

FINANCIAL STATEMENTS

VIET DUC WELDING ELECTRODE JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2024

(audited)



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REPORT OF BOARD OF MANAGEMENT

Board of Management of Viet Duc Welding Electrode Joint Stock Company (“the Company”) presents its report and the Company’s Financial statements for the fiscal year ended as at 31 December 2024.

THE COMPANY

Viet Duc Welding Electrode Joint Stock Company, formerly known as Viet Duc Welding Electrode Factory, was established under Decision No. 316/QDTCNSD dated 26 May 1993 of the Ministry of Heavy Industry and was converted into a joint stock company under Decision No. 166/2003/QD-BCN dated 14 October 2003 of the Ministry of Industry (now the Ministry of Industry and Trade).

Viet Duc Welding Electrode Joint Stock Company operates under the Certificate of Business Registration of Joint Stock Company No. 0500445085 issued by the Hanoi Department of Planning and Investment for the first time on 7 October 2008, registered for the sixth change on 13 December 2022.

The Company’s head office is located at: Que Han Road, Quan Ganh Street, Nhi Khe Commune, Thuong Tin District, Hanoi City, Vietnam.

BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION

The members of The Board of Directors during the fiscal year and to the reporting date are:

Mr. Ngo Duy Dong	Chairman
Mr. Nguyen Huu Mai	Member
Mr. Nguyen Huy Tien	Member
Mr. Ngo Duc Dung	Member
Mr. Nguyen Manh Khoi	Member

The members of Board of Management during the fiscal year and to the reporting date are:

Mr. Nguyen Huy Tien	Director
Mr. Nguyen Quoc Thanh	Vice Director
Mr. Nguyen Quang Vinh	Vice Director

The members of the Board of Supervision are:

Mr. Le Manh Hung	Head
Mr. Dang Quoc Dung	Member
Mr. Dao Tu Binh	Member

AUDITORS

The auditors of the AASC Auditing Firm Company Limited have taken the audit of Financial statements for the Company.

STATEMENT OF BOARD OF MANAGEMENT' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Board of Management is responsible for the Financial statements of each financial year which give a true and fair view of the financial position of the Company; its operating results and its cash flows for the year year. In preparing those Financial statements, Board of Management is required to:

- Establish and maintain an internal control system which is determined necessary by Board of Management and Board of Management to ensure the preparation and presentation of Financial statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial statements;
- Prepare the Financial statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- Prepare the Financial statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at anytime and to ensure that the Financial statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, Board of Management, confirm that the Financial statements give a true and fair view of the financial position at 31 December 2024, its operation results and cash flows in the year 2024 of Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

Other commitments

The Board of Management pledges that the Company complies with Decree 155/2020/ND-CP dated 31 December 2020 issued by the Government on detailing and guiding the implementation of some articles of the Law on Securities and that the Company does not violate its obligations information disclosure according to the provisions of Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market and Circular No. 68/2024/TT-BTC dated 18 September 2024 issued by the Ministry of Finance on amending and supplementing some articles of Circular No. 96/2020/TT-BTC.

On behalf of the Board of Management




Nguyen Huy Tien
Director

Ha Noi, 25 March 2025

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, The Board of Directors and Board of Management**
Viet Duc Welding Electrode Joint Stock Company

We have audited the accompanying Financial statements of Viet Duc Welding Electrode Joint Stock Company prepared on 25 March 2025 from page 06 to page 29, including: Statement Of Financial Position as at 31 December 2024, Statement Of Income, Statement Of Cashflows and Notes To Financial Statements for the fiscal year ended 31 December 2024.

Board of Management' responsibility

The Board of Management is responsible for the preparation and presentation of Financial statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as directors determines is necessary to enable the preparation and presentation 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 standards and ethical requirements; 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 entity's preparation of Financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial statements.

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

Auditor's opinion

In our opinion, the Financial statements give a true and fair view, in all material respects, of the financial position of Viet Duc Welding Electrode Joint Stock Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial statements.

AASC Auditing Firm Company Limited



Vu Xuan Bien
Deputy General Director
Registered Auditor
No: 0743-2023-002-1

Dang Huy Hoang
Auditor
Registered Auditor
No: 4461-2023-002-1

Hanoi, 25 March 2025

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Code	ASSETS	Note	31/12/2024	01/01/2024
			VND	VND
100	A. SHORT-TERM ASSETS		136,795,413,351	129,351,840,270
110	I. Cash and cash equivalents	3	24,412,914,593	30,711,363,013
111	1. Cash		24,412,914,593	30,711,363,013
130	III. Short-term receivables		56,145,394,020	43,858,838,154
131	1. Short-term trade receivables	4	52,179,066,300	42,812,803,026
132	2. Short-term prepayments to suppliers	5	10,459,928,347	7,541,095,164
136	3. Other short-term receivables	6	103,934,273	243,121,264
137	4. Provision for short-term doubtful debts		(6,597,534,900)	(6,738,181,300)
140	IV. Inventories	8	56,237,104,738	54,781,639,103
141	1. Inventories		56,237,104,738	54,781,639,103
200	B. NON-CURRENT ASSETS		31,714,810,342	34,874,606,215
220	II. Fixed assets		28,810,069,708	32,048,376,637
221	1. Tangible fixed assets	9	28,810,069,708	32,048,376,637
222	- Historical costs		145,975,570,138	142,077,869,200
223	- Accumulated depreciation		(117,165,500,430)	(110,029,492,563)
227	2. Intangible fixed assets	10	-	-
228	- Historical costs		267,135,000	267,135,000
229	- Accumulated depreciation		(267,135,000)	(267,135,000)
260	VI. Other long-term assets		2,904,740,634	2,826,229,578
261	1. Long-term prepaid expenses	11	2,904,740,634	2,826,229,578
270	TOTAL ASSETS		<u>168,510,223,693</u>	<u>164,226,446,485</u>

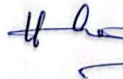
STATEMENT OF FINANCIAL POSITION

As at 31 December 2024
(continue)

Code	CAPITAL	Note	31/12/2024	01/01/2024
			VND	VND
300	C. LIABILITIES		53,872,802,545	50,073,156,353
310	I. Current liabilities		50,386,982,545	45,548,976,353
311	1. Short-term trade payables	12	8,906,031,503	11,675,725,134
312	2. Short-term prepayments from customers		26,441,058	1,174,797,555
313	3. Taxes and other payables to State budget	13	1,830,898,499	2,327,951,236
314	4. Payables to employees		5,604,241,965	6,131,382,316
315	5. Short-term accrued expenses		26,180,410	-
319	6. Other short-term payments	15	11,631,426,578	11,731,663,775
320	7. Short-term borrowings and finance lease liabilities	16	21,647,239,891	11,881,131,944
322	8. Bonus and welfare fund		714,522,641	626,324,393
330	II. Non-current liabilities		3,485,820,000	4,524,180,000
336	1. Long-term unearned revenue	14	3,485,820,000	4,524,180,000
400	D. OWNER'S EQUITY		114,637,421,148	114,153,290,132
410	I. Owner's equity	17	114,637,421,148	114,153,290,132
411	1. Contributed capital		55,247,160,000	55,247,160,000
411a	Ordinary shares with voting rights		55,247,160,000	55,247,160,000
412	2. Share Premium		683,890,000	683,890,000
418	3. Development investment funds		5,524,716,000	5,524,716,000
421	4. Retained earnings		53,181,655,148	52,697,524,132
421a	Retained earnings accumulated till the end of the previous year		39,699,394,648	29,002,762,894
421b	Retained earnings of the current year		13,482,260,500	23,694,761,238
440	TOTAL CAPITAL		168,510,223,693	164,226,446,485



Ngo Thi Huong
Preparer



Hoang Xuan Thanh
Chief Accountant



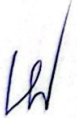
Nguyen Huy Tien
Director


Ha Noi, 25 March 2025

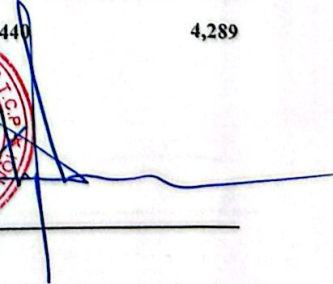
STATEMENT OF INCOME

Year 2024

Code	ITEM	Note	Year 2024	Year 2023
			VND	VND
01	1. Revenue from sales of goods and rendering of services	19	358,808,909,405	315,538,760,972
02	2. Revenue deductions	20	3,638,539,585	4,758,043,934
10	3. Net revenue from sales of goods and rendering of services		355,170,369,820	310,780,717,038
11	4. Cost of goods sold	21	305,103,692,406	253,229,210,975
20	5. Gross profit from sales of goods and rendering of services		50,066,677,414	57,551,506,063
21	6. Financial income	22	185,096,531	467,790,787
22	7. Financial expense	23	1,100,518,295	1,063,933,625
23	<i>In which: Interest expenses</i>		1,094,345,211	1,035,971,333
25	8. Selling expenses	24	15,156,366,081	12,830,059,995
26	9. General and administrative expense	25	16,750,782,200	14,550,185,693
30	10. Net profit from operating activities		17,244,107,369	29,575,117,537
31	11. Other income	26	439,551,042	95,643,000
32	12. Other expense	27	664,666,229	57,411,051
40	13. Other profit		(225,115,187)	38,231,949
50	14. Total net profit before tax		17,018,992,182	29,613,349,486
51	15. Current corporate income tax expenses	28	3,536,731,682	5,918,588,248
52	16. Deferred corporate income tax expenses		-	-
60	17. Profit after corporate income tax		<u>13,482,260,500</u>	<u>23,694,761,238</u>
70	18. Basic earnings per share	29	2,440	4,289


Ngo Thi Huong
Preparer


Hoang Xuan Thanh
Chief Accountant


Nguyen Huy Tien
Director

Ha Noi, 25 March 2025

STATEMENT OF CASH FLOWS

Year 2024

(Under direct method)

Code ITEM	Note	Year 2024	Year 2023
		VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01 1.		343,617,390,049	335,599,540,813
02 2.		(297,139,293,667)	(273,205,778,407)
03 3.		(30,558,902,494)	(26,686,152,082)
04 4.		(1,094,345,211)	(1,035,971,333)
05 5.		(5,155,405,483)	(6,136,967,067)
06 6.		439,551,042	710,678,495
07 7.		(11,292,116,504)	(15,260,460,636)
20		(1,183,122,268)	13,984,889,783
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21 1.		(3,897,700,938)	(1,929,176,674)
27 2.		21,502,572	22,564,627
30		(3,876,198,366)	(1,906,612,047)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
33 1.		85,472,942,456	31,179,660,985
34 2.		(75,706,834,509)	(39,947,983,461)
36 3.		(11,041,412,100)	(11,063,499,025)
40		(1,275,304,153)	(19,831,821,501)
50		(6,334,624,787)	(7,753,543,765)
60		30,711,363,013	38,408,077,406
61		36,176,367	56,829,372
70	3	24,412,914,593	30,711,363,013



Ngo Thi Huong
Preparer



Hoang Xuan Thanh
Chief Accountant



Nguyen Huy Tien
Director

Hanoi, 25 March 2025

NOTES TO FINANCIAL STATEMENTS

Year 2024

1 . GENERAL INFORMATION OF THE COMPANY**Form of ownership**

Viet Duc Welding Electrode Joint Stock Company, formerly known as Viet Duc Welding Electrode Factory, was established under Decision No. 316/QDTCNSD dated 26 May 1993 of the Ministry of Heavy Industry and was converted into a joint stock company under Decision No. 166/2003/QD-BCN dated 14 October 2003 of the Ministry of Industry (now the Ministry of Industry and Trade).

Viet Duc Welding Electrode Joint Stock Company operates under the Certificate of Business Registration of Joint Stock Company No. 0500445085 issued by the Hanoi Department of Planning and Investment for the first time on 7 October 2008, registered for the sixth change on 13 December 2022.

The Company's head office is located at: Que Han Road, Quan Ganh Street, Nhi Khe Commune, Thuong Tin District, Hanoi City, Vietnam.

Company's Charter capital: VND 55,247,160,000. Actual charter capital as at 31 December 2024 is VND 55,247,160,000; equivalent to 5,524,716 shares with the price of VND 10,000 per share.

The number of employees of the Company as at 31 December 2024 is: 187 people (as at 31 December 2023: 178 people).

Business field

Industrial manufacturing.

Business activities

Main business activities of the Company include:

- Production and trading of welding materials (electric welding rods, welding wire);
- Trading in supplies and raw materials for the production of welding materials;
- Business in other industries in accordance with the provisions of law.

The Company's operation in the year that affects the Financial Statements

In 2024, the domestic commodity market has stabilized and started to grow again after the difficulties in 2023. In addition, the Company's welding rod and welding wire products have received positive feedback on product quality, especially from units in the shipbuilding industry, causing the Company's revenue this period to increase by 13.71% compared to the previous period, although the average selling price this period tends to decrease due to competition in the market. In addition, the price of raw materials in the year remained higher than in 2023, causing the Company's profit margin this year to decrease compared to the previous year.

Corporate structure

The company has 01 affiliated unit, "Welding wire factory" in Hai Duong, the main business activity is the production of welding wires.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY**2.1 . Accounting period and accounting currency**

Annual accounting period commences from 01 January and ends as at 31 December.

The Company maintains its accounting records in VND.

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

The Company applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 . Basis for preparation of Financial statements

Financial statements are presented based on historical cost principle.

Financial Statements of the Company are prepared based on summarization of transactions incurred of dependent accounting entities and the head office of the Company.

2.4 . Basis for preparation of Chairman

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

The estimates and assumptions that have a material impact in the Financial Statements include:

- Provision for bad debts;
- Provision for devaluation of inventory;
- Estimated useful life of fixed assets;
- Estimated income tax;
- Prepaid expense allocation period.

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

2.5 . Financial Instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

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

2.6 . Foreign currency transactions

Foreign currency transactions during the year are translated into Vietnam Dong using the actual rate at transaction date.

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of the Financial statements is determined on the following principles:

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

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

2.7 . Cash

Cash comprises cash on hand, demand deposits.

2.8 . Receivables

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

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

2.9 . Inventories

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

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

The cost of inventory is calculated using alternatively weighted average method.

Inventory is recorded by perpetual method.

Method for determining the value of unfinished products at the end of the period: Unfinished production and business costs are collected for each project that has not been completed or has not recorded revenue, corresponding to the amount of unfinished work at the end of the period.

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

2.10 . Fixed assets

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

Subsequent measurement after initial recognition

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

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

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

- Buildings, structures	05 - 30 years
- Machine, equipment	05 - 10 years
- Vehicles, Transportation equipment	06 - 10 years
- Office equipment and furniture	03 - 05 years
- Patent	03 - 05 years

2.11 . Construction in progress

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

2.12 . Operating lease

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

2.13 . Prepaid expenses

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

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

Types of prepaid expenses include:

- Compensation, site clearance and leveling costs are allocated over the project's operating period.
- Technology transfer costs are recorded at historical cost and are amortized using the straight-line method over a period of 5 years.

2.14 . Payables

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

2.15 . Borrowings

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

2.16 . Borrowing costs

Borrowing costs are recognized into operating costs during the year, except for which directly attributable to construction or production of unfinished asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs". Beside, regarding loans serving the construction of fixed assets, investment properties, and the interests shall be capitalized even if the construction duration is under 12 months.

2.17 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made, are recorded as cost for production and business of the reporting period.

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

2.18 . Unearned revenues

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

Unearned revenues are transferred to revenue from sale of goods with the amount corresponding to each accounting period.

2.19 . Owner's equity

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

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

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

Dividends payable to shareholders are recorded as payables on the Company's Statement of Financial Position after the announcement of dividend distribution by the Board of General Directors of the Company and the announcement of the date of closing the right to receive dividends from the Vietnam Securities Depository and Clearing Company.

2.20 . Revenues

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales returns. The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sale of goods

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

Revenue from rendering of services:

- The percentage of completion of the transaction at the Balance sheet date can be measured reliably.

Financial income

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

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

2.21 . Revenue deductions

Revenue deductions from sales and service provisions arising in theyear include: Trade discounts, sales allowances and sales return.

Trade discounts, sales returns incurred in the same year of consumption of products, goods and services are adjusted a decrease in revenue in the incurring year. In case products, goods and services are sold from the previous year, until the nextyearare incurred deductible items, Company records a decrease in revenue under the principles: If incurred prior to the issuance of Financial Statements then record a decrease in revenue on the Financial statementsof the reporting year (the previous year); and if incurred after the release of Financial statements then record a decrease in revenue of incurring year (the next year).

2.22 . Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis. Cases of loss of materials and goods exceeded the norm, labour cost and fixed manufacturing overheads not allocated to the value of inventory, provision for devaluation of inventory, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

2.23 . Financial expenses

Expenses recorded in financial expenses are interest expenses.

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

2.24 . Corporate income tax**a) Deferred income tax asset**

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits.

b) Current corporate income tax rate

The Company applies the corporate income tax rate of 20% for the operating activities which has taxable income for the fiscal year ended as at 31 December 2024.

2.25 . Earnings per share

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

2.26 . Related Parties

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

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

In considering the relationship of related parties to serve for the preparation and presentation of Financial statements, the Company should consider the nature of the relationship rather than the legal form of the relationship.

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2.27 . Segment information

The Company's production and business activities include trading in welding rods, electric welding wires and providing space rental services, which take place entirely in Vietnam. However, sales activities account for over 90% of the Company's total activities. Therefore, the Company does not prepare segment reports by business sector and geographical area.

3 . CASH

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	232,533,358	180,352,188
Demand deposits	24,180,381,235	30,531,010,825
	<u>24,412,914,593</u>	<u>30,711,363,013</u>

4 . SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
International CAS Container Corporation	3,450,366,708	(3,406,673,850)	3,450,366,708	(3,406,673,850)
Song Chanh Shipbuilding Industry Joint Stock Company	1,092,299,223	(1,092,299,223)	1,092,299,223	(1,092,299,223)
Phuong Dong General Trading Development Company Limited	12,038,841,650	-	8,804,976,505	-
Others	35,597,558,719	(2,098,561,827)	29,465,160,590	(2,239,208,227)
	<u>52,179,066,300</u>	<u>(6,597,534,900)</u>	<u>42,812,803,026</u>	<u>(6,738,181,300)</u>

5 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
T.E.M Trading Joint Stock Company	153,758,000	-	4,373,740,800	-
Tianjin Golden Bridge welding materials group international Trading Co.,Ltd	2,400,038,157	-	-	-
Minh Quang Viet Nam Investment Company Limited	1,500,000,000	-	-	-
Others	6,406,132,190	-	3,167,354,364	-
	<u>10,459,928,347</u>	<u>-</u>	<u>7,541,095,164</u>	<u>-</u>

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6 . SHORT-TERM OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
Social insurance receivables.	8,296,930	-	23,402,028	-
Advances	31,134,593	-	53,238,544	-
Others	64,502,750	-	166,480,692	-
	<u>103,934,273</u>	<u>-</u>	<u>243,121,264</u>	<u>-</u>

7 . DOUBTFUL DEBTS

	31/12/2024		01/01/2024	
	Original cost VND	Recoverable value VND	Original cost VND	Recoverable value VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered:				
- International CAS Container Corporation	3,406,673,850	-	3,406,673,850	-
- Song Chanh Shipbuilding Industry Joint Stock Company	1,092,299,223	-	1,092,299,223	-
- Others	2,151,944,871	53,383,044	2,493,994,341	254,786,114
	<u>6,650,917,944</u>	<u>53,383,044</u>	<u>6,992,967,414</u>	<u>254,786,114</u>

8 . INVENTORIES

	31/12/2024		01/01/2024	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Raw material	31,080,086,010	-	30,920,285,539	-
Tools, supplies	433,374,610	-	563,136,898	-
Work in process	10,166,164,187	-	10,390,644,430	-
Finished goods	12,365,087,746	-	11,017,033,817	-
Goods	2,192,392,185	-	1,890,538,419	-
	<u>56,237,104,738</u>	<u>-</u>	<u>54,781,639,103</u>	<u>-</u>

9 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	40,750,519,293	90,817,173,205	10,207,485,793	302,690,909	142,077,869,200
- Purchase in the year	-	452,300,000	1,543,691,814	128,149,000	2,124,140,814
- Completed construction investment	1,773,560,124	-	-	-	1,773,560,124
Ending balance of the year	42,524,079,417	91,269,473,205	11,751,177,607	430,839,909	145,975,570,138
Accumulated depreciation					
Beginning balance	27,877,850,306	73,061,523,919	8,928,840,745	161,277,593	110,029,492,563
- Depreciation for the year	2,239,484,168	4,265,965,569	558,367,063	72,191,067	7,136,007,867
Ending balance of the year	30,117,334,474	77,327,489,488	9,487,207,808	233,468,660	117,165,500,430
Net carrying amount					
Beginning balance	12,872,668,987	17,755,649,286	1,278,645,048	141,413,316	32,048,376,637
Ending balance	12,406,744,943	13,941,983,717	2,263,969,799	197,371,249	28,810,069,708

In which:

- The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 8,286,966,291.
- Cost of fully depreciated tangible fixed assets but still in use at the end of the year: VND 62,581,519,266.

10 INTANGIBLE FIXED ASSETS

The Company's intangible fixed assets are patents with original cost as of 1 January 2024 and 31 December 2024 both being VND 267,135,000 and fully depreciated but still in use.

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11 . PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Compensation costs, site clearance, leveling costs (*)	2,581,129,521	2,760,785,133
Other long-term prepaid expenses	323,611,113	65,444,445
	<u>2,904,740,634</u>	<u>2,826,229,578</u>

(*) The compensation, site clearance and leveling costs related to the 6,000-ton/year welding wire factory project in Hai Duong province are allocated according to the project's operating time.

12 . SHORT-TERM TRADE PAYABLES

	31/12/2024		01/01/2024	
	Outstanding balance VND	Amount can be paid VND	Outstanding balance VND	Amount can be paid VND
Formosa Ha Tinh Steel Corporation	-	-	3,269,647,992	3,269,647,992
Van Dat Company Limited	-	-	2,546,967,236	2,546,967,236
Phoenix Resin Joint Stock Company	1,853,304,950	1,853,304,950	831,940,750	831,940,750
Phu Minh Packing Co.,Ltd	980,042,113	980,042,113	862,635,501	862,635,501
Hoang Long Chemical Trading Production, Service Company Limited	685,390,500	685,390,500	318,867,520	318,867,520
Tay An Alloy Joint Stock Company	1,120,135,500	1,120,135,500	-	-
Others	4,267,158,440	4,267,158,440	3,845,666,135	3,845,666,135
	<u>8,906,031,503</u>	<u>8,906,031,503</u>	<u>11,675,725,134</u>	<u>11,675,725,134</u>

13 . TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Receivable at the opening year	Payable at the opening year	Payable arise in the year	Amount paid in the year	Receivable at the closing year	Payable at the closing year
	VND	VND	VND	VND	VND	VND
Value added tax	-	589,411,058	8,831,580,123	8,377,557,195	-	1,043,433,986
Export, import duties	-	-	81,156,265	81,156,265	-	-
Corporate income tax	-	1,651,941,813	4,213,062,783	5,155,405,483	-	709,599,113
Personal income tax	-	85,938,365	1,080,115,155	1,088,766,520	-	77,287,000
Natural resource tax	-	660,000	7,150,000	7,231,600	-	578,400
Land tax and land rental	-	-	1,205,998,440	1,205,998,440	-	-
Fees and other obligations	-	-	510,314,479	510,314,479	-	-
	-	<u>2,327,951,236</u>	<u>15,929,377,245</u>	<u>16,426,429,982</u>	-	<u>1,830,898,499</u>

The Company's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

14 . LONG-TERM UNREALIZED REVENUE

Long-term unrealized revenue is revenue from the Company's warehouse and factory rental activities. This revenue is gradually allocated to revenue according to the customer's warehouse and factory rental period.

15 . SHORT-TERM OTHER PAYABLES

	31/12/2024	01/01/2024
	VND	VND
- Trade union fund	338,347,413	280,965,844
- Dividend, profit payables	11,135,922,680	11,127,902,780
- Others	157,156,485	322,795,151
	<u>11,631,426,578</u>	<u>11,731,663,775</u>

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16 . SHORT-TERM BORROWINGS

	01/01/2024		During the year		31/12/2024	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
- Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An branch (*)	11,881,131,944	11,881,131,944	85,472,942,456	75,706,834,509	21,647,239,891	21,647,239,891
	<u>11,881,131,944</u>	<u>11,881,131,944</u>	<u>85,472,942,456</u>	<u>75,706,834,509</u>	<u>21,647,239,891</u>	<u>21,647,239,891</u>

Details related to short-term loans as at 31/12/2024:

(*) Credit contract No. 01/2024-HDCVHM/NHCT320-VIWELCO dated 11 April 2024 at Vietnam Joint Stock Commercial Bank for Industry and Trade - Thanh An Branch, with the following detailed terms:

+ Credit limit: VND 35,000,000,000;

+ Loan purpose: Supplement working capital for production and business;

+ Contract term: From 11 April 2024 to 10 April 2025;

+ Loan interest rate: Specific regulations for each IOU;

+ Principal balance at the end of the period: VND 21,647,239,891;

+ Bank loans are secured by mortgage contracts with the lender and have been fully registered for secured transactions.

17 . OWNER'S EQUITY

a) Equity Fluctuation Reconciliation Table

	Contributed capital	Share capital surplus	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND
Beginning balance of previous year	55,247,160,000	683,890,000	5,524,716,000	40,778,582,894	102,234,348,894
Profit for previous year	-	-	-	23,694,761,238	23,694,761,238
Profit distribution	-	-	-	(11,775,820,000)	(11,775,820,000)
Ending balance of previous year	55,247,160,000	683,890,000	5,524,716,000	52,697,524,132	114,153,290,132
Beginning balance of current year	55,247,160,000	683,890,000	5,524,716,000	52,697,524,132	114,153,290,132
Profit for current year	-	-	-	13,482,260,500	13,482,260,500
Profit distribution in 2023 ⁽¹⁾	-	-	-	(1,028,000,000)	(1,028,000,000)
Profit distribution in 2024 ⁽²⁾	-	-	-	(11,049,432,000)	(11,049,432,000)
Others decrease ⁽³⁾	-	-	-	(920,697,484)	(920,697,484)
Ending balance of this year	55,247,160,000	683,890,000	5,524,716,000	53,181,655,148	114,637,421,148

(1) According to Resolution of the General Meeting of Shareholders No. 01/NQ-DHCD dated 26 April 2024, the Company announces the 2023 profit distribution as follows:

	Rate %	Amount VND
Accumulated profit after corporate income tax up to early 2024	100.00%	63,746,956,132
Deduction from reward and welfare fund Extract from Executive Management Reward Fund	0.95%	500,000,000
Payment of dividends equal to 20% of charter capital (Provisional distribution made in 2023)	1.00%	528,000,000
	0.00%	11,049,432,000
Retained earnings	98.05%	51,669,524,132

(2) According to Resolution of the General Meeting of Shareholders No. 01/NQ-DHCD dated 26 April 2024 and Resolution of the Board of Directors No. 167/NQ-HDQT, the Company announced the provisional payment of 2024 cash dividends at the rate of 20% of charter capital per share.

(3) Collect additional tax according to the tax inspection report and account for additional corporate income tax in 2023.

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b) Details of owner's invested capital

	Rate	Ending of the	Rate	Beginning of the
	(%)	year	(%)	year
		VND		VND
Mr. Ngo Ba Viet	5.15	2,846,450,000	5.15	2,846,450,000
Mr. Ngo Văn Hưng	12.60	6,961,140,000	12.60	6,961,140,000
Others	82.25	45,439,570,000	82.25	45,439,570,000
	<u>100.00</u>	<u>55,247,160,000</u>	<u>100.00</u>	<u>55,247,160,000</u>

c) Capital transactions with owners and distribution of dividends and profits

	Year 2024	Year 2023
	VND	VND
Owner's contributed capital	55,247,160,000	55,247,160,000
- At the beginning of year	<u>55,247,160,000</u>	<u>55,247,160,000</u>
- At the ending of year	<u>55,247,160,000</u>	<u>55,247,160,000</u>
Distributed dividends and profit:		
- Dividend payable at the beginning of the year	11,127,902,780	11,141,969,805
- Dividend payable in the year:	11,049,432,000	11,049,432,000
+ Dividend payable from last year's profit	11,049,432,000	11,049,432,000
- Dividend paid in cash during the year	(11,041,412,100)	(11,063,499,025)
+ Dividend paid from last year's profit	(11,041,412,100)	(11,063,499,025)
- Dividend payable at the end of the year	<u>11,135,922,680</u>	<u>11,127,902,780</u>

d) Stock

	31/12/2024	01/01/2024
Quantity of Authorized issuing stocks	5,524,716	5,524,716
Quantity of issued shares and full capital contribution	5,524,716	5,524,716
- Common stocks	5,524,716	5,524,716
Quantity of outstanding shares in circulation	5,524,716	5,524,716
- Common stocks	5,524,716	5,524,716
Par value per stock (VND)	10,000	10,000

e) Company's funds

	31/12/2024	01/01/2024
	VND	VND
Investment and development fund	5,524,716,000	5,524,716,000
	<u>5,524,716,000</u>	<u>5,524,716,000</u>

18 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT**a) Operating leased assets**

The Company signed the following land lease contracts:

- Land lease contract on National Highway 1A from Thanh Tri district to Thuong Tin town for office and production purposes, with term of 50 years. The leased land area is 22,066.3 m2 and 982.6 m2. According to this contract, the Company must pay annual land rent until the contract expires according to current State regulations.

- Land lease contract in Tan Truong commune, Cam Giang district, Hai Duong province for use as a production facility, with term of 25 years. The leased land area is 21,700 m2. According to this contract, the Company must pay annual land rent until the contract expires according to current State regulations.

b) Foreign currencies

	<u>31/12/2024</u>	<u>01/01/2024</u>
- USD	2,722.02	134,548.32
- EUR	1,833.17	114,959.58

c) Bad debts written off

	<u>31/12/2024</u>	<u>01/01/2024</u>
	VND	VND
- Bachdang Shipbuilding Company Limited	1,343,019,727	1,343,019,727
- Duy Anh Construction - Trading - Service - Travel Co.,Ltd	660,996,234	660,996,234
- Russia Limited Liability Company (LLC)	293,499,649	293,499,649
- Others	2,200,802,275	1,917,516,587
	<u>4,498,317,885</u>	<u>4,215,032,197</u>

19 . TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Revenue from sale of finished goods	318,847,727,150	294,750,272,390
Revenue from sale of goods	37,671,396,324	19,232,418,223
Revenue from rendering of services	2,289,785,931	1,556,070,359
	<u>358,808,909,405</u>	<u>315,538,760,972</u>

20 . REVENUE DEDUCTIONS

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Trade discount	3,145,027,525	4,138,483,911
Sales return	493,512,060	350,110,490
Sales discounts	-	269,449,533
	<u>3,638,539,585</u>	<u>4,758,043,934</u>

21 . COSTS OF GOODS SOLD

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Costs of finished goods sold	270,808,467,079	234,615,427,925
Costs of goods sold	33,696,789,815	18,022,671,016
Costs of services rendered	598,435,512	591,112,034
	<u>305,103,692,406</u>	<u>253,229,210,975</u>

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22 . FINANCE INCOME

	Year 2024	Year 2023
	VND	VND
Interest income, interest from loans	21,502,572	22,564,627
Gain on exchange difference in the year	127,417,592	362,986,734
Exchange rate difference gain due to revaluation of year-end balance	36,176,367	82,239,426
	185,096,531	467,790,787

23 . FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expenses	1,094,345,211	1,035,971,333
Realized loss from foreign exchange difference	6,173,084	27,962,292
	1,100,518,295	1,063,933,625

24 . SELLING EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	378,670,881	339,550,791
Labour expenses	6,214,654,875	5,115,385,746
Depreciation and amortisation	361,129,320	304,756,235
Expenses of outsourcing services	5,815,155,600	4,580,841,223
Other expenses in cash	2,386,755,405	2,489,526,000
	15,156,366,081	12,830,059,995

25 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	413,469,221	288,255,758
Labour expenses	9,984,747,602	8,926,970,313
Depreciation and amortisation	51,349,632	51,730,184
Tax, Charge, Fee	1,224,092,373	1,093,176,225
Provision expenses	57,417,100	32,456,900
Expenses from external services	2,994,989,044	1,795,315,792
Other expenses in cash	2,024,717,228	2,362,280,521
	16,750,782,200	14,550,185,693

26 . OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Debt settlement	422,732,782	-
Others	16,818,260	95,643,000
	439,551,042	95,643,000

27 . OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
Penalties	519,233,003	3,448,266
Debt settlement	85,222,628	-
Others	60,210,598	53,962,785
	664,666,229	57,411,051

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28 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2024	Year 2023
	VND	VND
Total profit before tax	17,018,992,182	29,613,349,486
Increase	664,666,229	57,411,051
- <i>Ineligible expenses</i>	664,666,229	57,411,051
Decrease	-	(77,819,290)
- <i>Profit from foreign currency revaluation at year end</i>	-	(77,819,290)
Taxable income	17,683,658,411	29,592,941,247
Current corporate income tax expense (Tax rate 20%)	3,536,731,682	5,918,588,248
Adjustment of tax expenses in previous years and tax expenses in the current year	676,331,101	-
Tax payable at the beginning of year	1,651,941,813	1,870,320,632
Tax paid in the year	(5,155,405,483)	(6,136,967,067)
Closing year income tax payable of main business activities	709,599,113	1,651,941,813

29 . BASIC EARNINGS PER SHARE

Basic earnings per share distributed to common shareholders of the company are calculated as follows:

	Year 2024	Year 2023
	VND	VND
Net profit after tax	13,482,260,500	23,694,761,238
Profit distributed for common stocks	13,482,260,500	23,694,761,238
Average number of outstanding common shares in circulation in the year	5,524,716	5,524,716
Basic earnings per share	2,440	4,289

The company has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of Directors from the net profit after tax at the date of preparing Financial Statements.

As at 31 December 2024, the Company does not have shares with dilutive potential for earnings per share.

30 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024	Year 2023
	VND	VND
Raw materials	234,711,485,875	213,004,722,562
Labour expenses	34,399,874,234	30,972,585,746
Depreciation and amortisation	7,136,007,867	6,952,022,547
Expenses of outsourcing services	10,456,623,726	6,632,866,763
Other expenses by cash	17,733,632,856	16,385,173,682
	304,437,624,558	273,947,371,300

31 . FINANCIAL INSTRUMENTS

Financial risk management

The Company's financial risks including market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. Board of Management of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Company may face with the market risk such as: changes in prices, exchange rates and interest rates.

Exchange rate risk

The Company bears the risk of exchange rate due to the fluctuation in the fair value of future cash flows of a financial instrument following changes in foreign exchange rates when the Company's borrowings, revenues and expenses are denominated in currencies other than Vietnamese Dong.

Interest rate risk

The Company bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Company has time or demand deposits, borrowings and debts subject to floating interest rates. The Company manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to perform its contractual obligations. The Company has credit risk from operating activities (mainly to trade receivables) and financial activities (including deposits, loans and other financial instruments).

	Under 1 year VND	From 1 to 5 VND	Over 5 years VND	Total VND
As at 31/12/2024				
Cash and cash equivalents	24,180,381,235	-	-	24,180,381,235
Trade receivables, other receivables	45,685,465,673	-	-	45,685,465,673
	<u>69,865,846,908</u>	<u>-</u>	<u>-</u>	<u>69,865,846,908</u>
As at 01/01/2024				
Cash and cash equivalents	30,531,010,825	-	-	30,531,010,825
Trade receivables, other receivables	36,317,742,990	-	-	36,317,742,990
	<u>66,848,753,815</u>	<u>-</u>	<u>-</u>	<u>66,848,753,815</u>

VIET DUC WELDING ELECTRODE JOINT STOCK COMPANY

Que Han Road, Quan Ganh Street, Nhi Khe Commune,
Thuong Tin District, Hanoi City, Vietnam

Financial statements

For the fiscal year ended as at 31/12/2024

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Company is mainly from different maturity of its financial assets and liabilities.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	<u>Under 1 year</u>	<u>From 1 to 5</u>	<u>Over 5 years</u>	<u>Total</u>
	VND	VND	VND	VND
As at 31/12/2024				
Borrowings and debts	21,647,239,891	-	-	21,647,239,891
Trade payables, other payables	20,537,458,081	-	-	20,537,458,081
	<u>42,184,697,972</u>	<u>-</u>	<u>-</u>	<u>42,184,697,972</u>
As at 01/01/2024				
Borrowings and debts	11,881,131,944	-	-	11,881,131,944
Trade payables, other payables	23,407,388,909	-	-	23,407,388,909
	<u>35,288,520,853</u>	<u>-</u>	<u>-</u>	<u>35,288,520,853</u>

The Company believes that risk level of loan repayment is low (or controllable). The Company has the ability to pay due debts from cash flows from its operating activities and cash received from mature financial assets.

32 . EVENTS AFTER BALANCE SHEET DATE

There have been no significant events occurring after the reporting year, which would require adjustments or disclosures to be made in the financial statements.

33 . TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Company are as follows:

	<u>Relation</u>	<u>Year 2024</u>	<u>Year 2023</u>
		VND	VND
Income of key managers			
Mr. Ngo Duy Dong	Chairman	631,985,100	547,621,800
Mr. Nguyen Huu Mai	Member of Board of Directors	14,400,000	15,840,000
Mr. Nguyen Huy Tien	Director	653,916,000	585,755,500
Mr. Ngo Duc Dung	Member of Board of Directors	383,751,300	333,369,300
Mr. Nguyen Manh Khoi	Member of Board of Directors	14,400,000	187,372,700
Mr. Nguyen Quoc Thanh	Vice Director	532,140,500	491,557,000
Mr. Nguyen Quang Vinh	Vice Director	527,357,000	208,873,280
Mr. Le Manh Hung	Head of Board of Supervision	10,800,000	10,800,000
Mr. Dang Quoc Dung	Member of Board of Supervision	7,200,000	7,200,000
Mr. Dao Tu Binh	Member of Board of Supervision	7,200,000	7,200,000

In addition to the above related parties' transactions, other related parties did not have any transactions during the year and have no balance at the end of the accounting period with the Company.

34 . COMPARATIVE FIGURES

The corresponding figures are those taken from the accounts for the fiscal year ended as at 31 December 2023, which was audited by AASC Auditing Firm Company Limited.



Ngo Thi Huong
Preparer

Ha Noi, 25 March 2025



Hoang Xuan Thanh
Chief Accountant



Nguyễn Huy Tiến
Director

