

**FINANCIAL STATEMENTS**

**SONG DA 7.02 JOINT STOCK COMPANY**

For the fiscal year ended as at 31 December 2024

(Audited)



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## **REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management of Song Da 7.02 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**

Song Da 7.02 Joint Stock Company was formerly known as a branch of Song Da 7 Joint Stock Company in Hoa Binh, under the Song Da Corporation. In 2004, it was transformed into a joint stock company under Decision No. 1575/QĐ-BXD dated October 11, 2004, issued by the Ministry of Construction. In 2009, the Company merged with Nam Thi Hydropower Joint Stock Company. It operates under Business Registration Certificate No. 5400232452, firstly issued on November 25, 2004, by the Department of Planning and Investment of Hoa Binh Province and amended for the 19th time on May 14, 2024, by the Department of Planning and Investment of Lai Chau Province.

The Company's headquarters is located in Son Binh Commune, Tam Duong District, Lai Chau Province.

### **BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISION**

#### **BOARD OF DIRECTORS**

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

Mr. Nguyen Huu Nhuan	Chairman	
Mr. Nguyen Huu Doanh	Member	
Mr. Pham Van Toan	Member	(Resigned on May 09, 2024)

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

Mr. Nguyen Cao Son	General Director	(Appointed on May 10, 2024)
Mr. Pham Van Toan	General Director	(Resigned on May 09, 2024)
Mr. Dinh Trong The	Vice General Director	(Appointed on April 17, 2024)

#### **THE LEGAL REPRESENTATIVE**

The members of the legal representative during the year and until the preparation of these Financial Statements are:

Mr. Nguyen Cao Son	(Appointed on May 10, 2024)
Mr. Pham Van Toan	(Resigned on May 09, 2024)

Mr. Dinh Trong The, Vice General Director, was authorized by Mr. Nguyen Cao Son to sign the financial statements for the fiscal year ended as at December 31, 2024 under Power of Attorney No. 02/UQ-SD7.02 dated May 16, 2024.

Members of the Board of Supervision during the period and to the reporting date are:

Mr. Nguyen The Hoang	Head	(Appointed on April 17, 2024)
Mr. Ngo Quoc The	Head	(Resigned on April 17, 2024)
Mr. Nguyen Van Long	Member	
Mr. Nguyen Cao Son	Member	(Resigned on May 9, 2024)

#### **AUDITORS**

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



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

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

- Establish and maintain an internal control system which is determined necessary by the Board of Directors 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 and present 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 the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Financial Statements comply with the current State's regulations. 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.

The Board of Management confirms that the Financial Statements give a true and fair view of the financial position as at 31 December 2024, its operating results and cash flows for the year then ended of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

**Other commitments**

The Board of Management pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Company does not violate the obligations of information disclosure in accordance with the regulations of the 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 amending and supplementing a number of articles of Circular No. 96/2020/TT-BTC.

On behalf of the Board of Management



**Dinh Trong The**

Vice General Director  
Lai Chau, 20 March 2025



**INDEPENDENT AUDITOR'S REPORT**

**To: Shareholders, Board of Management and Board of Directors  
Song Da 7.02 Joint Stock Company**

We have audited the accompanying Financial Statements of Song Da 7.02 Joint Stock Company ("Company") prepared on 20 March 2025 as set out from page 06 to page 30, including the Statement of Financial position as at 31 December 2024, Statement of Income, Statement of Cash flows for the fiscal year then ended and the Notes to the Financial statements.

**Board of Management's Responsibility**

The Board of Management of Song Da 7.02 Joint Stock Company 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 the Board of Management 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 the Board of 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 Song Da 7.02 Joint Stock Company as at 31 December 2024, its operating results 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 the preparation and presentation of Financial Statements.

### Emphasis of Matter

As at December 31, 2024, the Company's financial statements reflect that the total current liabilities exceeded its current assets by VND 27.88 billion; the accumulated loss up to December 31, 2024 was VND 1.82 billion, equivalent to 2% of the owner's equity; and overdue debts that have not been settled were VND 6.82 billion (see Notes 13 and 16). These events together with the matters mentioned in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's financial statements for the fiscal year ended as at December 31, 2024, are still presented on the basis of the assumption of ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

**AASC Auditing Firm Company Limited**



**Phạm Anh Tuấn**

Deputy General Director

Registered Auditor No: 0777-2023-002-1

Hanoi, 20 March 2025

**Nguyen Duy Quang**

Auditor

Registered Auditor No: 3363-2025-002-1




STATEMENT OF FINANCIAL POSITION  
As at 31 December 2024


Code ASSETS	Note	31/12/2024 VND	01/01/2024 VND
<b>100 A. CURRENT ASSETS</b>		<b>11,385,653,577</b>	<b>9,318,289,832</b>
<b>110 I. Cash and cash equivalents</b>	<b>3</b>	<b>2,736,395,841</b>	<b>2,544,626,087</b>
111 1. Cash		2,736,395,841	2,544,626,087
<b>130 II. Short-term receivables</b>		<b>8,322,633,257</b>	<b>6,395,986,201</b>
131 1. Short-term trade receivables	4	2,030,270,622	2,130,212,866
132 2. Short-term prepayments to suppliers	5	6,440,001,224	4,366,000,000
136 3. Other short-term receivables	6	1,034,160,191	1,081,572,115
137 4. Provision for short-term doubtful debts		(1,181,798,780)	(1,181,798,780)
<b>140 III. Inventories</b>	<b>8</b>	<b>326,624,479</b>	<b>377,677,544</b>
141 1. Inventories		326,624,479	377,677,544
<b>200 B. NON-CURRENT ASSETS</b>		<b>206,596,364,067</b>	<b>219,139,473,643</b>
<b>220 I. Fixed assets</b>		<b>199,669,045,782</b>	<b>212,111,390,358</b>
221 1. Tangible fixed assets	10	199,669,045,782	212,111,390,358
222 - Historical cost		280,936,419,889	280,936,419,889
223 - Accumulated depreciation		(81,267,374,107)	(68,825,029,531)
<b>240 II. Long-term assets in progress</b>		<b>4,189,724,285</b>	<b>4,189,724,285</b>
242 1. Construction in progress	11	4,189,724,285	4,189,724,285
<b>250 III. Long-term investments</b>	<b>12</b>	<b>2,735,000,000</b>	<b>2,735,000,000</b>
252 1. Investment in joint ventures and associates		3,000,000,000	3,000,000,000
253 2. Equity investments in other entities		1,333,000,000	1,333,000,000
254 3. Provision for devaluation of long-term investments		(1,598,000,000)	(1,598,000,000)
<b>260 IV. Other long-term assets</b>		<b>2,594,000</b>	<b>103,359,000</b>
261 1. Long-term prepaid expenses	9	2,594,000	103,359,000
<b>270 TOTAL ASSETS</b>		<b>217,982,017,644</b>	<b>228,457,763,475</b>

STATEMENT OF FINANCIAL POSITION  
As at 31 December 2024  
(Continued)

Code CAPITAL	Note	31/12/2024 VND	01/01/2024 VND
<b>300 C. LIABILITIES</b>		<b>98,291,163,925</b>	<b>114,647,262,413</b>
<b>310 I. Current liabilities</b>		<b>39,264,031,677</b>	<b>54,520,130,165</b>
311 1. Short-term trade payables	13	5,933,006,367	5,916,180,024
313 2. Tax and other payables to the State budget	14	548,039,997	173,386,128
314 3. Payables to employees		745,958,074	603,032,120
315 4. Short-term accrued expenses	15	9,005,991,865	8,611,912,698
319 5. Other short-term payables	16	5,931,035,374	5,815,619,195
320 6. Short-term borrowings and finance lease liabilities	17	17,100,000,000	33,400,000,000
<b>330 II. Non-current liabilities</b>		<b>59,027,132,248</b>	<b>60,127,132,248</b>
338 1. Long-term borrowings and finance lease liabilities	17	59,027,132,248	60,127,132,248
<b>400 D. OWNER'S EQUITY</b>		<b>119,690,853,719</b>	<b>113,810,501,062</b>
<b>410 I. Owner's equity</b>	<b>18</b>	<b>119,690,853,719</b>	<b>113,810,501,062</b>
411 1. Contributed capital		120,000,000,000	120,000,000,000
411a - Ordinary shares with voting rights		120,000,000,000	120,000,000,000
412 2. Share Premium		(130,000,000)	(130,000,000)
418 3. Development and investment funds		1,649,085,439	1,649,085,439
421 4. Retained earnings		(1,828,231,720)	(7,708,584,377)
421a - Retained earnings accumulated to previous years		(7,708,584,377)	(7,934,461,461)
421b - Retained earnings of the current year		5,880,352,657	225,877,084
<b>440 TOTAL CAPITAL</b>		<b>217,982,017,644</b>	<b>228,457,763,475</b>

  
Le Van Cuong  
Preparer

  
Pham Van Phong  
Chief Accountant

  
Dinh Trong The  
Vice General Director  
Lai Chau, 20 March 2025





STATEMENT OF INCOME  
Year 2024

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
01	1. Revenue from sales of goods and rendering of services	20	36,099,274,547	31,242,151,755
10	2. Net revenue from sales of goods and rendering of services		36,099,274,547	31,242,151,755
11	3. Cost of goods sold and services	21	21,749,290,793	19,737,548,678
20	4. Gross profit from sales of goods and rendering of services		14,349,983,754	11,504,603,077
21	5. Financial income	22	4,720,963	2,498,528
22	6. Financial expenses	23	6,677,078,068	9,855,147,877
23	<i>In which: Interest expenses</i>		6,677,078,068	9,855,147,877
26	7. General and administrative expenses	24	1,790,705,629	1,438,025,023
30	8. Net profit from operating activities		5,886,921,020	213,928,705
31	9. Other income		-	12,000,000
32	10. Other expenses	25	6,568,363	51,621
40	11. Other profit		(6,568,363)	11,948,379
50	12. Total net profit before tax		5,880,352,657	225,877,084
51	13. Current corporate income tax expense	26	-	-
60	14. Profit after corporate income tax		<u>5,880,352,657</u>	<u>225,877,084</u>
70	15. Basic earning per share	27	490	19

Le Van Cuong  
Preparer

Pham Van Phong  
Chief Accountant

Dinh Trong The  
Vice General Director  
Lai Chau, 20 March 2025



STATEMENT OF CASH FLOWS  
Year 2024  
(Indirect method)

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	1. Profit before tax		5,880,352,657	225,877,084
	2. Adjustment for			
02	- Depreciation and amortization of fixed assets and investment properties		12,442,344,576	12,486,129,611
05	- Gain/losses from investment activities		(4,720,963)	(14,498,528)
06	- Interest expense		6,677,078,068	9,855,147,877
08	3. Operating profit before changes in working capital		24,995,054,338	22,552,656,044
09	- Increase/decrease in receivables		(1,926,647,056)	1,426,326,320
10	- Increase/decrease in inventories		51,053,065	21,538,143
11	- Increase/decrease in payables		649,822,345	(937,471,985)
12	- Increase/decrease in prepaid expenses		100,765,000	(100,315,100)
14	- Interest paid		(6,282,998,901)	(9,365,343,722)
20	Net cash flows from operating activities		17,587,048,791	13,597,389,700
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
22	1. Proceeds from disposals of fixed assets and other long-term assets		-	12,000,000
27	2. Interest and dividend received		4,720,963	2,498,528
30	Net cash flows from investing activities		4,720,963	14,498,528
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	1. Proceeds from borrowings		2,000,000,000	-
34	2. Prepayment of principal		(19,400,000,000)	(12,300,000,000)
40	Net cash flows from financial activities		(17,400,000,000)	(12,300,000,000)
50	Net cash flows in the year		191,769,754	1,311,888,228
60	Cash and cash equivalents at the beginning of the year		2,544,626,087	1,232,737,859
70	Cash and cash equivalents at the end of the year	3	2,736,395,841	2,544,626,087

Le Van Cuong  
Preparer

Pham Van Phong  
Chief Accountant

Dinh Trong The  
Vice General Director  
Lai Chau, 20 March 2025





**NOTES TO THE FINANCIAL STATEMENT**  
**Year 2024**

**1 GENERAL INFORMATION OF THE COMPANY**

**Form of ownership**

Song Da 7.02 Joint Stock Company was formerly known as a branch of Song Da 7 Joint Stock Company in Hoa Binh, under the Song Da Corporation. In 2004, it was transformed into a joint stock company under Decision No. 1575/QĐ-BXD dated October 11, 2004, issued by the Ministry of Construction. In 2009, the Company merged with Nam Thi Hydropower Joint Stock Company. It operates under Business Registration Certificate No. 5400232452, firstly issued on November 25, 2004, by the Department of Planning and Investment of Hoa Binh Province and amended for the 19th time on May 14, 2024, by the Department of Planning and Investment of Lai Chau Province.

The Company's headquarters is located in Son Binh Commune, Tam Duong District, Lai Chau Province.

The Company's charter capital is VND 120,000,000,000 (One hundred twenty billion VND), equivalent to 12,000,000 shares, with a par value of VND 10,000 per share.

The total number of employees as of December 31, 2024, is 16 people (As of January 1, 2024: 16 employees).

**Business field**

The Company's primary business fields are construction and industrial production.

**Business activities**

Main business activities of the Company include:

- Production and distribution of electricity;
- Construction and investment in building industrial, residential projects and other construction;
- Construction of irrigation, hydropower and transportation projects.

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

In 2024, the Company achieved revenue of VND 36.10 billion, increasing to VND 4.86 billion (equivalent to 15.55%) compared to the previous year. The reason is that it rains a lot this year due to the influence of La Nina phenomenon, which keeps the water level stable and suitable for electricity production. Therefore, the amount of electricity produced at the plant has increased compared to the previous year. Meanwhile, the Company's cost of goods sold mainly comes from depreciation from hydropower plants, there is not much fluctuation, leading to the Company's gross profit ratio also increasing compared to the previous year.

As at December 31, 2024, the Company's financial statements reflect that total current liabilities exceeded its current assets by VND 27.88 billion; accumulated losses up to December 31, 2024, were VND 1.82 billion, equivalent to 2% of the owner's equity; and overdue debts that have not been settled were VND 6.82 billion (see Notes 13 and 16). These events indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the Company's financial statements for the fiscal year ended as at December 31, 2024, are still prepared on the basis of assumption of ability to continue as a going concern because the Nam Thi 2 Hydropower Plant still is operating on schedule, generating the Company's main revenue and predicting that its future economic benefit will be very large. In 2024, the Company also continued to receive a loan support from its major shareholder, Song Da 7 Joint Stock Company. As a result, the Company is expected to ensure sufficient working capital for business operations as well as sufficient capital to complete its expected investment plan.



## **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 Vietnam Dong (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 Accounting estimates**

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 Management 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;
- Provision for payables;
- Estimated allocation of prepaid expenses;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimation of corporate income tax;

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 Management to be reasonable under the circumstances.

### **2.4 Foreign currency transactions**

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

Actual exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of Financial Statements is determined under the following principles:

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

All exchange differences arising as a result of transactions or revaluation at the balance sheet date shall be recorded into the financial income or expense in the year.



## **2.5 Cash and cash equivalents**

Cash includes cash on hand and demand deposits at banks.

## **2.6 Financial investments**

*Investments in subsidiaries, joint ventures or associates* are initially recognised at original cost. After initial recognition, value of these investments is measured at original cost less provision for devaluation of investments.

*Investments in other entities* comprise investments in equity instruments of other entities without having control, joint control, or significant influence on the investee. These investments are initially stated at original cost. After initial recognition, these investments are measured at original cost less provision for devaluation of investments.

Provision for devaluation of investments in associates shall be made at the end of the year based on the financial statements of associates at the provision date.

## **2.7 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.

## **2.8 Inventories**

Inventories are initially recognised 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 monthly weighted average method.

Inventory is recorded by perpetual method.

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.

## **2.9 Fixed assets**

Tangible fixed assets are initially recognised at the historical cost. During the using time, tangible fixed assets are recognised at original cost, accumulated depreciation and carrying amount.

*Subsequent measurement after initial recognition*

If these costs augment future economic benefits obtained from the use of tangible fixed assets are extended to their initial standard 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 recognised in the Statement of Income in the year in which the costs are incurred.

Depreciation of fixed assets is applied using the straight-line method over their estimated useful life as follows:

- Buildings, structures	20-50 years
- Other Machinery, equipment	10-20 years
- Vehicles, Transportation equipment	06-10 years
- Office equipment and furniture	03-08 years

## **2.10 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.

## **2.11 Operating lease**

Operating lease 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 lease are charged to Statement of Income on a straight-line basis over the period of the lease.

## **2.12 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.

Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dong and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis from 2 to 3 years.

## **2.13 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.

## **2.14 Borrowings**

Borrowings shall be recorded in detail in terms of lending entities, loan agreement and terms of borrowings. In case of borrowings denominated in foreign currency, they shall be recorded in detail in terms of types of currency.

## **2.15 Borrowing costs**

Borrowing costs are recognised as operating expenses in the year, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.



## **2.16 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 and other payables such as interest on borrowings payable and accrued construction costs which are recorded as operating expenses of the reporting year.

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.

## **2.17 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 profits appropriation or loss handling of the Company.

Dividends to be paid to shareholders are recognised as a payable in Statement of Financial position after the announcement of dividend payment from the Board of Directors and announcement of cut-off date for dividend payment of Vietnam Securities Depository and Clearing Corporation.

## **2.18 Revenue**

Revenue is recognised 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;

The Company's main revenue comes from electricity sales. Revenue from electricity sales is recognised in the income statement based on the volume of electricity supplied to the transmission system and confirmation documents from the Northern Power Corporation. Revenue is not recognised if there are significant uncertainties regarding the recoverability of receivables.

### *Financial income*

Financial incomes include income from assets yielding interest, royalties, dividends and other financial gains by the company shall be recognised when the two conditions are satisfied:

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

## **2.19 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 recognised fully and promptly into cost of goods sold in the year even when products and goods have not been determined as sold.

## **2.20 Financial expenses**

The expenses recognised as financial expenses include borrowing costs.

The above expenses are recognised based on the total amount incurred during the year, without offsetting against financial income.

## **2.21 Corporate income tax**

### *Current corporate income tax expense*

The current corporate income tax expense is determined based on the taxable income for the year and the applicable corporate income tax rate for the current financial year.

### *Tax incentive policy*

According to Clause 1 and Clause 6, Article 15 of Decree No. 218/2013/NĐ-CP dated December 26, 2013 of the Government which details and guides the implementation of Law on Corporate Income Tax, the Company is entitled to a incentive tax rate of 10% within 15 years and corporate income tax exemption for 4 years, reduction of 50% of payable tax for the next 9 years. The time for tax exemption or reduction is calculated continuously from the first year of taxable income from the investment project. Where there is no taxable income in the first three years, from the first year of taxable income from the investment project, the time for the tax exemption or reduction is calculated from the fourth year.

The year 2021 was the first year the Company had taxable income from the investment project; therefore, 2024 is the fourth year the Company is eligible for corporate income tax exemption.

## **2.22 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 and welfare fund and Executive Board Reward fund) by the weighted average number of ordinary shares outstanding during the year.

## **2.23 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.



## 2.24 Segment information

During the year, the majority of the Company's revenue comes from the sale of commercial electricity, which is generated in the Northern region. Therefore, the Company does not prepare segment reports by business segment or geographical segment.

### 3 CASH

	31/12/2024	01/01/2024
	VND	VND
Cash on hand	262,473,523	141,146,396
Demand deposits	2,473,922,318	2,403,479,691
	<b><u>2,736,395,841</u></b>	<b><u>2,544,626,087</u></b>

### 4 SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Northern Power Corporation	1,796,615,351	-	1,896,557,595	-
Phu Duc Company Limited	233,655,271	(233,655,271)	233,655,271	(233,655,271)
	<b><u>2,030,270,622</u></b>	<b><u>(233,655,271)</u></b>	<b><u>2,130,212,866</u></b>	<b><u>(233,655,271)</u></b>

### 5 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Energy Consultant & Development Company Limited (i)	3,500,000,000	-	3,500,000,000	-
Hai Hoa Ennergy Joint Stock Company	2,388,494,624	-	-	-
Other customers	551,506,600	-	866,000,000	-
	<b><u>6,440,001,224</u></b>	<b><u>-</u></b>	<b><u>4,366,000,000</u></b>	<b><u>-</u></b>

- (i) The prepayment to Energy Consultant and Development Company Limited under the contract No.10021/HĐTVKT dated February 10, 2010 on services of technical design consulting and the preparation of construction drawings for Nam Thi 2 Hydropower Project. As at December 31, 2024, the Company is in the process of finalizing the settlement of this item with the Energy Consultant and Development Company Limited.

**6 OTHER SHORT-TERM RECEIVABLES**

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
Receivables from employees	8,672,906	-	7,377,825	-
Receivables from advances	77,343,776	-	126,050,781	-
Receivable from Mr. Dinh Van Tue on purchasing shares	151,450,000	(151,450,000)	151,450,000	(151,450,000)
Receivable from Mr. Nguyen Nhu Sung on construction advance	796,693,509	(796,693,509)	796,693,509	(796,693,509)
	<b>1,034,160,191</b>	<b>(948,143,509)</b>	<b>1,081,572,115</b>	<b>(948,143,509)</b>

**7 DOUBTFUL DEBTS**

Total value of receivables that are overdue or not due but difficult to be recovered:

	31/12/2024		01/01/2024	
	Original cost VND	Recoverable value VND	Original VND	Recoverable value VND
<b>Short-term trade receivables</b>	<b>233,655,271</b>	-	<b>233,655,271</b>	-
Phu Duc Company Limited	233,655,271	-	233,655,271	-
<b>Other short-term receivables</b>	<b>948,143,509</b>	-	<b>948,143,509</b>	-
Mr. Dinh Van Tue	151,450,000	-	151,450,000	-
Mr. Nguyen Nhu Sung	796,693,509	-	796,693,509	-
	<b>1,181,798,780</b>	-	<b>1,181,798,780</b>	-

**8 INVENTORIES**

	31/12/2024		01/01/2024	
	Original cost VND	Provision VND	Original cost VND	Provision VND
Raw materials	45,382,519	-	45,382,519	-
Tools, supplies	281,241,960	-	332,295,025	-
	<b>326,624,479</b>	-	<b>377,677,544</b>	-

**9 LONG-TERM PREPAID EXPENSES**

	31/12/2024 VND	01/01/2024 VND
Dispatched tools and supplies	2,594,000	103,359,000
	<b>2,594,000</b>	<b>103,359,000</b>



10 TANGIBLE FIXED ASSETS

	Building, structures VND	Machinery, equipment VND	Transportation and transmission VND	Office equipment VND	Total VND
<b>Historical cost</b>					
Beginning balance	146,229,589,769	131,909,177,179	2,764,652,941	33,000,000	280,936,419,889
<b>Ending balance of the year</b>	<b>146,229,589,769</b>	<b>131,909,177,179</b>	<b>2,764,652,941</b>	<b>33,000,000</b>	<b>280,936,419,889</b>
<b>Accumulated depreciation</b>					
Beginning balance	27,102,649,539	40,482,090,168	1,207,289,824	33,000,000	68,825,029,531
- Depreciation in the year	5,606,354,496	6,697,757,436	138,232,644	-	12,442,344,576
<b>Ending balance of the year</b>	<b>32,709,004,035</b>	<b>47,179,847,604</b>	<b>1,345,522,468</b>	<b>33,000,000</b>	<b>81,267,374,107</b>
<b>Net carrying amount</b>					
Beginning balance	119,126,940,230	91,427,087,011	1,557,363,117	-	212,111,390,358
<b>Ending balance</b>	<b>113,520,585,734</b>	<b>84,729,329,575</b>	<b>1,419,130,473</b>	<b>-</b>	<b>199,669,045,782</b>

The net carrying amount of the tangible fixed assets used as collateral to secure loans as of December 31, 2024, is VND 199,669,045,782 (as of January 1, 2024, it was VND 212,111,390,358).

The original cost of the fully depreciated tangible fixed assets that are still in use as of December 31, 2024, is VND 33,000,000 (as of January 1, 2024, it was VND 33,000,000).



## 11 CONSTRUCTION IN PROGRESS

	31/12/2024	01/01/2024
	VND	VND
Nam Thi 1 Hydropower Plant Project (i)	4,189,724,285	4,189,724,285
	<u><b>4,189,724,285</b></u>	<u><b>4,189,724,285</b></u>

- (i) The investment project for the Nam Thi Hydropower Plant in Son Binh Commune, Tam Duong District, Lai Chau Province is owned by the Company. The total designed capacity of the Nam Thi 1 Hydropower Plant is 10MW, and the Nam Thi 2 Hydropower Plant is 8MW ( began generating electricity in July 2018). The approved total investment for the Nam Thi 1 Hydropower Plant is VND 308 billion.

When Directive No. 13-CT/TW dated January 12, 2017 was issued by the Secretariat, construction of the Nam Thi 1 Hydropower Plant project could not be continued temporarily due to the project related to forest land. It was necessary to convert the forest land use purpose to continue the project investment.

On October 29, 2024, under Decision No. 1515/QĐ-UBND, People's Committee of Lai Chau Province approved the plan for converting the purpose of forest land use to another purpose.

Up to now, the Company has been adjusting the documents to request a decision on the policy of changing the purpose of forest land use to another purpose for the implementation of the Nam Thi 1 Hydropower Plant project before submitting them to the People's Committee and the People's Council of Lai Chau Province.

## 12 LONG-TERM FINANCIAL INVESTMENTS

### Equity investments in other entities

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
<b>Investments in associates</b>	<b>3,000,000,000</b>	<b>(1,598,000,000)</b>	<b>3,000,000,000</b>	<b>(1,598,000,000)</b>
- Song Da - Hoang Lien Construction Joint Stock	3,000,000,000	(1,598,000,000)	3,000,000,000	(1,598,000,000)
<b>Others</b>	<b>1,333,000,000</b>	<b>-</b>	<b>1,333,000,000</b>	<b>-</b>
- Song Da 7 Urban And Industrial Zone Investment Joint	1,333,000,000	-	1,333,000,000	-
	<u><b>4,333,000,000</b></u>	<u><b>(1,598,000,000)</b></u>	<u><b>4,333,000,000</b></u>	<u><b>(1,598,000,000)</b></u>

The Company has not determined the fair value of this financial investment because the Vietnamese Accounting Standards and the Vietnamese Corporate Accounting System has not provided any detail guidance on the determination of the fair value.

- (i) The value of the investments as of December 31, 2024 includes: Song Da – Hoang Lien Construction Joint Stock Company (VND 1,402,000,000) and SongDa 7 Urban and Industrial Zone Investment Joint Stock Company (VND 1,333,000,000). These are the investments that the Company represents under trust of individuals (see Note 16). The Company is authorized to represent the individuals' contributed capital and all benefits, dividends as well as risks are borne by the individuals.



During the year, the Company has completed the entrusted transfer of 33,000 shares of SongDa 7 Urban and Industrial Zone Investment Joint Stock Company to individuals, par value of VND 10,000 per share.

**Detailed information about investees as at 31/12/2024:**

Name of investees	Place of establishment and operation	Rate of interest	Rate of voting rights	Principal activities
<b>Investments in associates</b>				
Song Da - Hoang Lien Construcion Joint Stock Company (i)	Sapa - Lao Cai	20.29%	36.67%	Producing construction marterials and constructing
<b>Investments in other entities</b>				
Song Da 7 Urban And Industrial Zone Investment Joint Stock Company (i)	Ha Noi	0.00%	0.30%	Constructing civil engineering works

(i) The individuals have entrusted their voting rights to Song Da 7.02 Joint Stock Company.

**13 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
<b>Related parties</b>	<b>1,844,492,012</b>	<b>1,844,492,012</b>	<b>1,844,492,012</b>	<b>1,844,492,012</b>
Song Da 7 Joint Stock Company	1,844,492,012	1,844,492,012	1,844,492,012	1,844,492,012
<b>Others</b>	<b>4,088,514,355</b>	<b>4,088,514,355</b>	<b>4,071,688,012</b>	<b>4,071,688,012</b>
Song Da 25 Joint Stock Company	1,395,799,330	1,395,799,330	1,395,799,330	1,395,799,330
Other customers	2,692,715,025	2,692,715,025	2,675,888,682	2,675,888,682
	<b>5,933,006,367</b>	<b>5,933,006,367</b>	<b>5,916,180,024</b>	<b>5,916,180,024</b>
<b>Unpaid overdue payables</b>				
Song Da 7 Joint Stock Company	1,844,492,012	1,844,492,012	1,844,492,012	1,844,492,012
Song Da 25 Joint Stock Company	1,395,799,330	1,395,799,330	1,395,799,330	1,395,799,330
Other customers	2,256,653,513	2,256,653,513	2,338,690,534	2,338,690,534
	<b>5,496,944,855</b>	<b>5,496,944,855</b>	<b>5,578,981,876</b>	<b>5,578,981,876</b>



**14 TAX AND OTHER PAYABLES TO THE STATE BUDGET**

	Opening payables	Payables in the year	Actual payment in the year	Tax payable at the end of the year
	VND	VND	VND	VND
Value added tax	114,176,992	2,711,431,201	2,415,776,246	409,831,947
Personal income tax	-	2,382,250	2,382,250	-
Natural resource tax	59,209,136	3,033,153,539	2,954,154,625	138,208,050
Fees, charges and other payables	-	369,220,363	369,220,363	-
	<b>173,386,128</b>	<b>6,116,187,353</b>	<b>5,741,533,484</b>	<b>548,039,997</b>

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.

**15 SHORT-TERM ACCRUED EXPENSES**

	31/12/2024	01/01/2024
	VND	VND
Interest expense	4,220,007,708	3,825,928,541
Accrued expenses for construction (i)	4,785,984,157	4,785,984,157
- <i>Geological survey design consultancy expense</i>	3,620,767,858	3,620,767,858
- <i>Other expenses</i>	1,165,216,299	1,165,216,299
	<b>9,005,991,865</b>	<b>8,611,912,698</b>

- (i) These are the accrued expenses for construction of the Nam Thi 2 Hydropower Plant project (capitalized as fixed assets since May 2020).



**16 OTHER SHORT-TERM PAYABLES**

	<u>31/12/2024</u>	<u>01/01/2024</u>
	VND	VND
<b>a) Details by content</b>		
Trade union fee	1,500,850	-
Song Da voluntary funds	40,667,370	40,667,370
Dividends payable	1,323,777,862	1,323,777,862
Accrued annual leave salary and bonus for employees	60,081,425	60,081,425
The Board of Director's remuneration	1,261,550,000	1,147,550,000
Forest environmental service fee	140,996,372	142,871,936
Contributed capital entrust (i)	2,735,000,000	2,735,000,000
Other payables	367,461,495	365,670,602
	<u><b>5,931,035,374</b></u>	<u><b>5,815,619,195</b></u>
<b>b) Details by object</b>		
Hoang Lien Construction Materials Joint Stock Company (i)	1,402,000,000	1,402,000,000
Song Da 7 Urban And Industrial Zone Investment Joint Stock Company (i)	1,333,000,000	1,333,000,000
Other customers	3,196,035,374	3,080,619,195
	<u><b>5,931,035,374</b></u>	<u><b>5,815,619,195</b></u>
<b>c) Unpaid overdue payables</b>		
Dividends payable	1,323,777,862	1,323,777,862
	<u><b>1,323,777,862</b></u>	<u><b>1,323,777,862</b></u>

(i) This is the amount paid by individuals and entrusted to the Company to purchase shares in Song Da – Hoang Lien Construction Joint Stock Company and SongDa 7 Urban and Industrial Zone Investment Joint Stock Company (see Note 12).



**17 BORROWINGS**

	01/01/2024		During the year		31/12/2024	
	Outstanding balance	Amount can be paid	Increase	Decrease	Oustanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
<b>a) Short-term borrowings (i)</b>						
Short-term debts	5,100,000,000	5,100,000,000	2,000,000,000	2,000,000,000	5,100,000,000	5,100,000,000
Current portion of long-term debts	28,300,000,000	28,300,000,000	12,000,000,000	28,300,000,000	12,000,000,000	12,000,000,000
	<b>33,400,000,000</b>	<b>33,400,000,000</b>	<b>14,000,000,000</b>	<b>30,300,000,000</b>	<b>17,100,000,000</b>	<b>17,100,000,000</b>
<b>b) Long-term borrowings (ii)</b>						
Joint Stock Comercial Bank For Investment and Development of Vietnam - Lai Chau Branch	88,427,132,248	88,427,132,248	-	17,400,000,000	71,027,132,248	71,027,132,248
	<b>88,427,132,248</b>	<b>88,427,132,248</b>	<b>-</b>	<b>17,400,000,000</b>	<b>71,027,132,248</b>	<b>71,027,132,248</b>
Amount due for settlement within 12 months	(28,300,000,000)	(28,300,000,000)	(12,000,000,000)	(28,300,000,000)	(12,000,000,000)	(12,000,000,000)
<b>Amount due for settlement after 12 months</b>	<b>60,127,132,248</b>	<b>60,127,132,248</b>			<b>59,027,132,248</b>	<b>59,027,132,248</b>



(i) Detailed information on short-term borrowings and current portion of long-term debts:

	Currency	Interest rate	Loan purpose	Guarantee	31/12/2024	01/01/2024
					VND	VND
<b>Short-term borrowings</b>					<b>5,100,000,000</b>	<b>5,100,000,000</b>
<i>Related parties</i>						
Song Da 7 Joint Stock Company	VND	Floating interest rate	Supplement working capital	Unsecured	5,100,000,000	5,100,000,000
<b>Current portion of long-term debts</b>					<b>12,000,000,000</b>	<b>28,300,000,000</b>
<i>Other</i>						
Joint Stock Comercial Bank For Investment and Development of Vietnam - Lai Chau Branch	VND	Floating interest rate	Investment for hydropower plant	Assets established from the invesment project	12,000,000,000	28,300,000,000
					<b>17,100,000,000</b>	<b>33,400,000,000</b>

(ii) Detailed information on long-term borrowings:

	Currency	Interest rate	Date due	Loan purpose	Guarantee	31/12/2024	01/01/2024
						VND	VND
<b>Long-term borrowings</b>							
<i>Others</i>						<b>71,027,132,248</b>	<b>88,427,132,248</b>
Joint Stock Comercial Bank For Investment and Development of Vietnam - Lai Chau Branch	VND	Floating interest rate	2027	Investment in hydropower plant	Assets established from the investment project	71,027,132,248	88,427,132,248
						<b>71,027,132,248</b>	<b>88,427,132,248</b>
Amount due for settlement within 12 months						(12,000,000,000)	(28,300,000,000)
<b>Amount due for settlement after 12 months</b>						<b>59,027,132,248</b>	<b>60,127,132,248</b>

The loans from banks and credit institutions are secured by mortgage/pledge agreements with the lenders and have been fully registered for secured transactions.



18 OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share premium	Development and investment funds	Retained earnings	Total
	VND	VND	VND	VND	VND
Beginning balance of previous year	120,000,000,000	(130,000,000)	1,649,085,439	(7,934,461,461)	113,584,623,978
Profit for previous year	-	-	-	225,877,084	225,877,084
Ending balance of previous year	<u>120,000,000,000</u>	<u>(130,000,000)</u>	<u>1,649,085,439</u>	<u>(7,708,584,377)</u>	<u>113,810,501,062</u>
Beginning balance of current year	120,000,000,000	(130,000,000)	1,649,085,439	(7,708,584,377)	113,810,501,062
Profit for this year	-	-	-	5,880,352,657	5,880,352,657
Ending balance of this year	<u>120,000,000,000</u>	<u>(130,000,000)</u>	<u>1,649,085,439</u>	<u>(1,828,231,720)</u>	<u>119,690,853,719</u>



**b) Details of Contributed capital**

	<u>31/12/2024</u>	<u>Rate</u>	<u>01/01/2024</u>	<u>Rate</u>
	VND	%	VND	%
Song Da 7 Joint Stock Company	41,774,060,000	34.81	41,774,060,000	34.81
Song Da 7.04 Joint-Stock Company	40,800,000,000	34.00	40,800,000,000	34.00
Highland - Song Da 7 Hydropower Joint Stock Company	19,200,000,000	16.00	19,200,000,000	16.00
Others	18,225,940,000	15.19	18,225,940,000	15.19
	<u>120,000,000,000</u>	<u>100%</u>	<u>120,000,000,000</u>	<u>100%</u>

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

	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
<b>Owner's contributed capital</b>		
- At the beginning of the year	120,000,000,000	120,000,000,000
- At the end of the year	120,000,000,000	120,000,000,000

**d) Share**

	<u>31/12/2024</u>	<u>01/01/2024</u>
Quantity of Authorized issuing shares	12,000,000	12,000,000
Quantity of issued shares	12,000,000	12,000,000
- Common shares	12,000,000	12,000,000
Quantity of outstanding shares in circulation	12,000,000	12,000,000
- Common shares	12,000,000	12,000,000
Par value per share: 10,000 VND/share		

**e) Company's reserves**

	<u>31/12/2024</u>	<u>01/01/2024</u>
	VND	VND
Development and investment funds	1,649,085,439	1,649,085,439
	<u>1,649,085,439</u>	<u>1,649,085,439</u>

**19. OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT**

**a) Operating leased assets**

The Company signed a Land Lease Contract No. 904/HĐTĐ on October 10, 2017, with a lease term of 40 years starting from October 10, 2017, at Son Binh Commune, Tam Duong District, Lai Chau Province for the purpose of constructing the Nam Thi 2 Hydropower Plant, which is a part of the Nam Thi 1 and Nam Thi 2 Hydropower Projects. The leased land area is 48,475.86 m<sup>2</sup>. According to this contract, the Company should be paid annual land lease fees until the contract expires in accordance with the current regulations of the State. According to Decision No. 10/QĐ-CT dated January 11, 2019 issued by Tax Department of Lai Chau province, the Company is exempted from land lease fees for 11 years (from 2019 to 2029).



**b) Foreign currencies**

	<u>31/12/2024</u>	<u>01/01/2024</u>
USD	371	371
<b>20 TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES</b>		
	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Sales of commercial electricity	36,099,274,547	31,242,151,755
	<b><u>36,099,274,547</u></b>	<b><u>31,242,151,755</u></b>
<b>21 COST OF GOODS SOLD</b>		
	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Cost of commercial electricity	21,749,290,793	19,737,548,678
	<b><u>21,749,290,793</u></b>	<b><u>19,737,548,678</u></b>
<b>22 FINANCIAL INCOME</b>		
	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Interest income	4,720,963	2,498,528
	<b><u>4,720,963</u></b>	<b><u>2,498,528</u></b>
<b>23 FINANCIAL EXPENSES</b>		
	<u>Year 2024</u>	<u>Year 2023</u>
	VND	VND
Interest expenses	6,677,078,068	9,855,147,877
	<b><u>6,677,078,068</u></b>	<b><u>9,855,147,877</u></b>
In which: Financial expenses paid to related parties (Detailed in Note 31)	390,079,167	489,804,155



24 GENERAL AND ADMINISTRATIVE EXPENSES

	Year 2024 VND	Year 2023 VND
Labour expenses	1,234,892,948	1,009,514,512
Tool and supply expenses	6,587,500	11,368,900
Tax, Charge, Fee	3,000,000	3,000,000
Expenses of outsourcing services	256,418,583	228,707,336
Other expenses in cash	289,806,598	185,434,275
	<b>1,790,705,629</b>	<b>1,438,025,023</b>

25 OTHER EXPENSES

	Year 2024 VND	Year 2023 VND
Fines for late tax payment	6,568,363	51,621
	<b>6,568,363</b>	<b>51,621</b>

26 CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2024	Year 2023			
	VND	VND			
Total profit before tax	5,880,352,657	225,877,084			
Increase	6,568,363	51,621			
- <i>Fines</i>	6,568,363	51,621			
Taxable income	5,886,921,020	225,928,705			
Carrying forward losses from previous years	(191,983,698)	(225,928,705)			
Tax-free income	(5,694,937,322)	-			
<b>Current corporate income tax expense</b>	-	-			
<b>(tax rate 10%)</b>					
Tax payable at the beginning of the year	-	-			
Tax paid in the year	-	-			
<b>Corporate income tax payable at the end</b>	-	-			
<b>of the year</b>					
The year in which losses arise	The year in which losses can be carried forward	Taxable losses	Losses carried forward up to 31/12/2024	Losses can not be carried forward	Losses not carried forward up to 31/12/2024
		VND	VND	VND	VND
2019	2024	8,413,865,862	8,413,865,862	-	-
2020	2025	3,473,998,287	3,473,998,287	-	-
		<b>11,887,864,149</b>	<b>11,887,864,149</b>	-	-

## 27 BASIC EARNINGS PER SHARE

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

	Year 2024 VND	Year 2023 VND
Net profit after tax	5,880,352,657	225,877,084
Profit distributed to common share	5,880,352,657	225,877,084
Average number of outstanding common shares in circulation in the year	12,000,000	12,000,000
<b>Basic earnings per share</b>	<b>490</b>	<b>19</b>

The Company has not planned to make any distributions to the Bonus and Welfare Fund and the Executive Board Reward Fund from the profit after tax at the time of preparing the financial statements.

As at December 31, 2024, the Company does not have any shares with potential impairment of earnings per share.

## 28 BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024 VND	Year 2023 VND
Raw materials	165,151,311	313,643,081
Labour expenses	3,690,617,502	3,084,317,820
Tool and supply expenses	152,543,565	155,591,864
Depreciation expenses	12,442,344,576	12,486,129,611
Tax, Charge, Fee	4,479,255,599	3,723,800,903
Expenses of outsourcing services	2,030,219,702	1,200,399,373
Other expenses in cash	579,864,167	211,691,049
	<b>23,539,996,422</b>	<b>21,175,573,701</b>

## 29 ADDITIONAL INFORMATION FOR THE ITEMS OF THE STATEMENT OF CASH FLOWS

### a) Proceeds from borrowings during the year

	Year 2024 VND	Year 2023 VND
Proceeds from ordinary contracts	2,000,000,000	-

### b) Actual repayments on principal during the year

	Year 2024 VND	Year 2023 VND
Repayment on principal in the year	19,400,000,000	12,300,000,000

## 30 SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There are no significant events occurring after the end of the financial year that require adjustment or disclosure in these financial statements.



### 31 TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Related parties	Relation
Song Da 7 Joint Stock Company	Major shareholder
Song Da 7.04 Joint-Stock Company	Major shareholder
Highland - Song Da 7 Hydropower Joint Stock Company	Major shareholder
The members of the Board of Directors, the Board of Management, the Board of Supervision and other	Key managers

In addition to the information with related parties presented in the above Notes, during the year, the Company has transactions with related parties as follows:

	Year 2024 VND	Year 2023 VND
<b>Interest from borrowings</b>		
Song Da 7 Joint Stock Company	390,079,167	489,804,155

Remuneration of the Board of Directors, the Board of Management and other managers is as

	Position	Year 2024 VND	Year 2023 VND
Mr. Nguyen Huu Nhuan	Chairman	24,000,000	24,000,000
Mr. Nguyen Huu Doanh	Member of BOD	18,000,000	18,000,000
Mr. Pham Van Toan	Member of BOD, General Director (resigned on 09/05/2024)	128,033,125	304,137,716
Mr. Nguyen Cao Son	General Director (appointed on 10/05/2024)	195,253,000	-
Mr. Dinh Trong The	Vice General Director (appointed on 07/04/2024)	268,102,704	-
Mr. Pham Van Phong	Chief Accountant	263,139,000	247,935,516

There are no significant events occurring after the end of the financial year that require adjustment or disclosure in these financial statements.

### 32 COMPARATIVE FIGURES

The comparative figures are the figures from the financial statements for the financial year ended as at December 31, 2023, which were audited by AASC Auditing Company Limited.



**Le Van Cuong**  
Preparer



**Pham Van Phong**  
Chief Accountant



**Dinh Trong The**  
Vice General Director  
Lai Chau, 20 March 2025