to related parties</b>   |                       |                         |                       |                         |
| Viet Steel Co., Ltd                  | 24,751,750,000        | -                       | -                     | -                       |
| <b>Other advances to suppliers</b>   |                       |                         |                       |                         |
| Asian Pacific Ecology Trade Co., Ltd | 21,971,925,000        | (21,971,925,000)        | 21,971,925,000        | (21,971,925,000)        |
| Cma-Cgm Vietnam Joint Stock Company  | 4,437,785,883         | (4,437,785,883)         | 4,437,785,883         | -                       |
| Other suppliers                      | 18,068,183,564        | (5,867,503,949)         | 11,717,004,397        | -                       |
|                                      | <b>69,229,644,447</b> | <b>(32,277,214,832)</b> | <b>38,126,715,280</b> | <b>(21,971,925,000)</b> |

**5.4 Other receivables****5.4.1 Other short - term receivables**

|   | 31/12/2023            |                        | 01/01/2023           |                  |
|---|-----------------------|------------------------|----------------------|------------------|
|   | Amount<br>VND         | Provision<br>VND       | Amount<br>VND        | Provision<br>VND |
| <b>Receivables from related parties</b>                     |                       |                        |                      |                  |
| Mr. Truong Thanh Cong - Advances                            | 441,990,542           | -                      | -                    | -                |
| <b>Receivables from other organizations and individuals</b> |                       |                        |                      |                  |
| Bao Ngoc Thu One Member Limited Liability Company           | 12,179,986,011        | -                      | -                    | -                |
| Collateral, deposit   | 59,589,908            | -                      | 1,697,617,463        | -                |
| Advances  | 1,169,349,636         | -                      | 1,338,103,110        | -                |
| Other receivables   | 9,544,150,364         | (8,942,625,582)        | 956,098,329          | -                |
|   | <b>23,395,066,461</b> | <b>(8,942,625,582)</b> | <b>3,991,818,902</b> | -                |

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For the fiscal year ended 31 December 2023

**5.4.2 Other long-term receivables**

|  | 31/12/2023         |                  | 01/01/2023    |                  |
|--|--------------------|------------------|---------------|------------------|
|  | Amount<br>VND      | Provision<br>VND | Amount<br>VND | Provision<br>VND |
| <b>Receivables from related parties</b>  |                    |                  |               |                  |
| Viet Steel Co., Ltd - Rental deposit   | 10,000,000         | -                | -             | -                |
| <b>Receivables from other organizations and individuals</b>                          |                    |                  |               |                  |
| VietinBank Leasing Company Limited - Ho Chi Minh City Branch - Finance lease deposit | 958,517,745        | -                | -             | -                |
| Other receivables  | 1,020,240          | -                | -             | -                |
|  | <b>969,537,985</b> | <b>-</b>         | <b>-</b>      | <b>-</b>         |

**5.5 Bad debt**

|   | Overdue    | 31/12/2023            |                              | 01/01/2023            |                              |
|---|------------|-----------------------|------------------------------|-----------------------|------------------------------|
|   |            | Cost<br>VND           | Recoverable<br>amount<br>VND | Cost<br>VND           | Recoverable<br>amount<br>VND |
| <b>Trading receivables</b>                |            |                       |                              |                       |                              |
| Lim Hok Chhoun Steel Co., Ltd             | > 3 year   | 149,806,139           | -                            | 149,806,139           | 149,806,139                  |
| Phat Loc Hung Company Limited             | > 3 year   | 5,953,341,500         | -                            | -                     | -                            |
| Yi Chakriya Co., Ltd                      | > 3 year   | 612,900               | -                            | 612,900               | 612,900                      |
| Hq Co., Ltd                               | > 3 year   | 424,490               | -                            | 424,490               | 424,490                      |
| Samsung C&T Co., Ltd                      | > 3 year   | 1,362,000             | -                            | 1,362,000             | 1,362,000                    |
| <b>Short - term advances to suppliers</b> |            |                       |                              |                       |                              |
| Asian Pacific Ecology Trade Co., Ltd      | > 3 year   | 21,971,925,000        | -                            | 21,971,925,000        | -                            |
| Cma-Cgm Vietnam Joint Stock Company       | > 3 year   | 4,437,785,883         | -                            | -                     | -                            |
| Maersk Vietnam Limited                    | > 3 year   | 2,636,203,568         | -                            | -                     | -                            |
| Other suppliers                           | > 3 year   | 3,231,300,381         | -                            | -                     | -                            |
| <b>Other short-term receivables</b>       |            |                       |                              |                       |                              |
| Other receivables                         | 1 - 2 year | 9,316,373,132         | 373,747,550                  | -                     | -                            |
|   |            | <b>47,699,134,993</b> | <b>373,747,550</b>           | <b>22,124,130,529</b> | <b>152,205,529</b>           |

**5.6 Inventories**

|                             | 31/12/2023             |                        | 01/01/2023               |                         |
|-----------------------------|------------------------|------------------------|--------------------------|-------------------------|
|                             | Cost<br>VND            | Provision<br>VND       | Cost<br>VND              | Provision<br>VND        |
| Raw materials               | 416,695,511,229        | -                      | 763,592,421,430          | -                       |
| Finished goods              | 160,077,134,985        | (1,495,402,122)        | 342,113,847,134          | (43,109,736,775)        |
| Short-term work in progress | 40,194,086,180         | -                      | 82,376,205,578           | -                       |
| Tools and supplies          | 44,979,139,050         | -                      | 47,627,511,864           | -                       |
| Scrap                       | -                      | -                      | 267,364,155              | -                       |
|                             | <b>661,945,871,444</b> | <b>(1,495,402,122)</b> | <b>1,235,977,350,161</b> | <b>(43,109,736,775)</b> |



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For the fiscal year ended 31 December 2023

As at 31 December 2023, all inventories had been pledged as collateral for borrowings from commercial banks (Note 5.18).

Movements in provision for devaluation of inventories in the year:

|                        | Year 2023<br>VND       | Year 2022<br>VND        |
|------------------------|------------------------|-------------------------|
| Opening balance        | (43,109,736,775)       | -                       |
| Reversal in year       | 41,986,280,105         | -                       |
| Provision in year      | (371,945,452)          | (43,109,736,775)        |
| <b>Closing balance</b> | <b>(1,495,402,122)</b> | <b>(43,109,736,775)</b> |

**5.7 Short - term, long - term prepaid expenses****5.7.1 Short - term prepaid expenses**

|                    | 31/12/2023<br>VND    | 01/01/2023<br>VND     |
|--------------------|----------------------|-----------------------|
| Tools and supplies | 1,122,863,160        | 16,220,588,066        |
| Insurance expenses | 1,226,496,207        | -                     |
| Repair costs       | 748,894,633          | 761,315,341           |
| Other expenses     | -                    | 28,482,100            |
|                    | <b>3,098,254,000</b> | <b>17,010,385,507</b> |

**5.7.2 Long-term prepaid expenses**

|                          | 31/12/2023<br>VND     | 01/01/2023<br>VND     |
|--------------------------|-----------------------|-----------------------|
| Business advantages (*)  | 16,503,061,544        | 22,004,082,032        |
| Land lease expenses (**) | 9,543,114,683         | 10,217,191,599        |
| Repair costs             | 7,082,224,101         | 8,225,499,853         |
| Tools and supplies       | 3,754,238,515         | 9,437,015,844         |
|                          | <b>36,882,638,843</b> | <b>49,883,789,328</b> |

(\*) Business advantage determined when the Company changed from a limited liability company to a joint stock company, with an initial value of VND 125,339,707,447. The business advantage has been amortised to 2026 following the Minutes of Board of Management Meeting No. 3/12001/BB-HDQT dated 18 June 2012.

(\*\*) Land lease expenses have been pledged as collateral for borrowings from commercial banks (Note 5.18)

POMINA STEEL CORPORATION

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.8 Increase/ Decrease of tangible fixed assets**

|  | Buildings and<br>structures<br>VND | Machinery and<br>equipment<br>VND | Vehicles and<br>transmission<br>equipment<br>VND | Office<br>equipment<br>VND | Other fixed<br>assets<br>VND | Total<br>VND             |
|--|------------------------------------|-----------------------------------|--|----------------------------|------------------------------|--------------------------|
| <b>Cost</b>  |                                    |                                   |  |                            |                              |                          |
| As at 01/01/2023   | 1,046,829,063,089                  | 3,891,146,148,737                 | 174,869,812,515                                  | 13,156,020,045             | 7,054,074,187                | 5,133,055,118,573        |
| Increasing in year   | -                                  | 870,000,000                       | -  | -                          | -                            | 870,000,000              |
| <b>As at 31/12/2023</b>  | <b>1,046,829,063,089</b>           | <b>3,892,016,148,737</b>          | <b>174,869,812,515</b>                           | <b>13,156,020,045</b>      | <b>7,054,074,187</b>         | <b>5,133,925,118,573</b> |
| <b>Accumulated depreciation</b>                                      |                                    |                                   |  |                            |                              |                          |
| As at 01/01/2023   | 593,461,750,765                    | 2,889,932,238,434                 | 144,705,760,754                                  | 12,533,210,256             | 7,054,074,187                | 3,647,687,034,396        |
| Depreciation in year   | 38,789,477,627                     | 125,650,074,014                   | 6,014,551,036                                    | 199,462,723                | -                            | 170,653,565,400          |
| <b>As at 31/12/2023</b>  | <b>632,251,228,392</b>             | <b>3,015,582,312,448</b>          | <b>150,720,311,790</b>                           | <b>12,732,672,979</b>      | <b>7,054,074,187</b>         | <b>3,818,340,599,796</b> |
| <b>Net book value</b>  |                                    |                                   |  |                            |                              |                          |
| As at 01/01/2023   | 453,367,312,324                    | 1,001,213,910,303                 | 30,164,051,761                                   | 622,809,789                | -                            | 1,485,368,084,177        |
| <b>As at 31/12/2023</b>  | <b>414,577,834,697</b>             | <b>876,433,836,289</b>            | <b>24,149,500,725</b>                            | <b>423,347,066</b>         | <b>-</b>                     | <b>1,315,584,518,777</b> |
| <i>Cost of fully depreciated tangible fixed assets still in use:</i> |                                    |                                   |  |                            |                              |                          |
| As at 01/01/2023   | 141,327,178,397                    | 1,457,047,942,555                 | 121,704,709,637                                  | 10,121,263,188             | 7,054,074,187                | 1,737,255,167,964        |
| <b>As at 31/12/2023</b>  | <b>142,449,268,406</b>             | <b>1,474,731,561,498</b>          | <b>130,295,893,057</b>                           | <b>11,761,263,188</b>      | <b>7,054,074,187</b>         | <b>1,766,292,060,336</b> |

As at 31 December 2023, all fixed assets had been pledged as collateral for borrowings from commercial banks (Note 5.18).



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For the fiscal year ended 31 December 2023

**5.9 Increase/ Decrease of finance leased fixed assets**

|                                 | <b>Machinery and<br/>equipment<br/>VND</b> | <b>Total<br/>VND</b>   |
|---------------------------------|--|------------------------|
| <b>Cost</b>                     |  |                        |
| As at 01/01/2023                | 139,514,545,455                            | 139,514,545,455        |
| Increasing in year              | -  | -                      |
| <b>As at 31/12/2023</b>         | <b>139,514,545,455</b>                     | <b>139,514,545,455</b> |
| <b>Accumulated depreciation</b> |  |                        |
| As at 01/01/2023                | 3,255,339,394                              | 3,255,339,394          |
| Depreciation in year            | 5,580,581,818                              | 5,580,581,818          |
| <b>As at 31/12/2023</b>         | <b>8,835,921,212</b>                       | <b>8,835,921,212</b>   |
| <b>Net book value</b>           |  |                        |
| As at 01/01/2023                | 136,259,206,061                            | 136,259,206,061        |
| <b>As at 31/12/2023</b>         | <b>130,678,624,243</b>                     | <b>130,678,624,243</b> |

The Group leases machinery and equipment currently operating in its production line. Under the finance lease agreement signed on 27 April 2022, the Group has the option to purchase the machinery and equipment upon expiry of the lease term on 27 April 2027. Commitments relating to future lease payments under the finance lease agreement are presented in Note 5.18.

**5.10 Increase/ Decrease of intangible fixed assets**

|                                 | <b>Copyrights<br/>VND</b> | <b>Computer<br/>software<br/>VND</b> | <b>Total<br/>VND</b>  |
|---------------------------------|---------------------------|--------------------------------------|-----------------------|
| <b>Cost</b>                     |                           |                                      |                       |
| As at 01/01/2023                | 576,120,518               | 14,060,383,966                       | 14,636,504,484        |
| Increasing in year              | -                         | -                                    | -                     |
| <b>As at 31/12/2023</b>         | <b>576,120,518</b>        | <b>14,060,383,966</b>                | <b>14,636,504,484</b> |
| <b>Accumulated depreciation</b> |                           |                                      |                       |
| As at 01/01/2023                | 576,120,518               | 13,903,217,311                       | 14,479,337,829        |
| Depreciation in year            | -                         | 45,999,998                           | 45,999,998            |
| <b>As at 31/12/2023</b>         | <b>576,120,518</b>        | <b>13,949,217,309</b>                | <b>14,525,337,827</b> |
| <b>Net book value</b>           |                           |                                      |                       |
| As at 01/01/2023                | -                         | 157,166,655                          | 157,166,655           |
| <b>As at 31/12/2023</b>         | <b>-</b>                  | <b>111,166,657</b>                   | <b>111,166,657</b>    |

Cost of fully depreciated intangible fixed assets still in use:

|                         |                    |                      |                      |
|-------------------------|--------------------|----------------------|----------------------|
| As at 01/01/2023        | 576,120,518        | 7,381,498,281        | 7,957,618,799        |
| <b>As at 31/12/2023</b> | <b>576,120,518</b> | <b>7,381,498,281</b> | <b>7,957,618,799</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**5.11 Construction in progress**

|   | 31/12/2023<br>VND        | 01/01/2023<br>VND        |
|---|--------------------------|--------------------------|
| Construction costs of the Blast Furnace Project (*) | 5,711,096,539,742        | 5,411,193,900,190        |
|   | <u>5,711,096,539,742</u> | <u>5,411,193,900,190</u> |

(\*) Construction in progress mainly comprises direct costs and other related expenditures incurred in connection with the construction of the Steel Billet Plant with a capacity of 1 million tonnes per year at Phu My I Industrial Park, Ba Ria - Vung Tau Province ("Blast Furnace Project"). The project has currently been suspended due to maintenance requirements for equipment in the blast furnace workshop of the steel billet plant - a branch of Pomina Steel Joint Stock Company. The Parent Company decided to temporarily suspend blast furnace operations from 26 September 2022.

As at 31 December 2023, the entire value of the Blast Furnace Project has been pledged as collateral for borrowings from commercial banks (Note 5.18).

**5.12 Long - term financial investments**

|   | 31/12/2023            |                         |            | 01/01/2023            |                         |            |
|---|-----------------------|-------------------------|------------|-----------------------|-------------------------|------------|
|   | Cost                  | Provision               | Fair value | Cost                  | Provision               | Fair value |
|   | VND                   | VND                     | VND        | VND                   | VND                     | VND        |
| <b>Held to maturity investment</b>  |                       |                         |            |                       |                         |            |
| Vietnam Joint Stock Commercial Bank for Industry and Trade - bonds <sup>(i)</sup> | 10,000,000,000        | -                       | (*)        | 10,000,000,000        | -                       | (*)        |
| Tan Thanh My Joint Stock Company <sup>(ii)</sup>                                  | 11,402,985,380        | (11,402,985,380)        | (*)        | 11,402,985,380        | (11,402,985,380)        | (*)        |
| <b>Total</b>  | <u>21,402,985,380</u> | <u>(11,402,985,380)</u> | <u>(*)</u> | <u>21,402,985,380</u> | <u>(11,402,985,380)</u> | <u>(*)</u> |

- (i) These are bond investments at Vietnam Joint Stock Commercial Bank for Industry and Trade with a ten (10) - year term, maturing on 24 September 2030, bearing a floating interest rate equal to the reference interest rate plus a margin of 1% per year.
- (ii) This is an investment in Tan Thanh My Joint Stock Company with a value of VND 11,402,985,380. The company has currently ceased operations in accordance with Enforcement Decision on Asset Seizure and Disposal No. 46/QĐ-CCTHADS dated 26 September 2017 issued by the Civil Judgment Enforcement Department of Ba Ria - Vung Tau Province.
- (\*) As at the reporting date, the Group has not been able to determine the fair value of these investments for disclosure in the financial statements as there is no quoted market price, and Vietnamese Accounting Standards and the Vietnamese Accounting System currently do not provide guidance on determining fair value using valuation techniques. The fair value of these investments may differ from their carrying amounts.



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For the fiscal year ended 31 December 2023

**5.13 Short - term trade payables**

|  | 31/12/2023<br>VND        | 01/01/2023<br>VND        |
|--|--------------------------|--------------------------|
| <b>Related parties</b>   |                          |                          |
| Viet Steel Co., Ltd  | 53,351,433,863           | 39,265,774,132           |
| Pomina Flat Steel Joint Stock Company                          | 88,575,442               | 88,575,442               |
| <b>Other organizations and individuals</b>                     |                          |                          |
| Nam Son Steel Corporation                                      | 519,587,351,680          | 508,905,705,460          |
| China Machinery Industry International<br>Cooperation Co., Ltd | 181,604,230,506          | 6,475,292,287            |
| Nansei Co, Ltd   | -                        | 136,544,601,050          |
| Logistics Vinacorp Joint Stock Company                         | 20,252,958,312           | 72,330,306,512           |
| Bao Ngoc Thu One Member Company Limited                        | 48,992,371,174           | 82,896,262,874           |
| Trung Viet Transportation Services Company<br>Limited          | 21,211,740,972           | 54,893,876,529           |
| Nippon Sanso Vietnam Joint Stock Company                       | 44,437,838,369           | 43,232,112,933           |
| Vesuvius Malaysia Sdn Bhd                                      | 65,720,555,926           | 56,890,308,395           |
| Other suppliers  | 693,094,005,873          | 1,009,146,661,067        |
|  | <b>1,648,341,062,117</b> | <b>2,010,669,476,681</b> |

As at 31 December 2023, the Group's overdue payables amounted to VND 728,506,815,922. Up to the date of issuance of the financial statements, the Group has settled overdue payables of VND 99,124,758,642.

**5.14 Short-term advance from customers**

|  | 31/12/2023<br>VND     | 01/01/2023<br>VND     |
|--|-----------------------|-----------------------|
| <b>Other advances from customers</b>       |                       |                       |
| Cong Thanh Cement Joint Stock Company      | 14,797,931,400        | 14,797,931,400        |
| Thanh Dai Phu My Joint Stock Company       | 4,307,799,314         | 4,125,291,314         |
| Smc Trading Investment Joint Stock Company | -                     | 4,352,231,120         |
| Others                                     | 5,220,991,428         | 579,674,134           |
|  | <b>24,326,722,142</b> | <b>23,855,127,968</b> |

# POMINA STEEL CORPORATION

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 5.15 Taxes and amounts payable/(receivable) to the State budget

|                       | 01/01/2023         |                        | Movement in the year   |                          | 31/12/2023           |                        |
|-----------------------|--------------------|------------------------|------------------------|--------------------------|----------------------|------------------------|
|                       | Payable<br>VND     | Receivable<br>VND      | Payable<br>VND         | Paid/deducted<br>VND     | Payable<br>VND       | Receivable<br>VND      |
| Domestic VAT          | -                  | -                      | 306,217,134,657        | (306,145,701,766)        | 71,432,891           | -                      |
| Import VAT            | -                  | -                      | 36,288,632,922         | (36,288,632,922)         | -                    | -                      |
| Excise Tax            | -                  | (424,636,576)          | 400,050,966            | -                        | -                    | (24,585,610)           |
| Import and Export tax | 57,706,952         | -                      | 34,515,251,578         | (34,733,041,285)         | -                    | (160,082,755)          |
| Corporate income tax  | 618,777            | (5,951,985,092)        | 6,682,748,990          | -                        | 5,198,410,981        | (4,467,028,306)        |
| Personal income tax   | 209,766,077        | (1,951,124,469)        | 1,999,627,318          | (1,142,429,913)          | 222,100,223          | (1,106,261,210)        |
| Other taxes           | -                  | (25,739,969)           | 106,318,729            | (103,668,626)            | -                    | (23,089,866)           |
| <b>Total</b>          | <b>268,091,806</b> | <b>(8,353,486,106)</b> | <b>386,209,765,160</b> | <b>(378,413,474,512)</b> | <b>5,491,944,095</b> | <b>(5,781,047,747)</b> |

#### Value added tax (VAT)

The companies in the Group apply the credit method for value added tax (VAT). The VAT rates applicable to domestic sales are 0% (exempt), 5%, 8% and 10%.

#### Corporate income tax ("CIT")

The companies in the Group are subject to corporate income tax at the standard rate of 20% on taxable income.

#### Property tax

Property tax is paid in accordance with notifications issued by the tax authorities.

#### Other taxes

The Companies within the Group declared and paid according to regulations.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.16 Short - term accrued expenses payable**

|   | 31/12/2023<br>VND      | 01/01/2023<br>VND     |
|---|------------------------|-----------------------|
| <b>Accrued expenses payable - related parties</b>                     |                        |                       |
| Ms. Do Thi Kim Ngoc - Interest expense                                | 1,151,638,716          | -                     |
| Mr. Nguyen The Anh Tuan - Interest expense                            | 1,342,367,050          | -                     |
| <b>Accrued expenses payable - other organizations and individuals</b> |                        |                       |
| Accrued interest expense  | 413,351,496,528        | 69,146,721,667        |
| Interest expense on deferred payments to suppliers                    | 7,388,092,436          | -                     |
| Penalty interest expense  | 4,597,135,908          | -                     |
| Accrued raw material expenses   | -                      | 16,908,759,033        |
| Accrued land rental expenses  | 19,144,775,466         | -                     |
| Other accrued expenses  | 11,484,279,301         | 2,543,628,697         |
|   | <b>458,459,785,405</b> | <b>88,599,109,397</b> |

**5.17 Other short - term, long-term payables****5.17.1 Other short - term payables**

|   | 31/12/2023<br>VND      | 01/01/2023<br>VND     |
|---|------------------------|-----------------------|
| <b>Other payables - related parties</b>                                     |                        |                       |
| Viet Steel Co., Ltd - Borrowing   | 156,543,601,126        | -                     |
| Pomina Flat Steel Joint Stock Company - Paid on behalf                      | 31,918,964,721         | 38,663,803,945        |
| Mr. Do Tien Si - Borrowing  | 6,677,000,000          | 6,450,000,000         |
| Mr. Do Hoai Khanh Linh - Dividend   | 2,548,383,419          | 2,548,383,419         |
| Mr. Do Van Phuc - Dividend  | 2,290,750,000          | 2,290,750,000         |
| <b>Other payables - other organizations and individuals</b>                 |                        |                       |
| Dai Quang Minh Real Estate Investment Corporation - Interest payable        | 1,578,082,193          | -                     |
| Health insurance, social insurance and unemployment insurance contributions | 12,642,404,926         | 9,725,005,765         |
| Investment cooperation payable  | 6,123,530,035          | 6,123,530,035         |
| Trade union fund payable  | 4,889,587,445          | 4,332,242,619         |
| Other payables  | 9,110,768,890          | 5,106,103,590         |
|   | <b>234,323,072,755</b> | <b>75,239,819,373</b> |

**5.17.2 Other long - term payables**

|   | 31/12/2023<br>VND      | 01/01/2023<br>VND |
|---|------------------------|-------------------|
| <b>Other payables - related parties</b> |                        |                   |
| Viet Steel Co., Ltd - Borrow funds      | 149,216,500,000        | -                 |
|   | <b>149,216,500,000</b> | <b>-</b>          |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.18 Short-term, long-term loans and finance lease liabilities****5.18.1 Short-term loans and finance lease liabilities**

|  | 31/12/2023<br>Amount<br>VND | 01/01/2023<br>Amount<br>VND |
|--|-----------------------------|-----------------------------|
| <b>Short-term loans and finance lease liabilities - other organizations and individuals</b>      |                             |                             |
| Dai Quang Minh Real Estate Investment Corporation (a)  | 300,000,000,000             | -                           |
| Viet Nam Joint Stock Commercial Bank for Industry and Trade (b)                                  | 2,682,668,433,057           | 2,813,719,545,819           |
| Joint Stock Commercial Bank for Investment and Development of Vietnam (c)                        | 1,689,243,747,868           | 1,737,153,347,479           |
| Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade (d) | 12,098,153,950              | 30,333,951,466              |
| Orient Commercial Joint Stock Bank (e)   | 114,197,638,518             | 132,207,782,751             |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam (f)                                     | 488,477,793,772             | 488,883,290,043             |
| Military Commercial Joint Stock Bank   | -                           | 24,999,988,475              |
| Ho Chi Minh City Development joint Stock Commercial Bank (g)                                     | 191,888,000,000             | 199,650,222,430             |
| Viet Nam International Commercial Joint Stock Bank   | -                           | 51,377,817,537              |
|  | <b>5,478,573,767,165</b>    | <b>5,478,325,946,000</b>    |

(a) Loan Agreement No. 0116/HDV/THADICO-POM dated 16 January 2023 entered into between Dai Quang Minh Real Estate Investment Corporation and Pomina Steel Corporation, together with the related loan extension addendices.

- Loan amount: VND 300,000,000,000;
- Interest rate: 12% per year;
- Loan term: 6 months (subsequently extended through various addenda until 30 June 2026);
- Purpose: To finance investment and business plans, particularly the restructuring of outstanding debts.
- Collateral: 66,666,667 shares with a total value of VND 666,666,670,000, together with all rights, benefits and interests attached thereto, owned by Pomina Steel Corporation.

(b) The borrowing comprises the following agreements:

- Credit Facility Agreement No. 21.7320086/2021-HDCVHM/NHCT900-POM3 dated 28 December 2021 and the amendment dated 1 November 2022 entered into among Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch, Pomina Steel Corporation and Steel Billet Plant – Branch of Pomina Steel Corporation.
  - Credit limit: VND 2,000,000,000,000;
  - Agreement term: From 28 December 2021 to 31 March 2023;
  - Purpose: To supplement short-term working capital for business operations;
  - Loan tenor: Not exceeding 6 months for each drawdown under the respective debt acknowledgment;
  - Interest rate: As specified in each debt acknowledgment and any amendments thereto.
  - Collateral includes:
    - + Inventories circulating in the ordinary course of business; all rights and benefits arising from contracts, reimbursements and other payments of Pomina Steel Corporation, Pomina Steel Mill 1 - Branch of Pomina Steel Corporation, and Steel Billet Plant – Branch of Pomina Steel Corporation;
    - + All future land-attached assets relating to the project "Further Investment in Upstream Stages of the Metallurgical Production Line at the Steel Billet Plant with a Capacity of 1.0 Million Tonnes of Steel Billets per Year" located in Phu My I Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam.
    - + Third-party collateral: Shares issued and outstanding by Pomina Steel Corporation, owned by Viet Steel Co., Ltd.
- Investment Project Loan Agreement No. 17.2680105/2017-HDCVDADT/NHCT900-POMINA dated 01 November 2017 entered into between Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch and Pomina Steel Corporation:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- Credit limit: VND 1,035,000,000,000;
  - Agreement term: 96 months from the date of the first disbursement;
  - Loan tenor: As specified in each individual debt acknowledgment;
  - Purpose: Issuance of bank guarantees and opening of letters of credit;
  - Interest rate: 10% - 10.8% per year;
  - Collateral: The existing 1 million tonnes/year Steel Billet Plant, including all machinery and equipment, workshops, and attached assets.
- Credit Facility Agreement No. 21.7320088/2021-HDCVHM/NHCT900-POM1 dated 28 December 2021 entered into among Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch, Pomina Steel Corporation and Pomina Steel Mill 1 – Branch of Pomina Steel Corporation:
    - Credit limit: VND 250,000,000,000;
    - Purpose: To supplement short-term working capital for business operations;
    - Facility term: Up to 28 December 2022;
    - Loan tenor: As specified in each individual debt acknowledgment (6 or 7 months);
    - Interest rate: Determined for each drawdown under the respective debt acknowledgment;
    - Collateral includes:
      - + Inventories circulating in the ordinary course of business;
      - + Rights to receivables and entitlement to proceeds from such receivables; rights to receive, use, exploit and/or own allocated products; rights to claim refunds of advances, penalties, damages and related proceeds; and other rights, benefits and reimbursements arising from receivables, commercial contracts and sales contracts of Pomina Steel Corporation, Pomina 2 Steel Corporation and Pomina Steel Trading Company Limited;
      - + All machinery and equipment relating to the investment project of the 1,000,000-tonne-per-year steel billet plant located in Phu My I Industrial Park, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam;
      - + Land use rights over Land Plot No. 402, Map Sheet No. 19, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province and Land Plot No. 35, Map Sheet No. 05, Tan Phuoc Ward, Phu My Town, Ba Ria - Vung Tau Province, owned by Pomina Steel Corporation;
      - + Land-attached assets located on Land Plot No. 151, Map Sheet No. 76, Lot A1, Nhon Binh Industrial Cluster, Nhon Binh Ward, Quy Nhon City, Binh Dinh Province;
      - + Land Use Rights Certificate No. X065827, entered in the Land Use Rights Certificate Register under No. 0009 QSDD, issued by the People's Committee of Da Nang City on 03 November 2004, with the latest update of ownership/use rights registered on 12 February 2010;
      - + Land Use Rights Certificate No. AK280438, entered in the Land Use Rights Certificate Register under No. T01455, issued by the People's Committee of Da Nang City on 13 March 2008;
      - + Shares issued and outstanding by Pomina Steel Corporation.
  - Credit Facility Agreement No. 22.8670021/2022-HDCVHM/NHCT900-POM2 dated 29 April 2022 and the related amendments and supplements entered into with Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch.
    - Credit limit: VND 1,200,000,000,000;
    - Purpose: To supplement working capital and for the issuance of bank guarantees and letters of credit (L/Cs) in support of the production and trading of steel billets and construction steel products;
    - Facility term: From 29 April 2022 to 30 April 2024;
    - Interest rate: Determined for each drawdown under the respective debt acknowledgment;
    - Collateral:
      - + Inventories circulating in the ordinary course of business and property rights arising from receivables, commercial contracts and sales contracts entered into with customers and business partners in the course of business operations.

(c) The borrowing comprises the following agreements:

- Credit Agreement No. 01/2020/94229/HDTD dated 16 December 2020 entered into among Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV), Pomina Steel Corporation, Steel Billet Plant – Branch of Pomina Steel Corporation, and Pomina Steel Mill 1 – Branch of Pomina Steel Corporation.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- Credit limit: VND 400,000,000,000;
  - Outstanding balance: VND 696,788,193,093;
  - Purpose: To provide working capital financing and establish L/C facilities;
  - Loan tenor: Not exceeding 6 months for each drawdown under the respective debt acknowledgment;
  - Interest rate: Determined for each drawdown under the respective debt acknowledgment;
  - Collateral includes:
    - + Land use rights under Land Use Rights Certificate No. 902/QSDD/2000 dated 24 November 2000 issued by the People's Committee of Binh Duong Province in respect of Lot M, Song Than II Industrial Park, Di An District, Binh Duong Province, together with land-attached assets thereon;
    - + Machinery and equipment, including steel rolling mills, cooling beds, transformers, circuit breakers, reheating furnaces, water treatment systems, compressed air systems, oil tanks, capacitor banks, power cables and other related assets;
    - + Inventories of Pomina Steel Corporation, Steel Billet Plant – Branch of Pomina Steel Corporation, and Pomina Steel Mill 1 – Branch of Pomina Steel Corporation;
    - + 79,600,000 shares owned by Pomina Steel Corporation in Pomina 2 Steel Corporation;
    - + Land use rights under Agreement No. 02/01/HD-14/0001820 dated 15 November 2001 entered into with Pomina Steel Corporation, evidenced by Land Use Rights Certificate No. 902/QSDD/2000 dated 24 November 2000 issued by the People's Committee of Binh Duong Province, together with land-attached assets thereon.
  - Credit Facility Agreement No. 03/2023/94229/HDTD dated 15 November 2023 entered into among Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) – Ho Chi Minh City Branch, Pomina Steel Corporation, Steel Billet Plant – Branch of Pomina Steel Corporation, and Pomina Steel Mill 1 - Branch of Pomina Steel Corporation:
    - Credit limit: VND 699,000,000,000;
    - Agreement term: From 15 November 2023 to 30 September 2024;
    - Purpose: To supplement working capital, obtain bank guarantees and open letters of credit (L/Cs);
    - Loan tenor: Not exceeding 6 months for each drawdown under the respective debt acknowledgment;
    - Interest rate: Determined for each drawdown under the respective debt acknowledgment;
    - Collateral:
      - + Machinery, equipment and other assets;
      - + Land use rights and land-attached assets;
    - Outstanding balance as at 31 December 2023: VND 656,820,230,460.
  - Credit Facility Agreement No. 01/2023/1770447/HDTD dated 13 November 2023 and the related amendments and supplements entered into with Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) – Ho Chi Minh City Branch:
    - Credit limit: VND 1,000,000,000,000;
    - Facility term: From the signing date of the agreement to 31 January 2025;
    - Loan tenor: As specified in each individual credit agreement, specific guarantee agreement and issued letter of credit (L/C);
    - Purpose: To supplement working capital, obtain bank guarantees and open letters of credit (L/Cs);
    - Interest rate: As specified in each debt acknowledgment;
    - Collateral: Existing and future inventories of Pomina 2 Steel Corporation, including assets formed through replacement, transformation, modification or appreciation in value, located at Phu My I Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam, comprising:
      - + Assets attached to the land of the steel rolling mill and the 500,000-tonne-per-year steel billet plant, together with all related rights, ownership interests and benefits associated with such land;
      - + Machinery and equipment, auxiliary equipment, transportation vehicles, and used management tools and equipment.
- (d) Finance Lease Agreement No. 33/2022/CN.MN-CTTC dated 27 April 2022 entered into between Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade – Ho Chi Minh City Branch and Pomina Steel Corporation:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- Provisional value of leased assets: VND 204,713,300,000;
  - Purpose: The leased asset is a twin lime kiln system with a capacity of 600 tonnes per day at Steel Billet Plant – Branch of Pomina Steel Corporation;
  - Interest rate: 7.5% per year for the first three months; for the remaining lease term, the interest rate shall be equal to the ceiling VND deposit rate for a 12-month term with interest payable at maturity, plus 3.5% per year;
  - Lease term: 60 months.
- (e) Credit Facility Agreement No. 0292/2023/HDTD-OCB-DN dated 22 December 2023 and the related amendments and supplements entered into with Orient Commercial Joint Stock Bank – Dong Nai Branch:
- Credit limit: VND 115,000,000,000;
  - Purpose: To supplement working capital for the production and trading of pig iron, steel and steel products, and for the importation or domestic purchase of raw materials used in the production and trading of pig iron, steel and steel products;
  - Loan tenor: As specified in each individual credit agreement;
  - Interest rate: As specified in each debt acknowledgment;
  - Security: 12,000,000 listed ordinary shares issued by Pomina Steel Corporation under Securities Pledge Agreement No. 0292/2023/BD dated 22 December 2022;
  - Outstanding balance as at 31 December 2023: VND 114,197,638,518.
- (f) The borrowings comprise the following facilities:
- Short-term borrowing under Credit Facility Agreement No. 032K22 entered into between Joint Stock Commercial Bank for Foreign Trade of Vietnam – Binh Duong Branch and Pomina Steel Mill 1 – Branch of Pomina Steel Corporation
    - Credit limit: VND 450,000,000,000;
    - Outstanding balance: VND 423,479,091,325;
    - Purpose: To finance business operations;
    - Facility term: Up to 11 May 2023;
    - Loan tenor: Not exceeding 6 months for each drawdown under the respective debt acknowledgment;
    - Interest rate: As specified in each debt acknowledgment;
    - Collateral includes:
      - + Land use rights and land-attached assets of Pomina Steel Corporation under Land Use Rights and Land-attached Assets Mortgage Agreement No. 047TC17 dated 4 April 2017;
      - + Land Use Rights Certificate No. T313914, registered under No. 98 QSDD/2003, issued by the People's Committee of Binh Duong Province on 28 March 2003 in Song Than II Industrial Park, Di An District, Binh Duong Province;
      - + Land-attached assets under Certificate of Ownership of Construction Works No. 747242594200246 located in Song Than II Industrial Park, Di An District, Binh Duong Province;
      - + Machinery and equipment of Pomina Steel Corporation under Machinery and Equipment Mortgage Agreement No. 048TC17 dated 4 April 2017, including SANYO forklift truck model FD35T9 (3.5 tonnes), provincial rolling mill, HL445 roughing mill and crawler excavator, among others;
      - + Inventories circulating in the ordinary course of production and business operations;
      - + Third-party collateral, including: Term Deposit Certificate pledged under Pledge Agreement No. 065TC21 dated 6 May 2021 between the Bank and Mr. Do Tien Si and Ms. Nguyen Tuyet Anh, and 20,000,000 shares of Pomina Steel Corporation owned by Viet Steel Co., Ltd.
  - Loan Agreement No. 033B22 dated 12 May 2022 entered into between Joint Stock Commercial Bank for Foreign Trade of Vietnam – Binh Duong Branch and Steel Billet Plant – Branch of Pomina Steel Corporation
    - Credit limit: VND 450,000,000,000;
    - Expiry date: 11 May 2023;
    - Purpose: To finance business operations;
    - Loan tenor: 6 months from the date specified in each debt acknowledgment;
    - Interest rate: As specified in each debt acknowledgment;
    - Collateral includes:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

- + Machinery and equipment pledged under Mortgage Agreements No. 048TC17 dated 4 April 2017 and No. 139TC19 dated 16 October 2019;
- + Land use rights and land-attached assets pledged under Mortgage Agreement No. 047TC17 dated 4 April 2017, including Land Use Rights Certificate No. T313914, registered under No. 98QSDD/2003, issued by the People's Committee of Binh Duong Province on 28 March 2003, together with the land-attached assets thereon.
- Credit Facility Agreement No. 041/2228/N-CTD dated 10 May 2022 and the related amendments and supplements entered into with Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch:
  - Credit limit: VND 100,000,000,000;
  - Facility term: Up to 31 December 2023;
  - Loan tenor: 6 months from the day following the disbursement date, as specified in each debt acknowledgment;
  - Purpose: As specified in the respective loan agreements;
  - Interest rate: Determined on the loan disbursement date in accordance with the Bank's lending interest rate notice applicable from time to time and specified in each debt acknowledgment;
  - Security: Inventories circulating in the ordinary course of production and business operations under Inventory Mortgage Agreement No. 0123/1928/TCDN1 dated 29 November 2019, with a total collateral value of VND 100,000,000,000.
- (g) The borrowings comprise the following facilities:
  - Credit Facility Agreement No. 19425MN/HDTD dated 28 April 2022 and Appendix No. 19425/22MN/HDTD/PL01 dated 28 March 2023 entered into between Ho Chi Minh City Development Joint Stock Commercial Bank – Vung Tau Branch and Pomina Steel Corporation
    - Credit limit: VND 210,000,000,000;
    - Outstanding balance: VND 191,888,000,000;
    - Agreement term: 12 months;
    - Expiry date: 28 June 2023;
    - Purpose: To supplement working capital;
    - Loan tenor: Not exceeding 6 months for each drawdown under the respective debt acknowledgment;
    - Interest rate: As specified in each debt acknowledgment;
    - Collateral includes:
      - + Corporate guarantee provided by Viet Steel Co., Ltd;
      - + Revolving inventories financed by the loan proceeds, including steel, steel billets, iron, pig iron and other raw materials;
      - + Proceeds from discounted L/C and D/P documents owned by Pomina Steel Corporation.

Details of movements in short - term loans and finance lease liabilities during the year are as follows:

|  | 01/01/2023<br>VND | Incurred in year<br>VND | Paid in year<br>VND | Reclassification<br>VND | 31/12/2023<br>VND |
|--|-------------------|-------------------------|---------------------|-------------------------|-------------------|
| <b>Short-term bank loans</b>   |                   |                         |                     |                         |                   |
| Dai Quang Minh Real Estate Investment Corporation  | -                 | 300,000,000,000         | -                   | -                       | 300,000,000,000   |
| Viet Nam Joint Stock Commercial Bank for Industry and Trade                                  | 2,813,719,545,819 | 2,029,070,022,596       | (2,080,151,135,358) | (79,970,000,000)        | 2,682,668,433,057 |
| Joint Stock Commercial Bank for Investment and Development of Vietnam                        | 1,737,153,347,479 | 1,155,360,751,091       | (1,203,270,350,702) | -                       | 1,689,243,747,868 |
| Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade | 30,333,951,466    | -                       | (4,680,398,129)     | (13,555,399,387)        | 12,098,153,950    |
| Orient Commercial Joint Stock Bank   | 132,207,782,751   | 142,888,039,900         | (160,898,184,133)   | -                       | 114,197,638,518   |



POMINA STEEL CORPORATION

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

|  | 01/01/2023<br>VND        | Incurred in year<br>VND  | Paid in year<br>VND        | Reclassification<br>VND | 31/12/2023<br>VND        |
|--|--------------------------|--------------------------|----------------------------|-------------------------|--------------------------|
| Joint Stock Commercial Bank for Foreign Trade of Vietnam | 488,883,290,043          | -                        | (405,496,271)              | -                       | 488,477,793,772          |
| Military Commercial Joint Stock Bank                     | 24,999,988,475           | -                        | (24,999,988,475)           | -                       | -                        |
| Development joint Ho Chi Minh City Stock Commercial Bank | 199,650,222,430          | 191,988,000,000          | (199,750,222,430)          | -                       | 191,888,000,000          |
| Viet Nam International Commercial Joint Stock Bank       | 51,377,817,537           | -                        | (51,377,817,537)           | -                       | -                        |
|  | <b>5,478,325,946,000</b> | <b>3,819,306,813,587</b> | <b>(3,725,533,593,035)</b> | <b>(93,525,399,387)</b> | <b>5,478,573,767,165</b> |

**5.18.2 Long - term loans and finance lease liabilities**

|  | 31/12/2023<br>Amount<br>VND | 01/01/2023<br>Amount<br>VND |
|--|-----------------------------|-----------------------------|
| <b>Long - term loans and finance lease liabilities - related parties</b>                         |                             |                             |
| Viet Steel Co., Ltd (a)  | 127,000,000,000             | 127,000,000,000             |
| Ms. Do Thi Kim Ngoc (b)  | 1,548,346,920               | -                           |
| <b>Long - term loans and finance lease liabilities - other organizations and individuals</b>     |                             |                             |
| Viet Nam Joint Stock Commercial Bank for Industry and Trade (c)                                  | 599,970,000,000             | 520,000,000,000             |
| Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade (d) | 106,890,634,420             | 93,335,235,033              |
| Other individual (e)   | 7,833,053,190               | -                           |
|  | <b>843,242,034,530</b>      | <b>740,335,235,033</b>      |

- (a) Loan Agreement No. 001/2022/HDV dated 22 June 2022 entered into between Viet Steel Co., Ltd and Pomina Steel Corporation:
- Loan amount: VND 127,000,000,000;
  - Interest rate: 5.00% per year;
  - Loan term: 36 months from the date of disbursement (whether in a single drawdown or multiple drawdowns), unless otherwise agreed by the parties;
  - Purpose: To finance the development of the blast furnace project.
- (b) Long-term loans from Ms. Do Thi Kim Ngoc for the payment of trade payables.

| No | Loan Agreement | Agreement Date | Loan Term | Interest Rate<br>(% per year) | Loan Amount<br>VND   |
|----|----------------|----------------|-----------|-------------------------------|----------------------|
| 1  | HĐV/PO3/230020 | 18/12/2023     | 24 months | 16.91%                        | 1,309,413,120        |
| 2  | HĐV/PO3/230021 | 22/12/2023     | 24 months | 16.91%                        | 238,933,800          |
|    |                |                |           |                               | <b>1,548,346,920</b> |

- (c) Refer to Note b – 5.18.1.
- (d) Refer to Note d – 5.18.1.
- (e) Other long-term borrowings from individuals, comprising:
- Borrowing from Ms. Nguyen Thuy Thuy Dung for the payment of trade payables.

| No | Loan Agreement | Agreement Date | Loan Term | Interest Rate<br>(% per year) | Loan Amount<br>VND   |
|----|----------------|----------------|-----------|-------------------------------|----------------------|
| 1  | HĐV/PO3/230018 | 29/11/2023     | 24 months | 15.26%                        | 2,378,204,250        |
| 2  | HĐV/PO3/230019 | 15/12/2023     | 24 months | 15.26%                        | 3,700,290,900        |
| 3  | HĐV/PO3/230022 | 29/12/2023     | 24 months | 15.26%                        | 814,500,000          |
| 4  | HĐV/PO3/230023 | 29/12/2023     | 24 months | 15.26%                        | 280,497,510          |
|    |                |                |           |                               | <b>7,173,492,660</b> |

POMINA STEEL CORPORATION

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

- Borrowing from Ms. Vu Ngoc Lam for the payment of trade payables.

| No | Loan Agreement | Agreement Date | Loan Term | Interest Rate<br>(% per year) | Loan Amount<br>VND |
|----|----------------|----------------|-----------|-------------------------------|--------------------|
| 1  | HĐV/PO3/230024 | 20/11/2023     | 28 months | 16.97%                        | 659,560,530        |

Details of movements in long-term loans and finance lease liabilities during the year are as follows:

|   | 01/01/2023<br>VND      | Incurred in year<br>VND | Paid in year<br>VND | Reclassification<br>VND | 31/12/2023<br>VND      |
|---|------------------------|-------------------------|---------------------|-------------------------|------------------------|
| <b>Long-term loans and finance lease liabilities - related parties</b>                                |                        |                         |                     |                         |                        |
| Viet Steel Co., Ltd   | 127,000,000,000        | -                       | -                   | -                       | 127,000,000,000        |
| Ms. Do Thi Kim Ngoc   | -                      | 1,548,346,920           | -                   | -                       | 1,548,346,920          |
| <b>Long-term loans and finance lease liabilities - other organizations and individuals</b>            |                        |                         |                     |                         |                        |
| Viet Nam Joint Stock<br>Commercial Bank For Industry<br>And Trade                                     | 520,000,000,000        | -                       | -                   | 79,970,000,000          | 599,970,000,000        |
| Finance Leasing Company<br>Limited - Vietnam Joint Stock<br>Commercial Bank for Industry<br>and Trade | 93,335,235,033         | -                       | -                   | 13,555,399,387          | 106,890,634,420        |
| Other individual  | -                      | 7,833,053,190           | -                   | -                       | 7,833,053,190          |
|   | <b>740,335,235,033</b> | <b>9,381,400,110</b>    | <b>-</b>            | <b>93,525,399,387</b>   | <b>843,242,034,530</b> |

**5.18.3 Overdue loans and finance lease liabilities**

|  | 31/12/2023                 |                            |                          | 01/01/2023                 |                            |              |
|--|----------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------|
|  | Principal<br>amount<br>VND | Interest<br>expense<br>VND | Total<br>VND             | Principal<br>amount<br>VND | Interest<br>expense<br>VND | Total<br>VND |
| Viet Nam Joint Stock Commercial<br>Bank For Industry And Trade | 1,602,222,363,802          | 265,547,024,981            | 1,867,769,388,783        | -                          | -                          | -            |
|  | <b>1,602,222,363,802</b>   | <b>265,547,024,981</b>     | <b>1,867,769,388,783</b> | <b>-</b>                   | <b>-</b>                   | <b>-</b>     |



**POMINA STEEL CORPORATION**

No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.19 Owner's equity**

**5.19.1 Comparison schedule for changes in owner's equity**

|  | Owners' invested equity  | Share premium         | Treasury shares         | Investment and development fund | Retained earnings          | Non-controlling interests | Total                    |
|--|--------------------------|-----------------------|-------------------------|---------------------------------|----------------------------|---------------------------|--------------------------|
|  | VND                      | VND                   | VND                     | VND                             | VND                        | VND                       | VND                      |
| As at 01/01/2022                             | 2,796,763,360,000        | 35,000,000,000        | (31,347,567,000)        | 251,430,066,244                 | 633,700,832,452            | 7,374,264,160             | 3,692,920,955,856        |
| Disposal of a subsidiary                     | -                        | -                     | -                       | -                               | -                          | (1,753,716,029)           | (1,753,716,029)          |
| Increase in retained earnings from funds (*) | -                        | -                     | -                       | (190,001,719,670)               | 190,001,719,670            | -                         | -                        |
| Loss for the year                            | -                        | -                     | -                       | -                               | (1,078,384,066,819)        | (1,483,978,849)           | (1,079,868,045,668)      |
| <b>As at 31/12/2022</b>                      | <b>2,796,763,360,000</b> | <b>35,000,000,000</b> | <b>(31,347,567,000)</b> | <b>61,428,346,574</b>           | <b>(254,681,514,697)</b>   | <b>4,136,569,282</b>      | <b>2,611,299,194,159</b> |
| As at 01/01/2023                             | 2,796,763,360,000        | 35,000,000,000        | (31,347,567,000)        | 61,428,346,574                  | (254,681,514,697)          | 4,136,569,282             | 2,611,299,194,159        |
| Loss for the year                            | -                        | -                     | -                       | -                               | (1,392,260,450,530)        | (2,586,252,437)           | (1,394,846,702,967)      |
| <b>As at 31/12/2023</b>                      | <b>2,796,763,360,000</b> | <b>35,000,000,000</b> | <b>(31,347,567,000)</b> | <b>61,428,346,574</b>           | <b>(1,646,941,965,227)</b> | <b>1,550,316,845</b>      | <b>1,216,452,491,192</b> |

(\*) On 31 December 2022, pursuant to Board of Management' Resolution No. 12/QĐ-HDQT, the shareholders of the Subsidiary approved the transfer of VND 190,956,502,181 from the Development and Investment Fund to retained earnings.

**5.19.2 Detail of owner's equity**

According to the (amended) Business Registration Certificate, the charter capital of the Parent Company is VND 2,796,763,360,000. As at 31 December 2023, the Parent Company's charter capital had been fully contributed by its members as follows:

|                         | 31/12/2023         |                          | 01/01/2023         |                          |
|-------------------------|--------------------|--------------------------|--------------------|--------------------------|
|                         | Number of shares   | Amount VND               | Number of shares   | Amount VND               |
|                         |                    |                          |                    | Rate %                   |
| Viet Steel Co., Ltd (*) | 116,335,815        | 1,163,358,150,000        | 116,335,815        | 1,163,358,150,000        |
| Other shareholders      | 163,340,521        | 1,633,405,210,000        | 163,340,521        | 1,633,405,210,000        |
|                         | <b>279,676,336</b> | <b>2,796,763,360,000</b> | <b>279,676,336</b> | <b>2,796,763,360,000</b> |
|                         |                    |                          |                    | <b>100.00</b>            |

(\*) Of which, 115,672,053 shares are blocked, corresponding to a value of VND 1,156,720,530,000 and representing 41.36% of the total owners' equity, which have been pledged as collateral for the Company's borrowings.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.19.3 Shares**

|                                     | 31/12/2023<br>Shares | 01/01/2023<br>Shares |
|-------------------------------------|----------------------|----------------------|
| Registered number of issued shares  | 279,676,336          | 279,676,336          |
| Number of shares sold to the public | 279,676,336          | 279,676,336          |
| <i>Ordinary shares</i>              | 279,676,336          | 279,676,336          |
| <i>Preferred shares</i>             | -                    | -                    |
| Number of repurchased shares        | (1,132,790)          | (1,132,790)          |
| <i>Ordinary shares</i>              | (1,132,790)          | (1,132,790)          |
| <i>Preferred shares</i>             | -                    | -                    |
| Number of shares in circulation     | 278,543,546          | 278,543,546          |
| <i>Ordinary shares</i>              | 278,543,546          | 278,543,546          |
| <i>Preferred shares</i>             | -                    | -                    |

Par value of shares in circulation is VND 10,000/share.

**5.20 Off consolidated balance sheet items****5.20.1 Foreign currencies**

|                  | 31/12/2023 | 01/01/2023   |
|------------------|------------|--------------|
| U.S Dollar (USD) | 115,875.46 | 8,400,573.15 |
| Euro (EUR)       | 1,189.45   | 1,411.38     |

**6 ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED INCOME STATEMENT****6.1 Gross sales of merchandise and services****6.1.1 Net sale of merchandise and services**

|                                      | Year 2023<br>VND         | Year 2022<br>VND          |
|--------------------------------------|--------------------------|---------------------------|
| Revenue from sales of finished goods | 2,061,139,529,087        | 11,500,791,404,771        |
| Revenue from sales of merchandise    | 944,793,915,221          | 1,446,831,841,933         |
| Revenue from sales of scrap          | 33,043,973,290           | 77,699,969,562            |
| Revenue from rendering of services   | 31,836,167,820           | 16,078,427,050            |
| <b>Revenue deductions</b>            |                          |                           |
| Trade discounts                      | -                        | (16,549,705,218)          |
| Sales allowances                     | -                        | (2,606,705,291)           |
| Sales returns                        | (2,677,689,200)          | (4,878,093,225)           |
| <b>Net revenue</b>                   | <b>3,068,135,896,018</b> | <b>13,017,367,139,582</b> |

**6.1.2 Revenue from sales of goods and rendering of services to related parties**

|                     | Year 2023<br>VND       | Year 2022<br>VND         |
|---------------------|------------------------|--------------------------|
| Viet Steel Co., Ltd | 974,170,211,177        | 6,659,370,841,160        |
|                     | <b>974,170,211,177</b> | <b>6,659,370,841,160</b> |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**6.2 Cost of sales**

|  | Year 2023<br>VND         | Year 2022<br>VND          |
|--|--------------------------|---------------------------|
| Cost of finished goods sold                      | 2,152,057,235,327        | 12,082,699,896,565        |
| Cost of goods sold                               | 770,648,844,557          | 1,337,501,293,562         |
| Cost of scrap sold                               | 22,727,821,458           | 15,257,050,906            |
| Cost of services rendered                        | 53,257,333,500           | 5,982,685,913             |
| Cost of raw materials sold                       | 359,408,663,462          | -                         |
| Provision for/(reversal of) inventory write-down | (4,578,770,943)          | -                         |
|  | <b>3,353,521,127,361</b> | <b>13,441,440,926,946</b> |

**6.3 Financial income**

|  | Year 2023<br>VND      | Year 2022<br>VND       |
|--|-----------------------|------------------------|
| Gain on disposal of subsidiary           | -                     | 52,041,340,517         |
| Interest on deposits, interest on loans  | 715,599,248           | 4,819,992,956          |
| Interest on foreign exchange differences | 15,757,868,259        | 45,784,302,709         |
|  | <b>16,473,467,507</b> | <b>102,645,636,182</b> |

**6.4 Financial expenses**

|                         | Year 2023<br>VND       | Year 2022<br>VND       |
|-------------------------|------------------------|------------------------|
| Interest expense        | 674,452,697,485        | 433,075,195,354        |
| Foreign exchange losses | 26,212,574,754         | 123,085,043,399        |
|                         | <b>700,665,272,239</b> | <b>556,160,238,753</b> |

**6.5 Selling expenses**

|                             | Year 2023<br>VND     | Year 2022<br>VND      |
|-----------------------------|----------------------|-----------------------|
| Sales staff expenses        | 1,744,885,690        | 10,504,034,175        |
| Tools and supplies expenses | -                    | 6,572,159,128         |
| Transportation expenses     | 4,873,613,568        | 3,851,933,240         |
| Other selling expenses      | 1,157,545,824        | 27,067,509,544        |
|                             | <b>7,776,045,082</b> | <b>47,995,636,087</b> |

**6.6 General and administration expenses**

|   | Year 2023<br>VND       | Year 2022<br>VND       |
|---|------------------------|------------------------|
| Management staff costs                    | 88,168,368,130         | 73,473,177,947         |
| Office supplies expenses                  | 2,893,710,209          | 3,672,672,247          |
| Depreciation expense                      | 2,238,719,975          | 2,770,886,512          |
| Taxes, duties and fees                    | 33,733,640             | 6,862,915,826          |
| Provision for bad debts                   | 12,766,836,954         | -                      |
| Purchased services                        | 35,747,142,123         | 25,185,720,065         |
| Other general and administrative expenses | 43,261,309,600         | 8,651,332,728          |
|   | <b>185,109,820,631</b> | <b>120,616,705,325</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**6.7 Other income**

|  | Year 2023<br>VND      | Year 2022<br>VND       |
|--|-----------------------|------------------------|
| Gains on debt settlement                 | 33,022,254,234        | -                      |
| Gain on early debt settlement            | 949,464,304           | -                      |
| Gain on disposal of finance lease assets | -                     | 186,103,000,000        |
| Rental income from premises and vehicles | 559,635,820           | 3,664,229,926          |
| Receipts of penalties and damages        | -                     | 11,053,375,822         |
| Other income                             | 480,700,697           | 31,955,415             |
|  | <b>35,012,055,055</b> | <b>200,852,561,163</b> |

**6.8 Other expenses**

|  | Year 2023<br>VND       | Year 2022<br>VND       |
|--|------------------------|------------------------|
| Loss on disposal of finance lease fixed assets | -                      | 186,103,000,000        |
| Depreciation of unused fixed assets            | 116,878,601,648        | -                      |
| Penalties and overdue interest charges         | 68,608,103,972         | -                      |
| Shortage expenses                              | 35,768,884,107         | -                      |
| Penalties and damages                          | 5,289,111,447          | 12,692,656,456         |
| Inventory shortages upon stocktaking           | 9,991,189,893          | -                      |
| Amortisation of Business advantages            | 5,501,020,488          | 5,501,020,488          |
| Depreciation of finance lease assets           | 5,580,581,818          | 3,255,339,394          |
| Depreciation of leased vehicles                | -                      | 1,284,204,090          |
| Loss on disposal of fixed assets               | -                      | 722,653,758            |
| Other expenses                                 | 12,956,960,114         | 4,623,824,211          |
|  | <b>260,574,453,487</b> | <b>214,182,698,397</b> |

**6.9 Basic earnings per share**

|   | Year 2023                      | Year 2022                  |
|---|--------------------------------|----------------------------|
| Accounting profit after CIT   | VND (1,392,260,450,530)        | (1,078,384,066,819)        |
| Adjustments to increase/(decrease) profit for determining the profit allocable to ordinary shareholders of the Parent Company | VND -                          | -                          |
| <b>Net profit attributable to ordinary shareholders</b>   | VND <b>(1,392,260,450,530)</b> | <b>(1,078,384,066,819)</b> |
| Weighted average number of outstanding ordinary shares of the Parent Company during the year                                  | Share 278,543,546              | 278,543,546                |
| <b>Earnings per share</b>   | VND/Share <b>(4,998)</b>       | <b>(3,872)</b>             |

**6.10 Production and business costs by element**

|   | Year 2023<br>VND         | Year 2022<br>VND          |
|---|--------------------------|---------------------------|
| Raw materials, packaging materials and goods expenses | 2,574,767,560,240        | 12,733,482,286,166        |
| Staff expenses  | 169,046,908,108          | 346,103,564,260           |
| Fixed assets depreciation expenses                    | 59,401,545,568           | 243,510,680,422           |
| Expenses for outside services                         | 98,895,204,471           | 23,451,595,769            |
| Provisions / (reversal of provisions)                 | 13,816,222,524           | -                         |
| Other expenses in cash                                | 61,654,671,883           | 64,610,623,415            |
|   | <b>2,977,582,112,794</b> | <b>13,619,157,750,032</b> |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**7 ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED CASH FLOW STATEMENT****7.1 Proceeds from borrowings**

|  | Year 2023<br>VND         | Year 2022<br>VND          |
|--|--------------------------|---------------------------|
| Proceeds from borrowings under normal contract | 3,990,122,575,178        | 12,143,261,000,393        |
|  | <u>3,990,122,575,178</u> | <u>12,143,261,000,393</u> |

**7.2 Repayments of borrowings**

|  | Year 2023<br>VND         | Year 2022<br>VND          |
|--|--------------------------|---------------------------|
| Repayments of borrowings under normal contract | 4,082,185,674,256        | 14,547,293,399,385        |
|  | <u>4,082,185,674,256</u> | <u>14,547,293,399,385</u> |

**8 FINANCIAL INSTRUMENTS**

The Group has financial assets such as trade receivables and other receivables, cash, and short-term deposits that arise directly from the operations of the Group. In addition, the financial liabilities of the Group mainly consist of loans, trade payables, and other payables. The main purpose of these financial liabilities is to gather the financial resources to serve the activities of the Group.

The Group incurs from market risk, credit risk and liquidity risk.

Operational risk management is indispensable operations for the entire business operations of the Group. the Group has developed a control system to ensure balance at a reasonable level between the costs when incurred risk and risk management costs. The Board of General Directors continually monitors the risk management process to ensure the right balance between risk and risk control.

The Board of General Directors considered and uniformly applied policies to manage each of these risks are summarized below:

**i. Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises four types of risk: interest rate risk, foreign currency risk, commodity price risk and other price risk, such as equity price risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's cash and short-term deposits.

The Group manages interest rate risk by analyzing market conditions to obtain favorable interest rates that meet its operational and financing requirements while remaining within its risk management limits.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### *Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to foreign currency risk arises primarily from its operating activities.

The Group is exposed to foreign currency risk arising from purchases and sales transactions denominated in currencies other than its functional currency, primarily United States Dollars ("USD").

The Group manages its foreign currency risk by maintaining exposures within acceptable limits through the purchase or sale of foreign currencies at spot exchange rates, as necessary, to address short-term foreign exchange exposures that exceed established limits.

### **ii. Credit risk**

Credit risk is the risk that one party of a financial instrument or contract not performing its obligations, resulting in financial losses. The Group has credit risk from its operating activities (primarily for trade receivables account), and its financial activities, including bank deposits and the other financial instruments.

#### *Trade receivables*

The Group regularly keeps track of the receivables, which is not yet collected. For big customers, the Group considered the decline in the credit quality of each customer at the reporting date. The Group seeks a way to remained the tight control of the receivables and arranging credit control staff to minimize credit risk. On this basis and the trade receivables of the Group related to various customers, credit risk is not significantly concentrated in a certain customer.

#### *Cash in bank*

The Group primarily maintains deposit balances at well-known banks in Vietnam. The credit risk of these deposit balances at banks is managed by the Treasury department of the Group in accordance with the Group's policies. The Group recognizes that the level of credit risk concentration on bank deposits is low.

The Board of General Directors of the Group assesses that all financial assets are mature and not impaired except for the receivables presented in Notes 5.2 and the investments presented in Notes 5.12.

### **iii. Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulties in implementing its financial obligations due to lack of funds. The liquidity risk of the Group mainly arises from maturity mismatches of financial assets and financial liabilities.

The Group minimizes the liquidity risk by maintaining an amount of cash and cash equivalents and bank loans at a level that The Board of General Directors believes is sufficient to meet the Group's operations and minimize the risks due to the volatility of cash flows.

The table below sets out the remaining contractual maturities of the Group's financial liabilities based on undiscounted cash flows and the earliest date on which the Group can be required to make payment under the relevant contractual arrangements:



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

|                                     | Less than 1 year<br>VND  | Over 1 year<br>VND     | Total<br>VND             |
|-------------------------------------|--------------------------|------------------------|--------------------------|
| <b>As at 31 December 2023</b>       |                          |                        |                          |
| Trade payables                      | 1,648,341,062,117        | -                      | 1,648,341,062,117        |
| Accrued payable                     | 458,459,785,405          | -                      | 458,459,785,405          |
| Other payables                      | 216,791,080,384          | 149,216,500,000        | 366,007,580,384          |
| Loans and finance lease liabilities | 5,478,573,767,165        | 843,242,034,530        | 6,321,815,801,695        |
|                                     | <b>7,802,165,695,071</b> | <b>992,458,534,530</b> | <b>8,794,624,229,601</b> |
| <b>As at 01 January 2023</b>        |                          |                        |                          |
| Trade payables                      | 2,010,669,476,681        | -                      | 2,010,669,476,681        |
| Accrued payable                     | 88,599,109,397           | -                      | 88,599,109,397           |
| Other payables                      | 61,182,570,989           | -                      | 61,182,570,989           |
| Loans and finance lease liabilities | 5,478,325,946,000        | 740,335,235,033        | 6,218,661,181,033        |
|                                     | <b>7,638,777,103,067</b> | <b>740,335,235,033</b> | <b>8,379,112,338,100</b> |

The Group considers its exposure to concentration risk in respect of debt repayment to be low. The Board of General Directors believes that the Group will generate sufficient cash flows to meet its financial obligations when they fall due.

**Collaterals**

As at 31 December 2023:

The Group has pledged its fixed assets to secure its borrowings - refer to Note 5.18.

The Group did not hold any collateral from other parties as of 31 December 2023.

**iv. Fair value**

The table below presents the carrying amount and fair value of financial instruments as disclosed in the Group's consolidated financial statements:

|                                     | Carrying amount          |                          | Fair value               |                          |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                     | 31/12/2023<br>VND        | 01/01/2023<br>VND        | 31/12/2023<br>VND        | 01/01/2023<br>VND        |
| <b>Financial assets</b>             |                          |                          |                          |                          |
| Held-to-maturity financial assets   | 10,000,000,000           | 10,000,000,000           | 10,000,000,000           | 10,000,000,000           |
| Receivables                         |                          |                          |                          |                          |
| Trade receivables                   | 1,498,566,260,570        | 1,857,282,495,242        | 1,498,566,260,570        | 1,857,282,495,242        |
| Other receivables                   | 12,841,100,701           | 2,653,715,792            | 12,841,100,701           | 2,653,715,792            |
| Available-for-sale financial assets |                          |                          |                          |                          |
| Cash and cash equivalents           | 8,125,792,793            | 206,282,951,855          | 8,125,792,793            | 206,282,951,855          |
|                                     | <b>1,529,533,154,064</b> | <b>2,076,219,162,889</b> | <b>1,529,533,154,064</b> | <b>2,076,219,162,889</b> |
| <b>Financial liabilities</b>        |                          |                          |                          |                          |
| Trade payables                      | 1,648,341,062,117        | 2,010,669,476,681        | 1,648,341,062,117        | 2,010,669,476,681        |
| Accrued payable                     | 458,459,785,405          | 88,599,109,397           | 458,459,785,405          | 88,599,109,397           |
| Other payables                      | 366,007,580,384          | 61,182,570,989           | 366,007,580,384          | 61,182,570,989           |
| Loans and finance lease liabilities | 6,321,815,801,695        | 6,218,661,181,033        | 6,321,815,801,695        | 6,218,661,181,033        |
|                                     | <b>8,794,624,229,601</b> | <b>8,379,112,338,100</b> | <b>8,794,624,229,601</b> | <b>8,379,112,338,100</b> |

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The fair value of financial assets and liabilities is based on the value that a financial instrument can be exchanged in an existing transaction between the parties, except when required to sell or liquidate.

The Group uses the following methods and assumptions in estimating the fair values of financial instruments for disclosure purposes in the financial statements:

- The fair values of cash and demand bank deposits, trade payables, accrued expenses and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- The fair values of trade receivables and other receivables are evaluated by the Group based on the repayment information of each individual customer and debtor. On the basis of this evaluation, the Group estimates an allowance for the expected uncollectible portion of these receivables. As at the fiscal year-end date, the Group assesses that the carrying amounts of receivables, net of allowances, do not differ significantly from their fair values.
- The fair value of listed securities is determined based on quoted market prices at the reporting date.
- The fair values of unlisted securities and financial investments, which cannot be reliably determined due to the absence of an active and highly liquid market for such securities and financial investments, are carried at their carrying amounts.
- Bank loans, whose fair values cannot be reliably determined due to the absence of a highly liquid market, are presented at their carrying amounts.

**9 OTHER INFORMATION****9.1 Transactions and balances with related parties**

Related parties of the Group include key management members, individuals related to key management members and other related parties.

**9.1.1 Transactions and balances with key management members and individuals related to key management members**

Key management members include members of the Board of Management, the Board of Supervisors and members of the Executive Board. Individuals related to key management members include close members of the family of key management members.

Transactions with key management members, the individuals involved with key management members

| Related parties         | Transactions        | Year 2023<br>VND | Year 2022<br>VND |
|-------------------------|---------------------|------------------|------------------|
| Mr. Do Xuan Chieu       | Transfer of capital | 304,116,658,000  | 330,000,000,000  |
| Mr. Do Tien Si          | Loan repayment      | 2,350,000,000    | -                |
|                         | Borrowing           | 2,577,000,000    | 6,450,000,000    |
| Ms. Do Thi Kim Ngoc     | Loan                | 1,548,346,920    | -                |
|                         | Interest expenses   | 1,151,638,716    | -                |
| Mr. Nguyen The Anh Tuan | Loan                | 43,799,969,000   | -                |
|                         | Debt offset         | 43,799,969,000   | -                |
|                         | Interest expenses   | 1,342,367,050    | -                |



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

Balances of receivables/ (payables) key management members and individuals related to key management members

| Related parties         | Transactions                                   | Year 2023<br>VND | Year 2022<br>VND |
|-------------------------|--|------------------|------------------|
| Mr. Do Xuan Chieu       | Long-term trade receivables                    | 304,116,658,000  | -                |
|                         | Short-term trade receivables                   | -                | 234,116,658,000  |
| Mr. Do Tien Si          | Other short-term payables                      | 6,677,000,000    | 6,450,000,000    |
| Ms. Do Thi Kim Ngoc     | Short-term loans and finance lease liabilities | 1,548,346,920    | -                |
|                         | Short-term accrued expenses                    | 1,151,638,716    | -                |
|                         | Short-term trade receivables                   | -                | 30,000,000,000   |
| Mr. Do Duc Chung        | Short-term trade receivables                   | -                | 20,000,000,000   |
| Ms. Do Dieu Huyen       | Short-term trade receivables                   | -                | 20,000,000,000   |
| Mr. Nguyen The Anh Tuan | Short-term accrued expenses                    | 1,342,367,050    | -                |
| Mr. Do Van Phuc         | Other short-term payables                      | 2,290,750,000    | 2,290,750,000    |
| Mr. Do Hoai Khanh Linh  | Other short-term payables                      | 2,548,383,419    | 2,548,383,419    |
| Mr. Truong Thanh Cong   | Other short-term payables                      | 441,990,542      | -                |

*Guarantee Commitments*

Assets owned by related parties have been pledged as collateral for the Bank's borrowings as follows:

**Assets owned by Mr. Do Tien Si and Ms. Nguyen Tuyet Anh**

Pledge of assets, specifically a term savings book held at the Bank, pursuant to Term Deposit Pledge Contract No. 065TC21 dated 06 May 2021 between the Joint Stock Commercial Bank for Investment and Development of Vietnam and Mr. Do Tien Si and Ms. Nguyen Tuyet Anh.

*Income of key management members:*

|                         | Year 2023<br>VND     | Year 2022<br>VND     |
|-------------------------|----------------------|----------------------|
| Mr. Nguyen The Anh Tuan | 532,357,560          | 570,383,100          |
| Mr. Truong Thanh Cong   | 499,487,825          | 535,165,526          |
| Mr. Do Tien Si          | 662,511,635          | 445,971,273          |
| Mr. Do Duy Thai         | -                    | 324,808,000          |
| Mr. Do Van Khanh        | 618,069,246          | 282,889,072          |
| Mr. Do Hoai Khanh Linh  | 347,617,680          | 247,658,068          |
| Mr. Mai Duy Khuong      | 204,336,998          | 226,484,094          |
| Ms. Vo Thi Thu Hien     | -                    | 182,732,319          |
|                         | <b>2,864,380,944</b> | <b>2,816,091,452</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**9.1.2 Transactions and balances with other related parties**

During the year, the Group entered into significant transactions with related parties as follows:

| Related parties                              | Transactions                           | Year 2023<br>VND | Year 2022<br>VND  |
|--|--|------------------|-------------------|
| <b>Viet Steel Co., Ltd</b>                   |  |                  |                   |
|  | Long-term loans                        | -                | 127,000,000,000   |
|  | Accrued interest expenses              | 6,349,999,996    | 3,201,095,888     |
|  | Sales of goods                         | 973,167,714,777  | 6,861,572,180,060 |
|  | Provision of services                  | 1,002,496,400    | -                 |
|  | Purchases of goods                     | 1,329,622,338    | -                 |
|  | Purchases of services                  | 305,546,142      | 1,083,774,088     |
|  | Transportation fees                    | -                | 392,726,160       |
|  | Loan debt offset                       | 156,543,601,126  | -                 |
| <b>Pomina Flat Steel Joint Stock Company</b> |  |                  |                   |
|  | Electricity payments on behalf         | -                | 23,087,444,700    |
|  | Sales of goods                         | -                | 8,602,970,600     |
|  | Purchases of goods                     | 50,803,000       | 7,391,278,152     |
|  | Offsetting of payables and receivables | 5,714,008,833    | -                 |

Balances with related parties

| Related parties                              | Transactions                     | Year 2023<br>VND  | Year 2022<br>VND  |
|--|----------------------------------|-------------------|-------------------|
| <b>Viet Steel Co., Ltd</b>                   |                                  |                   |                   |
|  | Short-term trade receivables     | 1,140,150,455,278 | 1,351,851,798,014 |
|  | Short-term advances to suppliers | 24,751,750,000    | -                 |
|  | Rental deposit for office        | 10,000,000        | -                 |
|  | Short-term trade payables        | 53,351,433,863    | 39,265,774,132    |
|  | Other short-term payables        | 156,543,601,126   | -                 |
|  | Other long-term payables         | 149,216,500,000   | -                 |
| <b>Pomina Flat Steel Joint Stock Company</b> |                                  |                   |                   |
|  | Short-term trade receivables     | -                 | 6,744,839,224     |
|  | Other short-term payables        | 31,918,964,721    | 38,663,803,945    |
|  | Short-term trade payables        | 88,575,442        | 88,575,442        |

**9.2 Operating Lease Commitments**

The Group is currently leasing land under operating lease agreements. As of the fiscal year ended 31 December 2023, the future minimum lease payments under non-cancellable operating leases are presented as follows:

|                        | 31/12/2023<br>VND      | 01/01/2023<br>VND      |
|------------------------|------------------------|------------------------|
| 1 year or less         | 20,812,633,187         | 24,842,786,156         |
| Over 1 year to 5 years | 83,250,532,749         | 99,371,144,625         |
| Over 5 years           | 417,030,871,243        | 534,678,779,963        |
|                        | <b>521,094,037,179</b> | <b>658,892,710,744</b> |

**9.3 Comparative Information**

The Group has restated certain items in the consolidated financial statements for the fiscal year ended 31 December 2022 to conform with the reclassifications made in the current year's audit results. The specific effects of the restatement are as follows:



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**BALANCE SHEET**

|                                 |      | <b>As at 31/12/2022</b> |                   | <b>As at 31/12/2022</b> |  |
|---------------------------------|------|-------------------------|-------------------|-------------------------|--|
|                                 | Code | Before adjustment       | Adjustment        | After adjustment        |  |
|                                 |      | VND                     | VND               | VND                     |  |
| Owner's equity                  |      |                         |                   |                         |  |
| Investment and development fund | 418  | 251,430,066,244         | (190,001,719,670) | 61,428,346,574          |  |
| Retained earnings               | 421  | (444,683,234,367)       | 190,001,719,670   | (254,681,514,697)       |  |

On 31 December 2022, pursuant to the Board of Directors' Resolution No. 12/QĐ-HĐQT, the shareholders of the Subsidiary unanimously approved the transfer of VND 190,956,502,181 from the investment and development fund into undistributed post-tax profits.

**9.4 Going concern**

The Group incurred a net loss of VND 1,392,260,450,530 for the fiscal year ended 31 December 2023, and accumulated losses amounted to VND 1,646,941,965,227 as at 31 December 2023. As of that date, the Group's current liabilities exceeded its current assets by VND 5,302,168,297,872 (As at 01 January 2023: VND 3,743,207,155,968).

Accordingly, the Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows from future operations and the continued financial support from banks.

As at the date of these financial statements, the Group's workforce had been significantly reduced, with only the Board of General Directors and the Chief Accountant remaining. The Board of General Directors has assessed the Group's ability to continue as a going concern and concluded as follows:

- As of the date of issuance of these financial statements, the Board of Management is formulating a plan to restore the Group's business operations;
- The Board of General Directors believes that the dynamic assessments above are appropriate. The Board of General Directors is committed to ensuring that the Group continues its business operations, and the Board of Management has established plans to expand business activities in the future.

In addition, the Group has proactively worked with credit institutions and has received commitments regarding the maintenance of current credit limits, the restructuring of existing loans, and the adjustment of loan tenors to align with the actual manufacturing and business operations of the Head Office. Accordingly, the Group's Board of General Directors assesses that the Group will be able to settle its obligations as they fall due and continue its operations for the next the fiscal year. Based on these factors, the Board of General Directors believes that the preparation of the Group's financial statements on a going concern basis is appropriate.

Accordingly, the accompanying financial statements do not include any adjustments that might be necessary to the carrying amounts of assets and liabilities should the Group be unable to continue as a going concern in the future.

**9.5 Events subsequent to the balance sheet date**

- Pursuant to Resolution No. 1685/NQ-UBTVQH15 dated 16 June 2025 regarding the reorganization of commune-level administrative units in Ho Chi Minh City in 2025, the registered address of the Company's head office was changed from No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Di An City, Binh Duong Province, Vietnam to No. 1, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- On 01 March 2024, the Extraordinary General Meeting of Shareholders of the Parent Company approved Resolution No. 02/NQ-DHCD/2024 concerning the approval of the Pomina restructuring plan and the settlement of capital increase for the Blast Furnace Project.
- On 10 April 2024, the Parent Company's shares were subject to compulsory delisting in accordance with Decision No. 208/QD-SGDHCM issued by the Ho Chi Minh City Stock Exchange. Accordingly, the effective delisting date was 10 May 2024.
- The subsidiary, Pomina Steel 1 One Member Company Limited, was established under Enterprise Registration Certificate No. 3703120176 dated 11 April 2023. Its registered head office is located at No. 2, Street No. 27, Song Than 2 Industrial Park, Di An Ward, Di An City, Binh Duong Province, Vietnam. The charter capital is VND 161,917,000,000. Its principal activity is the manufacture of iron, steel and cast iron products. According to the Confirmation of Business Suspension Registration No. 70846/25 dated 08 May 2025, the subsidiary has temporarily suspended its operations from 7 June 2025 to 06 June 2026.

Except for the matters described above, There have been no significant events occurring after the balance sheet date that would require adjustments or disclosures to be made in the combined financial statements



**NGUYEN THI PHUONG MAI**  
Preparer



**NGUYEN NGOC MY HANH**  
Chief Accountant



**DO TIEN SI**  
General Director  
Ho Chi Minh City, 29 May 2026