

# **POMINA STEEL CORPORATION**

**Audited Financial Statements  
For the fiscal year ended 31 December 2023**



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## THE BOARD OF GENERAL DIRECTORS' REPORT

The Board of General Directors of Pomina Steel Corporation (hereinafter referred to as "the Company") has the pleasure in presenting this report and the audited financial statements of the Company for the fiscal year ended 31 December 2023.

### 1. General information

Pomina Steel Corporation is a joint stock company established through the equitization of Pomina Steel Company Limited and operates under the Enterprise Registration Certificate No. 3700321364 issued by the Department of Planning and Investment of Binh Duong Province on 17 July 2008 and its amendments, the lasted being the 14<sup>th</sup> amendment issued on 03 March 2023.

The chartered capital of Pomina Steel Corporation as at 01 January 2023 and 31 December 2023 was VND 2,796,763,360,000 equivalent to 279,676,336 shares at a par value of VND 10,000 per share.

In 2023, the Company's shares were traded on the Ho Chi Minh City Stock Exchange (HOSE). From 10 May 2024, the Company's shares have been traded on the Unlisted Public Company Market (UPCoM), with the following details:

- Type of securities: ordinary shares
- Stock ticker: POM
- Par value: VND 10,000 per share
- Number of registered trading shares: 279,676,336 shares
- Total value of securities at par value: VND 2,796,763,360,000

The 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 Company has the following branches:

- Pomina Steel Mill 1 - Branch of Pomina Steel Corporation, located at No. 2, Street 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam.
- Steel Billet Smelting Factory - Branch of Pomina Steel Corporation, located at Street No. 9, Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam.

The Company's principal business activities are: Manufacturing and processing of iron, steel and cast iron; recycling of scrap materials; wholesale of metals and metal ores; and other specialized wholesale activities not elsewhere classified.

During the year, the Company's main business activities were steel rolling, wholesale of steel products and recycling of metal scrap.

The Company has been currently processing the supplementary registration for the business line "Forging, pressing, stamping and roll-forming of metal; powder metallurgy" to complete the required procedures.

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

The members of the Board of Management, Board of Supervisors and Board of General Directors during the fiscal year ended 31 December 2023 and up to the date of this report are as follows:

#### Board of Management

Full name	Position	Date of appointment/dismissal
Mr. Do Duy Thai	Chairman	Appointed on 10 February 2023
	Member	Dismissed on 10 February 2023
Mr. Do Tien Si	Vice Chairman	Appointed on 10 February 2023
	Chairman	Dismissed on 10 February 2023
Mr. Do Van Khanh	Member	Appointed on 10 March 2023
	Vice 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



**THE BOARD OF GENERAL DIRECTORS' REPORT****Board of Supervisors:**

Full name	Position	Date of appointment/dismissal
Mr. Tran To Tu	Head of the Board	Appointed on 25 June 2021
Ms. Nguyen Thi Hong Tham	Member	Appointed on 25 June 2021
Ms. Nguyen Ngoc My Hanh	Member	Resigned on 21 July 2024

**Board of General Directors and Chief Accountant**

Full name	Position	Date of appointment/dismissal
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**

Full name	Nationality	Position	Date of appointment/dismissal
Mr. Do Tien Si	Vietnam	General Director	Appointed from 10 February 2023
Mr. Do Van Khanh	Vietnam	General Director	Appointed from 08 August 2022
Mr. Do Tien Si	Vietnam	General Director	Appointed from 01 January 2022

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

The Company's operating results for the fiscal year ended 31 December 2023 and financial position as at that date are presented in the accompanying financial statements.

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

Pursuant to Resolution No. 1685/NQ-UBTVQH15 dated 16 June 2025 on the rearrangement of commune-level administrative units of Ho Chi Minh City in 2025, the Company's registered 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 Company's Extraordinary General Meeting of Shareholders passed Resolution No. 02/NQ-ĐHCĐ/2024 approving the Pomina restructuring plan and the capital increase settlement for the Blast Furnace project.

On 10 April 2024, the Company's shares were mandatorily delisted pursuant to Decision No. 208/QĐ-SGDHCM of the Ho Chi Minh City Stock Exchange. Accordingly, the effective date of delisting was 10 May 2024.

Other than the above events, there have been no significant events occurring after the balance sheet date of 31 December 2023 which would require adjustments or disclosures in the notes to the financial statements.

**5. Auditors**

AFC Vietnam Auditing Co., Ltd has been appointed to perform the audit the Company's financial statements for the fiscal year ended 31 December 2023.



## THE BOARD OF GENERAL DIRECTORS' REPORT

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

The Board of General Directors is responsible for the preparation of the financial statements to give a true and fair view of the financial position, results of operations and cash flows for the fiscal year ended 31 December 2023. In preparing those 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 and whether all material departures have been disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- Design, implement and maintain an effective system of internal control to prevent the risk of material misstatements due to fraud or error in the preparation and presentation of the financial statements.

The Board of General Directors ensures that the relevant accounting records are properly maintained to reflect, with reasonable accuracy at any time, the financial position and operations of the Company, and that the accounting records comply with the applicable accounting regime. The Board of General Directors is also responsible for safeguarding the assets of the Company and has therefore taken appropriate measures to prevent and detect fraud and other irregularities.

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

As at 31 December 2023, the Company conducted a physical inventory count and recorded the figures in the financial statements based on the actual count results, reconciled against the accounting books and related documents.

The Board of General Directors has reviewed the inventory count records, import-export-inventory documents, reconciliation results and related documents. On that basis, the Board of Directors is of the opinion 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 balance presented in the Company's financial statements is reasonable in all material respects.

### 7. Approval of the financial statements

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

  
CÔNG TY  
CỔ PHẦN  
THÉP  
POMINA  
ĐO TIẾN SĨ  
General Director

Ho Chi Minh City, 29 May 2026





## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Pomina Steel Corporation ("the Company"), prepared on 29 May 2026, from page 06 to page 47, which comprise the balance sheet as at 31 December 2023, the statement of income, the statement of cash flows for the fiscal year then ended and the notes to the financial statements.

### The Board of General Directors' Responsibility

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

### Auditor's Responsibility

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

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

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

### Basis for Qualified Opinion

- We were unable to attend the physical inventory count at 31 December 2023 as we had not been appointed as auditors at that date, and from the documentation available at the Company, we were also unable to obtain sufficient appropriate audit evidence about the existence and completeness of the inventory balance reported on the balance sheet at 31 December 2023 of VND 372,493,813,355 through alternative audit procedures. Furthermore, we were unable to determine the necessary adjustments to inventories recorded and not recorded, as well as the related elements of the balance sheet, statement of income and statement of cash flows.
- As disclosed in note 9.4 to the financial statements, the Company incurred a net loss for the fiscal year ended 31 December 2023 of VND 1,202,575,950,531, and accumulated losses as at 31 December 2023 of VND 1,643,553,760,645. As at the same date, the Company's current liabilities exceeded its current assets by VND 4,865,210,361,326 (as at 01 January 2023: VND 3,864,913,925,262), and the Company has overdue payables as disclosed in note 5.18.3 to the financial statements. These conditions, together with other matters set forth in note 9.4, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.



## INDEPENDENT AUDITOR'S REPORT (continued)

- The Board of General Directors has prepared the financial statements on the going concern basis. However, as at the date of this auditor's report, we have not been provided with a feasible and sufficient plan to demonstrate that the Company can improve its financial condition or has sufficient resources to ensure it can continue normal operations in the future. Accordingly, we are of the opinion that a material uncertainty exists related to the Company's ability to continue as a going concern. The financial statements and accompanying notes do not adequately disclose this matter and do not include the adjustments that might be required to assets and liabilities of the Company if it were unable to continue as a going concern.

### Qualified Opinion

In our opinion, except for the possible effects of the matters described in the "Basis for Qualified Opinion" paragraph, the financial statements give a true and fair view, in all material respects, of the financial position of Pomina Steel Corporation as at 31 December 2023, and of its results of operations and cash flows for the fiscal year then ended, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to the preparation and presentation of financial statements.

### Other Matter

The financial statements for the fiscal year ended 31 December 2022 were audited by another auditor and audit firm. That auditor expressed an unqualified opinion on those financial statements on 28 April 2023.



**ĐAU NGUYEN LY HANG**

**Deputy General Director**

Audit Practising Registration Certificate No.:  
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 No.:  
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

**BALANCE SHEET**

As at 31 December 2023

	Code	Note	31/12/2023 VND	01/01/2023 VND
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>	<b>100</b>		<b>1,011,019,972,597</b>	<b>1,698,716,227,698</b>
<b>Cash and cash equivalents</b>	<b>110</b>	5.1	<b>6,538,029,564</b>	<b>203,174,585,582</b>
Cash	111		6,537,029,564	202,173,585,582
Cash equivalents	112		1,000,000	1,001,000,000
<b>Accounts receivable</b>	<b>130</b>		<b>85,346,303,118</b>	<b>242,939,360,416</b>
Short-term trade receivables	131	5.2	69,729,955,577	231,107,515,919
Short-term advances to suppliers	132	5.3	29,369,733,815	29,941,189,811
Other short-term receivables	136	5.4.1	23,266,711,337	3,862,579,686
Provision for doubtful debts	137		(37,020,097,611)	(21,971,925,000)
<b>Inventories</b>	<b>140</b>	5.6	<b>370,998,411,233</b>	<b>657,439,159,291</b>
Inventories	141		372,493,813,355	700,548,896,066
Provision for decline inventories	149		(1,495,402,122)	(43,109,736,775)
<b>Other current assets</b>	<b>150</b>		<b>548,137,228,682</b>	<b>595,163,122,409</b>
Prepaid expenses	151	5.7.1	2,051,705,595	4,089,945,009
Value added tax deductibles	152		541,807,470,206	584,280,393,112
Taxes receivable	153	5.15	4,278,052,881	6,792,784,288
<b>NON-CURRENT ASSETS</b>	<b>200</b>		<b>7,239,421,076,430</b>	<b>7,335,355,843,323</b>
<b>Long-term receivables</b>	<b>210</b>		<b>969,537,985</b>	-
Other long-term receivables	216	5.4.2	969,537,985	-
<b>Fixed assets</b>	<b>220</b>		<b>1,167,122,122,987</b>	<b>1,295,269,557,087</b>
Tangible fixed assets	221	5.8	1,036,332,332,087	1,158,853,184,371
Historical cost	222		3,071,911,300,908	3,071,911,300,908
Accumulated depreciation	223		(2,035,578,968,821)	(1,913,058,116,537)
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		8,187,618,799	8,187,618,799
Accumulated amortisation	229		(8,076,452,142)	(8,030,452,144)
<b>Long-term assets in progress</b>	<b>240</b>	5.11	<b>5,711,587,925,604</b>	<b>5,411,685,286,052</b>
Construction in progress	242		5,711,587,925,604	5,411,685,286,052
<b>Long-term financial investments</b>	<b>250</b>	5.12	<b>321,317,488,836</b>	<b>580,048,852,970</b>
Investment in subsidiary company	251		800,034,190,200	796,000,000,000
Investment in Joint-venture and associates	252		-	-
Provision for diminution in value of long-term investments	254		(488,716,701,364)	(225,951,147,030)
Held to maturity investment	255		10,000,000,000	10,000,000,000
<b>Other long-term assets</b>	<b>260</b>		<b>38,424,001,018</b>	<b>48,352,147,214</b>
Long-term prepaid expenses	261	5.7.2	36,882,638,843	46,470,985,637
Deferred income tax assets	262		1,541,362,175	1,881,161,577
<b>TOTAL ASSETS</b>	<b>270</b>		<b>8,250,441,049,026</b>	<b>9,034,072,071,021</b>




**POMINA STEEL CORPORATION**


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

**BALANCE SHEET**

As at 31 December 2023

	Code	Note	31/12/2023 VND	01/01/2023 VND
<b>RESOURCES</b>				
<b>LIABILITIES</b>	<b>300</b>		<b>7,032,150,670,097</b>	<b>6,613,205,741,561</b>
<b>Current liabilities</b>	<b>310</b>		<b>5,876,230,333,923</b>	<b>5,563,630,152,960</b>
Short-term trade payables	311	5.13	1,570,565,760,558	1,693,811,881,398
Short-term advance from customers	312	5.14	39,607,942,010	23,855,127,968
Tax and payable to the State	313	5.15	5,272,373,544	6,454,504
Payable to employees	314		2,094,499,586	2,882,452,107
Short-term accrued expenses payable	315	5.16	442,537,830,167	69,006,952,000
Other short-term payables	319	5.17.1	243,860,458,610	56,769,677,470
Short-term loan and finance lease	320	5.18.1	3,572,291,469,448	3,717,297,607,513
<b>Long-term liabilities</b>	<b>330</b>		<b>1,155,920,336,174</b>	<b>1,049,575,588,601</b>
Other long-term liabilities	337	5.17.2	153,437,948,076	-
Long-term loans and finance lease obligations	338	5.18.2	1,002,482,388,098	1,049,575,588,601
<b>OWNER'S EQUITY</b>	<b>400</b>		<b>1,218,290,378,929</b>	<b>2,420,866,329,460</b>
<b>Capital</b>	<b>410</b>	5.19	<b>1,218,290,378,929</b>	<b>2,420,866,329,460</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		(1,643,553,760,645)	(440,977,810,114)
Retained earnings in previous year	421a		(440,977,810,114)	600,571,704,044
Retained earnings in current year	421b		(1,202,575,950,531)	(1,041,549,514,158)
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>8,250,441,049,026</b>	<b>9,034,072,071,021</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

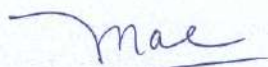
**POMINA STEEL CORPORATION**

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

**INCOME STATEMENT**

For the financial year ended 31 December 2023

	Code	Note	Year 2023 VND	Year 2022 VND
<b>Gross sales of merchandise and services</b>	<b>01</b>		<b>1,165,932,740,480</b>	<b>7,528,719,606,742</b>
Less deductions	02		(18,501,529,500)	-
<b>Net sales</b>	<b>10</b>	6.1	<b>1,147,431,210,980</b>	<b>7,528,719,606,742</b>
<b>Cost of sales</b>	<b>11</b>	6.2	<b>1,176,845,527,428</b>	<b>7,919,118,429,570</b>
<b>Gross profit</b>	<b>20</b>		<b>(29,414,316,448)</b>	<b>(390,398,822,828)</b>
Financial income	21	6.3	1,074,001,948	27,314,176,981
Financial expenses	22	6.4	793,913,141,952	580,661,956,024
<i>In which: Interest expenses</i>	23		513,560,504,503	272,898,962,366
Selling expenses	25	6.5	2,266,948,280	12,281,294,578
General and administration expenses	26	6.6	146,197,822,820	75,001,549,405
<b>Operating profit</b>	<b>30</b>		<b>(970,718,227,552)</b>	<b>(1,031,029,445,854)</b>
Other income	31	6.7	34,982,731,258	200,839,096,990
Other expenses	32	6.8	260,019,051,490	210,989,321,968
<b>Other profit</b>	<b>40</b>		<b>(225,036,320,232)</b>	<b>(10,150,224,978)</b>
<b>Profit before tax</b>	<b>50</b>		<b>(1,195,754,547,784)</b>	<b>(1,041,179,670,832)</b>
Current corporate income tax expense	51	5.15	6,680,057,945	-
Deferred corporate income tax expense	52		141,344,802	369,843,326
<b>Net profit after tax</b>	<b>60</b>		<b>(1,202,575,950,531)</b>	<b>(1,041,549,514,158)</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



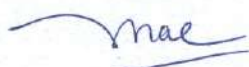
**POMINA STEEL CORPORATION**

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

**CASH FLOW STATEMENT (Indirect Method)**

For the financial year ended 31 December 2023

	Code	Year 2023 VND	Year 2022 VND
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax	01	(1,195,754,547,784)	(1,041,179,670,832)
<b>Adjustments for :</b>			
Depreciation and amortisation	02	128,147,434,100	128,354,720,133
Provisions	03	236,199,392,292	269,060,883,805
Unrealised foreign exchange (gains)/losses	04 6.4	16,924,814,050	1,360,596,677
Profits/(losses) from investing activities	05 6.3	(708,451,865)	(3,741,555,858)
Interest expense	06 6.4	513,560,504,503	272,898,962,366
<b>Operating income before changes in working capital</b>	<b>08</b>	<b>(301,630,854,704)</b>	<b>(373,246,063,709)</b>
(Increase)/decrease in receivables	09	186,903,105,327	997,565,176,182
(Increase)/decrease in inventories	10	328,055,082,711	1,674,477,084,705
Increase/(decrease) in payables	11	(147,446,718,886)	(2,008,364,265,606)
(Increase)/decrease in prepaid expenses	12	11,626,586,208	3,013,683,870
Interest paid	14	(78,775,844,376)	(267,078,489,043)
Corporate income tax paid	15	-	(7,161,190,464)
<b>Net cash flow from operating activities</b>	<b>20</b>	<b>(1,268,643,720)</b>	<b>19,205,935,935</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets and other long term assets	21	-	(57,102,151,098)
Proceed from disposal of FA and other LT assets	22	-	139,397,199,213
Investment in other entities	25	(4,034,190,200)	-
Interest and dividends received	27	708,451,865	3,741,555,858
<b>Net cash flow from investing activities</b>	<b>30</b>	<b>(3,325,738,335)</b>	<b>86,036,603,973</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
Proceeds from borrowings	33 7.1	1,376,479,604,099	7,942,471,141,375
Repayments of borrowings	34 7.2	(1,568,578,942,667)	(8,216,845,398,464)
Payment of finance lease liabilities	35	-	(15,845,358,956)
<b>Net cash flow from financing activities</b>	<b>40</b>	<b>(192,099,338,568)</b>	<b>(290,219,616,045)</b>
<b>Net increase/decrease in cash</b>	<b>50</b>	<b>(196,693,720,623)</b>	<b>(184,977,076,137)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>60 5.1</b>	<b>203,174,585,582</b>	<b>386,251,747,328</b>
Impact of exchange rate fluctuation	61	57,164,605	1,899,914,391
<b>Cash and cash equivalents at the end of year</b>	<b>70 5.1</b>	<b>6,538,029,564</b>	<b>203,174,585,582</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 FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

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

### 1. BUSINESS CHARACTERISTICS

#### 1.1 Form of ownership

Pomina Steel Corporation is a joint stock company established from the equitisation of Pomina Steel Limited Liability Company and operates under the Enterprise Registration Certificate No. 3700321364 issued by the Department of Planning and Investment of Binh Duong Province on 17 July 2008 and amended Enterprise Registration Certificates, the latest of which is 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 Ho Chi Minh City 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/share
- Total number of shares: 279,676,336 shares
- Total value shares listed at par value: VND 2,796,763,360,000

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

#### 1.2 Scope of operating activities

The Company operates in the manufacturing and trading sector.

#### 1.3 Line of business

The Company's principal business activities are: Manufacturing and processing of iron, steel and pig iron; recycling of scrap; wholesale of metals and metal ores; and other specialised wholesale not elsewhere classified.

During the year, the Company's main business activities were steel rolling, wholesale of steel products, and recycling of metal scrap.

The Company 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 Business cycle

The normal business cycle of the Company does not exceed 12 months.

#### 1.5 Structure of the Company

##### Subsidiaries

Company name	Principal office address	Principal business activities	Capital contribution ratio	Voting rights ratio	Benefit ratio
Pomina 2 Steel Corporation	Phu My 1 Industrial Zone, Phu My Ward, Ho Chi Minh City, Vietnam.	Manufacturing and trading of steel products; wholesale of metals and metal ores, metal and non-metal scrap and waste.	99.50%	99.50%	99.50%



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Company name	Principal office address	Principal business activities	Capital contribution ratio	Voting rights ratio	Benefit ratio
Pomina Steel 1 One Member Company Limited	No. 2, Street 27, Song Than 2 Industrial Zone, Di An Ward, Ho Chi Minh City, Vietnam.	Manufacturing of iron, steel and pig iron	100%	100%	100%

### Dependent units

Unit name	Address
Pomina Steel Mill 1 - Branch of Pomina Steel Corporation	No. 2, Street 27, Song Than 2 Industrial Zone, Di An Ward, Ho Chi Minh City, Vietnam.
Steel Billet Smelting Plant - Branch of Pomina Steel Corporation	Street No. 9, Phu My 1 Industrial Zone, Phu My Ward, Ho Chi Minh City

### 1.6 Comparability of information in the financial statements

The figures presented in the financial statements for the fiscal year ended 31 December 2023 are comparable with the corresponding figures of the prior year.

### 1.7 Employees

As at 31 December 2023, the Company has 416 employees (as at 31 December 2022: 759 employees).

## 2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

### 2.1 Fiscal year

The fiscal year of the Company commences on 01 January and ends on 31 December annually.

### 2.2 Accounting currency

The Corporation 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 and regime

The Company has applied the Vietnamese Accounting Standards, Accounting System according to Circular No. 200/2014/TT-BTC, Circular No. 53/2016/TT-BTC and other circulars guiding the implementation of accounting standards issued by the Ministry of Finance in Vietnam in relating to the preparation and presentation of financial statements.

The Company's financial statements comply with Vietnamese Accounting Standards, Vietnamese Accounting Regime in accordant with the Circular No. 200/2014/TT-BTC dated 22 December 2014 and existing guiding circulars issued by the Ministry of Finance in Vietnam in relating to the preparation and presentation of interim financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 3.2 Statement of compliance with accounting standards and regime

The Board of General Directors of the Company confirms that the financial statements have been prepared in compliance with the requirements of Vietnamese Accounting Standards, the accounting regime for enterprises issued under Circular No. 200/2014/TT-BTC, Circular No. 53/2016/TT-BTC and other circulars guiding the implementation of Vietnamese Accounting Standards issued by the Ministry of Finance.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Basis of preparation of the financial statements

The financial statements are prepared on the accrual basis of accounting (except for information relating to cash flows).

### 4.2 Foreign currency transactions

During the year, transactions denominated in currencies other than VND are translated into VND at the actual transaction exchange rate at the date of the transaction. At the end of the fiscal year, foreign currency bank deposits and monetary items denominated in foreign currencies classified as assets are translated into VND at the buying transfer exchange rate announced by the bank on that date; monetary items denominated in foreign currencies classified as liabilities are translated into VND at the selling exchange rate announced by the bank on that date.

Exchange differences arising during the year from foreign currency transactions are recognised in financial income or financial expenses. Exchange differences arising from the revaluation of foreign-currency-denominated monetary items at the end of the fiscal year, after netting the favourable and unfavourable differences, are recognised in financial income or financial expenses.

### 4.3 Cash and cash equivalents

Cash comprises cash on hand, demand deposits and cash in transit. Cash equivalents are short-term investments with an original maturity of not more than three months from the date of investment, which are readily convertible into a known amount of cash and which are not subject to a significant risk of changes in value at the reporting date.

### 4.4 Receivables

Receivables are stated at cost less provision for doubtful debts.

Receivables are classified into trade receivables and other receivables in accordance with the following principles:

- Trade receivables represent commercial receivables arising from buy-sell transactions between the Company and buyers who are independent from the Company.
- Other receivables represent non-commercial receivables that do not relate to buy-sell transactions.

Provision for doubtful debts represents the estimated losses arising from receivables that cannot be collected from customers, based on the outstanding receivable balances at the balance sheet date. The increase or reversal of the provision for doubtful debts is recognised in general and administration expenses in the statement of income.

### 4.5 Inventories

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



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

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The cost of inventories is determined as follows:

- Raw materials and merchandise: comprise purchase cost and other directly related costs incurred in bringing the inventories to their present location and condition.
- Finished goods: comprise the cost of raw materials, direct labour and relevant production overheads allocated based on the normal level of activity.
- Work in progress: comprises only the cost of principal raw materials.

Net realisable value is the estimated selling price of inventories in the normal course of production and business less the estimated costs of completion and the estimated costs necessary for the sale.

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

Provision for inventory write-down is made for each inventory item whose cost exceeds its net realisable value. For services in progress, the provision is calculated for each type of service with a separate price. Increases or decreases in the provision for inventory write-down required at the end of the fiscal year are recognised in cost of goods sold.

### 4.6 Prepaid expenses

Prepaid expenses comprise actual costs incurred that relate to the production and business results of more than one fiscal year. The Company's prepaid expenses include the following:

#### *Tools and equipment*

Tools and equipment that have been put into use are allocated to expenses using the straight-line method over a period not exceeding 3 years.

#### *Repair costs*

Significant repair costs incurred at one time are allocated to expenses using the straight-line method over a period not exceeding 3 years.

#### *Other prepaid expenses*

Business advantages, land rental, and other prepaid expenses are amortized on a straight-line basis over the prepayment period, the lease term, or the period over which the corresponding economic benefits are generated.

### 4.7 Operating lease assets

A lease is classified as an operating lease if substantially all the risks and rewards incidental to ownership of the asset are retained by the lessor. Operating lease payments are recognised as expenses using the straight-line method over the lease term, regardless of the payment method.

### 4.8 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. The cost of a tangible fixed asset comprises the total costs incurred by the Company to bring the asset to the condition ready for its intended use. Subsequent costs are capitalised only when it is probable that they will give rise to future economic benefits. All other subsequent expenditure is recognised as production or business expenses in the period in which it is incurred.

When assets are sold or disposed of, the cost and accumulated depreciation of the assets are removed from the financial statements and any gains or losses arising from disposal are recognised in the statement of income.



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

Depreciation of tangible fixed assets is calculated using the straight-line method over the estimated useful lives of the assets as follows:

<u>Type of fixed asset</u>	<u>Number of years</u>
Buildings and structures	06 - 25
Machinery and equipment	05 - 12
Vehicles and transmission equipment	06 - 08
Office equipment	03 - 05

**4.9 Finance lease fixed assets**

A lease is classified as a finance lease if substantially all the risks and rewards incidental to ownership of the asset are transferred to the lessee. Finance lease fixed assets are stated at cost less accumulated depreciation. The cost of a finance lease fixed asset is the lower of the fair value of the leased asset at the inception of the lease and the present value of the minimum lease payments. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or the rate stated in the lease contract. Where it is not practicable to determine the implicit rate, the lessee's incremental borrowing rate at the inception of the lease is used.

Finance lease fixed assets are depreciated using the straight-line method over the estimated useful life. Where there is no reasonable certainty that the Company will obtain ownership of the asset at the end of the lease term, the asset is depreciated over the shorter of the lease term and its estimated useful life. The depreciation periods for finance lease fixed assets are as follows:

<u>Type of fixed asset</u>	<u>Number of years</u>
Buildings and structures	25

**4.10 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises the total costs incurred by the Company to bring the asset to the condition ready for its intended use. Subsequent expenditure related to an intangible fixed asset is recognised as production or business expenses in the period in which it is incurred unless such expenditure is directly attributable to a specific intangible fixed asset and increases the economic benefits from that asset.

When intangible fixed assets are sold or disposed of, the cost and accumulated amortisation are derecognised and any gains or losses arising from disposal are recognised in income or expenses in the period.

The Company's intangible fixed assets comprise:

**Computer software**

The purchase cost of computer software that does not form an integral part of the related hardware is capitalised. The cost of computer software comprises the total costs incurred by the Company up to the date the software is put into use. Computer software is amortised using the straight-line method over 03 - 08 years.

**4.11 Construction in progress**

Construction in progress presents costs directly related (including relevant capitalised borrowing costs in accordance with the Company's accounting policies) to assets under construction, machinery and equipment under installation for production, leasing and management purposes, as well as costs related to the repair of fixed assets in progress. These assets are stated at cost and are not depreciated.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 4.12 Payables and accrued expenses

Payables and accrued expenses are recognised for amounts to be paid in the future for goods and services received. Accrued expenses are recognised based on reasonable estimates of the amounts payable.

The classification of payables into trade payables, accrued expenses and other payables is made in accordance with the following principles:

- Trade payables represent commercial payables arising from transactions for the purchase of goods, services and assets, where the supplier is independent from the Company.
- Accrued expenses represent amounts payable for goods or services already received from suppliers or already provided to customers but not yet paid due to the absence of invoices or supporting accounting documents, and amounts payable to employees for leave pay and production or business costs to be accrued.
- Other payables represent non-commercial payables that do not relate to the purchase or sale of goods and services.

### 4.13 Owner's equity

#### *Owners' invested capital*

Owners' invested capital is recognised at the actual amount of capital contributed by the shareholders.

#### *Share premium*

Share premium is recognised as the difference between the issue price and the par value of shares upon initial public offering and additional issuance, the difference between the re-issue price and the book value of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs relating to additional share issuance and treasury share re-issuance are deducted from share premium.

#### *Reserves*

Reserves are appropriated and utilised in accordance with the Company's Charter.

#### *Treasury shares*

When shares issued by the Company are repurchased, the consideration paid including any directly attributable transaction costs is recognised as treasury shares and is presented as a deduction from owner's equity. When treasury shares are re-issued, the difference between the re-issue price and the book value of treasury shares is recorded in "Share premium".

### 4.14 Profits distribution

Profit after corporate income tax is distributed to shareholders after appropriation to reserves in accordance with the Company's Charter and the relevant regulations and after approval by the General Meeting of Shareholders.

The distribution of profits to shareholders takes into consideration non-cash items included in retained earnings that may affect cash flows and the ability to pay dividends, such as gains from revaluation of assets contributed as capital, gains from revaluation of monetary items, financial instruments, and other non-cash items.

Dividends are recognised as a liability when approved by the General Meeting of Shareholders.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 4.15 Revenue and income

Revenue from sales of goods is recognised when all five (5) of the following conditions are simultaneously satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the products or goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably; where the contract allows the buyer to return the products or goods under specific conditions, revenue is recognised only when those specific conditions no longer exist and the buyer is not entitled to return the products or goods (except where the customer has the right to return goods in the form of exchange for other goods or services);
- (d) It is probable that the economic benefits associated with the transaction will flow to the company;
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### *Revenue from rendering of services*

Revenue from rendering of services is recognised when the outcome of the transaction can be measured reliably. Where services are performed over more than one period, revenue is recognised in each period based on the results of the work completed at the end of that accounting period. The outcome of a transaction involving the rendering of services can be measured reliably when all four (4) of the following conditions are satisfied:

- (a) The amount of revenue can be measured reliably. Where the contract allows the buyer to return the services purchased under specific conditions, revenue is recognised only when those specific conditions no longer exist and the buyer is not entitled to return the services provided;
- (b) The economic benefits from the transaction involving the rendering of services have been or will be collected;
- (c) The stage of completion of the transaction at the reporting date can be determined;
- (d) The costs incurred for the transaction and the costs to complete the transaction can be determined.

#### *Interest income*

Interest income is recognised on an accrual basis, determined on the balances of deposit accounts and the actual interest rate for each period.

### 4.16 Borrowing costs

Borrowing costs comprise interest on borrowings and other costs directly related to the borrowings.

Borrowing costs are recognised in financial expenses during the year unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Capitalisation of borrowing costs ceases when the principal activities necessary to prepare the qualifying asset for its intended use or sale are completed. For specific borrowings used for the construction of fixed assets or investment property, borrowing costs are capitalised regardless of whether the construction period is less than 12 months. Income earned from the temporary investment of specific borrowings is deducted from the cost of the related asset.

For general borrowings used for the purpose of acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average cumulative expenditures on that asset. The capitalisation rate is the weighted average interest rate of the outstanding borrowings during the year, other than specific borrowings for the purpose of obtaining a particular asset.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

Capitalisation of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is abnormally interrupted. During such periods, borrowing costs incurred are recognised as production or business expenses until the acquisition, construction or production resumes.

### 4.17 Corporate income tax

Corporate income tax expense comprises current income tax and deferred income tax.

#### *Current income tax*

Current income tax is the amount of tax computed on taxable income. Taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses and non-taxable income and losses brought forward.

#### *Deferred income tax*

Deferred income tax is the amount of corporate income tax payable or recoverable in future periods arising from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised only when it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each fiscal year and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of those deferred tax assets to be utilised. Previously unrecognised deferred tax assets are reviewed at the end of each fiscal year and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow those deferred tax assets to be utilised.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates effective at the end of the fiscal year. Deferred income tax is recognised in the statement of income and is recognised directly in equity only when the tax relates to items that are recognised directly in equity.

#### *Corporate income tax incentives*

Pursuant to Investment Certificate No. 49221000139, the 5<sup>th</sup> amendment dated 19 November 2020 issued by the Management Board of Industrial Zones of Ba Ria - Vung Tau Province. The project commenced operations from January 2008. The Steel Billet Smelting Plant - Branch of Pomina Steel Corporation is entitled to the following incentives for the project:

- + Tax rate of 10% on profits earned for 15 years from the commencement of business operations (from 2012 to 2026), and 28% on profits earned in subsequent years.
- + Exemption from corporate income tax for 04 years from the first year of taxable income and 50% reduction of tax payable for the subsequent 9 years.

The Company's tax returns are subject to examination by the tax authorities. Due to the application of tax legislation to various types of transactions and the differing interpretations and acceptances, the figures reported in the financial statements may differ from those determined by the tax authorities.

### 4.18 Basic earnings per share

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



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

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### 4.19 Segment reporting

A business segment is an identifiable component that is engaged in providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is an identifiable component that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of segments operating in other economic environments.

### 4.20 Financial instruments

#### Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company's financial assets comprise cash and cash equivalents, trade receivables, other receivables, loans and long-term investments.

At initial recognition, financial assets are recognised at cost plus transaction costs directly attributable to the financial assets.

#### Financial liabilities

The classification of financial liabilities depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. The Company's financial liabilities comprise trade payables, borrowings and debts, and other payables.

At initial recognition, except for liabilities relating to finance leases and convertible bonds which are recognised at amortised cost, other financial liabilities are initially recognised at cost less transaction costs directly attributable to those financial liabilities.

Amortised cost is determined as the initially recognised amount of the financial liabilities less principal repayments, plus or minus the cumulative amortisation using the effective interest method of the difference between the initially recognised amount and the maturity amount, less any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

The effective interest method is a method of calculating the amortised cost of a financial liability or a group of financial liabilities and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial liabilities.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### Off setting financial instruments

Financial assets and financial liabilities shall only be offset and presented on a net basis on the balance sheet when, and only when, the Company:

- Has a legally enforceable right to set off the recognised amounts; and
- Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**4.21 Related parties**

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

The following individuals/companies are considered related parties:

Individual/Company	Location	Relationship
Viet Steel Co., Ltd	Vietnam	Parent company
Pomina 2 Steel Corporation	Vietnam	Subsidiary
Pomina Steel 1 One Member Company Limited	Vietnam	Subsidiary
Pomina Steel Commerce Company Limited	Vietnam	Under common control of the same Parent Company
Pomina Flat Steel Joint Stock Company	Vietnam	Sharing key management personnel
Board of Directors, Board of Supervisors, the Board of General Directors and individuals related to key management personnel		Key management personnel

**5. SUPPLEMENTARY INFORMATION TO ITEMS PRESENTED IN THE BALANCE SHEET****5.1 Cash and cash equivalents**

	31/12/2023	01/01/2023
	VND	VND
Cash on hand - VND	58,632,787	3,765,344,201
Bank deposits (*)		
- VND	3,697,678,544	2,149,636,937
- USD	2,749,702,135	196,224,129,880
- EUR	31,016,098	34,474,564
Cash equivalents (**)	1,000,000	1,001,000,000
	<b>6,538,029,564</b>	<b>203,174,585,582</b>

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

	31/12/2023		01/01/2023	
	Original currency	Equivalent to VND	Original currency	Equivalent to VND
Bank deposits - USD	114,207.12	2,749,702,135	8,295,577.63	196,224,129,880
Bank deposits - EUR	1,189.45	31,016,098	1,411.38	34,474,564
		<b>2,780,718,233</b>		<b>196,258,604,444</b>

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

**5.2 Short-term trade receivables**

	31/12/2023	01/01/2023
	VND	VND
<b>Receivables from related parties</b>		
Viet Steel Co., Ltd	42,273,219,205	135,320,325,060
Pomina 2 Steel Corporation	47,916,900	54,630,891,479
<b>Receivables from other customers</b>		
Nippon Sanso Vietnam Joint Stock Company	11,882,942,385	11,882,942,385
Thien Long Electronic Trading Company Limited	2,426,365,116	-
Phat Loc Hung One Member Company Limited	5,953,341,500	5,953,341,500
Binh An Investment And Service Joint Stock Company	6,545,968,000	-
Other customers	600,202,471	23,320,015,495
	<b>69,729,955,577</b>	<b>231,107,515,919</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 5.3 Short-term prepayments to suppliers

	31/12/2023 VND	01/01/2023 VND
<b>Prepayments to other suppliers</b>		
Century Valuation Joint Stock Company - Ho Chi Minh City Branch	27,000,000	-
Asian Pacific Ecology Trade Co., Ltd	21,971,925,000	21,971,925,000
Other suppliers	<u>7,370,808,815</u>	<u>7,969,264,811</u>
	<b><u>29,369,733,815</u></b>	<b><u>29,941,189,811</u></b>

### 5.4 Other short-term and long-term receivables

#### 5.4.1 Other short-term receivables

	31/12/2023		01/01/2023	
	Carrying amount VND	Provision VND	Carrying amount VND	Provision VND
<b>Receivables from related parties</b>				
Pomina 2 Steel Corporation - Dividends	99,422,108	-	99,422,108	-
Mr. Truong Thanh Cong - Advances	441,990,542	-	-	-
<b>Receivables from other entities</b>				
Bao Ngoc Thu One Member Company Limited - VAT amount of the entity that abandoned its business address according to the tax minutes	12,179,986,011	-	-	-
Short-term deposits	59,589,908	-	1,697,617,463	-
Advances	1,169,349,636	-	1,338,103,110	-
Other receivables (*)	9,316,373,132	(8,942,625,582)	727,437,005	-
	<b><u>23,266,711,337</u></b>	<b><u>(8,942,625,582)</u></b>	<b><u>3,862,579,686</u></b>	<b><u>-</u></b>

(\*) In the assessment of the Board of General Directors, this receivable is not recoverable as it is the VAT amount of an entity that abandoned its business address per tax minutes and accordingly the Company has fully provided for this receivable.

#### 5.4.2 Other long-term receivables

	31/12/2023		01/01/2023	
	Carrying amount VND	Provision VND	Carrying amount VND	Provision VND
<b>Receivables from related parties</b>				
Viet Steel Co., Ltd - Deposits for premises rental	10,000,000	-	-	-
<b>Receivables from other entities and individuals</b>				
VietinBank Leasing Company Limited - Ho Chi Minh City Branch - Deposits for financial lease	958,517,745	-	-	-
Ho Chi Minh City Development Joint Stock Commercial Bank - Deposits	1,020,240	-	-	-
	<b><u>969,537,985</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 5.5 Bad debts

		31/12/2023		01/01/2023	
	Overdue period	Original cost	Recoverable amount	Original cost	Recoverable amount
		VND	VND	VND	VND
<b>Short-term trade receivables</b>					
Lim Hok Chhourn Steel Co.,Ltd	> 3 years	149,806,139	-	149,806,139	149,806,139
Phat Loc Hung Single-members of Limited Liability Company	> 3 years	5,953,341,500	-	-	-
Yi Chakriya Co., Ltd	> 3 years	612,900	-	612,900	612,900
HQ Co., Ltd	> 3 years	424,490	-	424,490	424,490
Samsung C&T Co., Ltd	> 3 years	1,362,000	-	1,362,000	1,362,000
<b>Short-term prepayments to suppliers</b>					
Asian Pacific Ecology Trade Co., Ltd	> 3 years	21,971,925,000	-	21,971,925,000	-
<b>Other short-term receivables</b>					
Other receivables	1 - 2 years	9,316,373,132	373,747,550	-	-
		37,393,845,161	373,747,550	22,124,130,529	152,205,529

### 5.6 Inventories

	31/12/2023		01/01/2023	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Raw materials	275,214,087,735	-	334,418,468,786	-
Tools and supplies	44,467,142,821	-	47,203,166,961	-
Work in progress	40,194,086,180	-	82,376,205,578	-
Scrap materials	-	-	267,364,155	-
Finished goods	12,618,496,619	(1,495,402,122)	236,283,690,586	(43,109,736,775)
	<b>372,493,813,355</b>	<b>(1,495,402,122)</b>	<b>700,548,896,066</b>	<b>(43,109,736,775)</b>

Movements in provision for inventories in the year:

	Year 2023 VND	Year 2022 VND
Opening balance	(43,109,736,775)	-
Reversal in year	37,407,509,162	-
Provision in year	4,206,825,491	(43,109,736,775)
<b>Closing balance</b>	<b>(1,495,402,122)</b>	<b>(43,109,736,775)</b>

### 5.7 Short-term and long-term prepaid expenses

#### 5.7.1 Short-term prepaid expenses

	31/12/2023 VND	01/01/2023 VND
Insurance expenses	1,226,496,207	1,623,828,276
Service expenses	141,030,788	526,733,334
Tools and supplies expenses	684,178,600	1,939,383,399
	<b>2,051,705,595</b>	<b>4,089,945,009</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.7.2 Long-term prepaid expenses**

	<b>31/12/2023</b> VND	<b>01/01/2023</b> VND
Land lease expenses (*)	9,543,114,683	10,217,191,599
Business advantages (**)	16,503,061,544	22,004,082,032
Repair costs	1,591,111,111	2,784,444,444
Tools and supplies	9,245,351,505	11,465,267,562
	<b>36,882,638,843</b>	<b>46,470,985,637</b>

(\*) Land lease expenses have been used as collateral for loans at commercial banks (Note 5.18).

(\*\*) 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 Directors Meeting No. 3/12001/BB-HDQT dated 18 June 2012.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

### 5.8 Movements in tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Vehicles and transmission equipment VND	and equipment, office equipment VND	Fixed Other VND	Total VND
<b>Cost</b>						
As at 01/01/2023	642,760,721,900	2,296,126,042,412	130,042,005,993	2,867,530,603	115,000,000	3,071,911,300,908
Additions during the year	-	-	-	-	-	-
<b>As at 31/12/2023</b>	<b>642,760,721,900</b>	<b>2,296,126,042,412</b>	<b>130,042,005,993</b>	<b>2,867,530,603</b>	<b>115,000,000</b>	<b>3,071,911,300,908</b>
<b>Accumulated depreciation</b>						
As at 01/01/2023	297,127,011,355	1,509,303,328,325	104,097,400,081	2,415,376,776	115,000,000	1,913,058,116,537
Depreciation for the year	25,972,046,669	92,025,417,145	4,490,465,316	32,923,154	-	122,520,852,284
<b>As at 31/12/2023</b>	<b>323,099,058,024</b>	<b>1,601,328,745,470</b>	<b>108,587,865,397</b>	<b>2,448,299,930</b>	<b>115,000,000</b>	<b>2,035,578,968,821</b>
<b>Net carrying amount</b>						
As at 01/01/2023	345,633,710,545	786,822,714,087	25,944,605,912	452,153,827	-	1,158,853,184,371
<b>As at 31/12/2023</b>	<b>319,661,663,876</b>	<b>694,797,296,942</b>	<b>21,454,140,596</b>	<b>419,230,673</b>	<b>-</b>	<b>1,036,332,332,087</b>
<i>Original cost of tangible fixed assets fully depreciated but still in use:</i>						
As at 01/01/2023	34,704,044,105	590,690,026,328	89,083,666,966	2,213,724,438	115,000,000	716,806,461,837
<b>As at 31/12/2023</b>	<b>35,826,134,114</b>	<b>592,676,308,977</b>	<b>92,161,362,535</b>	<b>2,213,724,438</b>	<b>115,000,000</b>	<b>722,992,530,064</b>

As at 31 December 2023, all fixed assets have been used as collateral for loans at commercial banks (Note 5.18).



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.9 Movements in finance lease fixed assets**

	<b>Machinery and equipment VND</b>	<b>Total VND</b>
<b>Cost</b>		
As at 01/01/2023	139,514,545,455	139,514,545,455
Additions during the year	-	-
<b>As at 31/12/2023</b>	<b>139,514,545,455</b>	<b>139,514,545,455</b>
<b>Accumulated amortisation</b>		
As at 01/01/2023	3,255,339,394	3,255,339,394
Depreciation for the 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>

**5.10 Movements in intangible fixed assets**

	<b>License VND</b>	<b>Computer software VND</b>	<b>Total VND</b>
<b>Cost</b>			
As at 01/01/2023	576,120,518	7,611,498,281	8,187,618,799
Additions during the year	-	-	-
<b>As at 31/12/2023</b>	<b>576,120,518</b>	<b>7,611,498,281</b>	<b>8,187,618,799</b>
<b>Accumulated amortisation</b>			
As at 01/01/2023	576,120,518	7,454,331,626	8,030,452,144
Depreciation for the year	-	45,999,998	45,999,998
<b>As at 31/12/2023</b>	<b>576,120,518</b>	<b>7,500,331,624</b>	<b>8,076,452,142</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>

Original cost of intangible fixed assets fully amortised but still in use:

As at 01/01/2023	576,120,518	7,006,940,781	7,583,061,299
<b>As at 31/12/2023</b>	<b>576,120,518</b>	<b>7,006,940,781</b>	<b>7,583,061,299</b>

**5.11 Construction in progress**

	<b>31/12/2023 VND</b>	<b>01/01/2023 VND</b>
Construction costs of the Blast Furnace Project (*)	5,711,587,925,604	5,411,685,286,052
	<b>5,711,587,925,604</b>	<b>5,411,685,286,052</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

(\*) These are direct construction costs and other costs related to the investment and construction of the Steel Billet Smelting Plant Project (expansion of the upstream investment comprising the Sintering Line and Blast Furnace constructed at Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province). The total construction area (entire zone) is 149,498.80 m<sup>2</sup>. The project objective is to construct a steel billet smelting plant with a capacity of 1 million tonnes per year. The project has currently been suspended due to maintenance and repair requirements for equipment at the blast furnace workshop of Steel Billet Smelting Factory - Branch of Pomina Steel Corporation. Pomina Steel Corporation decided to temporarily suspend blast furnace production 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		
	Original cost	Provision	Fair value	Original cost	Provision	Fair value
<b>Investment in subsidiary</b>						
Pomina 2 Steel Corporation <sup>(i)</sup>	796,000,000,000	(487,486,947,889)	(*)	796,000,000,000	(225,951,147,030)	(*)
Pomina Steel 1 One Member Company Limited <sup>(ii)</sup>	4,034,190,200	(1,229,753,475)	(*)	-	-	(*)
<b>Held-to-maturity investments</b>						
Vietnam Joint Stock Commercial Bank for Industry and Trade - bonds <sup>(iii)</sup>	10,000,000,000	-	(*)	10,000,000,000	-	(*)
	<b>810,034,190,200</b>	<b>(488,716,701,364)</b>	<b>(*)</b>	<b>806,000,000,000</b>	<b>(225,951,147,030)</b>	<b>(*)</b>

- (i) Pomina 2 Steel Corporation (POM 2) was established under the Law on Enterprises of Vietnam in accordance with the Business Registration Certificate No. 4903000349 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on 4 June 2007, and its subsequent amended Business Registration Certificates. The charter capital of POM 2 is VND 800,000,000,000, of which the Company owns VND 796,000,000,000, equivalent to 99.5% of the charter capital. The registered office of POM 2 is located at Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam. The principal activity of POM 2 during the current year is the manufacture and trading of steel products.
- (ii) Pomina Steel One Member Company Limited was established under the Enterprise Registration Certificate No. 3703120176 dated 11 April 2023. The registered office is located at No. 2, Street 27, Song Than 2 Industrial Park, Di An Ward, Ho Chi Minh City, Vietnam. The charter capital is VND 161,917,000,000, of which the Company holds 100% of the charter capital. Its principal activity is the manufacture of iron, steel, and cast iron.
- (iii) These represent bond investments in Vietnam Joint Stock Commercial Bank for Industry and Trade ("ICB") with a term of ten (10) years, maturing on 24 September, 2030, and bearing a floating interest rate equal to the reference interest rate plus a margin of 1%/year.
- (\*) As at the reporting date, the Company 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.

Movements in provision for financial investments during the year are as follows:

	Year 2023	Year 2022
	VND	VND
Beginning of year balance	(225,951,147,030)	-
Additional provision	(262,765,554,334)	(225,951,147,030)
<b>End of year balance</b>	<b>(488,716,701,364)</b>	<b>(225,951,147,030)</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 5.13 Short-term trade payables

	31/12/2023	01/01/2023
	VND	VND
<b>Payables to related parties</b>		
Viet Steel Co., Ltd	53,351,433,863	39,245,106,859
Pomina 2 Steel Corporation	55,447,591,560	3,988,160,120
Pomina Flat Steel Joint Stock Company	88,575,442	88,575,442
<b>Payables to other suppliers</b>		
China Machinery Industry International Cooperation Co., Ltd	181,604,230,506	25,419,493,648
China 15th Metallurgical Construction Group Co., Ltd	38,116,885,543	-
Dai Quang Minh Real Estate Investment Joint Stock Company	31,463,013,697	-
Chinatech Tanrry Technology Co., Ltd	5,750,920,000	-
Southern Gas Trading Joint Stock Company - Dong Nai Branch	7,208,825,083	-
Dai Phat Thinh Construction Investment Company Limited	4,088,577,224	-
Nam Son Steel Corporation	519,587,351,680	508,905,705,460
Other suppliers	673,858,355,960	1,116,164,839,869
	<b>1,570,565,760,558</b>	<b>1,693,811,881,398</b>

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

### 5.14 Short-term advances from customers

	31/12/2023	01/01/2023
	VND	VND
<b>Advances from related parties</b>		
Pomina 2 Steel Corporation	19,981,165,833	-
<b>Advances from other customers</b>		
Cong Thanh Cement Joint Stock Company	14,797,931,400	14,797,931,400
SMC Trading Investment Joint Stock Company	-	4,352,231,120
Thanh Dai Phu My Joint Stock Company	4,307,799,314	4,125,291,314
Other customers	521,045,463	579,674,134
	<b>39,607,942,010</b>	<b>23,855,127,968</b>

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

	01/01/2023		Movements during the year		31/12/2023	
	Payable	Receivable	Amount payable	Amount paid/ Deduction	Payable	Receivable
	VND	VND	VND	VND	VND	VND
Domestic VAT	-	-	217,870,005,329	(217,798,572,438)	71,432,891	-
Import VAT	-	-	2,677,765,161	(2,677,765,161)	-	-
Excise Tax	-	(24,585,610)	-	-	-	(24,585,610)
Import and Export tax	-	(160,082,755)	366,789,358	(366,789,358)	-	(160,082,755)
Corporate income tax	3,309,822	(4,471,985,092)	6,680,057,945	-	5,198,410,981	(2,987,028,306)
Personal income tax	3,144,682	(2,136,035,831)	1,408,331,615	(379,172,004)	2,529,672	(1,106,261,210)
Other taxes	-	(95,000)	30,733,640	(30,733,640)	-	(95,000)
	<b>6,454,504</b>	<b>(6,792,784,288)</b>	<b>229,033,683,048</b>	<b>(221,253,032,601)</b>	<b>5,272,373,544</b>	<b>(4,278,052,881)</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

*Value added tax*

The Company pays value added tax using the credit method. The VAT rate for domestically consumed goods is non-taxable, 5%, 8% and 10%.

*Corporate income tax*

The Company is obligated to pay corporate income tax at the standard rate of 20% on its taxable income.

Corporate income tax ("CIT") payable during the year is estimated as follows:

	Year 2023 VND	Year 2022 VND
<b>Total accounting profit before tax</b>	<b>(1,195,754,547,784)</b>	<b>(1,041,179,670,832)</b>
Adjustments to increase (decrease) accounting profit to determine taxable income		
- Increasing adjustments	587,537,236,430	94,745,429,513
- Decreasing adjustments	(3,015,243)	-
<b>Taxable income</b>	<b>(608,220,326,597)</b>	<b>(946,434,241,319)</b>
Preferential CIT rate	10%	10%
Corporate income tax rate	20%	20%
<b>CIT Payable</b>	<b>-</b>	<b>-</b>
Adjustment for prior year CIT	6,680,057,945	-
<b>Current CIT expense</b>	<b>6,680,057,945</b>	<b>-</b>

*Property tax*

Property tax is paid based on the notification of the tax authority.

*Other taxes*

The Company declares and pays in accordance with regulations.

**5.16 Short-term accrued expenses**

	31/12/2023 VND	01/01/2023 VND
<b>Payables to 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>Payables to other entities and individuals</b>		
Land rental expenses	16,773,301,942	-
Loan interest expenses payable	407,237,657,025	65,855,736,118
Penalty interest expenses	4,597,135,908	-
Deferred interest expenses to suppliers	7,388,092,436	-
Electricity expenses	38,051,800	2,543,628,697
Other expenses payable	4,009,585,290	607,587,185
	<b>442,537,830,167</b>	<b>69,006,952,000</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

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

	31/12/2023 VND	01/01/2023 VND
<b>Payables to related parties</b>		
Viet Steel Co., Ltd - Borrowing	156,543,601,126	-
Pomina 2 Steel Corporation		
+ Loan interest	66,105,637,910	41,475,056,369
+ Payments on behalf	1,668,739,932	1,668,739,932
Truong Do Thi Cam Huong - Payments on behalf	9,091,455	-
<b>Payables to other entities and individuals</b>		
Dai Quang Minh Real Estate Investment Joint Stock Company - Loan Interest	1,578,082,193	-
SSI Securities Corporation - Dividend payments on behalf	149,822,500	-
Social insurance	7,998,319,217	8,197,905,062
Trade union fees	4,224,079,077	3,666,734,251
Other payables	5,583,085,200	1,761,241,856
	<u>243,860,458,610</u>	<u>56,769,677,470</u>

**5.17.2 Other long-term payables**

	31/12/2023 VND	01/01/2023 VND
<b>Payables to related parties</b>		
Viet Steel Co., Ltd - Borrowing	149,216,500,000	-
Pomina Steel One Member Company Limited - Capital borrowings	4,221,448,078	-
	<u>153,437,948,078</u>	<u>-</u>

**5.18 Short-term and long-term borrowings and finance lease liabilities****5.18.1 Short-term borrowings and finance lease liabilities**

	31/12/2023 VND	01/01/2023 VND
<b>Short-term borrowings and finance lease liabilities Related parties</b>		
Pomina 2 Steel Corporation (a)	222,115,209,624	267,332,929,364
<b>Short-term borrowings and finance lease liabilities other entities and individuals</b>		
Dai Quang Minh Real Estate Investment Joint Stock Company (b)	300,000,000,000	-
Vietnam Joint Stock Commercial Bank For Industry And Trade (c)	1,725,922,821,456	1,820,992,760,245
Joint Stock Commercial Bank For Investment And Development Of Vietnam (d)	696,788,193,093	891,005,032,093
Vietinbank Leasing Company Limited (e)	12,098,153,950	30,333,951,466
Orient Commercial Joint Stock Bank	-	32,720,681,774
Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Binh Duong Branch (f)	423,479,091,325	423,884,212,604
Ho Chi Minh City Development Joint Stock Commercial Bank (g)	191,888,000,000	199,650,222,430
Vietnam International Commercial Joint Stock Bank	-	51,377,817,537
	<u>3,572,291,469,448</u>	<u>3,717,297,607,513</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- (a) Loan Agreement No. 08/PO3/822001 dated 27 October 2021 and Addendum No. PL02/08/PO3/822001 dated 01 January 2023 with Pomina 2 Steel Corporation.
- Loan amount: VND 222,115,209,624;
  - Loan term: 12 months from 01 January 2023;
  - Purpose: To purchase raw materials for production;
  - Interest rate: 6.00%/year;
  - Collateral: Unsecured.
- (b) Agreement No. 0116/HĐV/THADICO-POM dated 16 January 2023 between Dai Quang Minh Real Estate Investment Joint Stock Company and Pomina Steel Corporation and its extension addenda.
- Loan amount: VND 300,000,000,000;
  - Interest rate: 12%/year;
  - Loan term: 6 months (extended multiple times until 30/06/2026);
  - Purpose: To implement investment/business plans, particularly for debt restructuring;
  - Collateral: 66,666,667 shares equivalent to a value of VND 666,666,670,000 and all rights, dividends, and benefits owned by Pomina Steel Corporation.
- (c) Balance: VND 1,725,922,821,456 at Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank), consisting of the following loan agreements:
- (i) Investment Project Loan Agreement No. 17.2680105/2017-HĐCVDADT/NHCT900-POMINA dated 01 November 2017 between Vietnam Joint Stock Commercial Bank For Industry And Trade - Ho Chi Minh City Branch and Pomina Steel Corporation.
- Credit limit: VND 1,035,000,000,000;
  - Agreement term: 96 months from the date of the first disbursement;
  - Loan term: As specified in each specific Promissory Note;
  - Purpose: To issue guarantees and open LCs;
  - Interest rate: 10% - 10.8%/year.
- (ii) Credit Line Loan Agreement No. 21.7320086/2021-HĐCVHM/NHCT900-POM3 dated 28 December 2021 with Vietnam Joint Stock Commercial Bank For Industry And Trade - Ho Chi Minh City Branch, Pomina Steel Corporation, and Steel Billet Smelting 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 production and business activities;
  - Loan term: Not exceeding 06 months per each Promissory Note;
  - Interest rate: Per each Promissory Note and adjustment (if any).
- (iii) Credit Line Loan Agreement No. 21.7320088/2021-HĐCVHM/NHCT900-POM1 dated 28 December 2021 between the parties: 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 production and business activities;
  - Limit duration: Until the end of 28 December 2022;
  - Loan term: As specified in each specific Promissory Note (6 months or 7 months);
  - Interest rate: Determined per each drawing.

The list of collateral corresponding to the above Loan Agreements includes:

- + All machinery and equipment related to the 1,000,000 tons/year steel billet smelting plant investment project at Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam owned by Pomina Steel Corporation.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- + All assets attached to land plot No. 402, map sheet No. 19, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province related to the 1,000,000 tons/year steel billet smelting plant investment project at Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam owned by Pomina Steel Corporation.
- + The entire machinery and equipment system related to the project "Further investment in upstream stages of the metallurgical line at the steel billet smelting plant with a capacity of 1.0 million tons of steel billets/year" at Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam owned by Pomina Steel Corporation.
- + All future land-attached assets related to the project "Further investment in upstream stages of the metallurgical line at the steel billet smelting plant with a capacity of 1.0 million tons of steel billets/year" at Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam owned by Pomina Steel Corporation.
- + Property rights of Pomina Steel Corporation arising from the project "Further investment in upstream stages of the metallurgical line at the steel billet smelting plant with a capacity of 1.0 million tons of steel billets/year" at Phu My 1 Industrial Park, Phu My Ward, Ho Chi Minh City, Vietnam.
- + Property rights including but not limited to: rights, interests, property rights, and benefits attached to or arising from the land use rights at: Land plot No. 402, map sheet No. 19, Phu My Ward, Ho Chi Minh City, Vietnam and Land plot No. 35, map sheet No. 05, Tan Phuoc Ward, Phu My Ward, Ho Chi Minh City, Vietnam of Pomina Steel Corporation.
- + Average floating inventories under the ownership, management, and use rights of Pomina Steel Corporation financed by bank loans.
- + Property rights of Pomina Steel Corporation arising from receivables.
- + Land-attached assets at land plot No. 151, map sheet No. 76, address: Lot A1 Nhon Binh Industrial Cluster, Quy Nhon Dong Ward, Quy Nhon City, Binh Dinh Province owned by Viet Steel Co., Ltd.
- + Land use rights of the Mortgagor for the land plot under Land Use Rights Certificate No. X065827, certificate issuance book entry No. 0009 issued by Da Nang City People's Committee on 03 November 2004. Address: Hoa Xuan Ward, Cam Le District, Da Nang City owned by Viet Steel Co., Ltd.
- + 20 million shares issued and outstanding by Pomina Steel Corporation owned by Viet Steel Co., Ltd under Pledge of Valuable Papers Agreement No. 21.732055/2021/HĐBD/NHCT900-THEPVIET dated 22 June 2021 and its amendments and supplements.
- + 20 million shares issued and outstanding by Pomina Steel Corporation owned by Viet Steel Co., Ltd under Pledge of Valuable Papers Agreement No. 21.732087/2021/HĐBD/NHCT900-THEPVIET dated 03 December 2021 and its amendments and supplements.
- + Average floating inventories under the ownership, management, and use rights of Viet Steel Co., Ltd.
- + Property rights of Viet Steel Co., Ltd arising from receivables.

(d) Credit Line Agreement No. 03/2023/94229/HDTD dated 15 November 2023 between the parties: Joint Stock Commercial Bank For Investment And Development Of Vietnam, Pomina Steel Corporation, Steel Billet Smelting Plant - Branch of Pomina Steel Corporation, and Pomina Steel Mill 1 - Branch of Pomina Steel Corporation. The credit limit includes the entire outstanding loan balance carried forward from Credit Agreement No. 01/2020/94229/HDTD dated 16 December 2020 and Credit Line Agreement No. 01/2023/94229/HĐTD dated 08 March 2023.

- Credit limit: VND 699,000,000,000;
- Outstanding balance: VND 696,788,193,093;
- Purpose: Working capital financing and opening L/C lines;
- Loan term: Not exceeding 06 months per each Promissory Note;
- Interest rate: Per each drawing.



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

- Collateral includes:
  - + Land use rights: Land Use Rights Certificate No. 902/QSDĐ/2000 dated 24 November 2000 issued by Binh Duong Province People's Committee at Lot M, Song Than II Industrial Park, Di An District, Binh Duong Province, and the mortgaged land-attached assets.
  - + Asset list according to the inventory includes: Steel rolling mill, cooling bed, transformer, circuit breaker, heating furnace, water treatment system, compressed air system, oil tank, capacitor bank, power cable, etc.
  - + Inventories at Pomina Steel Corporation, Steel Billet Smelting Plant - Branch of Pomina Steel Corporation, and Pomina Steel Mill 1 - Branch of Pomina Steel Corporation financed by bank loans.
  - + 79,600,000 shares owned by Pomina Steel Corporation in POMINA 2 STEEL CORPORATION.
  - + Land use rights No. 02/01/HD-14/0001820 dated 15 November 2001 with Pomina Steel Corporation under Land Use Rights Certificate No. 902/QSDĐ/2000 dated 24 November 2000 issued by Binh Duong Province People's Committee and land-attached assets.
  - + 17.3 million shares issued and outstanding by Pomina Steel Corporation owned by Viet Steel Co., Ltd.
- (e) Finance Lease Agreement No. 33/2022/CN.MN-CTTC dated 27 April 2022 between Vietinbank Leasing Company Limited - Ho Chi Minh City Branch and Pomina Steel Corporation.
  - Provisional value of leased assets: VND 204,713,300,000;
  - Purpose: Leased asset is a double lime kiln system with a capacity of 600 tons/day at Pomina Steel Plant 3;
  - Interest rate: 7.5%/year for the first 3 months; for the remaining term, it equals the ceiling 12-month VND deposit interest rate (paid in arrears) + 3.5%/year;
  - Lease term: 60 months.
- (f) Outstanding balance: VND 423,479,091,325 at Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Binh Duong Branch, including the following loan agreements:
- (i) Credit Facility Agreement No. 032K22 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 serve production and business activities;
  - Limit duration: Until the end of 11 May 2023;
  - Loan term: Not exceeding 06 months per each Promissory Note;
  - Interest rate: Per each drawing;
  - Collateral includes:
    - + Land use rights and land-attached assets of Pomina Steel Corporation under Mortgage Agreement of Land Use Rights and Land-Attached Assets No. 047TC17 dated 04 April 2017.
    - + Land use rights, issuance No. T313914, book entry No. 98 QSDĐ/2003 issued by Binh Duong Province People's Committee on 28 March 2003 at Song Than 2 Industrial Park, Di An District, Binh Duong Province.
    - + Land-attached assets under Ownership Certificate of Construction Works issuance No. 747242594200246 at Song Than 2 Industrial Park, Di An District, Binh Duong Province.
    - + Machinery and equipment of Pomina Steel Corporation under Machinery and Equipment Mortgage Agreement No. 048TC17 dated 04 April 2017 including SANYO forklift, model FD35T9 - 3.5 tons, finishing mill stand 436, roughing mill stand HL445, etc.
    - + Floating goods/inventories in the production and business process.
    - + Third-party collateral: 20,000,000 shares of Pomina Steel Corporation owned by Viet Steel Co., Ltd.



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

- (ii) Loan Agreement No. 033B22 dated 12 May 2022 between Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Binh Duong Branch and Steel Billet Smelting Plant - Branch of Pomina Steel Corporation.
- Credit limit: VND 450,000,000,000;
  - Expiry date: 11 May 2023;
  - Purpose: To serve production and business activities;
  - Loan term: 06 months from the date specified on each Promissory Note;
  - Interest rate: Per each drawing;
  - Collateral includes:
    - + Machinery and equipment No. 048TC17 dated 04 April 2017 and No. 139TC19 dated 16 October 2019;
    - + Land use rights and land-attached assets No. 047TC17 dated 04 April 2017, and Land use rights issuance No. T313914, book entry No. 98QSDĐ/2003 issued by Binh Duong Province People's Committee on 28 March 2003 and land-attached assets.
- (g) Credit Line Agreement No. 19425MN/HĐTD dated 28 April 2022 and Credit Agreement Addendum No. 19425/22MN/HĐTD/PL01 dated 28 March 2023 between Ho Chi Minh City Development Joint Stock Commercial Bank and Pomina Steel Corporation.
- Credit limit: VND 210,000,000,000;
  - Outstanding balance: VND 191,888,000,000;
  - Expiry date: 28 June 2023;
  - Purpose: To supplement working capital.
  - Loan term: Not exceeding 06 months per each Promissory Note;
  - Interest rate: Per each drawing;
  - Collateral includes:
    - + Guarantee from Viet Steel Co., Ltd;
    - + Floating inventories financed by loan proceeds (steel, steel billets, iron, pig iron, and other raw materials);
    - + Revenue generated from LC discounting and DP shipping documents owned by Pomina Steel Corporation;
    - + 30 million shares issued and outstanding by Pomina Steel Corporation owned by Viet Steel Co., Ltd.

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

	01/01/2023	Loans drawn during the year	Loans repaid during the year	Reclassification	31/12/2023
	VND	VND	VND	VND	VND
<b>Short-term borrowings and finance lease liabilities Related parties</b>					
Pomina 2 Steel Corporation	267,332,929,364	-	(45,217,719,740)	-	222,115,209,624
<b>Short-term borrowings and finance lease liabilities other entities and individuals</b>					
Dai Quang Minh Real Estate	-	300,000,000,000	-	-	300,000,000,000
Investment Joint Stock Company					
Vietnam Joint Stock Commercial Bank For Industry And Trade	1,820,992,760,245	472,063,874,217	(487,163,813,006)	(79,970,000,000)	1,725,922,821,456
Joint Stock Commercial Bank For Investment And Development Of Vietnam	891,005,032,093	216,268,554,809	(410,485,393,809)	-	696,788,193,093
Vietinbank Leasing Company Limited	30,333,951,466	-	(4,680,398,129)	(13,555,399,387)	12,098,153,950
Orient Commercial Joint Stock Bank	32,720,681,774	25,343,413,482	(58,064,095,256)	-	-
Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Binh Duong Branch	423,884,212,604	-	(405,121,279)	-	423,479,091,325



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

	01/01/2023	Loans drawn during the year	Loans repaid during the year	Reclassification	31/12/2023
	VND	VND	VND	VND	VND
Ho Chi Minh City Development Joint Stock Commercial Bank	199,650,222,430	191,988,000,000	(199,750,222,430)	-	191,888,000,000
Vietnam International Commercial Joint Stock Bank	51,377,817,537	-	(51,377,817,537)	-	-
	<u>3,717,297,607,513</u>	<u>1,205,663,842,508</u>	<u>(1,257,144,581,186)</u>	<u>(93,525,399,387)</u>	<u>3,572,291,469,448</u>

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

	31/12/2023 VND	01/01/2023 VND
<b>Long-term borrowings and finance lease liabilities related parties</b>		
Viet Steel Co., Ltd (a)	127,000,000,000	127,000,000,000
Pomina 2 Steel Corporation (b)	159,240,353,568	309,240,353,568
Do Thi Kim Ngoc (c)	1,548,346,920	-
<b>Long-term borrowings and finance lease liabilities other entities and individuals</b>		
Vietnam Joint Stock Commercial Bank for Industry and Trade (d)	599,970,000,000	520,000,000,000
Vietinbank Leasing Company Limited (e)	106,890,634,420	93,335,235,033
Other individual loans (f)	7,833,053,190	-
	<u>1,002,482,388,098</u>	<u>1,049,575,588,601</u>

(a) Agreement No. 001/2022/HDV dated 22 June 2022 between Viet Steel Co., Ltd and Pomina Steel Corporation

- Outstanding balance: VND 127,000,000,000;
- Interest rate: 5%/year;
- Loan term: 36 months from the disbursement date (either in a lump sum or installments), unless otherwise agreed by the parties;
- Purpose: To invest in the development of the blast furnace project;
- Collateral: Unsecured.

(b) Outstanding balance: VND 159,240,353,568, including the following agreements:

(i) Agreement No. 002/HDV-PO3/2021 dated 18 May 2021 and Addendum No. PL03/002/HDV-POM3/2021 dated 01 July 2023 with Pomina 2 Steel Corporation.

- Outstanding balance: VND 55,000,000,000;
- Term: 24 months;
- Purpose: To invest in the development of the blast furnace project;
- Interest rate: 6.50%/year;
- Expiry date: 01 July 2025;
- Collateral: Unsecured.

(ii) Loan Agreement No. 08/PO3/820001 dated 20 October 2020 and Addendum No. PL04/08/PO3/820001 dated 01 July 2023 with Pomina 2 Steel Corporation

- Loan amount: VND 101,374,402,824;
- Term: 24 months;
- Purpose: To purchase raw materials for production;
- Interest rate: 6.5%/year;
- Expiry date: 01 July 2025;
- Collateral: Unsecured.



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

(iii) Loan Agreement No. 08/PO3/820002 dated 17 November 2020 and Extension Addendum No. PL03/08/PO3/820002 dated 01 July 2023 with Pomina 2 Steel Corporation

- Loan amount: VND 2,865,950,744;
- Term: 24 months;
- Purpose: To purchase raw materials for production;
- Interest rate: 6.20%/year;
- Expiry date: 01 July 2025;
- Collateral: Unsecured.

(c) Long-term loan from Ms. Do Thi Kim Ngoc to pay suppliers

STT	Loan contract	Contract date	Loan term	Interest rate (%/year)	Carrying amount VND
1	HDV/PO3/230020	18/12/2023	24 months	16.91%	1,309,413,120
2	HDV/PO3/230021	22/12/2023	24 months	16.91%	238,933,800
					<b>1,548,346,920</b>

(d) See Note 5.18.1 (c)

(e) See Note 5.18.1 (e)

(f) Other long-term individual loans, comprising:

- Loan from Ms. Nguyen Thuy Thuy Dung to pay suppliers

STT	Loan contract	Contract date	Loan term	Interest rate (%/year)	Carrying amount VND
1	HDV/PO3/230018	29/11/2023	24 months	15.26%	2,378,204,250
2	HDV/PO3/230019	15/12/2023	24 months	15.26%	3,700,290,900
3	HDV/PO3/230022	29/12/2023	24 months	15.26%	814,500,000
4	HDV/PO3/230023	29/12/2023	24 months	15.26%	280,497,510
					<b>7,173,492,660</b>

- Loan from Ms. Vu Ngoc Lam to pay suppliers

STT	Loan contract	Contract date	Loan term	Interest rate (%/year)	Carrying amount VND
1	HDV/PO3/230024	20/11/2023	28 months	16.97%	659,560,530



POMINA STEEL CORPORATION

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

Movements in long-term borrowings and finance lease liabilities during the year were as follows:

	01/01/2023	Loans drawn during the year	Loan repayments during the year	Reclassification	31/12/2023
	VND	VND	VND	VND	VND
<b><i>Borrowings and finance lease liabilities from related parties</i></b>					
Viet Steel Co., Ltd	127,000,000,000	-	-	-	127,000,000,000
Pomina 2 Steel Corporation	309,240,353,568	-	(150,000,000,000)	-	159,240,353,568
Ms. Do Thi Kim Ngoc	-	1,548,346,920	-	-	1,548,346,920
<b><i>Long-term borrowings and finance lease liabilities other entities and individuals</i></b>					
Vietnam Joint Stock Commercial Bank for Industry and Trade	520,000,000,000	-	-	79,970,000,000	599,970,000,000
Vietinbank Leasing Company Limited	93,335,235,033	-	-	13,555,399,387	106,890,634,420
Other individual loans	-	7,833,053,190	-	-	7,833,053,190
	<b>1,049,575,588,601</b>	<b>9,381,400,110</b>	<b>(150,000,000,000)</b>	<b>93,525,399,387</b>	<b>1,002,482,388,098</b>

**5.18.3 Overdue borrowings and finance lease liabilities**

	31/12/2023			01/01/2023		
	Loan principal VND	Loan interest VND	Total VND	Loan principal VND	Loan interest VND	Total VND
Vietnam Joint Stock Commercial 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>



## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

### 5.19 Owners' equity

#### 5.19.1 Statement of changes in owner's equity

	Owners' contributed capital VND	Share premium VND	Treasury shares VND	Development investment fund VND	Undistributed post-tax profits VND	Total VND
Balance as at 01/01/2022	2,796,763,360,000	35,000,000,000	(31,347,567,000)	61,428,346,574	600,571,704,044	3,462,415,843,618
Loss for the year	-	-	-	-	(1,041,549,514,158)	(1,041,549,514,158)
<b>Balance 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>(440,977,810,114)</b>	<b>2,420,866,329,460</b>
Balance as at 01/01/2023	2,796,763,360,000	35,000,000,000	(31,347,567,000)	61,428,346,574	(440,977,810,114)	2,420,866,329,460
Loss for the year	-	-	-	-	(1,202,575,950,531)	(1,202,575,950,531)
<b>Balance 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>(1,643,553,760,645)</b>	<b>1,218,290,378,929</b>

#### 5.19.2 Details of owners' invested capital

In accordance with the amended Enterprise Registration Certificate, the Company's charter capital is VND 2,796,763,360,000. As at 31 December 2023, the Company's charter capital was fully contributed by shareholders as follows:

	31/12/2023			01/01/2023		
	Number of shares	Amount VND	Ratio %	Number of shares	Amount VND	Ratio %
Viet Steel Co., Ltd(*)	116,335,815	1,163,358,150,000	41.60	116,335,815	1,163,358,150,000	41.60
Other shareholders	163,340,521	1,633,405,210,000	58.40	163,340,521	1,633,405,210,000	58.40
	<b>279,676,336</b>	<b>2,796,763,360,000</b>	<b>100.00</b>	<b>279,676,336</b>	<b>2,796,763,360,000</b>	<b>100.00</b>

(\*) This includes 115,672,053 shares currently under freeze, with a carrying amount of VND 1,156,720,530,000, representing 41.36% of total owners' equity, which have been pledged as collateral for the Company's borrowings.



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**5.19.3 Shares**

	<b>31/12/2023</b>	<b>01/01/2023</b>
	Shares	Shares
Number of shares registered for issue	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>Preference shares</i>	-	-
Number of shares repurchased	(1,132,790)	(1,132,790)
<i>Ordinary shares</i>	(1,132,790)	(1,132,790)
<i>Preference shares</i>	-	-
Number of shares outstanding	278,543,546	278,543,546
<i>Ordinary shares</i>	278,543,546	278,543,546
<i>Preference shares</i>	-	-

Par value of shares in circulation: VND 10,000 per share.

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

	<b>31/12/2023</b>	<b>01/01/2023</b>
U.S Dollar (USD)	114,207.12	8,295,577.63
Euro (EUR)	1,189.45	1,411.38

**6 SUPPLEMENTARY INFORMATION TO ITEMS PRESENTED IN THE STATEMENT OF INCOME****6.1 Revenue from rendering of services****6.1.1 Net revenue from sales of goods and rendering of services**

	<b>Year 2023</b>	<b>Year 2022</b>
	VND	VND
Revenue from sale of merchandise	761,565,554,638	1,446,831,841,933
Revenue from sale of finished goods	368,092,523,222	6,069,682,932,039
Revenue from sale of scrap materials	4,438,495,000	12,204,832,770
Revenue from rendering of services	31,836,167,620	-
<b>Sales deductions</b>		
Sales returns	(18,501,529,500)	-
<b>Net revenue</b>	<b>1,147,431,210,980</b>	<b>7,528,719,606,742</b>

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

	<b>Year 2023</b>	<b>Year 2022</b>
	VND	VND
Viet Steel Co., Ltd	336,052,557,750	4,287,032,848,950
Pomina 1 Steel One Member Company Limited	1,039,321,200	-
Pomina 2 Steel Corporation	16,237,003,117	337,680,369,656
	<b>353,328,882,067</b>	<b>4,624,713,218,606</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**6.2 Cost of goods sold**

	Year 2023 VND	Year 2022 VND
Cost of merchandise sold	785,802,158,974	1,337,501,293,562
Cost of finished goods sold	353,091,280,799	6,581,617,136,008
Cost of scrap materials sold	272,124,155	-
Cost of processing services	42,258,734,443	-
Provision/(Reversal of provision) for decline in value of inventories	(4,578,770,943)	-
	<u>1,176,845,527,428</u>	<u>7,919,118,429,570</u>

**6.3 Financial income**

	Year 2023 VND	Year 2022 VND
Bond interest	660,000,000	652,500,000
Interest on bank deposits	48,451,865	3,741,555,858
Foreign exchange gains during the year	365,550,083	21,559,524,446
Foreign exchange gains from revaluation of monetary items denominated in foreign currencies at year-end	-	1,360,596,677
	<u>1,074,001,948</u>	<u>27,314,176,981</u>

**6.4 Financial expenses**

	Year 2023 VND	Year 2022 VND
Loan interest expenses	513,560,504,503	272,898,962,366
Foreign exchange losses during the year	662,269,065	81,811,846,628
Foreign exchange loss from year-end revaluation of monetary items denominated in foreign currencies	16,924,814,050	-
Provision for financial investments	262,765,554,334	225,951,147,030
	<u>793,913,141,952</u>	<u>580,661,956,024</u>

**6.5 Selling expenses**

	Year 2023 VND	Year 2022 VND
Sales staff expenses	1,335,832,900	2,832,499,375
Advertising expenses	781,029,393	-
Other selling expenses	150,085,987	9,448,795,203
	<u>2,266,948,280</u>	<u>12,281,294,578</u>

**6.6 General and administrative expenses**

	Year 2023 VND	Year 2022 VND
Management staff costs	72,963,315,822	51,334,674,469
Office supplies expenses	2,875,731,909	-
Depreciation of fixed assets	1,326,126,345	1,560,917,329
Taxes, fees and charges	30,733,640	-
Provision for doubtful debts	2,461,547,122	-
Purchased services	1,568,008,603	-
Other general and administration expenses	64,972,359,379	22,105,957,607
	<u>146,197,822,820</u>	<u>75,001,549,405</u>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**6.7 Other income**

	Year 2023 VND	Year 2022 VND
Gain on settlement of payables	33,022,254,234	-
Gain on early settlement	949,464,304	-
Gain on disposal of finance lease assets	-	186,103,000,000
Income from rental of premises and vehicles	559,635,820	-
Penalty and compensation receipts	-	11,053,375,822
Income from settlement of liabilities	181,123,863	-
Other income	270,253,037	3,682,721,168
	<b>34,982,731,258</b>	<b>200,839,096,990</b>

**6.8 Other expenses**

	Year 2023 VND	Year 2022 VND
Amortisation of business advantage	5,501,020,488	5,501,020,488
Inventory shortages identified through stocktaking	9,991,189,893	-
Depreciation of unused fixed assets	116,878,601,648	-
Depreciation of finance lease assets	5,580,581,818	3,255,339,394
Vehicle leasing expenses	-	1,284,204,090
Loss on disposal of vehicles	-	722,653,758
Loss on disposal of finance lease assets	-	186,103,000,000
Administrative penalties	335,128,458	-
Loss expenses	35,768,884,107	-
Costs during production suspension period	3,668,767,382	-
Penalty interest and overdue interest expenses	68,608,103,972	-
Fines and compensation	5,289,111,447	10,248,467,651
Other expenses	8,397,662,277	3,874,636,587
	<b>260,019,051,490</b>	<b>210,989,321,968</b>

**6.9 Basic earnings per share**

Information about earnings per share is presented in the consolidated financial statements.

**6.10 Production and business costs by nature**

	Year 2023 VND	Year 2022 VND
Raw materials and packaging expenses	287,024,336,834	7,449,499,790,144
Staff costs	95,037,526,467	156,798,379,938
Depreciation of fixed assets	11,268,832,452	125,015,367,829
Provision expenses	5,515,187,023	128,354,720,133
Outsourced service expenses	47,325,571,986	143,678,953,687
Other cash expenses	32,279,076,759	3,054,061,822
	<b>478,450,531,521</b>	<b>8,006,401,273,553</b>



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

**7 SUPPLEMENTARY INFORMATION TO ITEMS PRESENTED IN THE STATEMENT OF CASH FLOWS****7.1 Proceeds from borrowings**

	Year 2023 VND	Year 2022 VND
Proceeds from borrowings under normal contract	1,376,479,604,099	7,942,471,141,375
	<u>1,376,479,604,099</u>	<u>7,942,471,141,375</u>

**7.2 Repayment of loan principal**

	Year 2023 VND	Year 2022 VND
Repayments of borrowings under normal contract	1,568,578,942,667	8,216,845,398,464
	<u>1,568,578,942,667</u>	<u>8,216,845,398,464</u>

**8 Financial instruments**

The Company's financial assets comprise trade receivables, other receivables, investments, cash and short-term deposits that arise directly from its operations. The Company's financial liabilities mainly comprise trade payables, accrued expenses, borrowings and other payables. The primary purpose of these financial liabilities is to raise financing for the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk.

Risk management is an integral part of the Company's business operations. The Company has not yet engaged in hedging activities to mitigate these risks due to the absence of a market for such financial instruments.

The Board of Management reviews and agrees on policies for managing each of these risks, which are summarized below:

**i. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises four types of risk: interest rate risk, 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 Company's market risk exposure due to changes in interest rates relates primarily to the Company's cash and short-term deposits.

The Company manages its interest rate risk by analyzing the competitive market environment to obtain favorable interest rates for the Company's purposes while remaining within its risk management limits.

*Foreign Currency Risk*

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk directly related to its business operations.

The Company incurs foreign exchange risk from purchase and sale transactions denominated in currencies other than the Company's accounting currency, primarily the US Dollar (USD).

**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

The Company's foreign exchange risk is managed by keeping the exposure at an acceptable level through the purchase or sale of foreign currencies at spot rates when necessary to address short-term foreign exchange risk exposures that exceed allowable limits.

**ii. Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a commercial contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including bank deposits and other financial instruments.

*Trade Receivables*

Outstanding customer receivables are regularly monitored by the Company. For major customers, the Company evaluates the credit quality and any potential impairment of each individual customer at the reporting date. The Company seeks to maintain strict control over its outstanding receivables and designates credit control personnel to minimize credit risk. On this basis, and given that the Company's trade receivables relate to a wide range of diverse customers, there is no significant concentration of credit risk on any single customer.

*Bank Deposits*

The Company primarily maintains its deposit balances with well-known banks in Vietnam. Credit risk on bank deposit balances is managed by the Company's treasury department in accordance with the Company's policies. The Company's maximum exposure to credit risk for the components on the balance sheet at the financial year-end date is the carrying amount as presented in Note 5.1. The Company assesses the concentration of credit risk regarding bank deposits to be low.

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to a shortage of funds. The Company's liquidity risk arises primarily from the mismatches of the maturities of financial assets and financial liabilities.

The Company mitigates its liquidity risk by maintaining a level of cash and cash equivalents deemed sufficient by the The Board of General Directors to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Less than 1 year	From 1 to 5 years	VND Total
<b>As at 31 December 2023</b>			
Trade payables	1,570,565,760,558	-	1,570,565,760,558
Accrued expenses	442,537,830,167	-	442,537,830,167
Other payables	231,638,060,316	153,437,948,076	385,076,008,392
Borrowings and finance lease liabilities	3,572,291,469,448	1,002,482,388,098	4,574,773,857,546
	<b>5,817,033,120,489</b>	<b>1,155,920,336,174</b>	<b>6,972,953,456,663</b>
<b>As at 01 January 2023</b>			
Trade payables	1,693,811,881,398	-	1,693,811,881,398
Accrued expenses	69,006,952,000	-	69,006,952,000
Other payables	44,905,038,157	-	44,905,038,157
Borrowings and finance lease liabilities	3,717,297,607,513	1,049,575,588,601	4,766,873,196,114
	<b>5,525,021,479,068</b>	<b>1,049,575,588,601</b>	<b>6,574,597,067,669</b>

The Company believes that the concentration of risk in respect of debt repayment is low. The Company has adequate access to the necessary sources of funding.



**Collateral**

- The Company has pledged its assets to secure bank borrowings - see Note 5.18.
- The Company did not hold any collateral from other parties as at 31 December 2023.

**iv. Fair value**

The following table presents the Company's financial assets and financial liabilities:

	Carrying amount		Fair value	
	31/12/2023 VND	01/01/2023 VND	31/12/2023 VND	01/01/2023 VND
<b>Financial assets</b>				
Receivables				
Trade receivables	63,624,103,638	231,107,515,919	63,624,103,638	231,107,515,919
Other receivables	13,682,283,562	2,524,476,576	13,682,283,562	2,524,476,576
Held-to-maturity investments	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Available-for-sale financial assets				
Cash and cash equivalents	6,538,029,564	203,174,585,582	6,538,029,564	203,174,585,582
	<b>93,844,416,764</b>	<b>446,806,578,077</b>	<b>93,844,416,764</b>	<b>446,806,578,077</b>
<b>Financial liabilities</b>				
Trade payables	1,570,565,760,558	1,693,811,881,398	1,570,565,760,558	1,570,565,760,558
Accrued expenses	442,537,830,167	69,006,952,000	442,537,830,167	443,441,939,758
Other payables	385,076,008,392	44,905,038,157	385,076,008,392	44,905,038,157
Borrowings and finance lease liabilities	4,574,773,857,546	4,766,873,196,114	4,574,773,857,546	4,574,773,857,546
	<b>6,972,953,456,663</b>	<b>6,574,597,067,669</b>	<b>6,972,953,456,663</b>	<b>6,633,686,596,019</b>

The fair value of financial assets and financial liabilities is reflected at the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

The Company uses the following methods and assumptions to estimate the fair values 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 Company based on the repayment information of each individual customer and debtor. On the basis of this evaluation, the Company estimates an allowance for the expected uncollectible portion of these receivables. As at the financial year-end date, the Company assesses that the carrying amounts of receivables, net of allowances, do not differ significantly from their fair values.
- 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 borrowings, whose fair values cannot be reliably determined due to the absence of an active and highly liquid market for such bank loans, are presented at their carrying amounts.



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

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

Related parties of the Company include: key management personnel, individuals related to key management personnel, and other related parties.

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

Key management personnel comprise members of the Board of General Directors and individuals related to key management personnel.

*Transactions with key management personnel and individuals related to key management personnel*

Related parties	Nature of transaction	Year 2023 VND	Year 2022 VND
Ms. Do Thi Kim Ngoc	Loan	1,548,346,920	-
Mr. Nguyen The Anh Tuan	Advances	39,045,210	-
	Refund of advances	39,045,210	-
Ms. Truong Do Thi Cam Huong	Advances	14,873,810,158	-
	Refund of advances	14,882,901,613	-
Ms. Nguyen Thanh Lan	Loan	500,000,000	-
	Repayment of borrowings	500,000,000	-

The Company had no sales or service transactions with key management personnel or individuals related to key management personnel.

*Guarantee commitments*

Assets owned by related parties used to secure bank borrowings are as follows:

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

Pledge of assets being term savings books at the Bank under Savings 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.

*Balances with key management personnel and individuals related to key management personnel*

Balances with key management personnel and individuals related to key management personnel:

Related parties	Description	31/12/2023 VND	01/01/2023 VND
Ms. Do Thi Kim Ngoc	Long-term borrowings	1,548,346,920	-
	Accrued expenses	1,151,638,716	-
Mr. Nguyen The Anh Tuan	Accrued expenses	1,342,367,050	-
Ms. Truong Do Thi Cam Huong	Other short-term payables - Advances	9,091,455	-



**NOTES TO THE FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2023

Related parties	Description	31/12/2023 VND	01/01/2023 VND
	Other short-term receivables -		
Mr. Truong Thanh Cong	Advances	441,990,542	-
<i>Income of key management personnel:</i>			
		Year 2023 VND	Year 2022 VND
Mr. Do Van Khanh		618,069,246	309,034,623
Mr. Nguyen The Anh Tuan		532,357,560	574,608,160
Mr. Truong Thanh Cong		499,487,825	539,129,716
Mr. Phung Ngoc Quy		643,678,396	324,543,729
Mr. Mai Duy Khuong		204,336,998	226,484,094
Mr. Do Hoai Khanh Linh		302,076,161	247,658,068
Ms. Nguyen Thanh Lan		219,102,224	-
		<b>3,019,108,410</b>	<b>2,221,458,390</b>

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

During the year, the Company had the following principal transactions with related parties:

Related parties	Nature of transaction	Year 2023 VND	Year 2022 VND
<b>Viet Steel Co., Ltd</b>			
	Long-term borrowings	-	127,000,000,000
	Accrued loan interest	6,349,999,996	3,201,095,888
	Sales	335,253,337,350	4,287,032,848,950
	Rendering of services	799,220,400	-
	Purchase of services	210,000,000	854,137,720
	Borrowings	68,137,000,000	-
	Settlement of borrowings by debt offset	68,137,000,000	-
	Transportation charges	-	392,726,160
	Offset of loan balances	156,543,601,126	-
<b>Pomina 2 Steel Corporation</b>			
	Sales	16,192,635,617	337,680,369,656
	Rendering of services	44,367,500	-
	Purchase of raw materials	226,372,210,400	219,502,347,600
	Sales returns	18,501,529,500	-
	Loan repayment	195,217,719,740	-
	Loan interest	24,630,581,541	36,132,000,888
<b>Pomina Steel 1 One Member Company Limited</b>			
	Capital contribution	4,034,190,200	-
	Sale of steel	1,039,321,200	-
	Capital borrowings	9,125,000,000	-
	Repayment of capital borrowings (payments on behalf for insurance in April and May)	4,903,551,922	-



Balances with related parties:

	31/12/2023 VND	01/01/2023 VND
<b>Viet Steel Co., Ltd</b>		
Trade receivables	42,273,219,205	135,320,325,060
Other long-term receivables	10,000,000	-
Short-term trade payables	53,351,433,863	39,245,106,859
Other short-term payables	156,543,601,126	-
Other long-term payables	149,216,500,000	-
Long-term borrowings and finance lease liabilities	127,000,000,000	127,000,000,000
<b>Pomina 2 Steel Corporation</b>		
Trade receivables	47,916,900	54,630,891,479
Other short-term receivables	99,422,108	99,422,108
Short-term trade payables	55,447,591,560	3,988,160,120
Other short-term payables	67,774,377,842	43,143,796,301
Advances from customers	19,981,165,833	-
Short-term borrowings and finance lease liabilities	222,115,209,624	267,332,929,364
Long-term borrowings and finance lease liabilities	159,240,353,568	309,240,353,568
Long-term financial investments	796,000,000,000	796,000,000,000
<b>Pomina Steel 1 One Member Company Limited</b>		
Other long-term payables	4,221,448,078	-
Long-term financial investments	4,034,190,200	-
<b>Pomina Flat Steel Joint Stock Company</b>		
Short-term trade payables	88,575,442	88,575,442

**9.2 Operating lease commitments**

The Company is currently leasing land under operating lease contracts. As at the end of the 2023 accounting period, future minimum lease payments under operating lease contracts are presented as follows:

	31/12/2023 VND	01/01/2023 VND
Up to 1 year	15,795,402,600	15,461,037,600
Between 1 and 5 years	63,181,610,400	61,844,150,400
Over 5 years	315,908,052,000	322,569,625,993
	<b>394,885,065,000</b>	<b>399,874,813,993</b>

**9.3 Comparative information**

The Company has restated certain items in the financial statements for the fiscal year ended 31 December 2022 in accordance with the audit results, reclassified for appropriate presentation. The effects of the restatement are as follows:



## BALANCE SHEET

			Balance 31/12/2022		Balance 31/12/2022
	Code	Before adjustment		Adjustment	After adjustment
		VND		VND	VND
Liabilities					
Short-term trade payables	311	1,961,144,810,762	(267,332,929,364)		1,693,811,881,398
Short-term borrowings and finance lease liabilities	320	3,449,964,678,149	267,332,929,364		3,717,297,607,513

(\*) The reason for this reclassification is to present the opening balance from trade payables to borrowings and finance lease liabilities to appropriately reflect the nature of the transaction between Steel Billet Smelting Plant - Branch of Pomina Steel Corporation and Pomina 2 Steel Corporation under the loan agreement.

### 9.4 Going concern

The Company incurred a net loss of VND 1,202,575,950,531 in the financial statements for the financial year ended 31 December 2023, and its accumulated losses as at 31 December 2023 amounted to VND 1,643,553,760,645. As at the same date, the Company's short-term liabilities exceeded its short-term assets by VND 4,865,210,361,326 (as at 01 January 2023: VND 3,864,913,925,262). In addition, the Company has overdue debts as disclosed in Note 5.20 to the financial statements. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Accordingly, the Company's ability to continue its business operations depends on its capacity to generate future operational cash flows and the continued financial support from banks.

As at the date of preparation of these financial statements, the headcount has decreased significantly, with only the Board of Management and the Chief Accountant remaining. The Board of Management has conducted assessments regarding the Company's ability to continue as a going concern as follows:

- Up to the date of issuance of this report, the Board of Management is preparing a plan to resume the Company's business operations;
- The Board of Management believes that the above assessments are appropriate. The Board of Management commits that the Company will continue its business operations.

Furthermore, the Company has proactively worked with credit institutions and has received commitments from them to maintain credit limits, consider loan restructuring, and adjust loan terms to align with the Company's actual production and business activities. Consequently, the Company's Board of Management assesses that the Company can settle its debts as they fall due and continue its operations in the next financial year. Based on these grounds, the Board of Management considers the preparation of the Company's financial statements on a going concern basis to be appropriate.

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

### 9.5 Events subsequent to the balance sheet date

- According to Resolution No. 1685/NQ-UBTVQH15 dated 16 June 2025 regarding the arrangement of communal-level administrative units of Ho Chi Minh City for the year 2025, the Company's head office address was changed from No. 1, Street 27, Song Than 2

POMINA STEEL CORPORATION

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

## NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2023

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

- On 01 March 2024, the Company's Extraordinary General Meeting of Shareholders approved Resolution No. 02/NQ-ĐHCĐ/2024 regarding the adoption of Pomina's restructuring solutions and the finalization of the capital increase for the Blast Furnace project.
- On 10 April 2024, the Company's shares were compulsorily delisted under Decision No. 208/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange. Accordingly, the effective date of the delisting was 10 May 2024.

Except for the matters described above, there have been no significant events occurring subsequent to the fiscal year ended 31 December 2023 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

