

MINISTRY OF INDUSTRY AND TRADE

MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION.,JSC

Address: No. 7A Mac Thi Bui Street, Vinh Tuy Ward, Hai Ba Trung

District, Ha Noi city

Tax code: 0100101379

COMBINED FINANCIAL STATEMENTS FIRST QUARTER OF 2025

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Ha Noi, April, 2025

MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION.,JSC

Address: No. 7A Mac Thi Bui Street, Vinh Tuy Ward, Hai Ba Trung District, Ha Noi city

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COMBINED BALANCE SHEET
As at 31 March 2025

Unit: VND

ASSETS		Code	Note	31/03/2025	01/01/2025
A.	SHORT-TERM ASSETS	100		309,911,352,908	313,217,018,633
I.	Cash and cash equivalents	110	V.01	17,332,508,543	26,261,064,257
1.	Cash	111		12,332,508,543	21,261,064,257
2.	Cash equivalents	112		5,000,000,000	5,000,000,000
II.	Short-term investments	120	V.02	63,372,052,075	56,372,052,075
1.	Held to maturity investments	123		63,372,052,075	56,372,052,075
III.	Short-term receivables	130		189,534,478,139	194,495,907,340
1.	Short-term trade receivables	131	V.03	175,958,436,337	181,830,687,231
2.	Short-term repayments to suppliers	132		16,222,404,623	15,987,543,017
3.	Short-term intra-company receivables	133	V.04	637,500,000	637,500,000
4.	Other short-term receivables	136	V.05	7,868,926,421	7,192,966,334
5.	Short-term allowances for doubtful debts	137		(11,152,789,242)	(11,152,789,242)
IV.	Inventories	140	V.06	35,258,628,698	31,935,140,242
1.	Inventories	141		35,258,628,698	31,935,140,242
V.	Other current assets	150	V.07	4,413,685,453	4,152,854,719
1.	Short-term prepaid expenses	151	V.12	35,722,347	6,827,732
2.	Deductible VAT	152		3,984,085,831	3,752,149,712
3.	Taxes and other receivables from government budget	153	V.08	393,877,275	393,877,275
B.	LONG-TERM ASSETS	200		1,235,106,977,237	1,236,666,798,398
I.	Long-term receivable	210		9,707,500,000	10,450,000,000
1	Long-term loan receivables	215		9,700,000,000	10,412,500,000
2	Other long-term receivables	216	V.05	7,500,000	37,500,000
II.	Fixed assets	220		24,421,812,112	25,258,119,448
1.	Tangible fixed assets	221	V.09	24,421,812,112	25,258,119,448
	- Cost	222		48,729,426,021	48,729,426,021
	- Accumulated depreciation	223		(24,307,613,909)	(23,471,306,573)
2.	Intangible fixed assets	227	V.10	-	-
	- Cost	228		100,000,000	100,000,000
	- Accumulated depreciation	229		(100,000,000)	(100,000,000)
III.	Investment properties	230	V.11	20,098,038,086	20,001,887,237
	- Cost	231		24,131,015,298	24,131,015,298
	- Accumulated depreciation	232		(4,032,977,212)	(4,129,128,061)
V.	Long- term investments	250	V.02	1,180,460,941,347	1,180,460,941,347
1.	Investment in subsidiaries	251		1,160,969,434,283	1,160,969,434,283
2.	Investments in joint- ventures, associates	252		1,772,952,058	1,772,952,058
3.	Investments in equity of other entities	253		17,718,555,006	17,718,555,006
VI.	Other long-term assets	260		418,685,692	495,850,366
1.	Long-term prepaid expenses	261	V.12	418,685,692	495,850,366
TOTAL ASSETS		270		1,545,018,330,145	1,549,883,817,031

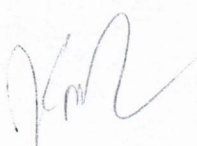
COMBINED BALANCE SHEET
As at 31 March 2025 (CONTINUED)

Unit: VND


RESOURCES	Code	Note	31/03/2025	01/01/2025
A. LIABILITIES	300		124,106,823,948	129,315,748,662
I. Short-term liabilities	310		124,106,823,948	129,315,748,662
1. Short-term trade payables	311	V.13	57,489,802,058	50,856,750,731
2. Short-term prepayments from customers	312		32,409,657,151	40,977,963,803
3. Taxes and other payables to government budget	313	V.08	143,031,508	283,007,847
4. Payables to employees	314		955,305,677	3,566,610,646
5. Short-term accrued expenses	315	V.14	7,171,659,766	6,567,598,366
6. Short-term unearned revenues	318	V.15	59,636,363	318,522,727
7. Other short-term payments	319	V.16	18,785,482,922	18,834,582,102
8. Short-term borrowings and finance lease	320	V.17	5,100,003,547	5,100,003,547
9. Short-term provisions	321		1,141,002,574	1,902,607,311
10. Bonus and welfare fund	322		851,242,382	908,101,582
II. Long-term liabilities	330		-	-
B. OWNER'S EQUITY	400		1,420,911,506,197	1,420,568,068,369
I. Owner's equity	410	V.18	1,420,911,506,197	1,420,568,068,369
1. Contributed capital	411		1,418,634,488,001	1,418,634,488,001
2. Undistributed profit after tax	421		2,277,018,196	1,933,580,368
- Undistributed profit after tax brought forward	421a		1,933,580,368	732,024
- Undistributed profit after tax for the current year	421b		343,437,828	1,932,848,344
TOTAL RESOURCES	440		1,545,018,330,145	1,549,883,817,031

Hanoi, 24th April, 2025

Preparator


Nguyen Trung Kien

Responsible for accounting


Pham Minh Duc

General Director


Le Huy Hai

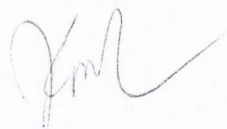
Combined Income Statement
From 01/01/2025 to 31/03/2025

ITEMS	Code	Note	The First Quarter of 2025 VND	The First Quarter of 2024 VND	From 01/01/2025 to 31/03/2025 VND	From 01/01/2024 to 31/03/2024 VND
1. Revenue from sale of goods and rendering of services	01	VI.01	40,988,004,461	50,933,971,099	40,988,004,461	50,933,971,099
2. Deductible items	02	VI.02	122,654,544	-	122,654,544	-
3. Net revenue from sales of goods and rendering of services (10 = 01-02)	10		40,865,349,917	50,933,971,099	40,865,349,917	50,933,971,099
4. Cost of goods sold	11	VI.03	36,440,304,943	46,728,465,706	36,440,304,943	46,728,465,706
5. Gross profit from sale of goods and redering of services (20 = 10-11)	20		4,425,044,974	4,205,505,393	4,425,044,974	4,205,505,393
6. Revenue from financial activities	21	VI.04	910,611,135	1,256,160,509	910,611,135	1,256,160,509
7. Financial expenses	22	VI.05	11,762,891	16,246,576	11,762,891	16,246,576
<i>In which: Interest payable</i>	23		11,095,891	16,246,576	11,095,891	16,246,576
8. Administrative expenses	26		4,843,275,960	5,321,395,900	4,843,275,960	5,321,395,900
10. Net profit from operating activities {30 = 20+(21-22)-(25+26)}	30		480,617,258	124,023,426	480,617,258	124,023,426
11. Other income	31	VI.06	596	60,277,500	596	60,277,500
12. Other expense	32	VI.07	-	-	-	-
13. Other profit (40 = 31-32)	40		596	60,277,500	596	60,277,500

Combined Income Statement
 Form 01/01/2025 to 31/03/2025 (Continued)

ITEMS	Code	Note	The First Quarter of	The First Quarter of	From 01/01/2025 to	From 01/01/2024 to
			2025 VND	2024 VND	31/03/2025 VND	31/03/2024 VND
14. Total profit before tax (50 = 30+40)	50		480,617,854	184,300,926	480,617,854	184,300,926
15. Current business income tax expenses	51	VI.08	137,180,026	129,448,875	137,180,026	129,448,875
17. Profit after tax	60		343,437,828	54,852,051	343,437,828	54,852,051

Preparator



Nguyen Trung Kien

Responsible for accounting



Pham Minh Duc

Hanoi, 24th April, 2025
 General Director




Le Huy Hai

Combined Cash Flow Statement

Form 01/01/2025 to 31/03/2025

(Under Indirect method)

Items	Code	Note	Form 01/01/2025 to 31/03/2025	Form 01/01/2024 to 31/03/2024
I. Cash flows from operating activities				
1. Net profit before tax	01		480,617,854	184,300,926
2. Adjusted for the following			(2,669,251,345)	(168,913,921)
- Depreciation of fixed assets and investment properties	02		740,156,487	781,560,192
- Provision for bad debt	03		(761,604,737)	-
- Gains and losses of unrealized exchange rate difference	04		30,001,891	(8,169,857)
- Profits or losses from investment activities	05		(2,827,358,911)	(958,550,832)
- Interest expenses	06		149,553,925	16,246,576
3. Operating income (loss) before changes in working	08		(2,188,633,491)	15,387,005
- (Increase) decrease in receivables	09		5,911,323,277	(15,188,002,344)
- (Increase) decrease in inventory	10		(3,323,488,456)	6,989,091,085
- Increase (decrease) in payables	11		(4,872,833,537)	10,092,964,630
- (Increase) decrease in prepaid expenses	12		48,270,059	57,316,273
- Interest paid	13		(16,246,576)	-
- Enterprise income tax paid	14		(222,497,285)	-
- Other cash outflows from operating activities	16		(48,500,000)	-
<i>Net cash inflows (outflows) from operating activities</i>	20		(4,712,606,009)	1,966,756,649
II. Cash flows from investing activities				
1. Payments for purchase of debt instruments of other entities	23		(7,000,000,000)	-
2. Proceeds from sales of debt instruments of other entities	24		-	5,000,000,000
3. Receipts of interest, dividends	27		2,827,358,911	958,550,832
<i>Net cash from investing activities</i>	30		(4,172,641,089)	5,958,550,832

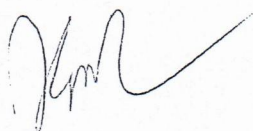
MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION., JSC
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 District, Ha Noi city
 Number: (84-4) 38 252 498 Fax: (84-4) 38 261 129

Fomr B 03-DN
 Issued under Circular No. 200/2014/
 TT-BTC date on 22/12/2014 of MOF

Combined Cash Flow Statement
Form 01/01/2025 to 31/03/2025 (Continued)
(Under Indirect method)

Items	Code	Note	Form 01/01/2025 to 31/03/2025	Form 01/01/2024 to 31/03/2024
III. Cash flows from financing activities				
1. Proceeds from borrowings	33		-	200,000,000
2. Payments to settle debts(principal)	34		-	(1,400,000,000)
IV. Net cash flows from financing activities	40		-	(1,200,000,000)
V. Net cash flows in the period	50		(8,885,247,098)	6,725,307,481
VI. Cash at beginning of year	60		26,261,064,257	5,917,239,579
Effect of exchange rate fluctuations	61		(43,308,616)	8,169,857
Cash at end of yea	70		17,332,508,543	12,650,716,917

Preparator



Nguyen Trung Kien

Responsible for accounting



Pham Minh Duc

Hanoi, 24th April, 2025

General Director



Le Huy Hai

Notes to the Combined Financial Statements

1. BUSINESS HIGHLIGHT

1.1 Structure of ownership

Machines And Industrial Equipment Corporation - JSC (hereinafter referred to as "the Corporation") was formerly a State Corporation with the name of Industrial Machinery and Equipment Corporation. Industrial Machinery and Equipment Corporation was established under Decision No. 155/HDBT dated May 12, 1990 of the Council of Ministers (now the Government) and re-established under Decision No. 1117QD/TCCBĐT dated October 27, 1995 of the Minister of Heavy Industry (now the Ministry of Industry and Trade). The Corporation was converted to operate under the model of Parent Company - Subsidiary Company under Decision No. 3168/QD-BCT dated June 15, 2010 of the Ministry of Industry and Trade. On November 16, 2015, the Ministry of Industry and Trade decided to determine the enterprise value of the Corporation to convert it to a Joint Stock Company under Decision No. 12494/QD-BCT

The Corporation officially switched to operating in the form of a Joint Stock Company with the trading name of Machines And Industrial Equipment Corporation - JSC according to the 7th change in the Certificate of Business Registration of the Joint Stock Company dated January 20, 2017, the 12th change on July 17, 2024 issued by the Department of Planning and Investment of Hanoi City.

On November 21, 2022, the Corporation received a Certificate of Change in Business Registration Content issued by the Hanoi Department of Planning and Investment. According to this Certificate, the Corporation has added more business lines.

The Charter Capital of the Corporation - according to the 12th amended Certificate of Business Registration of the Joint Stock Company dated July 17, 2024 is: VND 1,419,915,000,000 (In words: One thousand, four hundred and nineteen billion, nine hundred and fifteen million dong

International transaction name: MACHINES AND INDUSTRIAL EQUIPMENT CORPORATION

The abbreviation is: MIE

The Corporation's shares are currently traded on the Upcom exchange with the trading code MIE.

The Corporation's head office is located at 7A Mac Thi Buoi Street, Vinh Tuy Ward, Hai Ba Trung District, Hanoi City, Vietnam.

1.2 Operating industries and principal activities

- Manufacturing and manufacturing mechanical products (complete equipment, individual equipment, consumer metals, cluster details, spare parts);
 - Investment, construction, manufacturing, installation, operation and transfer of independent thermal and hydroelectric power plants, and solar power plants ;
 - Construction of industrial and civil works, road traffic works, irrigation works, urban infrastructure works ;
- Investment consulting and technological and industrial technical services.

1.3 The Corporation's structure

As at March 31, 2025, the Corporation has the following subsidiaries, associates and affiliated units:

Notes to the Combined Financial Statements

1.4 The Corporation's structure

Name	Operating industries	Owners hip ratio	Voting ratio
I. Subsidiary			
1. Hanoi Mechanical Company Limited	Manufacturing and manufacturing machines, metal cutting, technological equipment, construction of civil and industrial works, import and export and trading of industrial equipment and materials, etc.	100%	100%
2. Quang Trung Mechanical Engineering Company Limited	Design and manufacture of pulp production lines, manufacture of steel structures, industrial spare parts and equipment, X-ray inspection of pressure equipment. Manufacturing paper products, importing equipment and materials, operating office warehouses, importing and exporting electrical and electronic equipment for civil industry.	100%	100%
3. Mechanical Products Export-Import Company Limited	Buying, selling, importing and exporting household appliances, agricultural products, machinery and equipment, manufacturing and trading mechanical products, etc.	100%	100%
4. The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	Export and import business; Entrusting and receiving entrustment for export and import of goods; Market research and public opinion polling; Trade brokerage, etc.	100%	100%
5. Duyen Hai Mechanical Joint Stock Company	Manufacturing and trading of machinery and equipment, industrial spare parts, gearboxes of all kinds of factory frames, rolled steel for construction and shaped steel. Import and export of machinery and equipment	98,189%	98,189%
6. Tools Joint Stock Company No1	Trading in industrial products and mechanical measuring instruments.	51%	51%
II. Affiliated, Joint Venture Company			
1. Sai Gon-Ha Noi Investment and Trading Joint Stock Company	Business of supermarkets, restaurants, hotels, investment projects	20%	20%
III. Dependent Units			
1. Branch of Machines and Industrial Equipment Corporation - Jsc	Trading, buying and selling of machinery, equipment, industrial materials; Construction of industrial and civil works, urban and industrial park infrastructure works; ...	100%	100%
2. Industrial Construction Company	Site preparation; Mechanical processing, metal treatment and coating; Installation of water supply, drainage, heating and air conditioning	100%	100%
3. Investment Consulting and Industrial Technical Services Company	Investment consulting, industrial services and technology transfer; Carry out tasks authorized by the Corporation.	100%	100%

(*) The Branch of Machines and Industrial Equipment Corporation - Jsc (affiliated unit) temporarily suspends operations for a period of 01 year from December 1, 2023 to November 30, 2024 based on Decision No. 959/QĐ-MIE-TCNS dated November 8, 2023 of the General Director of Machines and Industrial Equipment Corporation - Jsc and the Certificate of temporary suspension of operations of the Business Registration Office under the Department of Planning and Investment of Ho Chi Minh City dated November 15, 2023.

Notes to the Combined Financial Statements

2. ACCOUNTING PERIOD, CURRENCY

Annual Accounting period

The Corporation's annual accounting period is according to the calendar year, starting from January 1 and ending on December 31 of each year .

Currency unit used in accounting

The accompanying Combined financial statements are presented in Vietnamese Dong (VND).

3. APPLICABLE ACCOUNTING SYSTEM

Applicable accounting system

The Corporation applies Business accounting system of Viet Nam issued under Circular No.200/2014/TT-BTC dated 22/12/2014 of the Ministry of Finance on "Guidelines for accounting policies for Enterprises" and Circular No. 53/2016/TT-BTC dated 21/3/2016 of Ministry of Finance on guidelines, amendments to some articles of Circular No. 200/2014/TT-BTC.

Statement of complying with the accounting standard and accounting policies

The Corporation's Executive Board ensures that it has fully complied with the Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System issued and effective in preparing and presenting these Combined Financial Statements.

4. ACCOUNTING POLICIES

Basis for preparing Combined financial statements

The accompanying Combined financial statements are presented in Vietnam Dong (VND), using the historical cost principle and in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and other relevant legal relating to the preparation and presentation of the Combined financial statements.

The combined financial statements are prepared on the basis of combining the financial statements of the affiliated units and the financial statements of the General Office. Transactions and balances between the General Office and the affiliated units and between the affiliated units and each other have been eliminated when presenting the combined financial statements.

The accompanying combined financial statements are the combined financial statements of the Corporation, therefore, do not include the financial statements of the subsidiaries. Users of the combined financial statements should read them together with the combined financial statements for the first quarter of 2025 to have complete information on the financial position as well as the results of business operations and cash flows of the Corporation during the year.

Equitization settlement

At the date of issuance of this Report, the work related to the equitization settlement is still being carried out and the Corporation has not received a decision from the competent authority on approving the settlement of the value of the State capital portion at the official date of conversion into a Joint Stock Company.

Estimates

The preparation of the combined financial statements in accordance with Vietnamese Accounting Standards requires the Board of Directors to make estimates and assumptions that affect the reported

Notes to the Combined Financial Statements

amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements of the Corporation as well as the reported amounts of revenue and expenses during the financial year. Actual results may differ from the estimates and assumptions made.

Principles for definition of cash and cash equivalents

Cash includes all cash on hand, cash in bank of the Company at the time of the Financial Statement.

Cash equivalents are short-term investments of which the due dates cannot exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash as of the balance sheet date.

Financial investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits at banks held to maturity to earn periodic interest. Held-to-maturity investments are deposits with a maturity period longer than 3 months.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held- to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Loans

Loans are measured at cost less allowance for doubtful debts.

Provision for doubtful debts on the Company's loans is made in accordance with current accounting regulations.

Investments in joint ventures, associates and other investments

Investments in subsidiaries over which the Corporation has control, investments in associates over which the Corporation has significant influence are presented using the cost method in the Combined Financial Statements.

Distributions from the accumulated profits of the associates received by the Corporation after the date of acquisition are recognized in the Corporation's income statement for the period. Other distributions are considered as a recovery of investments and are deducted from the investment value.

Investments in Subsidiaries, Associates and other investments are presented in the balance sheet at cost less provisions for impairment (if any).

Other investment: These investments are stated at cost, which includes purchase prices and any directly attributable expenditures. After initial recognition, these investments are measured at cost less provision for diminution in value of the investments.

Provision for impairment of investments

Notes to the Combined Financial Statements

Provision for impairment of capital contributions to joint ventures, investments in associates and investments in equity instruments of other entities is made when there is solid evidence showing a decline in the value of these investments at the end of the accounting period.

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is assessed and considered for receivables that are overdue and face difficulties in debt recovery, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are valued at cost, for those which have costs higher than the net realisable value, it must be calculated according to the net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Tangible fixed assets accounting and depreciation principles

Tangible fixed assets are recognition at historical cost which are stated at cost less accumulated depreciation. Historical cost of a fixed asset includes all costs incurred by the Company to acquire the fixed asset up to the date it is ready for use.

Tangible fixed assets are amortized on a straight-line basis over their estimated useful lives. The specific depreciation period is as follows:

Assets	<u>Years</u>
Buildings and architectures	30 - 50
Machinery and equipments	05 - 06
Transportation means	03 - 06
Management tools	03 - 05

When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off and any gains or losses arising from the liquidation are included in other income or other expenses during the year.

Intangible fixed assets accounting and depreciation principles

Intangible fixed assets of the Corporation is computer software which are stated at cost less accumulated amortization.

The cost of intangible fixed assets is all the costs that the Corporation has to spend to get it up to the time of putting the assets into the state of ready to use.

Computer software is amortized using the straight-line method over its estimated useful life of 5 years.

Investment real estate assets accounting and depreciation principles

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation.

The costs of investment properties comprise all the expenditures (cash and cash equivalents) paid by the Corporation or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Notes to the Combined Financial Statements

The costs related to investment properties incurred after initial recognition must be recognized as operating expenses unless it is certain that these costs will increase the future economic benefits from the investment property beyond its originally assessed value, in which case they are added to the cost of the investment property.

assessed value, in which case they are added to the cost of the investment property.

Depreciation: Investment properties for rental are depreciated using the straight-line method to allocate the cost over the estimated useful life. The Corporation does not depreciate investment properties held for appreciation. The depreciation period is as follows:

	<u>Years</u>
Housing	40

Disposal: Gains and losses from the disposal of investment properties are determined as the difference between the net proceeds from disposal and the carrying amount of the investment properties and are recognised as income or expense in the Income Statement.

Prepaid expenses

Prepaid expenses are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepaid expenses of the Corporation include: tools, instruments, repair expenses and other expenses.

Tools and supplies issued for consumption, repair expenses and other expenses which are amortized on a straight – line method with an allocation period not exceeding 36 months.

Payables

The payables are monitored in detail by maturity terms, subjects, kind of currency and other factors according to management demand of the Corporation.

The payables include payable to suppliers, loans payables and other payables which are determined almost certainly about the recorded value and duration which are not less than the obligation payable, they are classified as follows:

- Trade payables includes commercial payables arising from the purchase of goods, services and assets between the Corporation and the seller (the independent unit of the Company, including amounts payable between the Holding company and its subsidiaries, joint ventures, associates).
- Other payables include non-commercial payables, non-related transactions of purchasing and selling of goods and services.

Principles of Unearned Revenue Recognition

Unearned revenue includes: Revenue received in advance (advance payments received from customers over multiple accounting periods for activities such as leasing assets, infrastructure).

Unearned revenue is allocated using the straight-line method, based on the number of periods for which payment has been received in advance.

Principles of Loan Recognition

Includes borrowings, excluding loans in the form of bond issuance or preferred shares with clauses obligating the issuer to repurchase at a specific point in the future.

The Corporation tracks loans in detail for each debtor and classifies them into short-term and long-term categories based on the repayment timeline.

Notes to the Combined Financial Statements

Direct costs related to the loans are recognized as financial expenses, except for costs incurred from loans specifically used for investment, construction, or production of unfinished assets, which are capitalized.

Principles of Accrued Expenses Recognition

Accrued expenses refer to actual costs that have not yet been paid but may be allocated to production and business expenses in the current period to ensure compliance with the matching principle between revenue and expenses. When these expenses are actually incurred, any discrepancies (if any) are either additionally recorded or reversed accordingly.

Principles for recording dividends payable

Dividends are recorded as Liabilities when there is a dividend payment notice from the Board of Directors of the Corporation and notice of the closing date for receiving dividends from the Vietnam Securities Depository Center.

Principle for recognition of owners' equity

Owners' equity is recognized as the actual capital contributed to the Company.

Profit after corporate income tax is distributed to shareholders after the allocation of funds in accordance with the Corporation's Charter, legal regulations, and approval by the General Meeting of Shareholders.

Revenue recognition

Revenue from sale of goods

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

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

Revenue from services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the Combined balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The percentage of completion of the transaction at the Combined balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Notes to the Combined Financial Statements

Construction Revenue

When the outcome of a construction contract can be reliably estimated:

- For construction contracts where the contractor is paid based on planned progress, revenue and expenses related to the contract are recognized in proportion to the work completed, as determined by the Company at the end of the accounting period.
- For construction contracts where the contractor is paid based on the value of work performed, revenue and expenses related to the contract are recognized in proportion to the work completed, as confirmed by the customer and reflected on the issued invoice.

Adjustments to construction volume, compensation claims, and other revenues are recognized as revenue only when agreed upon with the customer.

When the Outcome of a Construction Contract Cannot Be Reliably Estimated:

- Revenue is recognized only to the extent of the contract costs incurred for which payment is relatively certain.
- Contract costs are recognized as expenses only when they are incurred.

The difference between the cumulative revenue recognized from the construction contract and the cumulative amounts invoiced based on the planned progress of the contract is recorded as a receivable or payable based on the planned progress of the construction contracts.

Revenue from Operating Lease of Assets

Revenue from the operating lease of assets is recognized on a straight-line basis over the lease term. Lease payments received in advance for multiple periods are allocated to revenue in accordance with the lease term.

Financial Operating Revenue

Revenue from interest income be recognized when these two (2) conditions are met:

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

Dividends and Distributed Profits

Dividends and distributed profits are recognized when the Corporation has the right to receive dividends or profits from its capital contributions. Dividends received in shares are only recorded by the number of shares increased, the value of shares received is not recorded.

ares received is not recorded.

Principle for recognition of the cost of goods sold

Cost of goods sold is the total cost incurred of finished products, goods, services, investment real estate; production price of construction products in the period according to the principle of matching with revenue.

Financial expenses

The following expenses are recognized as financial expenses:

- Costs related to lending and borrowing activities;

Notes to the Combined Financial Statements

- Losses from exchange rate fluctuations in transactions involving foreign currencies;
 - Other financial expenses.
-

Principles and methods of recording current income tax expenses

Corporate income tax expense (or corporate income tax assets) is the total of current income tax expense and deferred income tax expense expected to be paid to (or recovered from) tax authorities when determining profit or loss for a period.

etermining profit or loss for a period.

Current Corporate Income Tax Expense: This represents the corporate income tax payable calculated on taxable income during the period using the prevailing corporate income tax rate. The payable income tax is based on taxable income and the applicable tax rate for the reporting period. The difference between taxable income and accounting profit arises from adjustments made to reconcile differences between accounting profit and taxable income under the current tax regulations.

ations.

The company has an obligation to pay corporate income tax (CIT) for taxable income at the current tax rate of 20%.

The determination of the Corporation's income tax is based on current tax regulations. However, these regulations change from time to time and the final determination of corporate income tax depends on the inspection results of the competent tax authority.

Related parties

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

hey are subject to common control or common significant influence.

In considering the relationships between related parties, the nature of the relationship is given more importance than the legal form..

Segment Reporting

A segment is a distinguishable component of the Corporation engaged in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that differ from those of other segments. The Board of Directors assumes that the Corporation's production and operations are concentrated in the Hanoi city area while purchasing and consumption activities occur nationwide and abroad. Therefore, the Corporation does not present segment reports by business field or geographical area in accordance with Vietnamese Accounting Standard No. 28 - Segment Reporting.

Notes to the Combined Financial Statements

V. DESCRIPTIVE INFORMATION IN ADDITION TO THE ITEMS PRESENTED IN THE
BALANCE SHEET (UNIT: VND)

	31/03/2025	01/01/2025
01. Cash		
- Cash in hand	343,666,610	12,557,940
- Cash at banks	11,988,841,933	21,248,506,317
- Cash exchangeable	5,000,000,000	5,000,000,000
(Term deposit of no more than 3 month)	-	-
Total	17,332,508,543	26,261,064,257
02. Short-term investments		
<i>a) Held to maturity investments</i>		
- Term Deposits (from 3 month to 12 month)	63,372,052,075	56,372,052,075
Total	63,372,052,075	56,372,052,075
<i>b) Investments in subsidiaries</i>		
- Hanoi Mechanical Company Limited	644,670,174,361	644,670,174,361
- Quang Trung Mechanical Engineering Co.,Ltd	163,327,600,924	163,327,600,924
- Mechanical Products Export- Import Co.,Ltd	186,946,683,204	186,946,683,204
- The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	35,893,995,830	35,893,995,830
- Duyen Hai Mechanical Joint Stock Company	126,294,786,164	126,294,786,164
- Tools Joint Stock Company No 1	3,836,193,800	3,836,193,800
Total	1,160,969,434,283	1,160,969,434,283
<i>c) Joint ventures and associates</i>		
- Sai Gon-Ha Noi Investment and Trading.,JSC	1,772,952,058	1,772,952,058
Total	1,772,952,058	1,772,952,058
<i>d) Investments in other entities</i>		
- Hai Duong Grinding Wheels Joint Stock Company	3,381,542,806	3,381,542,806
- Hai Phong Machinery Manufacturing Joint Stock Company	1,432,012,200	1,432,012,200
- Dong Binh Cement Joint Stock Company	12,905,000,000	12,905,000,000
+ Capital contribution of Machines and Industrial Equipment Corporation.,JSC	-	-
+ Capital contributions of other shareholders	12,905,000,000	12,905,000,000
Total	17,718,555,006	17,718,555,006

Notes to the Combined Financial Statements

03. Trade receivables

	31/03/2025	01/01/2025
- Duyen Hai Mechanical Joint Stock Company	8,020,575,635	8,020,575,635
- Mechanical Products Export- Import Company Limited	2,383,553,634	2,383,553,634
- Hanoi Mechanical Company Limited	45,297,947	45,297,947
- Ha Noi Yoyal Group Joint Stock Company	39,836,297,736	41,536,297,736
- Bach Dang Truong Giang Investment development .,JSC	36,385,277,221	38,640,991,588
- Song Da 5 Joint Stock Company	19,309,369,433	20,230,743,441
- Power Projects Management Board No.2 - Vietnam Electricity	10,921,017,611	10,921,017,611
- Thac Ba 2 Investment development.,JSC	8,363,646,498	16,287,772,652
- Thai Binh 2 Projects management Broad	9,126,210,308	9,126,210,308
- Others	41,567,190,314	34,638,226,679
Total	175,958,436,337	181,830,687,231

Provision for bad receivable debts

	31/03/2025	01/01/2025
- Song Hong Mechanical construction and Investment.,JSC	2,196,370,548	2,196,370,548
- TJS Technical services and constrution.,JSC	1,074,362,256	1,074,362,256
- Ha Noi Yoyal Group Joint Stock Company	7,100,000,000	5,800,000,000
- Design consultancy and construction Company	269,196,839	269,196,839
- LICOIGI 16 M&C.,JSC	512,859,599	512,859,599

04. Intra-company receivables

	31/03/2025	01/01/2025
- Industrial equipment trade.,JSC	637,500,000	637,500,000
Total	637,500,000	637,500,000

05. Other receivables

	31/03/2025	01/01/2025
a) Other short-term receivables	7,868,926,421	7,192,966,334
- Receivables from equitization	3,423,839,908	3,423,839,908
- VAT tax reimbursement	6,919,337	6,919,337
+ <i>Hanoi Mechanical Company Limited</i>	6,919,337	6,919,337
+ <i>Tools Joint Stock Company No1</i>	8,136,130	15,552,329
- Advances	2,982,397,363	3,028,782,763
+ <i>Machines and industrial equipment corporation .,JSC</i>	314,386,710	284,386,710
+ <i>Industrial Construction Company</i>	-	76,385,400
+ <i>Investment Consulting and Industrial Technical Services Company</i>	2,668,010,653	2,668,010,653
- Other receivables	1,447,633,683	717,871,997
b) Others Long-term	7,500,000	37,500,000
- Deposits	7,500,000	37,500,000
Total	7,876,426,421	7,230,466,334

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 TT-BTC date on 22/12/2014 of MOF

Notes to the Combined Financial Statements

	31/03/2025	01/01/2025
06. Inventories		
- Work in progress	23,134,881,927	24,881,899,678
- Finished goods	12,123,746,771	7,053,240,564
Total	35,258,628,698	31,935,140,242
07. Short-term asset		
	31/03/2025	01/01/2025
- Short-term prepaid expense	35,722,347	6,827,732
- Value added tax	3,984,085,831	3,752,149,712
- Tax and other payables to government budget	393,877,275	393,877,275
Total	4,413,685,453	4,152,854,719

Notes to the Combined Financial Statements

08. Taxes and other payables to government budget

	<i>Unit: VND</i>		
	As at 01/01/2025	Payable	Paid amounts
a. Payables			As at 31/03/2025
Value added tax	32,127,660	-	32,127,660
Corporate income tax	217,675,296	137,180,026	222,497,285
Personal income tax	33,204,891	195,286,982	217,818,402
Other taxes	-	4,000,000	4,000,000
Total	283,007,847	336,467,008	476,443,347
b. Receivables			
Value added tax	300,461,154	-	-
Corporate income tax	-	-	-
Personal income tax	-	-	-
Other taxes	93,416,121	-	-
Total	393,877,275	-	-

Notes to the Combined Financial Statements

09. Increase, decrease in tangible fixed assets

Items					Unit: VND
	Buildings and architectures	Machinery and equipments	Transportation means	Management tools	Total
I. Cost					
As at 01/01/2025	41,972,594,163	520,774,500	5,914,430,630	321,626,728	48,729,426,021
Purchase	-	-	-	-	-
Liquidation or transfer	-	-	-	-	-
As at 31/03/2025	41,972,594,163	392,274,500	5,914,430,630	450,126,728	48,729,426,021
II. Accumulated depreciation					
As at 01/01/2025	19,322,496,591	351,175,826	3,751,335,048	319,026,378	23,471,306,573
Purchase	413,646,393	19,958,334	127,752,189	2,223,150	563,580,066
Liquidation or transfer	-	-	-	-	-
As at 31/03/2025	19,736,142,984	371,134,160	3,879,087,237	321,249,528	24,307,613,909
III. Residual value					
As at 01/01/2025	22,650,097,572	169,598,674	2,163,095,582	2,600,350	25,258,119,448
As at 31/03/2025	22,236,451,179	149,640,340	2,035,343,393	377,200	24,421,812,112

Notes to the Combined Financial Statements

10. Increase, decrease in intangible fixed assets

Unit: VND

	Items	Computer software	Total
I. Cost			
As at 01/01/2025		100,000,000	100,000,000
Other increases		-	-
Other decreases		-	-
As at 31/03/2025		100,000,000	100,000,000
II. Accumulated depreciation			
As at 01/01/2025		100,000,000	100,000,000
Other increases		-	-
Other decreases		-	-
As at 31/03/2025		100,000,000	100,000,000
III. Residual value			
As at 01/01/2025		-	-
As at 31/03/2025		-	-

Notes to the Combined Financial Statements

11. Increase, decrease in investment properties

Unit: VND

Items	As at 01/01/2025	Other increases	Other decreases	As at 31/03/2025
I. Investment properties for lease				
Cost	24,131,015,298	-	-	24,131,015,298
Housing	24,131,015,298	-	-	24,131,015,298
II. Accumulated depreciation	3,856,400,791	176,576,421	-	4,032,977,212
Housing	3,856,400,791	176,576,421	-	4,032,977,212
III. Residual value				
Housing	20,274,614,507	-	-	20,098,038,086

Notes to the Combined Financial Statements

12. Prepaid expenses

	<u>31/03/2025</u>	<u>01/01/2025</u>
a) Short-term	35,722,347	6,827,732
- Other Prepaid expenses	35,722,347	6,827,732
b) Long-term	418,685,692	495,850,366
- Dispatched tools and supplies	126,329,285	144,636,206
- Long-term other Prepaid expenses	292,356,407	351,214,160
Total	<u>454,408,039</u>	<u>502,678,098</u>

13. Trade payables

	<u>31/03/2025</u>	<u>01/01/2025</u>
- Duyen Hai Mechanical Joint Stock Company	6,787,822,731	5,016,533,351
- Quang Trung Mechanical Engineering Company Limited	41,659,090	41,659,090
- Hanoi Mechanical Company Limited	1,438,027,412	345,448,419
- Mechanical Products Export- Import Company Limited	335,810,475	335,810,475
- Hacrane., JSC	21,828,800,000	23,710,000,000
- Dong Tam mechanical construction investment.,JSC	1,987,129,129	5,446,260,514
- Bao Diep construction service company limited	-	969,989,116
- Others company	25,070,553,221	14,991,049,766
Total	<u>57,489,802,058</u>	<u>50,856,750,731</u>

14. Short - term accrued expenses

	<u>31/03/2025</u>	<u>01/01/2025</u>
- Loan interests	6,184,140,984	6,184,140,984
- Others	987,518,782	383,457,382
Total	<u>7,171,659,766</u>	<u>6,567,598,366</u>

15. Deferred Revenue

	<u>31/03/2025</u>	<u>01/01/2025</u>
- Revenue for lease	59,636,363	318,522,727
Total	<u>59,636,363</u>	<u>318,522,727</u>

Notes to the Combined Financial Statements

	<u>31/03/2025</u>	<u>01/01/2025</u>
16. Payable otherwise		
- Receipts from employees contributing capital to Dong Banh Cement.,JSC	12,905,000,000	12,905,000,000
- Equitization	4,257,988,040	4,257,988,040
- Trade union fund	3,897,384	14,085,384
- Long-term deposits received	716,303,958	716,303,958
- Others	902,293,542	941,204,720
Total	<u>18,785,482,922</u>	<u>18,834,582,102</u>
17. Borrowings and finance lease liabilities		
a) Short-term borrowings	-	-
b) Long-term borrowings	4,000,000,000	4,000,000,000
- Saigon Beer Alcohol and Beverage.,JSC	4,000,000,000	4,000,000,000
c) Personal loan	200,003,547	1,100,003,547
- Industrial Construction Company	200,003,547	200,003,547
- Investment Consulting and Industrial Technical Services Company	900,000,000	900,000,000
Total	<u>5,100,003,547</u>	<u>5,100,003,547</u>

Notes to the Combined Financial Statements

18. Owner's Equity

Unit: VND

	Owner's Equity	Retained earnings	Total
As at 01/01/2025	1,418,634,488,001	1,933,580,368	1,420,568,068,369
Increases			
- Interest in the this year	-	343,437,828	343,437,828
Decreases			
- Decrease in the this year	-	-	-
- Distribution of this Year's Profit		-	-
As at 31/03/2025	1,418,634,488,001	2,277,018,196	1,420,911,506,197

**VI. DESCRIPTIVE INFORMATION IN ADDITION TO THE ITEMS PRESENRTED IN THE
COMBINED INCOME STATEMENT (UNIT: VND)**

01. Revenue from sale of goods and rendering of services	First Quarter of 2025	First Quarter of 2024
- Revenue from sale of merchandises	5,293,002,370	27,937,038,039
- Construction and installation contract revenue	35,695,002,091	22,996,933,060
Total	40,988,004,461	50,933,971,099
02. Cost of goods ang services rendered	First Quarter of 2025	First Quarter of 2024
- Costs of goods sold	3,980,250,918	24,020,260,504
- Construction activities	32,460,054,025	22,708,205,202
Total	36,440,304,943	46,728,465,706
03. Financial income	First Quarter of 2025	First Quarter of 2024
- Interest income	896,701,167	1,247,990,652
- Exchange rate difference	13,909,968	-
- Others	-	8,169,857
Total	910,611,135	1,256,160,509
04. Financial charges	First Quarter of 2025	First Quarter of 2024
- Loan interests	11,095,891	16,246,576
- Rate exchange	667,000	-
Total	11,762,891	16,246,576
05. Other incomes	First Quarter of 2025	First Quarter of 2024
- Others	596	60,277,500
Total	596	60,277,500
06. Other expenses	First Quarter of 2025	First Quarter of 2024
- Others	-	11,650,002
Total	-	11,650,002
07. Current corporate income tax expense	First Quarter of 2025	First Quarter of 2024
Current corporate income tax expense	137,180,026	129,448,875
Total	137,180,026	129,448,875

VII. OTHER INFORMATIONS

01. Transactions with related parties

a. Relationship

Subjects	Relationship	Owner's
- Branch of Machines and Industrial Equipment Corporation.,JSC	Dependent Units	100%
- Industrial Construction Company	Dependent Units	100%
- Investment Consulting and Industrial Technical Services Company	Dependent Units	100%
- Hanoi Mechanical Company Limited	Subsidiary	100%
- Quang Trung Mechanical Engineering Company Limited	Subsidiary	100%
- Mechanical Products Export- Import Company Limited	Subsidiary	100%
- The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	Subsidiary	100%
- Duyen Hai Mechanical Joint Stock Company	Subsidiary	98.189%
- Tools Joint Stock Company No1	Subsidiary	51%
- Sai Gon-Ha Noi Investment and Trading Joint Stock Company	Affiliated Company	20%

b. Transactions with related parties

Subjects	Transactions	
- Duyen Hai Mechanical Joint Stock Company (MIE)	Sales	4,707,076,000
- Duyen Hai Mechanical Joint Stock Company (MIE)	Purchases	4,488,770,000
- Hanoi Mechanical Company Limited (MIE)	Purchases	180,865,971
- The Vietnam National Complete Equipment And Technics Import Export Corporation Limited	Purchases	4,752,000
- Hanoi Mechanical Company Limited (MIE)	Sales	2,522,760,705
- Mechanical Products Export- Import Co.,Ltd	Purchases	4,485,984,767

c. Balances related party

Subjects	31/03/2025	01/01/2025
Short-term Trade receivables - Account 131		
- Duyen Hai Mechanical Joint Stock Company (ISC)	8,020,575,635	8,020,575,635
- Mechanical Products Export- Import Company Limited	2,383,553,634	3,890,402,045
- Hanoi Mechanical Company Limited (MIE)	-	45,297,947
Other receivables - Account 138		
- Hanoi Mechanical Company Limited (ISC)	6,919,337	6,919,337
- Tools Joint Stock Company No1 (ISC)	8,136,130	15,552,329
Advance payment - Account 331		
- Duyen Hai Mechanical Joint Stock Company (MIE)	-	120,879,706
Trade payables - Account 331		
- Hanoi Mechanical Company Limited (MIE)	1,438,027,412	345,448,419
- Duyen Hai Mechanical Joint Stock Company (MIE)	2,567,614,912	3,781,250
- Duyen Hai Mechanical Joint Stock Company (ISC)	6,787,822,731	5,016,533,351
- Mechanical Products Export- Import Co.Ltd	335,810,475	335,810,475
- Quang Trung Mechanical Engineering Company	41,659,090	41,659,090

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Notes to the Combined Financial Statements

02. Comparison information

Comparison information on the Balance Sheet is data taken from the audited combined financial statements for the accounting period ended December 31, 2024 and the combined financial statements for the first Quarter of 2024.

Ha Noi, 24th April, 2025

Preparator



Nguyen Trung Kien

Responsible for accounting



Pham Minh Duc

General Director



Le Huy Hai