



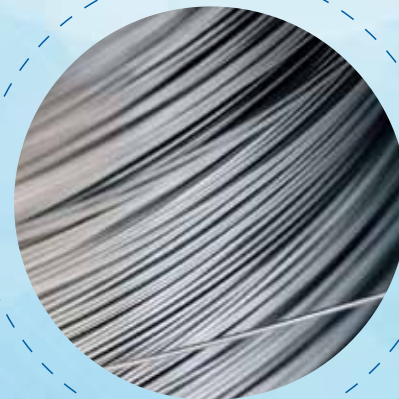
ANNUAL REPORT
2024



SMC TRADING INVESTMENT JOINT STOCK COMPANY

📍 681 Dien Bien Phu, Ward 25, Binh Thanh District, Ho Chi Minh City

☎ (84-28) 3899 2299 - (84-28) 3898 0909 🌐 www.smc.vn





ABBREVIATIONS

AGM	Annual general shareholders’ meeting	SMC	SMC Trading Investment JSC
BOD	Board of Directors	BOM	Board of Management
BOS	Board of Supervisory	BPS	Book value per share
BRVT	Ba Ria – Vung Tau Province	CEO	Chief Executive Officer
EPS	Earnings per share	Forex	Foreign exchange
HCMC	Ho Chi Minh City	HSX	Ho Chi Minh Stock Exchange
IP	Industrial Park	JSC	Joint-stock company
JV	Joint-venture	MolT	Ministry of Industry and Trade
NPAT	Net profit after tax	ROE	Return on Equity
MISP	Marubeni Itochu Steel PTE. Ltd	ROA	Return on Assets
MISTS	Marubeni Itochu Sumisho Techno Steel INC	ASP	Average selling price
NKG	Nam Kim Steel JSC	VSA	Vietnam Steel Association



CONTENTS

THE CHAIRWOMAN’S MESSAGE	04
VISION - MISSION - CORE VALUES	06
GENERAL INFORMATION ABOUT SMC	08
1. Corporate Information	08
2. Products and Services	10
3. Factories, Subsidiaries and Joint-Ventures	12
4. History and Highlights of 2024	14
5. Organizational Apparatus	16
THE BOARD OF DIRECTORS	18
1. The Board of Director’s Profile	20
2. The Board of Director’s Reports	22
Macro-economic and Market situation in 2024	22
Assessment of the BOM’s activities and SMC’s business result in 2024	23
Report on the BOD’s activities in 2024	24
The BOD’s planning and orientations for 2025	24
THE BOARD OF MANAGEMENT	26
1. The Board of Management’s Profile	28
2. The Board of Management’s Reports	30
Assessment of impact factors and business performance in 2024	30
Assessment of financial performance in 2024	31
Business plans and objectives for 2025	36
THE BOARD OF SUPERVISORS	40
1. The Board of Supervisors’ Profile	42
2. The Board of Supervisors’ Report	43
CORPORATE GOVERNANCE	48
1. Risk Management	48
2. Organization and Human Resources	50
3. Shareholder and Investor Relations	58
4. Sustainable Development	62
5. Community Relations	63
SUBSIDIARIES, AFFILIATES AND JOINT VENTURES	66
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF 2024	74



MESSAGE FROM THE CHAIRWOMAN

Dear Shareholders, Investors, Partners and Colleagues;

Throughout 36 years of establishment and development, 2024 could be considered the most difficult and challenging year of SMC. However, the peak of the unfavorable factors has been released, and many positive signals might have emerged, opening up prospects for stability and recovery in 2025.

Looking back to 2024, the global situation has not seen much swung in terms of the economy and politics, while in Vietnam, natural disasters and climate change have caused significant damage to business operations. For SMC, in addition to the general challenges faced by society, we also had to deal with the consequences from previous years' difficulties, along with delays in adapting to the new context, leading to business results that did not meet expectations, marking the third consecutive year of SMC's complications and inefficiency.

However, in the broader picture, SMC still has notable highlights. We have actively reduced costs, decreased debts, and fulfilled our obligations with financial institutions and partners, from restructuring, asset liquidation, to scaling down operations to align with the reality. Socially, the Company has ensured full compliance with tax, social insurance, and employment income obligations. For investors, SMC has always strived to fulfill commitments on the shareholder's benefit and to protect shareholder's interests to the maximum level. Although many external factors have caused some plans to remain unfinished, alongside an apology to

our shareholders, I also express my sincere gratitude for the tireless efforts of all SMC staff and employees.

While 2025 begins with different mixed signals, the steel industry still faces many challenges, from supply and demand instability to tariff barriers. Nevertheless, I believe 2025 will be a pivotal year to usher in a new era, and SMC will gradually recover.

On behalf of the Company, I would like to sincerely thank our shareholders, customers, and all partners in all aspects for their valuable cooperation and support. In particular, I would like to express my deepest gratitude to all SMC staff and employees, who have stood together and worked hand in hand throughout this period.

Best regards,

CHAIRWOMAN

SMC TRADING INVESTMENT JSC



NGUYEN THI NGOC LOAN



VISION BUSINESS PHILOSOPHY MISSION CORE VALUES

VISION

Speaking of Steel, Thinking of SMC – Speaking of SMC, Thinking of Steel

SMC - Prestigious and Professional Steel Company

SMC is committed to performing a prestigious and professional role in processing, manufacturing and distributing steel products, persistently updating to enhance the quality of provided goods and services, adding more values, and fulfilling various needs of customers and markets.

BUSINESS PHILOSOPHY

Understanding others, understanding ourselves

Pioneering in all activities

Being Transparent, Prestigious and Professional

Harmonizing all interests

MISSION

SMC aspires to dedicate its capability and expertise for the benefits of its partners and to contribute to the stable and sustainable future of Vietnam's steel industry.

CORE VALUES

Professional

Constantly improving the quality of products and services

Maximizing customer benefits

Honoring integrity in all activities

Prestigious, Transparent and Efficient

Collaborating, Sharing and Learning

Uniting and striving for common goals

GENERAL

INFORMATION ABOUT SMC

1. CORPORATE INFORMATION

Vietnamese name	: Công ty Cổ phần Đầu Tư Thương Mại SMC
English name	: SMC Trading Investment Joint Stock Company
Short name	: Steel Materials Company
Abbreviated name	: SMC
Head office	: 681 Dien Bien Phu, Ward 25, Binh Thanh District, HCMC
Phone	: (84 - 028) 3899 2299 Fax: (84 - 028) 3898 0909
Website	: www.smc.vn
Charter Capital	: VND 736,785,870,000
Stock ticker	: SMC listed on the Ho Chi Minh Stock Exchange (HSX)
Face value	: VND 10,000
Listed shares	: 73,678,587 shares
Outstanding shares	: 73,606,837 shares

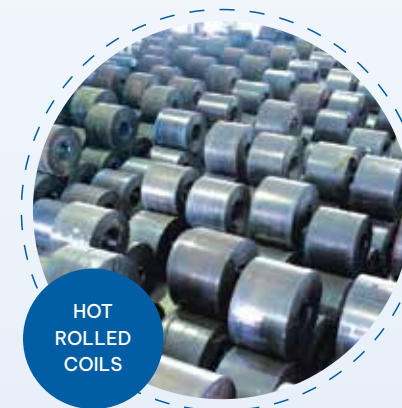
Business activities:

- Manufacturing, processing, trading, importing and exporting all kinds of steel products, metal goods, construction materials, interior decoration products and construction equipment, mechanical equipment, warehouse and plant frames with aluminum, steel and stainless-steel structures. Construction and installation of civil, industrial, transport, irrigation, housing repair and interior and exterior decoration projects in accordance with the law. Preparation of construction investment projects, consulting, designing and trading residential units in accordance with the law. Trading electrical appliances, hardware, consumer goods and food products.
- Forwarding and warehousing services for domestic and import-export goods, motor vehicle rental.
- Trading real estate, land use rights of owners, users or lessees.
- Other wholesale and specialized businesses.



PRODUCTS & SERVICES

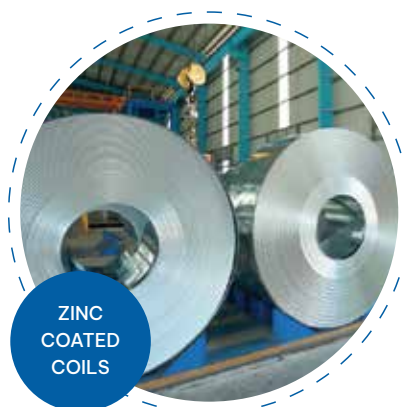
- Distributing Construction steels of all kinds including wire rod, rebar, round steel, deformed steel; and such materials for steel production as billet, coking coal, and iron ore.
- Distributing Flat steels of all kinds including Hot rolled coils, Cold rolled coils, zin/alum/color coated Galvanized steel sheets, flat bar, and stainless steel.
- Distributing Section steel (H, I, U), Purlin, High tensile steel, Secondary steel, and welded mesh.
- The Coil Center system with a total processing capacity of up to 500,000 tons per year, with factories located at BRVT, HCMC, Da Nang and Hanoi, well equipped with modern machineries and processing lines imported from Korea, Taiwan, and China according to European technologies. The scientific management system according to ISO 9001:2000 standards allow the processing systems to professionally split and cut various sizes of cold and hot rolled coils, galvanized steel sheets, color coated steel sheets and stainless steels with high quality and precision.
- The Precision Pressing plant located at Phu My 2 IZ, BRVT with a total capacity of phase 1 reaching 4,000,000 products per year, equipped with modern machineries fully imported from Korea, specializing in providing precision pressing, punching, and forming services, providing high quality products for manufacturers of home appliances, electronics, and automobile.
- The zinc coated steel sheet plant at SMC Steel Mechanical with the full production chain from HRC bleaching, cold rolling, to zinc galvanizing activities operating at full designed capacity of 300,000 tons per year, providing high quality CRC and zinc coated steel sheets for the Coil Center system and steel pipe factory.
- The Vietnam-Japan JV's Sento Steel Pipe plant with a designed capacity of 250,000 tons per year provides various kinds of steel pipe products including round tubes, square tubes and rectangle tubes in original black steel or zinc galvanized steel.
- The Vietnam-Japan JV's Weld mesh production plant - SMC Toami - specializes in manufacturing high quality welded mesh products.

PRECISION
MECHANICSCOIL
CENTERAUTOMATIC
EQUIPMENTSECTION
STEELHOT
ROLLED
COILSWIRE
RODHOT
ROLLED
PLATE

PURLIN



REBAR

WELDED
MESHCOIL
CENTERZINC
COATED
COILSSTEEL
PIPE

WAREHOUSE

COLD
ROLLED
COILSROUND
STEEL



HEADQUARTERS

SMC TRADING INVESTMENT JOINT STOCK COMPANY

681 Dien Bien Phu, Ward 25, Binh Thanh District, Ho Chi Minh City

Phone: (84-8) 3899 2299 - Fax: (84-8) 3898 0909

Website: <http://www.smc.com.vn>

AFFILIATES & JOINT-VENTURES

SMC - SUMMIT CO., LTD. (JV BETWEEN SMC, MISTS AND MISP)

Street 1B - Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province

Phone: (0254) 3922 955 - Fax: (0254) 3922 969

Charter capital: 83,286,000,000 VND

SMC's ownership: 50%

HANWA SMC STEEL SERVICE HANOI CO., LTD. (JV BETWEEN SMC AND HANWA)

Lot No. 47, Quang Minh Industrial Zone, Me Linh District, Hanoi

Phone: (024) 3525 1522 - Fax: (024) 3525 1526

Charter capital: 64,369,800,000 VND

SMC's ownership: 35%

SMC TOAMI CO., LTD. (JV BETWEEN SMC, TOAMI, AND HANWA)

Street 1A - Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province

Phone: (0254) 392 4410 - Fax: (0254) 392 4411

Charter capital: 65,217,375,000 VND

SMC's ownership: 25%

VSSC STEEL CENTER CO., LTD. (JV BETWEEN SMC, SAMSUNG C&T, AND DONGKUK)

Street N7, Phu My II Industrial Zone, Tan Phuoc Ward, Phu My Town, BRVT Province

Phone: (0254) 3823 1135

Charter capital: 225,750,000,000 VND

SMC's ownership: 15%

SUBSIDIARIES

SMC TRADING CO., LTD.

13/13 Phung Khac Khoan Str, Dong Hoa Ward, Di An, Binh Duong Province

Phone: (0274) 3769 526 - Fax: (0274) 3783 839

Charter capital: 50,000,000,000 VND

SMC's ownership: 100%

SMC STEEL CO., LTD.

Street 1B - Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province

Phone: (0254) 3922 866 - Fax: (0254) 3922 469

Charter capital: 230,000,000,000 VND

SMC's ownership: 100%

SMC STEEL MECHANICAL ONE MEMBER CO., LTD.

Street 1B - Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province

Phone: (0254) 3922 933 - Fax: (0254) 3922 969

Charter capital: 180,000,000,000 VND

SMC's ownership: 100%

SMC TAN TAO ONE MEMBER CO., LTD.

Lot 33, Trung Tam Street, Tan Tao Industrial Zone, Tan Tao A Ward, Binh Tan District, HCMC

Phone: (028) 3754 7454 - Fax: (028) 3754 5666

Charter capital: 150,000,000,000 VND

SMC's ownership: 100%

SMC DA NANG CO., LTD.

No 359 Street 29/3, Hoa Xuan Ward, Cam Le District, Da Nang City

Phone: (0236) 3737 345 - Fax: (0236) 3723 345

Charter capital: 50,000,000,000 VND

SMC's ownership: 100%

SMC PHU MY STEEL PROCESSING CO., LTD.

Street N7, Phu My II Industrial Zone, Tan Phuoc Ward, Phu My Town, BRVT Province

Phone: (0254) 3922 595

Charter capital: 220,000,000,000 VND

SMC's ownership: 100%

SMC PHU MY PRECISION CO., LTD.

Street N7, Phu My II Industrial Zone, Tan Phuoc Ward, Phu My Town, BRVT Province

Phone: (0254) 3933 866

Charter capital: 375,000,000,000 VND

SMC's ownership: 100%

SMC PHU MY AUTOMATION CO., LTD.

Street No 9, Phu My I Industrial Zone, Phu My Town, BRVT Province

Phone: (0254) 3952 966 - Fax: (0254) 3952 977

Charter Capital: 50,000,000,000 VND

SMC's ownership: 100%

SENDO STEEL PIPE JOINT VENTURE CO., LTD. (JV BETWEEN SMC AND HANWA)

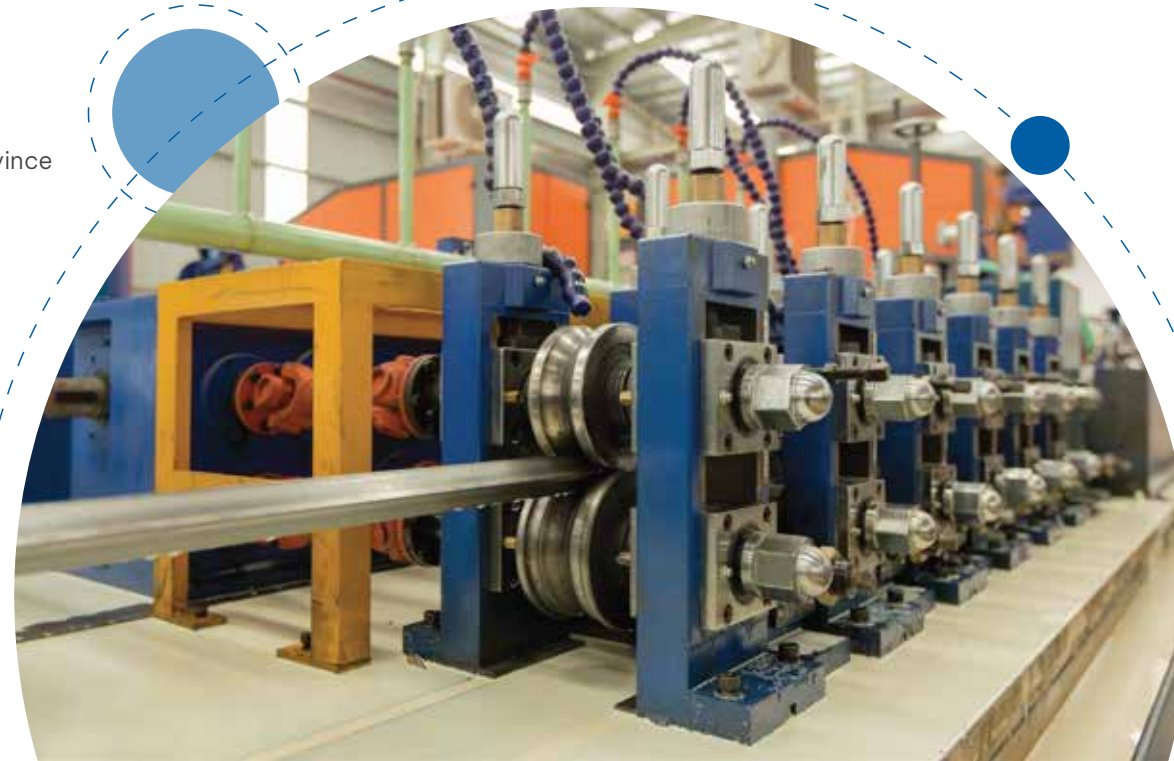
Street 1A - Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province

Phone: (0254) 3922 882 - Fax: (0254) 3922 881

Website: <http://sendopipe.vn/>

Charter capital: 176,201,485,313 VND

SMC's ownership: 75%



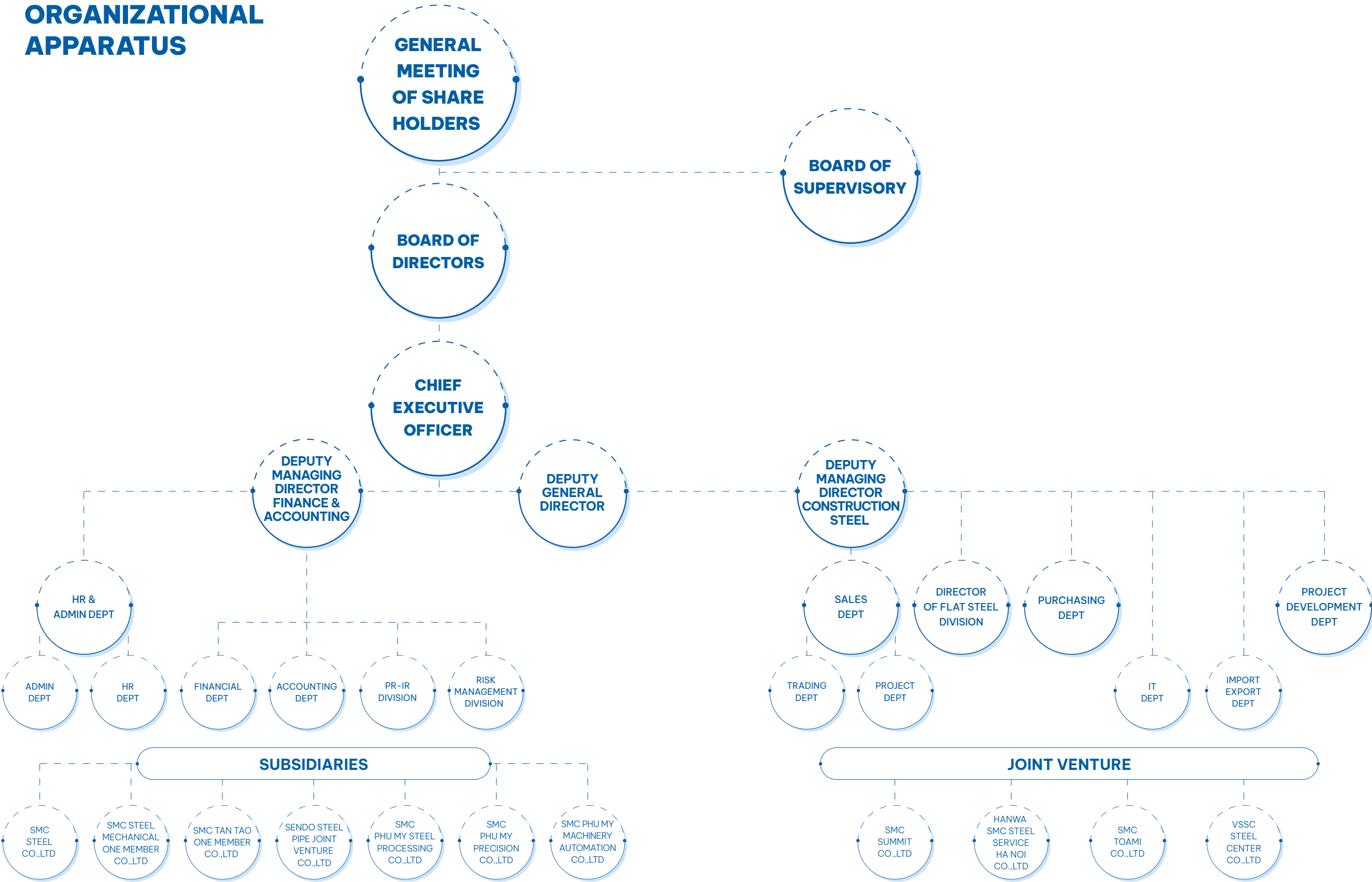


HISTORY AND HIGHLIGHTS





ORGANIZATIONAL APPARATUS



A nighttime photograph of a city skyline, likely Singapore, with numerous illuminated skyscrapers. In the foreground, there is a large, curved, paved plaza made of light-colored stone tiles. The image is framed by a large, curved, metallic-looking structure on the right side. In the bottom left corner, there are three small circles: a light blue one, an orange one, and a dark blue one. In the bottom right corner, there is a large blue circle containing the text 'THE BOARD OF DIRECTORS'.

THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS' PROFILE



01 Ms. NGUYEN THI NGOC LOAN

CHAIRWOMAN

Year of birth: 1961

College of Economics – Business Administration



02 Ms. NGUYEN NGOC Y NHI

**VICE CHAIRWOMAN/
SMC'S DEPUTY GENERAL DIRECTOR**

Year of birth: 1983

Master of Commerce – Banking and Finance



03 Mr. KISHIMOTO HIDEKI

**BOD MEMBER/
MANAGING DIRECTOR
OF HANWA VIETNAM CO., LTD.**

Year of birth: 1969

Bachelor of Economics



04 Mr. NGUYEN HUU KINH LUAN

**BOD MEMBER/
MANAGING DIRECTOR
OF SMC STEEL MECHANICAL
ONE MEMBER CO., LTD.**

Year of birth: 1982

Master of Business Administration



05 Mr. VU ANH NGUYEN

**BOD INDEPENDENT MEMBER/
CEO OF BAYA VIETNAM FURNITURE
AND DECORATION CO., LTD.**

Year of birth: 1989

Bachelor of Business Administration



THE BOARD OF DIRECTORS' REPORTS

Macro-economic and market situation in 2024

In 2024, the global economy continues its recovery trend after significant fluctuations in the previous years, but with a slower and uneven growth rate across regions. Key factors affecting the global economy include the monetary policies of central banks, geopolitical tensions, persistently high inflation, exchange rate fluctuations, labor market conditions, as well as trends in energy and technological transitions. Global economic growth in 2024 is estimated to reach approximately 2%, lower than the pre-pandemic average. Developed economies such as the US, Japan, and Europe are witnessing a slowdown in growth, while some emerging economies are maintaining their growth momentum thanks to strong domestic demand and economic stimulus policies.

Also in 2024, Vietnam's economy continued its recovery and positive development amidst the global context. Vietnam's GDP growth in 2024 reached 7.09%, exceeding the target set by the government. The service sector, along with the industrial and construction sectors, saw significant increases and made essential contributions to the country's GDP growth. Inflation in 2024 rose by 3.63% compared to the previous year, staying within the government's target, reflecting stability in effectively controlling domestic price and inflation levels. Vietnam's trade surplus in goods for 2024 reached \$24.8 billion, demonstrating balance and efficiency in international trade activities, contributing significantly to stabilizing interest rates and the VND exchange rate amidst a strong USD trend. The total registered FDI capital in 2024 was \$38.23 billion, down 3% compared to the same period last year. However, implemented FDI capital exceeded \$25.3 billion, up 9.4% from the previous year, marking the highest level to date. In 2024, Vietnam's economy showcased clear recovery and achieved many significant milestones. However, challenges remain that need further attention, such as boosting domestic consumption, accelerating public investment disbursement, and improving growth quality to ensure sustainable development in the years to come.

For the steel industry, 2024 continues to be a challenging year, with the global and domestic steel sectors

constantly facing numerous difficulties and fluctuations, in production output, consumption demand, and steel price volatility. Global steel demand in 2024 slightly declined compared to the previous year, particularly in developed countries such as the US, Japan, South Korea, and Germany, with a decrease of about 2%, stemming from a slowdown in the construction and industrial manufacturing sectors. In China, domestic consumption demand weakened, economic growth slowed, and the real estate sector had not recovered despite various government support and stimulus policies. This resulted in oversupply and exerted downward pressure on steel prices in the market.

In 2024, Vietnam's steel industry witnessed signs of a slight recovery after challenging periods. Total crude steel production for the year reached nearly 22 million tons, up 14% from the previous year. Finished steel production was estimated at over 29.4 million tons, a 6% increase yoy, while finished steel consumption reached nearly 29.1 million tons, up 10% compared to 2023. According to the VSA, the growth in domestic steel consumption in 2024 was observed across most product categories. In particular, CRC saw the highest increase at 34.6%, followed by galvanized steel sheets and color coated products with 27% growth rate; construction steels and steel pipes rose by 9.3% and 5.5% respectively compared to the same period in 2023. However, HRC experienced a slight decline of 3.3% yoy. Exported finished steels in 2024 totaled over 8 million tons, a slight decrease of 0.6% compared to 2023. While most product categories recorded growth, HRC exports dropped significantly by nearly 34% yoy.



Assessment of the BOM's activities and SMC's business result in 2024

Although SMC has established operational plans and resolutely implemented solutions aimed at achieving specific goals for the year 2024, actual results indicate that SMC is struggling to meet the set targets for output, revenue, and profit. The dual challenges stemming from core business operations and the incomplete resolution of overdue debts have directly impacted the effectiveness and outcomes of the company's production and business activities.

In this context, the Board of Directors, the Managing Board, and the Supervisory Board have worked closely together, staying attuned to the company's operations and market developments to implement various management and restructuring measures. These include liquidating and transferring investments and valuable assets, streamlining the scale of production and business activities, minimizing financial and operational management costs, and ensuring revenue and cash flow. These efforts have helped SMC partially address existing difficulties and gradually overcome these challenges.

The General Director and the Executive Board provided complete and timely reports on the business operations during BoD meetings, proactively sharing both objective and subjective challenges faced by the company. They also proposed solutions and sought directives and policies from the BoD. The BoD assessed that the Executive Board has focused on management efforts that helped the company reduce business operation costs and corporate management expenses. They actively

rearranged and reorganized production processing activities to enhance efficiency for the company. The BoM adhered to legal regulations, the company charter, and operational policies, and made considerable efforts. However, they were unable to achieve the goals and tasks set by the General Meeting of Shareholders.

In 2024, the domestic real estate market had not yet recovered, steel prices fluctuated downward, coupled with financial costs, operating costs, and provisioning expenses, creating multiple factors that heavily impacted SMC's business performance. The total steel consumption of SMC in 2024 reached over 597,400 tons, a 35% decrease yoy, achieving only 66% of the planned target. Consolidated revenue for 2024 amounted to VND 8,930 billion, down nearly 35% compared to the previous year, meeting only 66% of the annual plan. Post-tax profit in 2024 was recorded at 12.1 billion VND, which, although showing a recovery compared to the losses of previous years, failed to meet the set target.

Currently, SMC's scale and business operations have been scaled back, while challenges and difficulties within the steel industry in general and for SMC specifically remain. This demands that the BoD and the BoM take more decisive actions in restructuring and implementing measures to address the losses, improve business efficiency, and supplement capital and cash flow to ensure the company's recovery and sustainable development in the future.

Report on the Implementation of the Resolutions of the General Meetings of Shareholders in 2024

In 2024, SMC did not distribute dividends in cash or shares. The company's charter capital and the number of listed securities remained unchanged compared to the previous year.

The performances of key targets

Key Target	Unit	2024 Plan	2024 Actual	% Plan
Total steel consumption	Tons	900,000	597,400	66.4%
• Long steels	Tons	350,000	161,700	46.2%
• Flat steels	Tons	550,000	435,700	79.2%
Sales Revenue	VND bn	13,500	8,930	66.1%
NPAT	VND bn	80.0	12.1	15.1%
Dividend payment	% par value	0%	0%	0%
Selection of Auditing Firm	AISC was selected to audit the company's financial statements for 2024			



Report on the Activities of the BoD in 2024

Currently, the BoD of SMC consists of five members, including one independent member, and has not established any subcommittees under the BoD. The BoD, in collaboration with the Supervisory Board and the BoM, holds regular meetings as scheduled. The BoD monitors market trends, macroeconomic conditions, and the company’s situation to assess the impacts and results of its business operations. They supervise the implementation of the resolutions of the General Meeting of Shareholders and the BoD, ensuring compliance with laws, state regulations, the rules of relevant authorities, and the company charter. Based on these evaluations, they developed appropriate goals, operational strategies, and flexible management policies that align with market dynamics. The BoD, working with the General Director, has devised solutions such as downsizing the company’s production and business activities, liquidating and transferring assets, divesting from inefficient investments, and adjusting financial investments. These measures aim to gradually address the company’s financial health challenges. The BoD has also actively engaged with partners, including financial institutions, suppliers, and customers, to seek decisive solutions for overcoming the difficulties the company is facing.

Plan and Orientation of the Board of Directors for 2025

- Direct strong and decisive implementation of corporate restructuring solutions, focusing on reorganizing and streamlining commercial, processing, production, and business activities, financial resources, human resources, and operational processes.
- Direct and support the Executive Board in decisively resolving overdue debts.
- Emphasize and promote transparency in all company activities, fostering accountability and contributions from Board of Directors (BOD) members and the Executive Board. Specifically, enhance transparency in corporate governance, operational management, and risk management in sales activities and debt collection.
- Direct the fulfillment of the 2025 business production plan approved by the Annual General Meeting of Shareholders (AGM), closely following and effectively implementing the guidelines, orientations, and resolutions of the BOD.
- Improve the quality of governance, management, and operation of processing and production plants, ensuring safety, stability, and a focus on enhancing service quality, product quality, productivity, and efficiency.
- Practice cost-saving measures, prevent waste, and foster corporate culture.

Members and Structure of the Board of Directors

	Full Name	Title	Owned Shares	%	Positions currently held at other companies
1	Nguyen Thi Ngoc Loan	Chairwoman	10,490,194	14.2	Chairwoman at Subsidiaries with controlling stake-holding from the parent company SMC
2	Nguyen Ngoc Y Nhi	Vice Chairwoman	1,389,764	1.9	Deputy General Director – SMC’s Finance and Accounting Dept
3	Kishimoto Hideki	Member	14,416,476	19.6	Executive Director of Hanwa Vietnam Co., Ltd. – Representative of the Shareholding portion of Hanwa Corp
4	Nguyen Huu Kinh Luan	Member	3,469,480	4.4	SMC’ Permanent Deputy General Director/ General Director of SMC Mechanical and Sendo
5	Vu Anh Nguyen	Independent Member	0	0.0	General Director of Baya Vietnam Furniture and Decoration Company

The key Resolutions of the BoD in 2024

Date	Resolutions’ No.	Key Points
Jan 03, 2024	21	Approval of amendments and supplements to the Company’s Charter – updating changes to the business registration content in Clause 1, Article 3: Company’s Business Activities. According to Certificate No. 960891/23 issued by the Ho Chi Minh City Department of Planning and Investment.
Jan 15, 2024	44	Approval of the transfer of leasehold land use rights and attached assets at SMC Tan Tao 2 – Tan Tao Industrial Park, Ho Chi Minh City.
Jan 31, 2024	80	Approval of the appointment: Mr. Nguyễn Hữu Kinh Luân – Member of the Board of Directors / General Director of Sendo Steel Pipe Joint Venture Co., Ltd. / Director of SMC Mechanical Steel Co., Ltd., will concurrently assume the position of Permanent Deputy General Director of SMC Trading Investment Joint Stock Company, effective from February 1, 2024.
April 04, 2024	136/137	Approval of the audited financial statement figures for 2023 and the contents presented at the 2024 Annual General Meeting of Shareholders. Approval of the policy to sign framework contracts, purchase agreements, and service agree-ments between related parties, subsidiaries, and joint ventures within the SMC system. The framework contracts, purchase agreements, and service agreements specified in this resolution must adhere to the following principles: - The value of contracts and transactions signed with related parties must be less than 35% of the total asset value of the enterprise as recorded in the 2023 audited financial statements. - The value of contracts, prices of goods, and services with related parties must be determined at the time of occurrence, agreed upon by the parties, and comply with legal regulations and the company’s charter. - Implementation period: during 2024.

Date	Resolutions’ No.	Key Points
April 11, 2024	170	Approval of the transfer of land use rights, property ownership, and assets attached to the land at the office building of SMC Trading Investment Joint Stock Company, located at 681 Dien Bien Phu Street, Ward 25, Binh Thanh District, Ho Chi Minh City.
April 17, 2024	179	Approval of the adjustments and additions to the contents of the proposal submitted to the 2024 General Meeting of Shareholders, specifically as follows: removal of industry codes 5224, 5229, 6810, 7710.
April 24, 2024	191	Approval of the adjustments and additions to the contents of the proposal submitted to the 2024 General Meeting of Shareholders, specifically as follows: removal of industry code 2392.
April 27, 2024	195	Successfully organized the 2024 Annual General Meeting of Shareholders (AGM) for SMC Trading Investment Joint Stock Company, during which resolutions and proposals presented at the meeting were approved. The 2024 AGM also granted full authorization to the Board of Directors to proactively implement specific matters and policies approved at the meeting.
May 14, 2024	212	Approval of the amendments and supplements to the Company’s Charter – updating changes to the business registration content in Clause 1, Article 3: Company’s Business Activities, as detailed in Certificate No. 275003/24 dated May 10, 2024, issued by the Ho Chi Minh City Department of Planning and Investment.
Jun 13, 2024	233/234	Approval of amendments and supplements to the Company’s Charter – updating changes to the business registration content in Clause 1, Article 3: Company’s Business Activities, as detailed in Certificate No. 331768/24 dated June 6, 2024, issued by the Ho Chi Minh City Department of Planning and Investment. Approval of the address change for SMC Trading One-Member Limited Liability Company, with the following details: Former address: Street No. 5, Dong An Industrial Park, Thuan An, Binh Duong. New address: No. 13/13, Phung Khac Khoan Street, Tan Hoa Quarter, Dong Hoa Ward, Di An, Binh Duong.
Sept 12, 2024	303	Approval of the change in Director/Legal Representative of SMC Hiep Phuoc One-Member Limited Liability Company. The Board of Directors unanimously appointed Mr. Đặng Huy Hiệp as the Director/Legal Representative of SMC Hiep Phuoc One-Member Limited Liability Company, replacing Mr. Nguyễn Văn Tiến, effective from September 12, 2024. Approval of the update and amendment of the new address on the Business Registration Certifi-cate and the Charter of SMC Hiep Phuoc One-Member Limited Liability Company. Other contents of the Business Registration Certificate and the Company Charter remain unchanged.
Sept 23, 2024	320	Approval of the transfer of land use rights and assets attached to the land at SMC Da Nang One-Member Limited Liability Company.
Oct 02, 2024	327/328	The Board of Directors has reviewed and unanimously approved the transfer of creditor rights for the entire receivable debt of SMC Trading Investment Joint Stock Company at Beton 6 Joint Stock Company to Mrs. Nguyễn Thị Lan Anh, for a total amount of 3,000,000,000 VND (three billion VND). Approval has also been granted to propose that the Vietnam Securities Depository and Clearing Corporation – Ho Chi Minh City Branch proceed with adjusting 50% of the remaining conditionally transferable securities, specifically shares issued under the Employee Stock Ownership Plan (ESOP) of 2022. The adjustment date is set for October 3, 2024.
Oct 23, 2024	335	Approval of the termination of the investment project for the SMC Mechanical Processing Factory under SMC Da Nang One-Member Limited Liability Company. The project was granted Investment Registration Certificate No. 6417625247 by the Da Nang High-Tech Park and Industrial Zones Authority on November 12, 2018, with its second amendment on July 1, 2022. Location: Street No. 2, Hoa Cam Industrial Park, Hoa Tho Tay Ward, Cam Le District, Da Nang City.
Dec 27, 2024	405/406/407	The Board of Directors has discussed and unanimously approved the proposed agenda to be presented at the 2025 Annual General Meeting of Shareholders (AGM) and the business plan for the SMC system in 2025, as follows: ● Consumption volume: 620,000 tons of various steel products. ● Post-tax profit: 30 billion VND. Approval has also been granted for the policy to sign framework contracts, purchase agreements, and service agreements between related parties, subsidiaries, and joint ventures within the SMC system. The framework contracts, purchase agreements, and service agreements outlined in this resolution must adhere to the following principles: ● The value of contracts and transactions signed with related parties must be less than 35% of the total asset value of the enterprise as recorded in the 2024 audited financial statements. ● The value of contracts, prices of goods, and services with related parties must be determined at the time of occurrence, agreed upon by the parties, and in compliance with legal regulations and the company’s charter. ● Implementation period: during 2025.

A wide-angle photograph of the Shanghai skyline at night, viewed from a high vantage point. The Oriental Pearl Tower and the Shanghai Tower are prominent. The foreground shows a large, circular, paved plaza with concentric circles. The sky is a mix of purple, blue, and pink. The image is framed by a large, curved, metallic structure that looks like a bridge or a walkway.

THE BOARD OF MANAGEMENT

THE BOARD OF MANAGEMENT'S PROFILE



01 Mr. DANG HUY HIEP

CHIEF EXECUTIVE OFFICER (CEO)

Year of birth: 1961

Mechanical Engineer



02 Ms. NGUYEN HONG CHAU

DEPUTY GENERAL DIRECTOR OF PROJECT
& COMMERCIAL TRADING

Year of birth: 1974

Bachelor of Foreign Trade



03 Mr. NGUYEN HUU KINH LUAN

PERMANENT DEPUTY GENERAL DIRECTOR

Year of birth: 1982

MBA



04 Ms. NGUYEN NGOC Y NHI

DEPUTY GENERAL DIRECTOR OF FINANCE
AND ACCOUNTING

Year of birth: 1983

Master of Commerce – Banking and Finance



THE BOARD OF MANAGEMENT’S REPORTS

Assessment of impact factors and business performance in 2024

2024 marked a phase of global economic recovery, yet it was fraught with challenges due to slower growth and numerous risks that required close monitoring. The global and domestic steel industries in 2024 faced significant difficulties, as interest rates and inflation in many countries had not yet subsided, directly impacting steel demand. Notably, the slowdown in China’s economy and stagnation in its steel industry – despite government efforts to stimulate growth through continuous monetary easing policies – added considerable pressure to the recovery of steel prices and intensified global competition. Geopolitical tensions and ongoing conflicts in various regions, coupled with rising trade protectionism in several countries, created instability for the steel industry as a whole. This resulted in weak demand and constantly fluctuating steel prices, trending downward.

In 2024, public investment in Vietnam made a significant contribution to economic growth and domestic steel consumption. However, the total public investment realized only reached 84.6% of the annual plan and was lower than the implementation rate of the previous year. Additionally, challenges in the domestic real estate market and industrial production, which have yet to recover strongly, led to decreased demand for steel products.

In response to these circumstances, SMC faced considerable difficulties in business and financial activities. To address the situation, the company focused on asset restructuring, streamlining investments, and improving operations across the group. Efforts included maximizing cuts in financial costs, reducing administrative and operational expenses, cutting salaries, optimizing the organizational structure, and devising a more compact business plan aligned with current economic conditions. Specifically, SMC carried out the liquidation and transfer of assets and investments, including:

- Transferred more than 13.1 million NKG shares, generating nearly 315 billion VND in Q1-2024
- Transferred real estate at Hoang Van Thu, Da Nang, valued at 60 billion VND in Q1-2024
- Transferred SMC Tan Tao 2, valued at 126 billion VND in Q2-2024
- Transferred SMC office building at 681 Dien Bien Phu, Ward 25, Binh Thanh District, valued at 170 billion VND in Q2-2024
- Transferred SMC Da Nang, valued at 96 billion VND in Q4-2024

Additionally, SMC made relentless efforts to negotiate with partners to expedite debt payments and recover slow-moving receivables. At the same time, the company ensured a stable supply of raw materials, suitable for current business production activities.

While certain improvements were achieved compared to 2023, liquidity challenges, overdue debts, and operational efficiency remain significant hurdles

Key Items	Unit	2023	2024	+/- %	2024 Plan	% Plan
Total Steel Sales Volume	Tons	909,000	597,400	-34.3%	900,000	66.4%
Sales Revenue	VND bn	13,702	8,930	-34.8%	13,500	66.1%
Net Profit After Tax	VND bn	(925.3)	12.1	n.a	80.0	0%

By the end of 2024, the system-wide consumption volume reached over 597 thousand tons of various steel products, reflecting a decrease of more than 35% compared to the same period and only 66% of the planned target. Net revenue amounted to 8,930 billion VND, equivalent to just 66% of the annual plan and a significant decline of 35% compared to 2023. Net profit after tax was recorded at 12.1 billion VND, reaching only 15% of the set target, in which the reversal of provision expenses for slow-moving receivables made a significant contribution to the results of 2024.

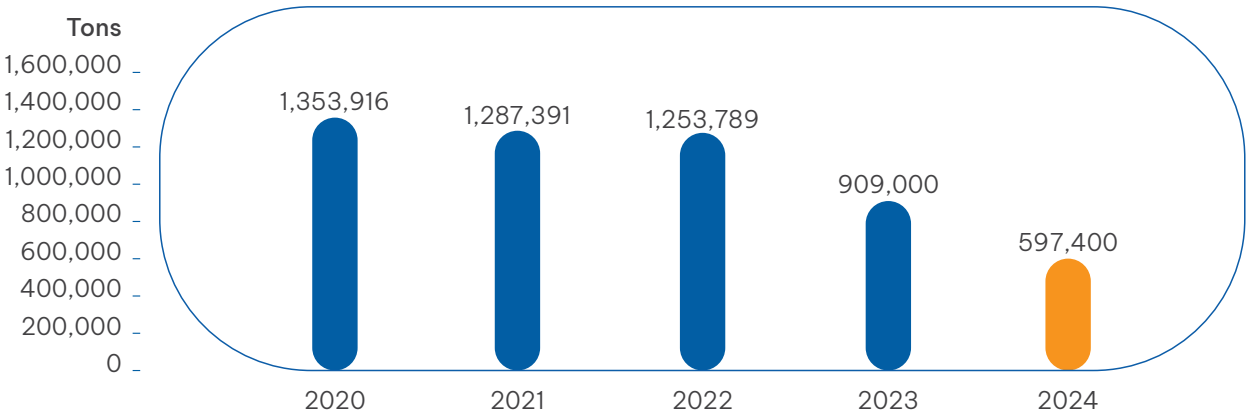
Key Financial Highlights for 2024

Total long steel consumption in 2024 reached 161,700 tons of various types of steel, a sharp decline of 49.3% compared to the previous year, accounting for only 27% of the total steel consumption across the entire system. The primary reasons for this significant decline in long steel consumption by SMC include persistent difficulties in the southern real estate project sector, with major customers such as investors and general construction contractors of the company showing no signs of positive recovery. Additionally, SMC has yet to completely resolve slow-moving receivables. The total consumption volume of products in the flat steel group in 2024 was 435,700 tons, down by 26% compared to the previous year, and representing 73% of SMC’s total steel consumption. Processing and production activities for flat steel by SMC also experienced considerable impacts, with consumption volumes declining compared to the previous year.

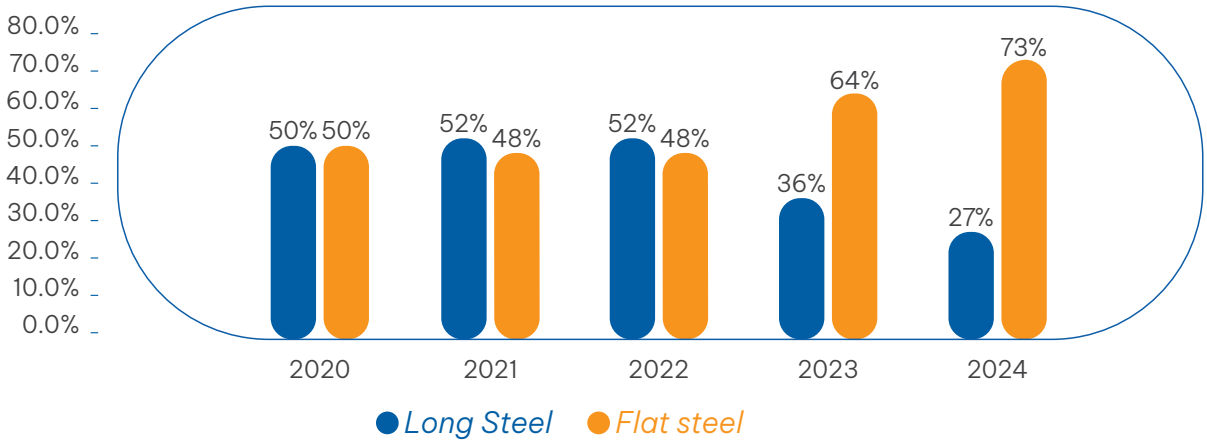




Steel Sales Volume 2020 – 2024



Sales Volume Break-down 2020 – 2024



(*) Long Steel products include Construction steels, billets, section steels, welded steel mesh, and other steels
(*) Flat steel products include HRC, CRC, Steel pipe, and Coil Center

Key Items	Unit	2023	2024	+/- %
Total Export Volume	Tons	73,006	24,317	-66.7%
Total Import Volume	Tons	164,796	69,804	-57.6%
Export/Total Sales Volume	%	8.0%	4.1%	-3.9%

The total steel export volume of SMC in 2024 was 24,317 tons, a sharp decline of nearly 67% compared to the previous year, accounting for only 4.1% of the total steel consumption across the system. Global economic and political challenges, coupled with weak consumption demand, continued to significantly reduce SMC's export and import volumes compared to previous years. The main export markets for SMC were Australia and Cambodia, along with other Asian countries such as Malaysia, Thailand, Myanmar, Indonesia, Laos, and Taiwan. The total steel import volume in 2024 reached 69,804 tons, marking a decrease of nearly 58% from the prior year.

Business and Production Efficiency

Sales revenue in 2024 reached nearly 8,930 billion VND, a decrease of nearly 35% compared to the same period last year. This included a drop of over 30% in total consumption volume and an average selling price reduction of more than 5% compared to the previous year. The high proportion of cost of goods sold resulted in SMC's gross profit for 2024 reaching only 5.7 billion VND, with a gross profit margin of 0.06%, significantly lower than the 0.45% recorded in 2023.

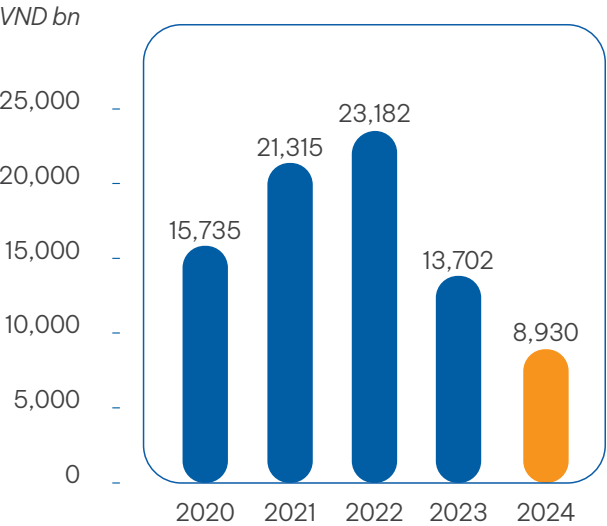
Key Items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	13,701.6	8,929.8	-34.8%
Operating Costs of Business and Production Activities				
COGS	VND bn	13,640.0	8,924.1	-34.6%
Sales Expenses	VND bn	122.8	91.9	-25.2%
General & Administrative Expenses	VND bn	623.2	(95.5)	n.a
Financial Expenses	VND bn	340.1	234.2	-31.1%
Interest Expenses	VND bn	265.6	176.4	-33.6%
Sales Expenses/Sales Revenue	%	0.9	1.0	+0.1%
G&A Expenses/Sales Revenue	%	4.5	(1.1)	n.a
Financial Expenses/Sales Revenue	%	2.5	2.6	+0.1%
Business and Production Performance Efficiency				
Gross Profit	VND bn	61.6	5.7	-90.7%
Financial Revenue	VND bn	117.0	241.9	+106.8%
Profit Before Tax	VND bn	(912.8)	47.7	n.a
Net Profit After Tax	VND bn	(925.3)	12.1	n.a
Gross Margin	%	0.45	0.06	-0.39%
Net Margin	%	n.a	0.14	n.a





THE BOARD OF MANAGEMENT’S REPORTS

Sales Revenue 2020 – 2024



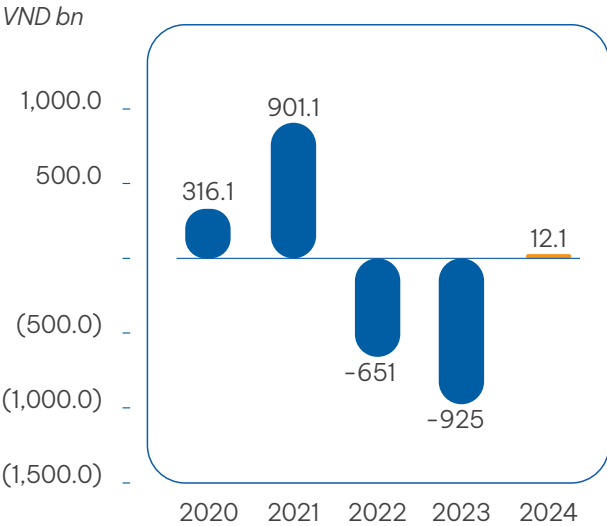
Sales expenses in 2024 decreased by over 24% year-over-year (yoy), aligning with the decline in revenue from product and service consumption. As a result, the sales expense-to-revenue ratio was maintained at the same level of 1% compared to the previous year. However, administrative expenses in 2024 were recorded at (95.5) billion VND, a sharp decrease compared to the total expense of 623 billion VND in 2023, mainly due to the reversal of provisions for slow-moving receivables. The 2024 administrative expenses included nearly 89 billion VND in regular administrative expenses and over 200 billion VND in reversed provisions. Compared to 2023, SMC significantly reduced both regular administrative expenses and provisions, in contrast to the over 500 billion VND allocated in the previous year. This was one of the main factors contributing to the business results that helped SMC recover profitability in 2024.

In 2024, the stability of lending interest rates and the controlled fluctuations in the VND/USD exchange rate were achieved thanks to the flexible policies and management measures of the State Bank of Vietnam (SBV). SMC also reduced its total borrowing in line with its current business activities, which led to a financial cost reduction of more than 31% compared to the previous year, including a nearly 34% decline in interest expenses.

During 2024, SMC strongly implemented asset restructuring solutions and focused on streamlining its business operations. Notably, the company liquidated financial investments and certain real estate assets, which contributed to financial revenue of nearly 242 billion VND – double that of the previous year. Apart from boosting revenue and cash flow, these liquidations also positively contributed to SMC’s profitability.

Despite significant efforts to implement comprehensive solutions aimed at ensuring seamless operations and improving business efficiency, unresolved overdue receivables and a narrow gross profit margin in the challenging circumstances faced by SMC hindered the company’s ability to achieve consolidated profits for 2024. At the end of 2024, SMC’s post-tax profit amounted to 12.1 billion VND. While this marked a recovery after significant losses in previous years, the gross profit margin on revenue remained modest at just 0.14%.

Net Profit After Tax 2020 – 2024



Asset Structure

Key Items	Unit	2023	2024	Tăng/giảm %
Current Assets	VND bn	3,981.9	3,086.7	-22.5%
Cash & Cash Equivalents	VND bn	669.7	143.3	-78.6%
Short term Financial Investments	VND bn	488.6	505.0	+3.4%
Short-term Receivables	VND bn	1,647.7	1,546.6	-6.1%
Receivables Turnover	Days	53	60	+13.2%
Inventories	VND bn	841.4	627.7	-25.4%
Inventory Turnover	Days	23	25	+8.7%
Non-Current Assets	VND bn	2,196.8	1,691.5	-23.0%
Fixed Assets	VND bn	1,451.4	1,206.3	-16.9%
Total Assets	VND bn	6,178.7	4,778.2	-22.7%

SMC’s total assets at the end of 2024 amounted to 4,778 billion VND, a 23% decrease compared to the same period last year. Total current assets were 3,087 billion VND, down 22.5% from 2023, equivalent to a reduction of over 895 billion VND. Of this, cash and short-term financial investments at the end of the year were 648 billion VND, a decrease of 44% compared to the previous year. SMC’s short-term receivables at the end of 2024 amounted to 1,547 billion VND, a 6% decrease compared to the same period last year, reflecting the reversal of provisions for slow-moving receivables. The prolonged freeze in the real estate construction market has caused slow-moving debts from major customers in this sector, and the incomplete resolution of overdue receivables has impacted the company’s overall receivables turnover. Excluding slow-moving receivables, SMC’s current sales policy still focuses on secure capital sales with quick debt recovery periods. Long-term assets at the end of 2024 reached nearly 1,692 billion VND, a 23% reduction – equivalent to a decline of nearly 505 billion VND compared to the previous year. This included a decrease of over 245 billion VND in fixed assets. The reduction in long-term assets in 2024 reflects the company’s strategy to liquidate and transfer fixed assets, contributing to addressing current financial difficulties and improving operational efficiency.”



THE BOARD OF MANAGEMENT’S REPORTS

Debt and Equity Structure

Key Items	Unit	2023	2024	+/-%
Current Liabilities	VND bn	5,007.0	3,709.3	-25.9%
Short-term Borrowings	VND bn	2,685.5	2,173.5	-19.1%
Account Payables	VND bn	2,009.8	1,420.5	-29.3%
Account Payables Turnover	Days	54	57	+5.5%
Non-Current Liabilities	VND bn	373.9	259.1	-30.7%
Long-term Borrowings	VND bn	331.8	217.1	-34.6%
Total Liabilities	VND bn	5,380.9	3,968.3	-26.3%
Owner’s Equity	VND bn	797.8	809.8	+1.5%
Charter Capital	VND bn	736.8	736.8	0%
Bank Loans/Owner’s Equity	%	378.0	295.2	-82.2%
Total Liabilities/Owner’s Equity (D/E)	Times	6.7	4.9	-26.9%

By the end of 2024, the company's total liabilities amounted to 3,968 billion VND, representing a decrease of nearly 26% compared to the previous year. System-wide short-term liabilities totaled 3,709 billion VND, a 26% decline year-over-year. Among these, short-term bank loans and accounts payable were 2,174 billion VND (-19% yoy) and 1,420 billion VND (-29% yoy), respectively. Long-term liabilities decreased by 31%, primarily due to reductions in long-term borrowings and financial lease liabilities. At the end of 2024, the company's charter capital remained unchanged at 736.8 billion VND. The total owner's equity of the enterprise by year-end increased slightly by 1.5% compared to the previous year, reaching nearly 810 billion VND. Thanks to the improvement in net profit after tax (NPAT) for 2024 compared to prior years, financial indicators regarding loans and total liabilities over total owner's equity showed significant reductions compared to the previous year's figures.

Business Plans and Objectives for 2025

Entering 2025, general forecasts indicate that the global economy will continue its recovery, albeit at a slow pace and facing numerous risks. Major organizations such as the World Bank and IMF predict global growth of around 3.2-3.3% for 2025, with emerging economies like India and the Southeast Asian region continuing to serve as key growth drivers. The constant evolution and rapid development of technology are shaping major trends in the global economy, with Industry 4.0 and the AI revolution influencing shifts in global supply chains. However, 2025 is expected to bring ongoing challenges due to geopolitical conflicts and trade-economic-political tensions between numerous countries. This includes stringent tariff policies from the Trump administration on most other economies, posing potential risks of inflation and interest rate increases.

The outlook for 2025 projects Vietnam's economy to continue its positive recovery, targeting GDP growth of 7% - 7.5%. Average inflation in Vietnam is expected to be controlled around 4% - 4.5%. To achieve these goals, it is crucial to focus on traditional growth drivers, including boosting public investment, stimulating domestic consumption, and creating favorable conditions for the recovery and positive development of domestic enterprises' production and business activities. Additionally, efforts should continue to strengthen exports in advantageous sectors and maintain conditions to attract and facilitate the registration and disbursement of foreign direct investment (FDI) in Vietnam. Staying updated on and gaining a clear understanding of the evolving global context and emerging trends in trade and investment is a key foundation for identifying and concentrating resources to strongly promote Vietnam's growth momentum in 2025 and beyond.





THE BOARD OF MANAGEMENT’S REPORTS

According to Worldsteel, global steel demand in 2025 is estimated to grow by 1.2% after a slight decline in 2024. The Asia-Pacific region remains the primary driver of global steel industry growth, with India playing a key role as steel consumption is expected to rise significantly. In contrast, the Chinese steel market is anticipated to face continued challenges due to weak demand. Steel production in China may see a slight decline as the government tightens industry planning and pollution controls. Furthermore, new tariff policies from the U.S. are expected to intensify trade wars among major global economies, directly impacting the steel sector. As a result, global steel producers must adapt their export strategies, explore new markets, and improve product quality to meet stringent environmental standards.

Vietnam’s steel industry is projected to grow by 8-10% in 2025 compared to the previous year, according to the Vietnam Steel Association. This growth is attributed to strong domestic demand and supportive economic policies, specifically: (1) Public Investment: The government will continue to promote public investment in large infrastructure projects such as highways, airports, seaports, and industrial zones; (2) Construction Sector Recovery: The real estate market is expected to rebound after an extended period of stagnation, boosting growth in the construction sector; (3) Industrial Production: Positive growth is anticipated in industrial manufacturing sectors such as automobile production, machinery, shipbuilding, and supporting industries, which will drive steel consumption. Vietnam’s steel exports are expected to maintain a growth rate of 5% in 2025, focusing primarily on key markets in the ASEAN region and exploring new potential markets in the Middle East and Africa. In contrast, exports to the U.S. and Europe are predicted to stagnate or decline due to the impact of new tariff policies and protectionist trade measures.

Based on the overall macroeconomic context and the steel market outlook for 2025, SMC’s production and business plan for the year is designed with the following key objectives: (1) Business Recovery: Focus on reviving core business operations and addressing inefficiencies to regain momentum in the market; (2) Financial Improvement: Strive to enhance financial stability, optimize costs, and ensure better profitability through strategic asset management and operational adjustments; (3) Sustainable Development: Emphasize long-term sustainability by aligning with market trends, promoting environmentally conscious practices, and adapting to shifting global supply chain dynamics.

Key Business Objectives and Directions for 2025

	Key Items	Unit	2024 Actual	2025 Plan	Plan/Actual
1	Total Sales Volume	Tons	597,400	620,000	+3.8%
	- Long steels	Tons	161,700	180,000	+11.3%
	- Flat steels	Tons	435,700	440,000	+1.0%
2	Sales Revenue	VND bn	8,929.8	9,500	+6.4%
3	Net Profit After Tax	VND bn	12.1	30.0	+148.0%
4	Dividend Payment	% par value	0%	0%	-

The management and governance of SMC’s production and business operations will be based on the following key directions:

- **Adaptability:** The entire SMC system must swiftly and flexibly adapt to new circumstances and market fluctuations while ensuring stable and effective business and production operations.
- **Inventory & Procurement Management:** Manage inventory and procurement with caution, appropriateness, and flexibility, maintaining optimal stock levels in line with market trends. Strengthen both the qualitative and quantitative aspects of business activities, combined with enhanced control over receivables and debt-related risks.
- **Process Optimization:** Reorganize and optimize production cluster processes to improve product quality, productivity, and manufacturing efficiency. Continue to manage and reduce production costs, enhancing the competitiveness of the entire system. Emphasize occupational safety across all processing and production facilities within the system.
- **Policy Updates & Internal Control:** Continuously review and update regulations and procedures to align with new conditions, clearly define responsibilities for units and departments, and emphasize internal control processes.
- **Financial Capability:** Maintain and enhance financial capacity to support business operations, investments, and meet enterprise governance requirements. Strengthen risk management and financial monitoring capabilities across the system to ensure safety and increase capital efficiency. Practice strict cost-saving measures and avoid wastefulness.





THE BOARD OF SUPERVISORS

THE BOARD OF SUPERVISOR'S PROFILE



01 Ms. VO THI TO NGAN

MEMBER

Year of birth: 1978
Bachelor of Economics



02 Ms. LE THI CAM TU

MEMBER

Year of birth: 1981
Bachelor of Laws



03 Ms. DANG THI THU TRANG

MEMBER

Year of birth: 1980
Bachelor of Economics

THE BOARD OF SUPERVISOR'S REPORT

2024 was an extremely challenging year for Vietnam's economy, and SMC was no exception. The steel industry was heavily impacted as demand declined sharply, particularly due to the near-freeze in the real estate sector and unresolved issues surrounding land policies. Additionally, financial, monetary, and credit policies coupled with the inability to fully address overdue receivables, presented significant challenges for SMC.

Activities of the Supervisory Board

In 2024, the Supervisory Board, in collaboration with the Internal Audit Department, carried out monitoring activities over the operations of the BoD and the Executive Board throughout the following actions:

- Attending all BoD's meetings in 2024.
- Inspecting and supervising the compliance with legal regulations, management authority directives, and the company's bylaws in the administration and business operations conducted by the BoD and the Executive Board.
- Through monthly leadership meetings, the Supervisory Board closely monitored the implementation and adherence to policies at member companies, as well as the execution of resolutions passed by the General Meeting of Shareholders and those of the BoD.





THE BOARD OF SUPERVISOR'S REPORT

Evaluation of the Directive Activities of the BoD

In response to the company's challenges, the Board of Directors (BOD) implemented decisions aimed at ensuring the efficiency of production and business operations, including:

- Transferring assets to generate cash flow for the company.
- Adjusting production and business objectives, restructuring loan capital.
- Scaling down business operations and workforce across the system, while reducing incidental expenses.
- Implement various decisive measures to resolve outstanding receivables.
- The Supervisory Board attended all BOD meetings, where discussions and voting were conducted transparently and in compliance with regulations.

Evaluation of the Executive Board of Management

The Executive Board has managed the entire SMC system in a unified, focused, and stable manner, adhering to the functions, duties, and powers defined in the Company's Charter. However, the BOM has not been able to achieve the objectives set by the General Meeting of Shareholders, and the business performance in 2024 amounted to 12.1 billion VND.

- The steel market continues to face numerous challenges, with steel prices consistently declining. Domestic steel consumption remains low due to the real estate sector's instability and slow recovery, significantly impacting SMC's business operations.
- Large slow-moving debts that were not fully recovered or resolved in 2024 are considered one of the major factors affecting the company's cash flow.

To mitigate these difficulties and ensure continuity in business operations, the SMC leadership implemented multiple measures in 2024, including restructuring assets and investments across the SMC group, while continuously streamlining and optimizing the production and business systems to align with current realities."

Evaluation of the Company's Production and Business Performance

The city's policy of comprehensive underground planning for the next 50 years has stalled the issuance of new construction permits, while outdated legal frameworks have not been actively resolved. These factors continue to weigh heavily on the real estate sector, causing financial strain for related clients, particularly those in construction and real estate development. As a result, unresolved bad debts have significantly impacted the company's operations. Steel prices have been continuously declining, while domestic demand has yet to recover strongly. Combined with fierce competition, this has greatly affected the efficiency of SMC's production and business activities. Although the company has actively restructured many assets to generate additional cash flow, funding from credit institutions has been tightening and reduced considerably, further complicating SMC's production and business operations.



THE BOARD OF SUPERVISOR'S REPORT

Supervisory Board's Plan for 2025

Coordinate with the Internal Audit Department to carry out the following tasks:

- Review and inspect any key issues (if any) in interim and year-end audit reports.
- Examine compliance and operational efficiency at member companies through processes such as order placement, goods receipt and return, inventory turnover cycles with supplier evaluations, as well as sales, goods delivery, and return handling processes. Additionally, evaluate receivables and review debt sale principles.
- Monitor adherence to the established 2025 goals, including both production and business objectives as well as corporate restructuring targets.

Recommendations from the Supervisory Board

Given the current economic challenges and SMC's situation, the Supervisory Board recommends the following actions:

- System Optimization: Strengthen the entire system, leadership team, and staff with a spirit of versatility and adaptability to ensure the leanest and most efficient operation.
- Business Adjustment: Continue reviewing and scaling down production and business activities to align with the company's current situation, closely managing costs to achieve the most reasonable pricing and highest efficiency.
- Asset Liquidation: Liquidate ineffective assets and projects to reduce cost burdens and supplement capital for profitable business operations.
- Debt Management: Maintain strict control over debt risks, minimize potential risks in production and business activities, and actively recover and resolve outstanding debts.



CORPORATE GOVERNANCE

1. Risk Management

Macroeconomic Risks and Industry Risks

In the context of the global and Vietnamese economic and political landscape for 2024–2025, macroeconomic risks remain a significant factor influencing business and investment activities. Identifying and managing these risks is a prerequisite for businesses to respond flexibly and maintain stability in their production and operations. Global economic growth slowed in 2024 amid persistent inflation, the weakening of the world's second-largest economy, China, and trade tensions among major economies, which have reduced global trade growth. Commodity and raw material prices, such as oil, gas, and industrial metals, continue to fluctuate sharply due to geopolitical uncertainties. Prolonged high interest rates and the strengthening of the USD have increased financial costs, reduced consumer and investment demand, and imposed liquidity pressures and significant financial burdens on highly leveraged companies like SMC.

The steel industry in 2024–2025 faces challenges such as steel price volatility, competition from imported steel, trade risks, and trade defense tariff policies. Furthermore, regulations regarding green steel production, climate change, and environmental issues pose additional complexities. Effective risk management of these factors is crucial for businesses to maintain competitiveness and achieve sustainable development. The industry is grappling with significant uncertainties, including slowing demand, which creates supply–demand imbalances and directly impacts steel prices. Unfavorable fluctuations in steel prices, coupled with the frequent imposition of trade defense tariffs, add to the sector's unpredictability. China's push to export low-cost steel, along with increased steel exports from countries like India, South Korea, and Japan to Southeast Asia, places considerable pressure on regional and Vietnamese markets. Domestic steel companies face intense competition, directly affecting revenue and operational efficiency. In this context, domestic steel businesses must focus on maintaining and expanding raw material supplies to avoid over-reliance on key markets. Optimizing sales strategies and inventory levels is essential to minimize financial costs and price fluctuation risks. For steel exporters, it is vital to continually enhance compliance with international standards and diversify export markets to mitigate dependence and risks from trade defense policies.

Policy Risks and Legal Risks

Key policies guiding the economic and political landscape have a considerable impact on businesses operating within that economy. Changes in fiscal policies, monetary and credit policies, tax regulations, and commodity price stabilization measures can present both opportunities and risks in terms of policy and legal compliance for businesses. Harmonizing policies, promptly identifying risks, and finding mitigation strategies are essential for businesses to confidently pursue growth. Additionally, companies must consistently update their understanding of significant policies directly related to their production and business activities to ensure timely implementation and effective adherence to state regulations. Alongside continuous training

and skill development for staff to ensure compliance and readiness with legal and regulatory procedures, companies should flexibly leverage legal consultancy services. This ensures their rights and obligations are well protected in the realms of business operations and investment.

Financial and Credit Risks

The steel industry is characterized by a high proportion of borrowed capital within the financial structure of businesses. Financial and credit-related factors—such as securing funding for new development and operational activities, rising interest expenses, and unpredictable exchange rate fluctuations—pose significant challenges, affecting companies' business performance. In 2024, SMC faced continued difficulties as credit availability tightened and funding was reduced. This situation tested the company's resilience and demanded proactive measures, including restructuring capital and debt arrangements, liquidating assets to supplement funding, and addressing the reduced availability of loans to meet operational and growth needs. Close management of procurement, inventory, sales policies, and receivables collection is critical to ensuring positive cash flow from business activities to supplement available capital. Additionally, mitigating exchange rate risks through timely and effective use of forward contracts for foreign currency transactions has helped reduce financial costs for the company to some extent.

Other Risks

Unforeseeable and uncontrollable risks such as wars, pandemics, natural disasters, and geopolitical tensions can significantly impact the company's production and business activities. These events, often sudden and disruptive, may lead to interruptions in supply chains, fluctuations in demand, increased costs, or broader economic instability, thereby affecting operational efficiency and profitability.





CORPORATE GOVERNANCE

2. Organization and Human Resources

In 2024, the global economy showed signs of recovery but remained precarious and faced many uncertainties. The industrial manufacturing sector encountered significant difficulties and challenges, with high unemployment rates, a sluggish recovery in the real estate market, and elevated levels of bad debts. SMC's business operations in 2024 continued to face numerous hardships, with the systems' workforce activities also being heavily affected.

Under the directive for "restructuring and optimizing the entire human resource system" from the Executive Board, SMC undertook efforts to reorganize, restructure, and rebuild its personnel system across the entire network. This initiative aimed to align with the actual operational conditions of the business system and to maximize the efficiency of existing human resources. The collective employees within SMC's system have been striving to fulfill their responsibilities in each role, fostering versatility and adaptability in each individual, and accompanying SMC's leadership to steadily face current challenges. This ongoing effort ensures that the SMC brand remains resilient and competitive in the market.

Administrative and Human Resources Activities in 2024

Restructuring and Reorganizing the Personnel System

- Developed personnel staffing plans (for both Office and Production divisions) aligned with the 2024 production and business objectives set by the Executive Board.
- For the Production division: Reviewed and built personnel staffing according to machine shifts based on production output, and monitored overtime work to ensure that additional shifts were arranged appropriately to actual production conditions at each factory.
- Executed the closure of operations in Da Nang and Binh Duong markets as directed by the Executive Board, leading to a complete reduction in staff in these areas. Concurrently, scaled down activities at SMC Tan Tao, including the transfer of SMC Tan Tao 2, which significantly reduced personnel numbers at SMC Tan Tao.
- Streamlined the personnel structure to optimize human resource efficiency through reassignments, reductions, and encouraging staff versatility and multitasking. Restructured the organization to ensure alignment with professional expertise and individual capabilities, maximizing each individual's contribution to their role.

Reducing Administrative and HR Costs

- Conducted a thorough review and maximized reductions in administrative and HR expenses, including security services, cleaning services, landscaping, and the maintenance of office building/factory operations systems. Adjustments were made to align with actual business activities, ensuring cost savings while maintaining operational efficiency.
- Liquidated multiple company vehicles previously used for official purposes and employee transportation. Transitioned to service rentals and ride-hailing platforms to reduce personnel requirements and achieve significant cost savings.





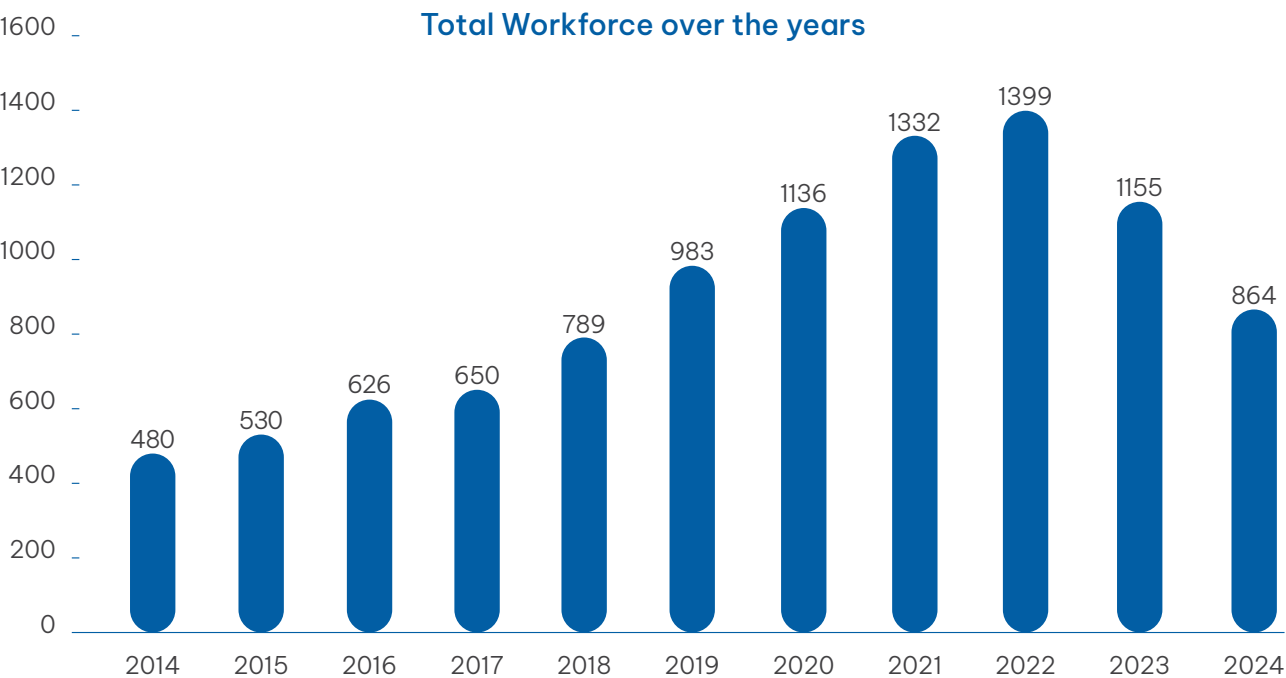
CORPORATE GOVERNANCE

Personnel Structure

Workforce Size: SMC (including joint ventures) employed a total of 864 individuals by the end of 2024, reflecting a reduction of 291 staff—a 25% decrease compared to 2023. This reduction aligns with SMC’s strategic direction to scale down operations, reorganize its structure, and enhance multitasking roles within the leadership.

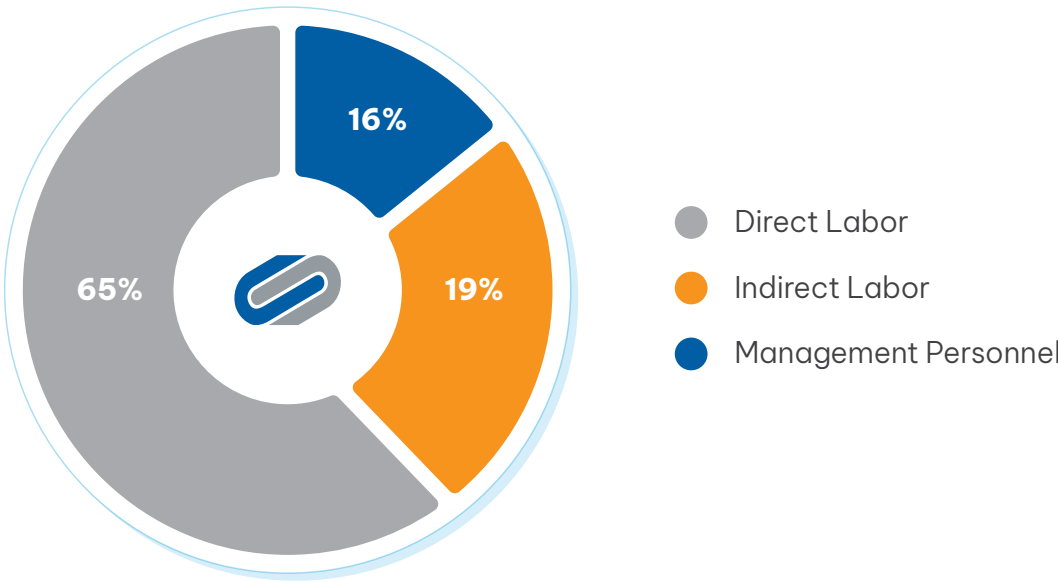
Age Distribution: Employees under 33 years old accounted for 55% of the total workforce. Employees aged 33 to 48 made up 41% of the workforce. This rejuvenation of the workforce in 2024 marked a positive shift, enabling SMC to swiftly adapt to advancements in modern science and technology. The younger employees brought fresh energy, enthusiasm, and open-minded thinking, which, when combined with seasoned employees’ experience, fostered diversity and created a competitive environment. This dynamic contributed to improved performance and efficiency across the system.

Professional Qualifications: 28% of employees held university degrees or higher. 51% possessed intermediate-level qualifications or higher. Both figures represent a 1% increase compared to 2023. Maintaining a strong core workforce and continuously improving quality post-restructuring remains a key principle of SMC’s operations.



As of December 31, 2024, the total workforce employed directly by SMC Investment and Trading Joint Stock Company, its subsidiary companies within the system, and its joint ventures where SMC holds over 50% ownership stands at 612 employees.

Structure of the Workforce
by Type within the entire SMC system



Income and Benefits for Employees within the SMC system

The year 2024 presented immense challenges across all operational sectors of SMC. Despite the hardships, through the efforts of senior leadership, middle management, and the collective dedication of all staff, SMC successfully maintained its business activities and ensured the basic income level for employees within the system. The income levels for employees in the Office Division and Production Division in 2024 were average compared to market standards, fulfilling the basic income needs of the workforce.

Employee welfare policies have consistently been a priority for the leadership. Although 2024 remained difficult, SMC upheld its commitments to employee benefits, including: full social insurance contributions in accordance with regulations, 24/7 accident insurance coverage, additional income support for cases such as maternity leave, illness, and retirement, Tet holiday gifts for union members, and other support policies tailored to employee needs.

Moreover, SMC’s organizational unions—comprising the Party Committee, Trade Union, and Youth Union—actively supported employees in need, motivated staff facing difficult circumstances, and fostered alignment between the workforce and the company’s strategic goals. This collective effort helped drive the completion of work objectives as planned.



CORPORATE GOVERNANCE

Recruitment, Training, and Development

The 2024 human resources plan for the entire SMC system was adjusted to align with the production and business targets assigned to each unit. Recruitment efforts primarily focused on hiring based on approved staffing levels and replacing personnel who had left. Priority was given to reallocating staff between member companies within the system to ensure sufficient workforce availability, both in quantity and quality, to support production and business operations at each unit. This approach aimed to maximize the efficiency of SMC's human resource system during specific phases.

Training efforts across the entire SMC system in 2024 focused primarily on internal training and regulatory safety training. Key areas included practical, on-the-job skill training to ensure the workforce's quality aligned with real-world demands. Employees were encouraged to

take initiative in learning, exploring, and enhancing their capabilities with a multitasking mindset, a critical factor for the company's sustainability and growth. Regular training programs were organized as planned, covering various areas: orientation training, ISO Training, occupational safety certificate courses, crane operation certification, chemical safety training, working at heights safety training, training on industrial work standards. Soft skills training continued internally for different groups of employees, including communication skills and sales skills. In addition, Samsung frequently hosted kick-off events and specialized training sessions tailored for its vendor companies. These programs aimed to improve awareness, technical expertise, and work capacity for SMC employees.

Alongside efforts in recruitment and training, SMC has continuously prioritized recognizing and promoting individuals with the necessary skills, experience, and qualifications to higher positions. This approach encourages employees to actively contribute and maximize their potential. In 2024, the SMC system promoted 23 existing employees and officially appointed 22 individuals with the requisite qualities and competencies to middle and senior management roles. These appointments reflect the acknowledgment of the hard work and contributions of personnel throughout the system, laying a foundation for building a successor team for senior management positions. This ensures sustained support and commitment to SMC's long-term, sustainable growth.





CORPORATE GOVERNANCE

Administrative and HR Activities in 2025

In 2025, SMC will continue efforts to restructure its organizational system with the aim of optimizing human resources. This strategy is essential to achieve the overarching goals of building and reconstructing the SMC system.

Under the leadership's direction and the 2025 action plan, all SMC activities will be centered on rebuilding and restructuring the system. Human resources will play a pivotal role in effectively achieving this goal. Enhancing the quality of human resources remains a crucial factor in ensuring that the SMC system operates in alignment with its strategic direction. This also helps reinforce the continuity of SMC's culture across the entire organization – from the parent company to its member companies. In 2025, SMC will continue its efforts to restructure and streamline the organizational system, focusing on: optimizing HR by refining the workforce to enhance operational efficiency while reducing redundancies; retaining and strengthening the current workforce by developing the skills and capacity of existing personnel to meet operational demands; and promoting cohesion by ensuring consistency in processes and values across all units within the system. These measures aim to ensure the realization of the leadership's strategic objectives while maintaining the sustainable development of the SMC system.

On Recruitment

Prioritize internal recruitment, reassignment, and arranging suitable job positions for employees within the SMC system. Explore and expand additional recruitment channels based on actual circumstances to meet the human resource needs of the SMC system during specific phases of 2025.

On Training and Development

Organize safety training activities as required by regulations and conduct internal training across the entire system. Continue building and training the successor workforce, enhancing professional competencies to prepare for reassignment, multitasking, and promotion needs based on the actual production and business operations of the SMC system in 2025.

On Employee Policies and Benefits

In 2025, SMC will continue to implement flexible salary mechanisms, policies, and benefits for employees, ensuring harmony, fairness, and appropriateness within the workforce. This will be based on factors such as job responsibilities, workload, tenure, and alignment with labor market trends and the company's operational conditions. Additionally, SMC remains committed to fully complying with all labor policies and benefits as prescribed by current legal regulations.

On Work Environment

In 2025, SMC will maintain and foster a friendly work environment under an open framework. Communication will be clear and transparent while ensuring adherence to compliance across the system. SMC strives to create optimal conditions within allowable limits to enable all employees to fully develop their abilities at work, fostering voluntary commitment and a strong sense of collaboration with SMC for the future.





CORPORATE GOVERNANCE

3. Shareholder and Investor Relations

SMC continues to uphold standards in shareholder and investor relations by engaging, meeting, and promptly providing updates on the company’s activities and business results. Information disclosures are consistently clear and transparent, covering all relevant aspects of governance, financial investment, and operational production. This ensures that investors, partners, and customers can access, review, and stay informed in a timely manner. The company remains committed to fully and openly disclosing business performance results on a monthly, quarterly, and annual basis. SMC is always ready to engage in dialogue and address inquiries regarding its business and investment activities, promoting clarity and mutual understanding.

SMC Stock

Stock Code	SMC	
Listed Stock Exchange	HSX	
Charter Capital	736,785,870,000	VND
Number of Outstanding Shares	73,606,837	Shares
Market Capitalization (as at Dec 31,2024)	618,297,430,800	VND
Earning per Share in 2024 (EPS)	397	VND
Book value per Share in 2024 (BPS)	10,992	VND
VN-Index movements in 2024	+12.11%	
SMC’s stock price movements in 2024	-18.05%	

The stock market in 2024 continues to be an attractive investment channel with many signs of positive recovery and stable growth. The VNIndex began 2024 at 1,130 points and experienced a slight adjustment in the first quarter due to the impact of the global market. However, from the second quarter onward, the VNIndex surged strongly thanks to the stability and positive recovery of domestic macroeconomic conditions, robust disbursement of public investment funds stimulating the market, and flexible monetary policies that helped lower interest rates and channel funds into the stock market. Strong market liquidity, opportunities for market upgrading, and the active participation of both domestic and foreign investors contributed to the positive growth of Vietnam’s stock market in 2024. By the end of 2024, the VNIndex reached 1,266.78 points, an increase of 12.11% compared to the end of 2023.

However, Vietnam’s stock market still faces certain risks and challenges. Global economic recession and political-economic instability, such as wars, could directly impact the flow of capital into Vietnam. The continued strengthening of the US dollar creates pressure on foreign capital inflows. Additionally, the domestic real estate market has not fully recovered, directly affecting the stock groups of banking, construction, and building materials sectors, including the steel industry. Along with the unfavorable conditions of the domestic and global steel industry, the steel stock group had an unsuccessful year in 2024 compared to the VNIndex and several other sectors.

Dividend

According to the resolution of the 2024 General Shareholders’ Meeting and the actual business performance of SMC in 2024, the Company will NOT pay dividends to shareholders.

Shareholder structure

Transactions of related parties and internal shareholders carried out in 2024 are as follows:

Person performing the transaction	Relationship with internal shareholders	Shares owned at the beginning year		Shares owned at the year end		Reasons for change	
		Shares	%	Shares	%	Buy	Sell
Nguyen Cam Van	Related to BOD’s member	10,181,821	13.82	0	0	-	10,181,821
Nguyen Ngoc Y Nhi	BOD	789,764	1.06	1,389,764	1.89	600,000	-

Shareholder information according to the final registration list on March 20, 2025

	Domestic Shareholders		Foreign Shareholders		Total	
	Shares	%	Shares	%	Shares	%
Total owner’s equity					73,678,587	100.0
Founding shareholders (*)	10,683,166	14.5	0	0.0	10,683,166	14.5
Shareholders holding >= 5%	10,490,194	14.2	14,416,476	19.6	24,906,670	33.8
Shareholders holding 1% - 5%	10,988,361	14.9	0	0.0	10,988,361	14.9
Shareholders holding < 1%	37,157,817	50.4	553,989	0.8	37,711,806	51.2
Treasury shares	71,750	0.1	0	0.0	71,750	0.1

(*) Founding shareholders include one shareholder holding more than 5% and one shareholder holding less than 1%.

CORPORATE GOVERNANCE

Ownership rate of special shareholders

	Total holding shares	Restricted shares	Total shares owned	% Ownership
Special Shareholders	34,551,229	0	34,551,229	46.9
Board of Directors	29,573,510	0	29,573,510	40.1
Board of Management	4,936,596	0	4,936,596	6.7
Board of Supervisor	10,633	0	10,633	0.03
Chief Accountant	30,490	0	30,490	0.04
Major Shareholders holding >=5%	34,957,691	0	34,957,691	33.8
Hanwa Co.,Ltd	14,416,476	0	14,416,476	19.6
Nguyen Thi Ngoc Loan	10,490,194	0	10,490,194	14.2
Foreign Shareholders	14,970,465	0	14,970,465	20.3
Institution	14,707,843	0	14,707,843	20.0
Individual	262,622	0	262,622	0.3
Treasury shares	71,750	0	71,750	0.1

Detailed list of key shareholders

Full name	Position	Total holding shares	Restricted shares	Total owned shares	% Ownership
Nguyen Thi Ngoc Loan	Chairwoman	10,490,194	0	10,490,194	14.2
Nguyen Ngoc Y Nhi	Vice Chairwoman/Deputy GD	1,389,764	0	1,389,764	1.9
Hanwa Co., Ltd	BOD	14,416,476	0	14,416,476	19.6
Nguyen Huu Kinh Luan	BOD	3,277,076	0	3,277,076	4.4
Vu Anh Nguyen	BOD's Independent	0	0	0	0.0
Dang Huy Hiep	CEO	222,488	0	222,488	0.3
Nguyen Hong Chau	Deputy GD	47,268	0	47,268	0.06
Vo Thi To Ngan	BOS	10,629	0	10,629	0.03
Dang Thi Thu Trang	BOS	4	0	4	0.0
Le Thi Cam Tu	BOS	0	0	0	0.0
Nguyen Van Lam	Chief Accountant	30,490	0	30,490	0.04
Total		29,884,389	0	29,884,389	40.6

Remuneration and expenses of the BoD and the BoS

Based on the resolution of the 2024 General Shareholders' Meeting and the actual business performance of SMC in 2024, the Company will NOT provide remuneration for the Board of Directors, Management Team, and Supervisory Board.





CORPORATE GOVERNANCE

4. Sustainable Development

SMC always sets the goal of sustainable development as the core focus in the Company's orientation of operation and organizational structure in the face of political and economic changes at home and abroad, in order to increase added value and meet the diverse needs of the market and customers, and ensure the Company's strategic development goals. In particular, the Company focuses on developing the core iron and steel business, pursuing solid growth targets and effective stable operations in the medium and long term, combined with fulfilling social and environmental objectives and ensuring the harmonization of interests of stakeholders.

Going through a long journey of development, SMC has gradually developed, restructured and operated simultaneously in three main areas of steel trading, processing and manufacturing, ensuring business results to serve the Company's strategy of sustainable development, while also diversifying product portfolio structure to meet the increasing demands of customers and markets. Three aspects of sustainable development which are Economy - Society - Environment have always been harmonized and balanced throughout the Company's corporate governance and business activities.

Sharing with Society – Joining Hands with the Community

Throughout its 36-year journey of establishment and development, SMC has harmonized with the community through acts of love and the sharing of happiness via numerous charitable activities. Whether in remote or urban areas, rainstorms or scorching heat, as long as SMC is capable, SMC will act.

With the hope that its small contributions can somewhat alleviate the hardships and shortages of daily life, lighten material burdens, and become a source of encouragement and motivation for everyone.

In the coming time, SMC will continue to engage in social activities and charitable work, contributing to improving the quality of life within the community and fostering connections with the local areas where its offices and factories operate.





Environmental Protection

Steel is a heavy industry, as the manufacturing of steel produces large amounts of waste that pollute the environment and affect human health. Therefore, every steel company must raise awareness of those risks and take initiatives to reconcile economic development with environmental protection. SMC always pays special attention to and takes the responsibility for the environment and the people involved in its production and business activities. The Company strictly complies with regulatory requirements and actively applies cutting-edge technologies of steel processing that consume less materials, save energy and enhance waste treatment to minimize environmental impacts. The Company seeks to improve the knowledge of staff about environmental protection so as to respond appropriately to environmental problems that may arise. With the consultation and support of the Vietnam Productivity Institute, SMC implemented the 5S regulation successfully for over 10 months last year, reaping significant benefits in production and business. Thus, the Company will maintain 5S and promote other innovative initiatives for better production and business in the near future.

Since 2020, SMC has worked with partners to install rooftop solar panels on most office buildings and manufacturing plants. The Company's plants in Phu My 1 Industrial Zone (BRVT) have the ideal conditions for the setup and use of solar power in day-to-day operation. This application brings many practical benefits for businesses in particular and for the environment in general, as solar energy generation and consumption reduce greenhouse gas emission, water pollution, noise pollution and over-heating of facilities under extreme weather and excessive operation. There is also no harmful impact on the green and residence surrounding the Company's premises.

Currently, all of SMC's processing and manufacturing plants are located in completely planned industrial zones for heavy industries with synchronous infrastructure systems, separate from residential areas, with little impact on the living environment of the surrounding inhabitants during the process from construction until completion and operation.

- Regarding material loss rate and waste products – SMC always ensures to manage the quality of input materials for processing and production, together with the modern machinery system to minimize the material loss rate. The major scrap from SMC's manufacturing process including ends of steel wires and coils, or two edges of steel coils, zinc slag, etc. are collected and sold to scrap steel recycling plants.
- Regarding water and exhaust gas, SMC has applied measures to handle and build a complete drainage system and sign a wastewater treatment contract with the responsible units in the industrial zones, ensuring that the discharged water is treated properly and does not affect the environment. For emissions, although the Company's processing activities do not generate toxic fumes and emissions, SMC still improves natural ventilation and enhances the greenery area in the working environment for employees.
- In terms of noise and vibration, which mainly arise during the operation of machinery, SMC has applied measures to minimize the effects of noise and vibration on employees who work directly and indirectly in the plant such as vibration damping rubber and springs for vibratory machinery and equipment, regularly system maintenance, appropriate arrangement of machinery and equipment to avoid noise resonance and adequate personal protective equipment for workers who work in high noise-generating areas.
- Regarding power and energy consumption, all production lines are imported with modern technology according to European standards, operating with high productivity and regular maintenance, thus the electricity and fuel consumption during the manufacturing process is at a reasonable level. At the same time, in the process of building the plant, SMC has maximized the lighting system, ensuring full natural light during the working process, helping to minimize power consumption. The whole group is operated based on automatic control technology, with the transmission engine operated by inverter technology to reduce energy consumption, but still ensure productivity, high speed and highest product quality for customers.

Sustainable growth – Increasing value

SMC focuses on developing both quantitatively and qualitatively. The Company seeks to increase market share, improve productivity, maximize the dual operation of domestic sales and export activities, explore new markets, and especially strengthen the capacity of steel production for the sake of sustainable development.

With the strategic focus on steel production and business, SMC has affirmed its position in the industry with remarkable achievements. SMC is a major steel company with more than 35 years of experience, with a total domestic steel sales volume of more than 1.3 million tons and an exclusive extensive coil center system all over Vietnam. The Company has gradually completed a closed production chain to turn HRC materials into finished products of steel pipes and galvanized steel.

Despite various difficulties throughout the years, SMC has been resilient to ensure stable production and business. The Company has increasingly asserted itself in the market and fully committed to the goal of sustainable development, bringing long-term values to shareholders and partners. Recognizing corporate responsibility for the community and society and the trust of shareholders, customers, partners and employees, SMC will continue to consistently adhere to the orientations that the Company has been pursuing throughout its history of development.





SUBSIDIARIES



SUBSIDIARIES

Major Entities with more than 50% ownership held by SMC:

SMC STEEL CO., LTD.

Head Office: Street 1B – Phu My 1 IZ, Phu My Town, BRVT Province
Charter Capital: VND 230,000,000,000
SMC’s ownership: 100%
Key business activities: Export trading of various types of steel, processing and exploitation of different steel kinds
Key Products and services: Construction steels & flat steels

Key items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	2,185.5	1,388.4	-36.5%
NPAT	VND bn	3.0	(34.5)	n.a
Total Assets	VND bn	746.8	586.5	-21.5%
Total Liabilities	VND bn	513.7	387.9	-24.5%
Owner’s Equity	VND bn	233.1	198.5	-14.8%

SMC STEEL MECHANICAL ONE MEMBER CO., LTD.

Head Office: Street 1B – Phu My 1 IZ, Phu My Town, BRVT Province
Charter capital: VND 180,000,000,000
SMC’s ownership : 100%
Key business activities: Coil Center processing, cutting, splitting HRC, producing galvanized steel sheets
Key Products and services: HRC, secondary products, galvanized steel sheets

Key items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	4,533.1	2,320.3	-48.8%
NPAT	VND bn	5.7	(62.8)	n.a
Total Assets	VND bn	1,075.3	561.3	-47.8%
Total Liabilities	VND bn	946.2	495.1	-47.7%
Owner’s Equity	VND bn	129.1	66.3	-48.6%





SUBSIDIARIES

SMC TAN TAO ONE MEMBER CO., LTD.

Head Office: Lot 33, Trung Tam Street, Tan Tao IZ, Tan Tao A Ward, Binh Tan District, HCMC
Charter capital: VND 150,000,000,000
SMC’s ownership : 100%
Key business activities: Coil Center – trading, manufacturing, and processing all kinds of flat steels
Key Products and Services: Hot rolled coils, Hot rolled sheets, Secondary HRC, high tensile steels...

Key items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	2,309.8	1,565.3	-32.2%
NPAT	VND bn	5.1	(68.1)	n.a
Total Assets	VND bn	779.3	568.2	-27.1%
Total Liabilities	VND bn	654.4	511.4	-21.9%
Owner’s Equity	VND bn	124.9	56.8	-54.5%

SMC PHU MY STEEL PROCESSING CO., LTD.

Head Office: Street N7, Phu My II IZ, Tan Phuoc Ward, Phu My Town, BRVT Province
Charter capital: 220,000,000,000 VND
SMC’s ownership: 100%
Key business activities: The Coil Center specializes in manufacturing and trading products that are processed, cut, and shaped from steel, producing auxiliary products to serve industries such as construction, transportation, electricity, electronics, refrigeration, household appliances, and furniture
Key Products and Services: Cold-rolled steel sheets, rust-removed hot-rolled steel sheets, electro-galvanized steel sheets, zinc-coated steel sheets, color-coated steel sheets, stainless steel, structural steel, welded steel mesh, rebar, construction steel, etc

Key items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	1,575.0	1,350.0	-14.3%
NPAT	VND bn	(19.3)	2.1	n.a
Total Assets	VND bn	935.4	758.0	-19.0%
Total Liabilities	VND bn	778.6	599.0	-23.1%
Owner’s Equity	VND bn	156.8	159.0	+1.4%





SUBSIDIARIES

SMC PHU MY PRECISION CO., LTD.

Head Office: Street N7, Phu My II IZ, Tan Phuoc Ward, Phu My Town, BRVT Province
Charter capital: 375,000,000,000 VND
SMC’s ownership: 100%
Key business activities: Participating in the supply chain in the steel industry, specializing in mechanical processing, metal treatment and coating, metal forging, pressing, and rolling, product shaping, and supplying raw materials to customers who are manufacturers of automobiles, motorcycles, electrical devices, electronics, and household appliances
Key Products and Services: Currently a tier-1 vendor specializing in stamping and shaping steel products, supplying Samsung Electronics HCM for the production of washing machines, TVs, refrigerators, and microwaves

Key items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	188.4	258.8	+37.4%
NPAT	VND bn	(40.0)	(23.8)	n.a
Total Assets	VND bn	446.2	418.6	-6.2%
Total Liabilities	VND bn	151.4	147.7	-2.4%
Owner’s Equity	VND bn	294.7	270.9	-8.1%

SENDO STEEL PIPE JOINT VENTURE CO., LTD

Head Office: Street 1A – Phu My I IZ, Phu My Town, BRVT Province
Representative Office: 681 Dien Bien Phu, Ward 25, Binh Thanh District, Ho Chi Minh City
Charter capital: USD 8,000,000 (~ VND 176,201,485,313)
SMC’s ownership: 75%
Key business activities: Producing and processing steel pipe products
Products and services: Black steel pipes and galvanized steel pipes of all kinds

Key items	Unit	2023	2024	+/- %
Sales Revenue	VND bn	1,849.6	998.2	-46.0%
NPAT	VND bn	(160.0)	(68.7)	n.a
Total Assets	VND bn	537.6	431.2	-19.8%
Total Liabilities	VND bn	627.7	590.0	-6.0%
Owner’s Equity	VND bn	(90.1)	(158.7)	n.a





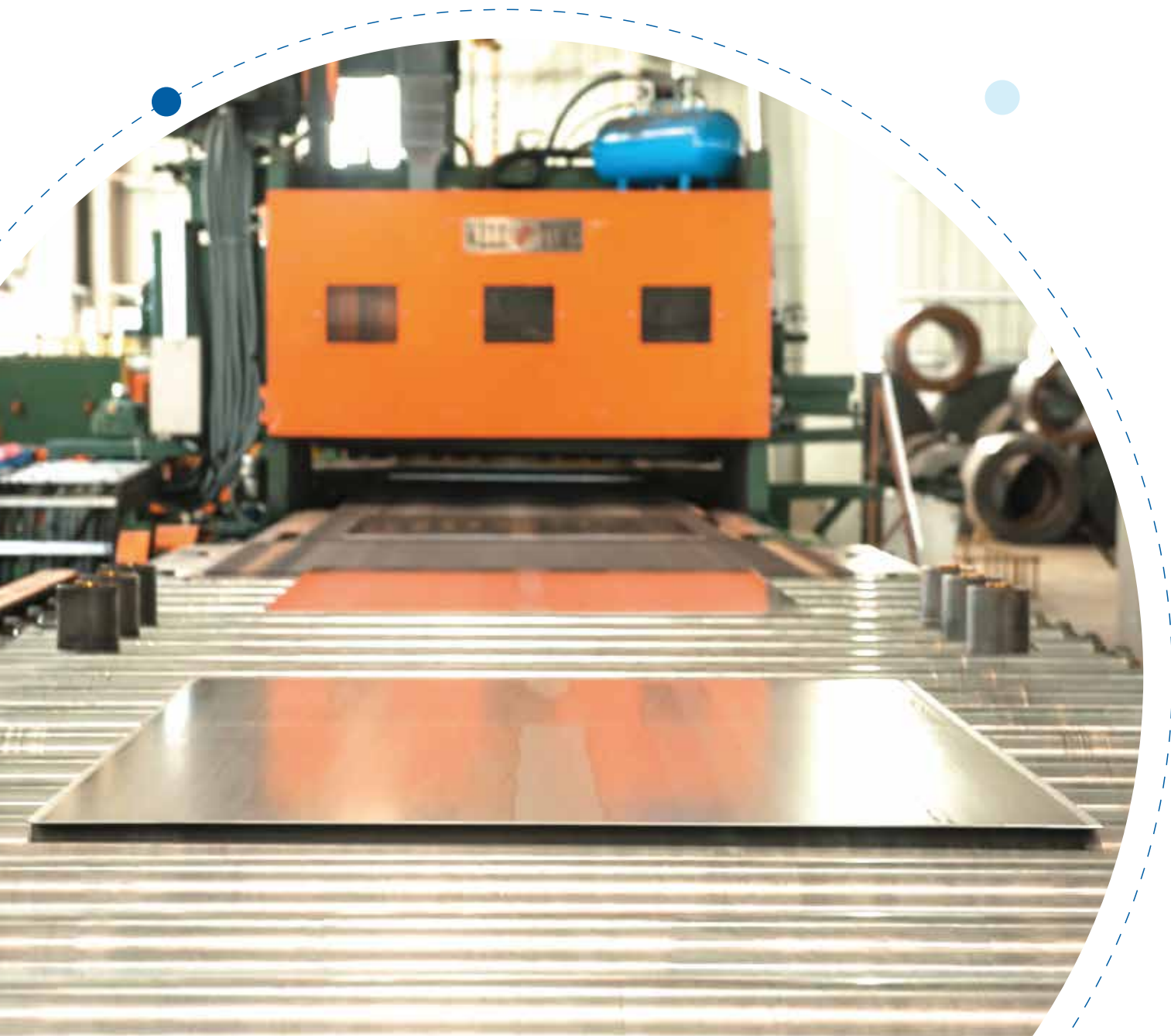
FINANCIAL STATEMENTS

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

SMC TRADING INVESTMENT JOINT STOCK COMPANY AND ITS SUBSIDIARIES

1. REPORT OF THE BOARD OF MANAGEMENT	77
2. INDEPENDENT AUDITOR'S REPORT	80-81
3. CONSOLIDATED BALANCE SHEET	82-85
4. CONSOLIDATED INCOME STATEMENT	86
5. CONSOLIDATED CASH FLOW STATEMENT	87-88
6. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	89-145



REPORT OF THE BOARD OF MANAGEMENT

For the fiscal year ended December 31, 2024

The Board of Management has the honor of submitting this report and the audited consolidated financial statements of SMC Trading Investment JSC and its subsidiaries (hereinafter referred to as "the Group") for the fiscal year ended December 31, 2024.

1. BUSINESS HIGHLIGHTS

SMC Trading Investment Joint Stock Company (Hereinafter referred to as "the Company") operates under the Business registration certificate No. 4103002772 dated October 18, 2004 issued by the Department of Planning and Investment of HCMC, and registered for the 20th change under Business Registration Certificate No. 0303522206 dated October 08, 2024 regarding updating information of the legal representative.

The Company's stock has been officially traded in HCMC Stock Exchange with the code: SMC since October 30, 2006 in compliance with the Listed License No. 62/UBCK-GPNY dated September 29, 2006 issued by the Chairman of the State Securities Commission.

Structure of ownership: Joint Stock Company

English name: SMC Trading Investment Joint Stock Company

Short name: SMC J.S.C

Security code: SMC

Business sectors: Production – Trading – Services – Construction

Head office: 681 Dien Bien Phu, Ward 25, Binh Thanh District, HCMC, Vietnam

2. FINANCIAL POSITION AND RESULTS OF OPERATION

The Group's consolidated financial position and results of operation in the year are presented in the attached consolidated financial statements.



REPORT OF THE BOARD OF MANAGEMENT

For the fiscal year ended December 31, 2024

3. BOARD OF DIRECTORS, BOARD OF CONTROLLING, BOARD OF MANAGEMENT AND CHIEF ACCOUNTANT

Board of Directors, Board of Controlling, Board of Management and Chief Accountant holding office in the year and to the reporting date include:

Board of Directors	
Ms. Nguyen Thi Ngoc Loan	Chairman
Ms. Nguyen Ngoc Y Nhi	Deputy Chairman
Mr. Nguyen Huu Kinh Luan	Member
Mr. Vu Anh Nguyen	Member
Mr. Kishimoto Hideki	Member
Board of Controlling	
Ms. Vo Thi To Ngan	Chief Controlling board
Ms. Dang Thi Thu Trang	Member
Ms. Le Thi Cam Tu	Member
Board of Management and Chief Accountant	
Mr. Dang Huy Hiep	General Director
Ms. Nguyen Ngoc Y Nhi	Deputy General Director
Ms. Nguyen Thi Kim Hong Chau	Deputy General Director
Mr. Nguyen Huu Kinh Luan	Standing Deputy General Director (appointed on Feb. 01, 2024)
Mr. Nguyen Van Tien	Deputy General Director (disappointed on Jan. 02, 2024)
Mr. Nguyen Van Lam	Chief Accountant

Legal representative of the Company in the period and to the reporting date is:

Ms. Nguyen Thi Ngoc Loan Chairman

Ms. Nguyen Thi Ngoc Loan has authorized Mr. Dang Huy Hiep to sign the consolidated financial statements for the fiscal year ended December 31, 2024 in accordance with the Power of Attorney No. 03/UQ-SMC dated December 09, 2024.

4. AUDITOR

Moore AISCA Auditing and Informatics Services Company Limited has been appointed as an independent auditor for the fiscal year ended December 31, 2024.

5. STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT

The Board of Management is responsible for the preparation of the consolidated financial statements which give a true and fair view of the financial position of the Group as at December 31, 2024 as well as its results of operation and cash flows for the fiscal year ended December 31, 2024. In order to prepare these consolidated financial statements, the Board of Management has considered and complied with the following matters:

- Selected the appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- The consolidated financial statements of the Group are prepared on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Group and that the consolidated financial statements are prepared in compliance with the registered accounting policies stated in the Notes to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

6. APPROVAL OF THE FINANCIAL STATEMENTS

In the opinion of the Board of Management, the financial statements consisting of balance sheet as at Dec. 31, 2024, income statement, cash flow statement and notes to the financial statements enclosed with this report give a true and fair view of the financial position of the Company as well as its operating results and cash flows for the fiscal year ended December 31, 2024.

The financial statements are prepared in compliance with Vietnamese Accounting Standards and the Vietnamese Corporate Accounting System.

HCMC, April 28, 2025

For and on behalf
of the Board of Management



DANG HUY HIEP
General Director

MOORE AISC AUDITING AND INFORMATICS SERVICES COMPANY LIMITED

Auditing And Informatic Services Company Limited



Head Office: 389A Dien Bien Phu Str., Ward 4, Dist. 3, Ho Chi Minh City
 Tel: (84.28) 3832 9129 (10 Lines) – Fax: (84.28) 3834 2957
 Email: info@aisc.com.vn – Website: www.aisc.com.vn

INDEPENDENT AUDITOR'S REPORT*No.: A0624189-HN/MOORE AISC-DN7***TO: SHAREHOLDERS, BOARD OF DIRECTORS AND MANAGEMENT****SMC TRADING INVESTMENT JOINT STOCK COMPANY AND ITS SUBSIDIARIES**

We have audited the consolidated financial statements of **SMC Trading Investment Joint Stock Company** (hereinafter referred to as "the Company") and **its subsidiaries** (hereinafter referred to as "the Group") consisting of consolidated balance sheet as at December 31, 2024, consolidated income statement, consolidated cash flow statement for the fiscal year ended December 31, 2024 and Notes to the consolidated financial statements as set out on page 05 to page 55 which were prepared on April 28, 2025.

RESPONSIBILITY OF THE BOARD OF MANAGEMENT

The Board of Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing regulations applicable to the preparation and presentation of the consolidated financial statements and also for the internal control that the Board of Management considers necessary for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE AUDITOR

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

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



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

AUDITOR'S CONCLUSION

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of **SMC Trading Investment Joint Stock Company and its subsidiaries** as at December 31, 2024 as well as the results of its operation and its cash flows for the year then ended. The consolidated financial statements are prepared in compliance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and other statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

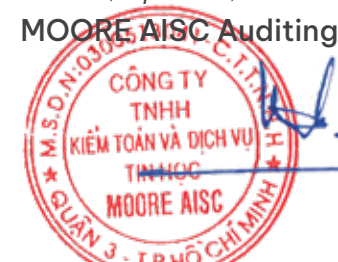
EMPHASIZED MATTER

Without qualifying our opinion as mentioned above, we would like to draw your attention about:

+ As noted in item X.2 of the Notes to the consolidated financial statements, as at December 20, 2024, the Group and NOVAGROUP & its member companies (hereinafter referred to as "Novaland Group") signed a debt confirmation and debt repayment commitment. Until the date of this report, the Group and Novaland Group have signed a number of real estate sales contracts and agreements to ensure payment obligations for the Company's receivables. These transactions occurred after December 31, 2024 and were determined by the Group's Board of Management as events occurring after the annual accounting period, providing additional evidence of events that existed in the fiscal year that need to be adjusted before preparing the financial statements. On that basis, the Group's Board of Management has reviewed, re-evaluated the recovery ability and adjusted the provision level for related receivables as at December 31, 2024.

+ The Group's ability to continue as a going-concern as shown at Item X.5 - Notes to the financial statements. The accumulated loss at December 31, 2024 of the Group is VND 139.625.294.642. The Group's net cash flow from operating activities in 2024 was negative VND 508.075.438.005. As at December 31, 2024, short-term liabilities exceeded its short-term assets with the amount of VND 622.624.569.469. These factors indicate that the existence of a material uncertainty could lead to significant doubts about the Company's ability to operate continuously in the near future. The accompanying financial statements have not contained any adjustments (if any) may occurred from matters as mentioned above.

HCMC, April 28, 2025

MOORE AISC Auditing and Informatics Services Company Limited

NGUYEN VAN TUYEN
DEPUTY GENERAL DIRECTOR

Certificate of Audit Practice Registration
No. 0111-2023-005-1

HA THI THU
AUDITOR

Certificate of Audit Practice Registration
No. 5952-2023-005-1



CONSOLIDATED BALANCE SHEET

As at December 31, 2024

Unit: VND

Assets	Code	Notes	Dec. 31, 2024	Jan. 01, 2024
A. CURRENT ASSETS	100		3.086.659.368.507	3.981.869.829.063
I. Cash and cash equivalents	110	V.1	143.281.861.697	669.710.791.326
1. Cash	111		45.781.861.697	127.210.791.326
2. Cash equivalents	112		97.500.000.000	542.500.000.000
II. Short-term financial investments	120	V.2	505.000.000.000	488.551.095.890
1. Trading securities	121		-	-
2. Provision for devaluation of trading securities	122		-	-
3. Held-to-maturity investments	123		505.000.000.000	488.551.095.890
III. Short-term receivables	130		1.546.619.776.587	1.647.710.470.088
1. Short-term trade receivables	131	V.3a	1.773.566.850.606	1.999.235.012.077
2. Short-term prepayments to suppliers	132	V.4	99.531.539.093	83.452.891.973
3. Short-term intercompany receivables	133		-	-
4. Construction contract-in-progress receivables	134		-	-
5. Receivables from short-term loans	135	V.6	-	84.100.000.000
6. Other short-term receivables	136	V.5a	24.989.633.515	34.212.330.986
7. Provision for doubtful debts	137	V.7	(351.468.246.627)	(553.289.764.948)
8. Shortage of assets awaiting for resolution	139		-	-
IV. Inventories	140	V.8	627.737.119.083	841.377.700.626
1. Inventories	141		646.418.393.324	854.804.748.300
2. Provision for decline in value of inventories	149		(18.681.274.241)	(13.427.047.674)
V. Other current assets	150		264.020.611.140	334.519.771.133
1. Short-term prepaid expenses	151	V.14a	3.499.617.490	8.884.496.238
2. Deductible VAT	152		258.205.950.957	323.205.460.581
3. Taxes and other receivables from the State Budget	153	V.18a	2.315.042.693	2.429.814.314
4. Repurchase and sale of Government's bonds	154		-	-
5. Other current assets	155		-	-

Assets	Code	Notes	Dec. 31, 2024	Jan. 01, 2024
B. LONG-TERM ASSETS	200		1.691.523.179.758	2.196.821.234.663
I. Long-term receivables	210		34.436.749.274	35.615.308.034
1. Long-term trade receivables	211	V.3b	3.609.704.278	20.341.137.042
2. Long-term prepayments to suppliers	212		-	-
3. Working capital from sub-units	213		-	-
4. Long-term intercompany receivables	214		-	-
5. Receivables from long-term loans	215		-	-
6. Other long-term receivables	216	V.5b	34.436.749.274	35.615.308.034
7. Provision for doubtful long-term receivables	219	V.7	(3.609.704.278)	(20.341.137.042)
II. Fixed assets	220		1.206.287.530.233	1.451.370.890.406
1. Tangible fixed assets	221	V.9	829.878.313.043	1.012.009.354.742
- Cost	222		1.648.080.617.261	1.835.901.941.819
- Accumulated depreciation	223		(818.202.304.218)	(823.892.587.077)
2. Finance lease assets	224	V.10	272.626.440.993	300.892.216.495
- Cost	225		339.831.675.532	347.870.175.532
- Accumulated depreciation	226		(67.205.234.539)	(46.977.959.037)
3. Intangible fixed assets	227	V.12	103.782.776.197	138.469.319.169
- Cost	228		112.535.841.108	147.043.741.108
- Accumulated amortization	229		(8.753.064.911)	(8.574.421.939)
III. Investment Properties	230	V.11	6.477.667.757	6.840.901.463
- Cost	231		9.080.842.650	9.080.842.650
- Accumulated depreciation	232		(2.603.174.893)	(2.239.941.187)
IV. Non-current assets in progress	240		609.942.693	50.015.847.390
1. Works in progress	241		-	-
2. Capital construction in progress	242	V.13	609.942.693	50.015.847.390
V. Long-term investments	250	V.2	217.729.225.291	270.702.708.211
1. Investments in subsidiaries	251		-	-
2. Investments in associates, joint-ventures	252		114.644.689.356	124.684.556.544
3. Investments in equity of other entities	253		157.147.500.000	165.473.070.097
4. Provision for decline in the value of long-term investments	254		(60.062.964.065)	(26.454.918.430)
5. Held-to-maturity investments	255		6.000.000.000	7.000.000.000
VI. Other long-term assets	260		225.982.064.510	382.275.579.159
1. Long-term prepaid expenses	261	V.14b	222.929.854.088	368.206.756.618
2. Deferred income tax assets	262	V.15a	3.052.210.422	14.068.822.541
3. Equipment, materials, spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Good-will	269		-	-
TOTAL ASSETS	270		4.778.182.548.265	6.178.691.063.726



CONSOLIDATED BALANCE SHEET

As at December 31, 2024

Unit: VND

Resources	Code	Notes	Dec. 31, 2024	Jan. 01, 2024
C. LIABILITIES	300		3.968.338.535.252	5.380.921.223.677
I. Current liabilities	310		3.709.283.937.976	5.007.005.374.944
1. Short-term trade payables	311	V.17	1.420.521.537.782	2.009.778.690.862
2. Short-term advances from customers	312	V.16	59.134.256.148	65.854.745.370
3. Taxes and other payables to the State Budget	313	V.18b	29.913.393.486	19.509.132.725
4. Payables to employees	314		-	-
5. Short-term accrued expenses	315	V.19	8.992.769.459	29.757.896.661
6. Short-term intercompany payables	316		-	-
7. Construction contract-in-progress payables	317		-	-
8. Short-term unrealized revenue	318	V.20a	351.120.000	-
9. Other short-term payables	319	V.21	10.829.802.632	190.215.405.286
10. Short-term borrowings and financial lease liabilities	320	V.22a	2.173.481.234.090	2.685.470.160.731
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		6.059.824.379	6.419.343.309
13. Price stabilization fund	323		-	-
14. Repurchase and sale of Government's bonds	324		-	-
II. Long-term liabilities	330		259.054.597.276	373.915.848.733
1. Long-term trade payables	331		-	-
2. Long-term advances from customers	332		-	-
3. Long-term accrued expenses	333		-	-
4. Inter-company payables for operating capital received	334		-	-
5. Long-term intercompany payables	335		-	-
6. Long-term unrealized revenue	336	V.20b	210.320.598	315.480.900
7. Other long-term payables	337		-	-
8. Long-term borrowings and financial lease liabilities	338	V.22bcd	217.074.064.253	331.830.155.408
9. Convertible bond	339		-	-
10. Preferred shares	340		-	-
11. Deferred income tax liabilities	341	V.15b	41.770.212.425	41.770.212.425
12. Provision for long-term liabilities	342		-	-
13. Fund for science and technology development	343		-	-

Resources	Code	Notes	Dec. 31, 2024	Jan. 01, 2024
D. OWNERS' EQUITY	400		809.844.013.013	797.769.840.049
I. Owners' equity	410	V.23	809.844.013.013	797.769.840.049
1. Owners' paid-in capital	411		736.785.870.000	736.785.870.000
- Ordinary shares with voting rights	411a		736.785.870.000	736.785.870.000
- Preferred shares	411b		-	-
2. Share premium	412		253.132.567.160	253.132.567.160
3. Bond conversion option	413		-	-
4. Owners' other capital	414		-	-
5. Treasury shares	415		(717.500.000)	(717.500.000)
6. Difference upon assets revaluation	416		-	-
7. Foreign exchange differences	417		-	-
8. Investment and development fund	418		-	-
9. Fund for support of arrangement of enterprises	419		-	-
10. Other funds	420		-	-
11. Retained earnings	421		(139.625.294.642)	(168.865.083.788)
- Retained earnings accumulated to the end of prior period	421a		(168.865.083.788)	343.601.547.426
- Retained earnings in this period	421b		29.239.789.146	(512.466.631.214)
12. Investment reserve for basic construction	422		-	-
13. Interests of non-controlling shareholders	429		(39.731.629.505)	(22.566.013.323)
II. Budget sources and other funds	430		-	-
1. Budget sources	431		-	-
2. Fund to form fixed assets	432		-	-
TOTAL RESOURCES	440		4.778.182.548.265	6.178.691.063.726

PREPARED BY

Nguyen Thi Thu Thuy

CHIEF ACCOUNTANT

Nguyen Van Lam

HCMC, April 28, 2025
GENERAL DIRECTOR



Dang Huy Hiep



CONSOLIDATED INCOME STATEMENT

For the fiscal year ended December 31, 2024

Unit: VND

Items	Code	Notes	2024	2023
1. Sales	01		8.931.097.877.784	13.703.621.127.260
2. Less sales deductions	02		1.303.065.988	2.045.092.674
3. Net sales	10	VI.1	8.929.794.811.796	13.701.576.034.586
4. Cost of sales	11	VI.2	8.924.084.713.782	13.640.006.592.260
5. Gross profit / (loss) (20 = 10 - 11)	20		5.710.098.014	61.569.442.326
6. Financial income	21	VI.3	241.891.587.232	117.034.465.393
7. Financial expenses	22	VI.4	234.174.123.816	340.082.012.586
In which: borrowing interest expense	23		176.410.865.717	265.581.768.849
8. Gain or loss in joint-ventures, associates	24		(5.006.037.227)	(6.010.744.743)
9. Selling expense	25	VI.5a	91.911.028.525	122.841.658.513
10. General & administration expenses	26	VI.5b	(95.466.546.960)	623.223.853.484
11. Operating profit / (loss) (30 = 20 + (21 - 22) + 24 - (25 + 26))	30		11.977.042.638	(913.554.361.607)
12. Other income	31	VI.6	98.178.473.924	46.999.577.464
13. Other expenses	32	VI.7	62.480.441.375	46.246.049.992
14. Other profit (40 = 31 - 32)	40		35.698.032.549	753.527.472
15. Net accounting profit before tax / (loss) (50 = 30 + 40)	50		47.675.075.187	(912.800.834.135)
16. Corporate income tax - current	51	VI.9	24.584.290.104	12.079.868.741
17. Corporate income tax - deferred	52		11.016.612.119	418.340.301
18. Net profit after corporate income tax / (loss) (60 = 50 - 51 - 52)	60		12.074.172.964	(925.299.043.177)
Shareholders of the parent company	61		29.239.789.146	(885.289.080.034)
Non-controlling shareholders	62		(17.165.616.182)	(40.009.963.143)
19. Earnings per share	70	VI.10	397	(12.027)
20. Diluted earnings per share	71	VI.11	397	(12.027)

PREPARED BY

CHIEF ACCOUNTANT

 HCMC, April 28, 2025
 GENERAL DIRECTOR

Nguyen Thi Thu Thuy

Nguyen Van Lam



Dang Huy Hiep

CONSOLIDATED CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2024

Unit: VND

Items	Code	Notes	2024	2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Net profit before tax	01		47.675.075.187	(912.800.834.135)
2. Adjustments for				
- Depreciation of fixed assets and investment properties	02	V.9-12	111.624.309.490	106.710.808.214
- Provisions	03	VI.2,4,5b	(145.382.019.276)	418.633.694.242
- Gain/losses from foreign exchange differences upon revaluation of monetary assets denominated in foreign currencies	04		1.781.629.328	(1.218.057.341)
- Gains/losses from investing activities	05		(341.855.479.037)	(79.387.750.276)
- Interest expense	06	VI.4	177.408.845.519	265.581.768.849
- Other adjustments	07		-	-
3. Profit from operating activities before changes in working capital	08		(148.747.638.789)	(202.480.370.447)
- Increase (-)/ decrease (+) in receivables	09		268.735.168.208	761.419.713.344
- Increase (-)/ decrease (+) in inventories	10		208.386.354.976	808.681.466.308
- Increase (+)/ decrease (-) in payables (Other than payables, income tax)	11		(792.036.666.977)	(658.198.175.879)
- Increase (-)/ decrease (+) in prepaid expenses	12		147.823.261.288	13.365.521.202
- Increase (-)/ decrease (+) in trading securities	13		-	-
- Interest paid	14		(182.484.460.333)	(269.018.649.738)
- Corporate income tax paid	15	V.18	(9.391.937.448)	(11.756.881.032)
- Other receipts from operating activities	16		-	-
- Other payments on operating activities	17		(359.518.930)	(432.586.956)
Net cash inflows/(outflows) from operating activities	20		(508.075.438.005)	441.580.036.802
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchases of fixed assets and other long-term assets	21		(4.683.953.942)	(249.158.054.419)
2. Proceeds from disposals of fixed assets and other long-term assets	22		287.410.103.840	32.736.373.738
3. Loans granted, purchases of debt instruments of other entities	23		(545.170.000.000)	(915.307.151.127)
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		524.656.095.890	1.095.342.722.331
5. Investments in other entities	25		-	-
6. Proceeds from divestment in other entities	26		109.719.952.397	-
7. Dividends and interest received	27		238.362.386.483	80.227.129.087
Net cash inflows/(outflows) from investing activities	30		610.294.584.668	43.841.019.610



CONSOLIDATED
CASH FLOW STATEMENT

(Under indirect method)

For the fiscal year ended December 31, 2024

Unit: VND

Items	Code	Notes	2024	2023
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from issue of shares and capital contribution	31		-	-
2. Payments for shares returns and repurchases	32		-	-
3. Proceeds from borrowings	33	IX.1	7.755.826.400.838	9.554.473.325.694
4. Repayments of borrowings	34	IX.2	(8.328.601.751.753)	(10.117.344.507.813)
5. Payments for finance lease liabilities	35		(55.983.112.665)	(67.264.358.598)
6. Dividends paid	36		-	-
Net cash inflows/(outflows) from financing activities	40		(628.758.463.580)	(630.135.540.717)
Net cash inflows/(outflows) (50 = 20+ 30 + 40)	50		(526.539.316.917)	(144.714.484.305)
Cash and cash equivalents at the beginning of the year	60		669.710.791.326	813.933.205.557
Effect of foreign exchange differences	61		110.387.288	492.070.074
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	143.281.861.697	669.710.791.326

PREPARED BY

CHIEF ACCOUNTANT

HCMC, April 28, 2025
GENERAL DIRECTOR

Nguyen Thi Thu Thuy

Nguyen Van Lam



Dang Huy Hiep

NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

I. BUSINESS HIGHLIGHTS

Unit: VND

1. Structure of ownership

SMC Trading Investment Joint Stock Company (Hereinafter referred to as "the Company") operates under the Business registration certificate No. 4103002772 dated October 18, 2004 issued by the Department of Planning and Investment of HCMC, and registered for the 20th change under Business Registration Certificate No. 0303522206 dated October 08, 2024 regarding updating information of the legal representative.

The Company's stock has been officially traded in HCMC Stock Exchange with the code: SMC since October 30, 2006 in compliance with the Listed License No. 62/UBCK-GPNY dated September 29, 2006 issued by the Chairman of the State Securities Commission.

Head office: 681 Dien Bien Phu, Ward 25, Binh Thanh District, HCMC, Vietnam.

2. Business sector: Manufacturing – Trading – Service – Construction.

3. Principal activities

Producing, trading, importing and exporting of steel, iron, household appliances, construction materials, interior decoration, equipment for construction, mechanics, frames for warehouse, plant by aluminum, steel, inox (not being produced at the head office); Building, installing of civil, industrial, irrigational, traffic work projects; Repairing of house, interior decoration; Preparing of plan for construction investment; Trading of house, household appliances; foodstuff; Logistics; Warehouses service for domestic and exported goods.

4. Normal operating cycle

Normal operating cycle of the Company lasts 12 months of the normal fiscal year beginning from January 01 and ending on December 31.

5. Operations in the period affecting the consolidated financial statements

In year 2024, the Group's business circumstance continued to be heavily influenced by the macro economy and political situation, as follows:

- The world economy continues to face many risks, challenges, and uncertainties; fierce strategic competition, military conflicts, and increasing political instability; slow recovery of global growth; non-traditional security challenges have direct and multi-dimensional impacts on the development of many countries and regions; Trade defense, anti-dumping, anti-subsidy, and self-defense technical barriers related to steel products from Vietnam are tightened; China's steel market is unstable, leading to low export output.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

- The real estate market is gradually recovering but slowly because it is currently facing difficulties due to tight real estate credit policies, the corporate bond market is facing difficulties and the residential market's purchasing power is increasing slowly;

- The high price of input materials is mainly related to the sharp increase in energy costs, especially coking coal, and the rising inflation rate affecting the cost of products.

- In addition, the above mentioned unfavorable factors lead to consumers being hesitant and tightening spending, causing consumption and steel prices to decrease even more, leading to steel production and trading enterprises having to produce in moderation and rotate production, resulting in higher product costs.

According to Resolution No. 312/2023/NQ-HDQT dated October 18, 2023 of the Board of Directors of the Company has unanimously approved the policy of narrowing production, business, and personnel throughout the SMC system, saving money, reduce all costs incurred to maintain the operation of the SMC system in general and the Company in particular.

Pursuant to Resolution No. 170/2024/NQ-HDQT dated April 11, 2024, the Company's Board of Directors unanimously approved the transfer of the Company's head office. On May 27, 2024, the Company leased this property from the transferee to continue maintaining the Company's operations at the registered address.

6. Total employees to Dec. 31, 2024: 606 persons (Dec. 31, 2023: 958 persons).

7. Enterprise Structure

7.1. Total subsidiaries

The Group has ten (10) subsidiaries which will be consolidated into the consolidated financial statements for the accounting period ended at December 31, 2024.

7.2. List of subsidiaries under consolidation:

As at December 31, 2024, the Group has ten (10) directly owned companies as follows:

Subsidiary's name	Principal activities	Percentage of shareholding	Percentage of owning	Percentage of voting right
SMC Steel Co., Ltd. Address: Road 1B, Phu My I Industrial Park, Phu My Town, Tan Thanh District, Ba Ria - Vung Tau Province.	Manufacturing, trading, and service	100%	100%	100%
SMC Trading One-Member Co., Ltd. Address: Road No. 5, Dong An Industrial Park, Binh Hoa Ward, Thuan An Town, Binh Duong Province.	Manufacturing, trading, service and construction	100%	100%	100%
SMC Steel Mechanical One-Member Co., Ltd. Address: Phu My I Industrial Park, Phu My Town, Phu My District, Ba Ria - Vung Tau Province.	Manufacturing, trading, service and construction	100%	100%	100%
SMC Hiep Phuoc One-Member Co., Ltd. Address: Lot C5A Area C, Hiep Phuoc Industrial Park, Nha Be District, HCMC.	Manufacturing, trading, service and construction	100%	100%	100%
SMC Da Nang One-Member Co., Ltd. Address: Road No. 2, Hoa Cam Industrial Park, Hoa Tho Tay Ward, Cam Le District, Da Nang City.	Manufacturing, trading and service	100%	100%	100%
SMC Tan Tao One-Member Co., Ltd. Address: Lot 33 Center Street, Tan Tao Industrial Park, Tan Tao A Ward, Binh Tan District, HCMC.	Trading, service and construction	100%	100%	100%
SMC Phu My Precision Co., Ltd. Address: Road N7, Phu My II Industrial Park, Tan Phuoc District, Phu My Town, Ba Ria - Vung Tau Province.	Manufacturing, trading, service and construction	100%	100%	100%
SMC Phu My Steel Processing Co., Ltd. Address: Road N7, Phu My II Industrial Park, Tan Phuoc District, Phu My Town, Ba Ria - Vung Tau Province.	Manufacturing, trading, service and construction	100%	100%	100%
SMC Phu My Machinery - Automation Co., Ltd. Address: Road 9, Phu My I Industrial Park, Phu My Town, Phu My District, Ba Ria - Vung Tau Province.	Manufacturing, trading and service	100%	100%	100%
Sendo Steel Pipe Joint Venture Co., Ltd. Address: Road 1A, Phu My I Industrial Park, Tan Thanh District, Ba Ria - Vung Tau Province.	Manufacturing, trading and service	75%	75%	75%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

7.3. List of associates reflected in the consolidated financial statements by equity method:
As at December 31, 2024, the Group has three (03) associates as follows:

Company's name	Percentage of shareholding	Percentage of owning	Percentage of voting right
SMC – Summit Co., Ltd.	50%	50%	50%
Hanwa SMC Steel Service Ha Noi Company Limited	35%	35%	35%
SMC Toami Co., Ltd.	25%	25%	25%

8. Disclosure on comparability of information in the consolidated financial statements

The selection of figures and information need to be presented in the consolidated financial statements has been implemented on the principle of comparability among corresponding accounting periods.

II. ACCOUNTING PERIOD AND REPORTING CURRENCY

1. Fiscal year

The fiscal year is begun on January 01 and ended on December 31 annually.

2. Reporting currency

Vietnam Dong (VND) is used as a currency unit for accounting records.

III. ADOPTION OF ACCOUNTING STANDARDS AND POLICIES

1. Applicable Accounting System

The Group applies Vietnamese accounting standards and corporate accounting system issued under the Circular No. 200/2014/TT-BTC dated December 22, 2014, the Circular 53/2016/TT-BTC dated March 21, 2016 amended and supplemented a number of articles of the Circular 200/2014/TT-BTC and circulars guiding the implementation of accounting standards of the Ministry of Finance in preparing and presenting financial statements.

The Group applies the Circular No. 202/2014/TT-BTC ("Circular 202") dated December 22, 2014 issued by the Ministry of Finance guiding the preparation and presentation of the consolidated financial statements.

2. Disclosure of compliance with Vietnamese Accounting Standards and the Vietnamese Corporate Accounting System

The Board of Management ensures compliance with the requirements of accounting standards and the Vietnamese corporate accounting regime issued under the Circular No. 200/2014/TT-BTC dated December 22, 2014, the Circular 53/2016/TT-BTC dated March 21, 2016 amending and supplementing several articles of the Circular 200/2014/TT-BTC as well as circulars guiding the implementation of accounting standards of the Ministry of Finance in preparing and presenting financial statements.

The notes to the consolidated financial statements form an integral part of this report



The selection of figures and information presented in the notes to the consolidated financial statements is complied with the material principle in Vietnamese Accounting Standard No. 21 – Presentation of the financial statements.

IV. APPLICABLE ACCOUNTING POLICIES

1. Basis of consolidation

The consolidated financial statements comprise of the financial statements of SMC Trading Investment JSC and its subsidiaries' ("the Group") for the fiscal year ended December 31, 2024.

The financial statements of the subsidiary are consolidated from the purchase date when the Group starts control to the date it ceases the control.

The subsidiaries' financial statements are prepared for the same accounting period as SMC Trading Investment JSC's under the accounting policies in consistency with SMC Trading Investment JSC's. The adjustments for any different accounting policies are implemented to ensure the consistency between the Subsidiaries and SMC Trading Investment JSC.

All inter-Group balances and revenue, income, expenses incurred from transactions of the Group, including unrealized gains incurred from inter-Group transactions in the assets' value are completely eliminated.

Unrealized loss incurred from intra-group transactions recorded in the assets' value are eliminated when the expenses resulting in the loss are unrecoverable.

Interest of uncontrolled shareholders represents the portion in gain or loss and net assets of the subsidiaries that are not held by the Group and presented separately in the consolidated income statement and from shareholders' equity of the Group in the owners' equity in the consolidated balance sheet.

Losses incurred in the subsidiary are allocated in correspondence with the non-controlling shareholders' portion of ownership, including the case where those losses are greater than the non-controlling shareholders' portion of ownership in the subsidiary's net asset.

Good-will arising from purchase of an interest in the subsidiary is the difference between cost of acquisition and fair value of the identifiable net assets of the subsidiary at the date of acquisition. The good-will will be allocated gradually and slowly in the estimated maximum useful life not exceeding ten years. Periodically, the Group valuates loss of goodwill. In case where evidence shows that the loss of goodwill is greater than allocated amount, allocation will be made by the lost goodwill right in the period of occurrence.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

2. Foreign exchange rate applicable in accounting

Transactions arising in foreign currencies are converted at the exchange rate at the date of the transaction. The balance of monetary items denominated in foreign currencies at the end of the accounting period is converted at the exchange rate on that date.

Exchange rate differences arising during the period from transactions in foreign currencies are recorded in financial income or financial expenses. Exchange rate differences due to the revaluation of monetary items denominated in foreign currencies at the end of the fiscal year after clearing the increase and decrease difference are recorded in financial income or financial expenses.

Principles for determining exchange rates for arising transactions

The exchange rate used to convert transactions arising in foreign currency is the actual exchange rate at the time the transaction occurs. Actual exchange rates for transactions in foreign currencies are determined as follows:

Actual exchange rate when buying and selling foreign currencies (spot foreign currency trading contracts, forward contracts, futures contracts, options contracts, swap contracts): exchange rate signed in the buying contract, selling foreign currency between the Company and the bank.

For capital contributions or receipt of contributed capital: foreign currency buying rate of the bank where the Company opens an account to receive capital from investors at the date of capital contribution.

For receivables: buying rate of the commercial bank where the Group appoints the customer to pay at the time the transaction arises.

For liabilities: selling exchange rate of the commercial bank where the Group plans to trade at the time the transaction occurs.

For asset purchase transactions or expenses paid immediately in foreign currency (not through accounts payable): buying exchange rate of the commercial bank where the Group makes payments.

The Group has translated foreign currencies into Vietnam Dong at the actual rate.

Principles for determining the actual rate

Closing balance of monetary items denominated in foreign currencies are revaluated at the actual rate ruling at the balance sheet date.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as assets will be the buying rate of the commercial bank where the company regular trades on Dec. 31, 2024.

- The actual exchange rates upon revaluation of monetary assets denominated in foreign currencies which have been classified as payables will be the selling rate of the commercial bank where the company regular trades on Dec. 31, 2024.

3. Cash and cash equivalents

Cash includes cash on hand, cash in bank (demand deposit).

Cash equivalents are short-term investments with a redemption period or maturity of no more than 3 months from the date of purchase, are easily converted into a known amount of money and without much risk in conversion into money.

4. Financial investments

Held-to-maturity investments

An investment is classified as held to maturity when the Corporation/Enterprise has the intention and ability to hold it to maturity.

Held-to-maturity investments include: term bank deposits (including bills and promissory notes), bonds, preferred shares must be redeemed by the issuer at a certain time in the future and held-to-maturity loans to collect interest periodically and other held-to-maturity investments.

Held-to-maturity investments are initially recorded at cost including purchase price and costs related to the investment transaction. After initial recording, these investments are recorded at their recoverable amount. Interest income from held-to-maturity investments after the purchase date is recorded on the income statement on an accrual basis. Interest earned before the Company holds it is recorded as a deduction from the original price at the time of purchase.

When there is solid evidence that part or all of the investment may not be recoverable and the amount of loss can be reliably determined, the loss is recorded in financial expenses during the period and directly deducted from the investment value.

Loans

Loans are determined at the original cost less (-) provision for doubtful debts. Provision for bad debts of loans is established based on the expected level of loss that may occur.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

4. Financial investments (cont.)

Financial investments in Associates

An associate is an enterprise over which the Company has significant influence but no control over the financial and operating policies. Significant influence is the right to participate in making financial and operating policy decisions of the investee enterprise but not to control these policies.

The equity method: is the method in which the investment is recorded initially at cost and will not be adjusted whenever there is a change of the investor's ownership in net assets of the associate. The consolidated income statement reflects the Group's portion in associate's operating results as a separate item after the investment date.

The goodwill arising from the investment in Associates will be reflected in the book value of the investment. The Group does not allocate this goodwill, but evaluate annually to see whether the goodwill is devalued or not.

The financial statements of Associates are prepared at the same accounting period as the Group's and consistent accounting policies are applied. The appropriate adjustments have been conducted in order to ensure the accounting policies are applied in consistency with the Group's when necessary.

Equity investments in other entities

Investments in equity instruments of other entities include investments in equity instruments but the Company does not have control, joint control or significant influence over the invested party.

Investments in equity instruments of other entities are initially recognized at the original cost, which includes the purchase price or capital contribution plus direct costs related to investment activities. Dividends and profits of periods before the investment is purchased are accounted for as a decrease in the value of that investment itself. Dividends and profits of periods after the investment is purchased are recorded as revenue. Dividends received in shares are only tracked by the number of additional shares, the value of shares received is not recorded/recorded at par value (except for state-owned companies that comply with current provisions of law).

Provision for loss of investments in equity instruments of other entities are made as follows:

- For investments in listed stocks or the fair value of investments that are reliably determined, the provision is based on the market value of the stocks.

- For investments whose fair value cannot be determined at the time of reporting, provisions are made based on the investee's losses with the level of provision equal to the difference between the actual capital contribution of the parties at the other unit and the actual owners' equity multiplied by the Company's capital contribution ratio compared to the total actual capital contribution of the parties at the other unit.

Dividends being allocated by shares

In case of dividends are allocated by shares, the investor only observes the quantity of shares according to the notes to the financial statements, not record increase the investment value and revenue from financing activities.

Dividends, profit shared by monetary or non-monetary assets for pre-investment are not recorded to the revenue from financing activities, but recorded a decrease in the value of investment.

Dividends, profit shared by monetary or non-monetary assets for post-investment are recorded to the revenue from financing activities at the fair value on the receiving date.

5. Trade receivables and other receivables

Receivables are presented at book value less provisions for doubtful debts.

The classification of receivables is done according to the following principles:

- **Receivables from customers** reflect commercial receivables arising from buying and selling transactions between the Enterprise and the buyer who is an independent unit of the Company, including receivables from sales of export goods entrusted to other units.
- **Other receivables** reflect non-commercial receivables, not related to purchase and sale transactions.

Provision for bad debts is made for each bad debt based on the overdue age of the debts or the expected level of loss that may occur, specifically as follows:

For overdue receivables: according to the assessment of the Board of Management;

For receivables that are not overdue but are unlikely to be recovered: based on the expected level of loss to set up provisions.

Increases and decreases in bad debt provision balances that need to be made at the end of the fiscal year are recorded in general & administration expenses

6. Inventories

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

Original costs are determined as follows:

- The original cost of materials, merchandises consists of costs of purchase, costs of transportation and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods: costs of materials, direct labor and manufacturing overheads which are allocated on the basis of major materials costs relevant overall costs incurred.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

6. Inventories (Cont.)

Method of calculating inventories' value: Weighted average method.

Method of accounting for the inventories: Perpetual method.

Method of making provision for decline in value of inventories: Provision for decline in value of inventories is made for each inventory with the cost greater than the net realisable value. Net realisable value is estimated selling price of inventories in the ordinary course of business less (-) estimated costs of completion and estimated costs necessary to sell them. (For services provided in progress, provision for decline in value of inventories is calculated according to each type of service with a separate price.)

Increases and decreases of provision for decline in value of inventories balances that need to be made at the end of the fiscal year are recorded in the cost of goods sold.

7. Fixed assets

7.1. Tangible fixed assets

Tangible fixed assets are stated at original cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred after initial recognition are only capitalised as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the year.

When the assets are sold or disposed, their original costs and the accumulated depreciation which have been written off and any gain or loss from disposal of assets are recorded in the income statement.

Tangible fixed assets purchased

The original cost of purchased tangible fixed assets shall consist of the actual purchase price less (-) trade discounts or reduction plus (+) taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operation of fixed assets; specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalisation price of the construction project, other relevant fees plus (+) registration fee (if any).

Fixed assets which are buildings, structures attached to land use right, the value of land use right is computed separately and recorded as intangible fixed assets.

7.2. Intangible fixed assets

Intangible fixed assets are recorded at cost less (-) accumulated depreciation. The historical cost of intangible fixed assets includes all costs that the Company must spend to acquire the fixed asset up to when the asset is put into a ready-to-use state. Costs related to intangible fixed assets that arise after initial recognition are recorded as production and business costs in the period unless these costs are associated with a specific intangible fixed asset and increase the economic benefits from these assets.

When intangible fixed assets are sold or liquidated, their original cost and accumulated depreciation are written off and profits and losses arising from disposal are recorded in income or expenses during the year.

Principles for recording intangible fixed assets:

Land use rights

Land use rights are all actual expenses the Company has paid that are directly related to used land, including money spent to have land use rights, costs for compensation and site clearance, site leveling, registration fees, etc. When land use rights are purchased along with houses and architectural objects on the land, the value of land use rights is determined separately and recorded as an intangible fixed asset.

Rights to use leased land before the effective date of the 2003 Land Law (before July 1, 2004) and the Company has paid land rent for the entire lease period or has paid land rent in advance for many years, the remaining paid land lease term is at least 5 years and a land use right certificate is issued by a competent authority.

Computer software

Costs related to computer software programs that are not an integral part of the related hardware are capitalized. The original price of computer software is all expenses that the Company has spent up to the time the software is put into use.

7.3. Financial lease fixed assets

A lease is classified as a finance lease if the majority of the risks and rewards associated with ownership of the asset belong to the lessee.

Financial lease fixed assets are stated at original cost less accumulated depreciation. The original cost of a fixed asset under a finance lease is the lower of the fair value of the leased asset at the inception of the lease contract and the present value of the minimum lease payment. The discount rate to calculate the present value of the minimum rental payment for a property lease is the interest rate implicit in the property lease contract or the interest rate stated in the contract. In case the interest rate implicit in the lease contract cannot be determined, the loan interest rate at the beginning of the lease will be used.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

7.4. Method of depreciating and amortizing fixed assets

Depreciation is charged to write off the cost of fixed assets on a straight line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

The estimated useful life for assets is as follows:

	Depreciation period
Buildings and structures	10 – 30 years
Machinery and equipment	06 – 20 years
Transportation and facilities	01 – 15 years
Office equipment	03 – 15 years
Financial lease fixed assets	06 – 15 years
Software program	02 – 20 years

Non-term land use rights are carried at cost and not amortised.

8. Construction in progress

Construction in progress reflects directly related costs (including interest expenses) related in accordance with the Company's accounting policy to assets under construction, machinery and equipment being installed for production purposes, leasing and management as well as costs associated with ongoing fixed asset repairs. These assets are recognized at cost and are not subject to depreciation.

These costs are capitalised as an additional cost of asset when the works have been completed. After the works have been finalized, the asset will be handed over and put into use.

9. Investment properties

Principles for recording investment property: Investment property is the right to use land, a house, a part of a house or infrastructure owned by the Company or financial leasing is used to earn profit from leasing or waiting for price increases. Investment property is stated at cost less accumulated depreciation.

The original cost of investment property: is all expenses that the Company has to spend or the fair value of the amounts given in exchange for acquiring investment property up to the time of purchase or completion of construction of that investment property.

Expenditures incurred after the initial recognition are recorded as expenses in the period, except for the case where it can be clearly demonstrated that the expenditures have resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property, the expenditures are capitalised as an additional cost of investment property.

When investment properties are sold, the original cost and accumulated depreciation are written off and any gain or loss resulting from the sales of these properties will be recorded into the income statement in the period.

The conversion from owner-occupied property or inventory to investment property is only when the owner stops using the asset and begins leasing it to another party or at the end of the construction period. The transfer from investment property to owner-occupied property or inventory occurs only when the owner begins to use the property or begins to develop it for sale. The transfer from investment property to owner-occupied property or inventory does not change the original cost or residual value of the property at the date of conversion.

Investment property used for rental: depreciation is recorded using the straight-line method over the estimated useful life of the investment property.

Estimated useful life of investment properties:

Infrastructure	25 years
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The investment properties awaiting price increases do not make depreciation. In case where there is reliable evidence showing that the investment properties have devalued in comparison with the market value and the devaluated amount has been reliably determined, then the Company will evaluate the decrease of the investment property's original cost and record the loss in cost of goods sold.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

10. Prepaid expenses

Prepaid expenses include expenses that actually incurred but relate to the operating result of several accounting periods. Method of allocating prepaid expenses: The determining and allocating of prepaid expenses into costs of production and doing business of each period is on a straight-line basis.

The company's prepaid expenses include the following main expenses:

Tools and supplies: Tools and supplies that have been put into use are allocated to expenses using the straight-line basis with an allocation period not exceeding 36 months.

Fixed asset repair costs: One-time asset repair costs of great value are allocated to expenses using the straight-line basis with an allocation period not exceeding 36 months.

Prepaid land rental: Prepaid land rental represents the land rental paid for the land that the Company is using. Prepaid land rental is allocated to expenses using the straight-line basis corresponding to the rental period (50 years).

11. Liabilities

Liabilities are recognized for amounts to be paid in the future for goods and services received. Liabilities are recognized based on reasonable estimates of the amount payable.

The classification of payables as payables to vendors, internal payables and other payables is based on the following principles:

- Payables to vendors reflect trade payables arising from purchases of goods, services, assets and the vendor is an independent unit of the Company, including payables when Imported through consignee.
- Other payables reflect non-commercial payables, not related to transactions of buying, selling or providing goods and services.

12. Salary policies and compulsory insurance

Salary calculated and accounted for expenses in the period according to the labor contract and the salary regulation of the Company. Accordingly, social insurance, health insurance and unemployment insurance are also deducted at the rate of 25,5%, 4,5% and 2% corresponding to the employee's salary. The rate of 21,5% will be included in the cost of social insurance, health insurance, unemployment insurance in the period; and 10,5% will be deducted from the employee's salary.

13. Unearned revenue

Unrealized revenue is the revenue which will be recorded in correspondence with the obligations that the Group must perform in one or more following accounting periods.

Unearned revenue include amounts of customers paid in advance for one or many accounting periods in case where the Group has delivered goods to customer and the customer has agreed to pay.

Method of allocating unearned revenue is on the principle of conformity with obligations that the Group will perform in next one or several accounting periods.

14. Borrowings and finance lease liabilities

Borrowings are total amounts the Group owes to banks, institutions, financial companies and other objects (excluding borrowings under the form of bond or preferred stock issuance which require the issuer to repurchase at a certain time in the future).

Financial lease liabilities are recorded as total payable amount calculated by present value of minimum lease payment amounts or fair value of leased assets.

Borrowings and financial lease liabilities are monitored in detail according to creditor, agreement and borrowed asset.

15. Borrowing costs

Principles for recording borrowing costs: Borrowing costs include loan interest and other costs incurred directly related to loans. Borrowing costs are recorded as expenses when incurred.

16. Accruals

Accruals include interest expense, salary and bonus expenses, transportation expense, ... which have been arised in the reporting period, but have not been settled. Salary and bonus expenses are recorded into cost of production, business expenses in the period according to the principle of conformity between revenue and expenses.

17. Bonds

The book value of a bond is usually reflected on a net basis equal to the bond value at par value minus the bond discount plus the bond premium.

The Company monitors discounts and premiums for each type of common bond issued and the allocation of each discount and premium when determining borrowing costs included in expenses or capitalization for each period, specifically:

- Bond discounts are gradually allocated to calculate borrowing costs each period throughout the bond's term.
- Bond premiums are gradually allocated to reduce borrowing costs each period throughout the bond's term.

Amortization of the discount or premium may use either the effective interest rate method or the straight-line method.

- According to the straight-line method: The discount or premium is evenly allocated throughout the bond's term.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

18. Owner's Equity

The owners' capital

The owners' capital is recognized according to the actual contributed capital of owners.

Equity surplus: Equity surplus is recognized according to the difference between the issue price and the par value of shares at initial issuance, additional issuance, the difference between the reissue price and the book value of treasury shares and the capital component of convertible bonds at maturity. Direct costs related to the additional issuance of shares and the reissue of treasury shares are credited to the share capital surplus.

Retained earnings

Profit after corporate income tax shall be distributed to shareholders after setting aside funds in accordance with the Charter of the Group as well as the provisions of law and approved by the General Meeting of Shareholders.

The distribution of profits to shareholders taking into consideration non-monetary items included in undistributed after-tax profits may affect cash flow and the ability to pay dividends/profits such as interest due to revaluation of assets contributed to capital, interest due to revaluation of monetary items, financial instruments and other non-monetary items.

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

19. Treasury shares

The owners' equity instruments acquired by the Group (treasury share) are recorded at original cost and deducted into the owners' equity. The Group does not record gain (loss) when purchasing, selling, issuing or cancelling its equity instruments. Upon reissue, the difference between reissue price and cost will be recorded in item "Share premium".

20. Revenue and other income

Revenue from goods sold

Revenue from the sale of good should be recognized when all the five (5) following conditions have been satisfied: 1. The enterprise has transferred to buyer the significant risks and rewards of ownership of the goods; 2. The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3. The amount of revenue can be measured reliably; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return

products, goods (except for changing to other goods, services) 4.The economic benefits associated with the transaction has flown or will flow to the enterprise; 5. Identify the costs related to the sales transaction.

Revenue from service rendered

Revenue from services rendered is recorded when the result of the supply of services is determined reliably. In case where the services are rendered in several periods, the revenue will recorded by the part of completed works at the end of the accounting period.

Revenue from services rendered is determined when all the four (4) following conditions have been satisfied:

1. The revenue is determined firmly; When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return service; 2. The economic benefits associated with the transaction has flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the end of the accounting period; 4. Determine the costs incurred for the transaction and the costs to complete the service provision transaction.

Financial income

Income arising from interests, distributed dividends and profits of the enterprises shall be recognized if they simultaneously satisfy the two (2) conditions below: 1. It is possible to obtain economic benefits from the concerned transactions; 2. Income is determined with relative certainty.

Financial incomes include interests, distributed dividends and profits and income from other financing activities (sale and purchase of securities, liquidation of capital in joint-ventures, investment in associates, subsidiaries, other investments; Foreign exchange gains; Capital transfer gain)...

Interests recognized on an accrual basis, determined on the balance of deposit accounts and interest rates in each period;

Distributed dividends and profits shall be recognized when shareholders are entitled to receive dividends or profits from the capital contribution. Dividends received in shares are only tracked by the number of additional shares, the value of shares received/recorded at par value is not recorded.

When an amount which has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be accounted as expense incurred in the period, but not recorded as income decrease.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

21. Cost of goods sold

Cost of goods sold is the cost of products, goods, services and other expenses recorded in the cost of goods sold or recorded a decrease in the cost of goods sold in the reporting period. The cost of goods sold is recorded at the date the transaction incurred or likely to incur in the future regardless payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on conformity principles. Expenses exceeding normal consumption level are recorded immediately to the cost of goods sold on prudent principle.

22. Financial expenses

Financial expenses include expenses or loss related to the financial investment, borrowing cost and capital borrowing, contribution in joint-venture, associate, loss from transfer of short-term securities, cost of securities sale...; Provision for devaluation of financial investment, loss from sale of foreign currencies, loss from foreign exchange loss and other financial expenses.

Financial expenses are recorded in details by their content and determined reliably when there are sufficient evidences on these expenses.

23. Selling and general administrative expenses

a. Selling expense

Reflect the actual costs incurred in the process of selling products, goods and service providers, including the costs of offering, product introduction, product advertising, sales commissions, expenses for maintenance of products, goods and storage costs, packaging, transportation, etc.

b. General and administration expenses

Reflecting general administration expenses of the Company that include salary expenses of management segment; social, health, unemployment insurances, union fees; office materials, tools, depreciation of assets; land rental, business operation tax; provision for doubtful debts; cost of hired services and others paid by cash.

24. Taxes

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set basis for determining operating result after tax in current fiscal year.

Current income tax is a tax calculated based on taxable income. Taxable income differs from accounting profit due to adjustment of temporary differences between tax and accounting, non-deductible expenses as well as adjustment of non-taxable income and loss carried forward.

Deferred income tax is the corporate income tax that will be payable or refunded due to the temporary difference between the book value of assets and liabilities to prepare financial statements and the basis for calculating income tax. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only when it is probable that taxable profits will be available in the future against which these deductible temporary differences can be utilized.

The book value of deferred tax assets is reconsidered at the end of the financial year and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or the entire deferred tax asset to be used. Previously unrecognized deferred corporate income tax assets are reassessed at the end of the financial year and are recognized to the extent that it is probable that sufficient taxable profit will be available against which the income tax assets can be utilized.

Tax rates of deferred tax assets and deferred tax liabilities are determined at the tax rates expected to apply in the year the asset is realized or the liability is paid based on the tax rates in effect at the end of the fiscal year. Deferred income tax is recorded in the income statement and recorded directly in equity only when the tax relates to items recorded directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset when the Company has the legal right to offset current income tax assets against current income tax liabilities and the deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority of the same subject to corporate income tax and the Company has intention to pay current income tax liabilities and current income tax assets on a net basis.

The tax amounts payable to the State budget will be finalized with the tax office. Differences between the tax amounts payable specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

The Group has not recorded the deferred tax assets regarding of unused taxable loss because they are not sure that there would have taxable profit in the future.

The Group's current corporate income tax rate is 20%. Particularly, SMC Phu My Precision Mechanics Co., Ltd and SMC Phu My Steel Processing Co., Ltd. have given priority in corporate income tax for new investment projects related to high-end metal production as follows: Preferential tax rate of 17% for 10 years from the date of revenue; exemption for 02 years and reduction of 50% of tax payable in 04 years from the first year this company arising taxable income from the project.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

24. Taxes (Cont.)

The Company's tax reports will be subject to inspection by tax authorities. Because the application of tax laws and regulations to different types of transactions can be interpreted in different ways, the tax amount presented in the financial statements may be subject to change upon final decision from the tax authorities. The difference between the tax amount payable according to the books and the finalization check data will be adjusted when there is an official settlement with the tax authority.

25. Earnings per share

Basic earnings per share is calculated by dividing net income available to common shareholders after appropriating to Bonus and Welfare Fund by the weighted-average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing net income available to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted-average number of common share outstanding and the weighted-average number to be issued in case where all dilutive potential common are converted into common shares.

26. Financial instruments

Initial recognition

Financial assets

According to the Circular No. 210/2009/TT-BTC dated November 6, 2009 (the Circular 210) issued by Ministry of Finance, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the income statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Group decides to classify these assets at the date of initial recognition.

At the date of initial recognition, the financial assets are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial assets.

Financial assets of the Group comprise cash, trading securities, trade receivables and other receivables, loans, other financial assets.

Financial liabilities

According to the Circular 210, financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated at fair value through the income statement, financial liabilities determined on amortised cost basis. The Group decides to classify these liabilities at the date of initial recognition.

At the date of initial recognition, the financial liabilities are recognized at cost plus transaction cost that are directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Group comprise trade payables, accrual expenses, other payables, borrowings and liabilities, financial instruments.

Re-measurements after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versa and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

27. Related parties

According to Accounting Standard No. 26 – Information about related parties at the Company is as follows:

(i) Enterprises that control, or are controlled directly or indirectly through one or more intermediaries, or are under common control with the reporting enterprise (including parent companies, subsidiaries, subsidiaries of the same group);

(ii) Associate companies (stipulated in Accounting Standard No. 07 “Accounting for investments in associates”);

(iii) Individuals with direct or indirect voting rights in reporting enterprises that lead to significant influence over these enterprises, including close family members of these individuals. Close family members of an individual are those who can control or be controlled by that person when dealing with a business such as: Father, mother, wife, husband, children, brothers, and sisters.

(iv) Key management employees have the rights and responsibilities for planning, managing and controlling the activities of the reporting enterprise, including leaders and management staff of the company and close family members of these individuals;



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

27. Related parties (Cont.)

(v) Enterprises where the individuals mentioned in case (iii) or case (iv) directly or indirectly hold an important part of the voting rights or through this, that person has can have a significant impact on the business. This includes businesses that are owned by the directors or major shareholders of the reporting enterprise and businesses that share a key member of management with the reporting enterprise.

In considering each relationship between related parties, it is necessary to pay attention to the nature of the relationship, not just the legal form of those relationships.

28. Assets, revenue and operating results by segment

A reportable segment includes business segment or a geographical segment.

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

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

For the purpose of management, the Company operates in a large scale of the country, so it presents major segment reporting by business sector, the minor segment reporting by geographical segment.

V. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CONSOLIDATED BALANCE SHEET

	Dec. 31, 2024	Jan. 01, 2024
1. Cash and cash equivalents	45.781.861.697	127.210.791.326
Cash	823.704.620	475.400.438
Cash in bank (demand deposits)	44.958.157.077	126.735.390.888
Cash equivalents	97.500.000.000	542.500.000.000
Cash with term of less than 3 months (interest rate: 0,2% - 3,4%/year)(*)	97.500.000.000	542.500.000.000
Total	143.281.861.697	669.710.791.326

(*) A portion of deposits with term under 3 months are used as collateral at banks: See note V.22.

2. Financial investments: (See page 136-137).

	Dec. 31, 2024		Jan. 01, 2024	
3. Trade receivables	Amount	Provision	Amount	Provision
a. Short-term	1.773.566.850.606	(346.821.914.616)	1.999.235.012.077	(553.277.864.948)
Local customers (*)	1.761.097.517.184	(346.821.914.616)	1.972.809.456.256	(553.277.864.948)
Hoa Binh Construction Group JSC	-	-	20.685.668.724	(97.174.445)
Delta - Valley Binh Thuan Company Limited	440.796.852.909	(125.498.724.253)	440.796.852.909	(179.689.483.528)
Kirby Southeast Asia Co., Ltd.	50.497.016.214	-	3.129.946.320	-
Hieu Hanh Production Trading Mechanical Co., Ltd.	27.800.238.613	-	37.508.117.248	-
Da Lat Valley Real Estate Company Limited	169.260.183.239	(1.452.837.284)	169.260.183.239	(65.665.149.920)
The Forest City Co., Ltd.	131.505.957.524	(182.008.631)	131.505.957.524	(52.622.295.424)
Related parties (see Note X.3)	22.479.485.274	-	64.849.090.929	-
Other customers	918.757.783.411	(219.688.344.448)	1.105.073.639.363	(255.203.761.631)
Foreign customers (USD 493,815.43)	12.469.333.422	-	26.425.555.821	-
Eoun Steel Co., Ltd.	8.332.589.610	-	10.790.536.719	-
Other customers	4.136.743.812	-	15.635.019.102	-
Total	1.773.566.850.606	(346.821.914.616)	1.999.235.012.077	(553.277.864.948)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

3. Trade receivables (Cont.)

Dec. 31, 2024

Jan. 01, 2024

	Amount	Provision	Amount	Provision
b. Long-term	3.609.704.278	(3.609.704.278)	20.341.137.042	(20.341.137.042)
Local customers	3.609.704.278	(3.609.704.278)	20.341.137.042	(20.341.137.042)
Huu Lien Asia JSC	-	-	16.731.432.764	(16.731.432.764)
Other customers	3.609.704.278	(3.609.704.278)	3.609.704.278	(3.609.704.278)
Total	1.777.176.554.884	(350.431.618.894)	2.019.576.149.119	(573.619.001.990)

(*) In which, including the balance receivable from local customers in foreign currency is USD 51,024.93 equivalent to VND 1.291.185.854.

4. Short-term prepayments to suppliers

Dec. 31, 2024

Jan. 01, 2024

	Amount	Provision	Amount	Provision
Local suppliers	99.127.355.027	(4.646.332.011)	76.923.184.723	(11.900.000)
Thien An Iron and Steel Company Limited	-	-	28.940.190.558	-
K.N.G Construction Co., Ltd.	12.000.000.000	(4.420.215.201)	12.000.000.000	-
Kokoro Steel Corrugated Company Limited	75.168.102.027	-	3.606.563.914	-
Others	11.959.253.000	(226.116.810)	32.376.430.251	(11.900.000)
Foreign suppliers (USD 15,879.00)	404.184.066	-	6.529.707.250	-
Hyundai Corporation	-	-	5.548.175.926	-
Others	404.184.066	-	981.531.324	-
Total	99.531.539.093	(4.646.332.011)	83.452.891.973	(11.900.000)

5. Other receivables

Dec. 31, 2024

Jan. 01, 2024

	Amount	Provision	Amount	Provision
a. Short-term	24.989.633.515	-	34.212.330.986	-
Interest receivables from deposit, bond, loan	4.404.594.286	-	7.659.119.558	-
Receivables from discounts	3.966.727.715	-	5.830.839.041	-
VAT from finance lease awaiting for transferring	9.931.631.762	-	13.739.059.312	-
VAT to be refunded	5.846.735.688	-	4.736.685.198	-
Advances	501.500.000	-	322.000.000	-
Short-term deposits	6.600.000	-	1.799.324.148	-
Others	331.844.064	-	125.303.729	-
b. Long-term	34.436.749.274	-	35.615.308.034	-
Deposits for financial lease	33.906.749.274	-	35.085.308.034	-
Other deposits	530.000.000	-	530.000.000	-
Total (*)	59.426.382.789	-	69.827.639.020	-

(*) Of which, the deposit amount for finance lease in foreign currency is USD 588,000.00 equivalent to VND 14,847.588.000.

6. Receivables from short-term loan

Dec. 31, 2024

Jan. 01, 2024

	Amount	Provision	Amount	Provision
- Hoa Binh Construction Group JSC	-	-	84.100.000.000	-
Total	-	-	84.100.000.000	-

7. Doubtful debts: (see page 138-140).

8. Inventories

Dec. 31, 2024

Jan. 01, 2024

	Original cost	Provision	Original cost	Provision
Goods in transit	3.872.037.633	-	-	-
Raw materials	273.148.343.697	(3.392.511.084)	410.145.501.094	(1.656.862.019)
Tools and supplies	31.750.067.043	-	37.231.574.821	-
Work in progress	1.322.497.781	-	3.059.875.546	-
Finished goods	168.152.361.406	(9.401.286.121)	283.440.735.500	(9.556.657.588)
Goods	168.173.085.764	(5.887.477.036)	120.927.061.339	(2.213.528.067)
Total	646.418.393.324	(18.681.274.241)	854.804.748.300	(13.427.047.674)

- The value of poor quality inventory that cannot be sold at the end of the period is: none.

- The value of inventories pledged as security for liabilities: "see V.22 - Borrowings and financial lease liabilities".

- Cause of the addition of provision for decline in value of inventories: The net realizable value of inventories is lower than its original cost.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

9. Tangible fixed assets: (see page 141).

Unit: VND

10. Finance lease assets

Items	Machinery & equipment	Transportation means	Total
Original cost			
Opening balance	346.315.630.077	1.554.545.455	347.870.175.532
Increase	-	-	-
Purchase of finance lease asset	(8.038.500.000)	-	(8.038.500.000)
Closing balance	338.277.130.077	1.554.545.455	339.831.675.532
Accumulated depreciation			
Opening balance	46.416.595.401	561.363.636	46.977.959.037
Charge for the year	24.768.955.427	259.090.909	25.028.046.336
Purchase of finance lease asset	(4.800.770.834)	-	(4.800.770.834)
Closing balance	66.384.779.994	820.454.545	67.205.234.539
Net book value			
As at beginning of the year	299.899.034.676	993.181.819	300.892.216.495
As at the end of the year	271.892.350.083	734.090.910	272.626.440.993

11. Increases / Decreases of Investment Property

Rental investment property (Infrastructure) (*)

	Jan. 01, 2024	Increase	Decrease	Dec. 31, 2024
Original cost	9.080.842.650	-	-	9.080.842.650
Accumulated amortization	2.239.941.187	363.233.706	-	2.603.174.893
Net book value	6.840.901.463	-	-	6.477.667.757

(*) This is trading space in the second floor - Linh Tay Tower Project with the area of 616,2 m2. Currently, the Company is looking for customers to lease this property.

The Group has not yet determined the fair value of investment properties as at December 31, 2024, so these investment properties are recorded at its book value in notes to these consolidated financial statements.

12. Intangible fixed assets

Items	Land use rights	Software program	Total
Original cost			
Opening balance	134.276.829.767	12.766.911.341	147.043.741.108
Disposal, sales	(33.607.900.000)	-	(33.607.900.000)
Other decreases	-	(900.000.000)	(900.000.000)
Closing balance	100.668.929.767	11.866.911.341	112.535.841.108
Accumulated amortization			
Opening balance	-	8.574.421.939	8.574.421.939
Charge for the year	-	1.078.642.972	1.078.642.972
Other decreases	-	(900.000.000)	(900.000.000)
Closing balance	-	8.753.064.911	8.753.064.911
Net book value			
As at beginning of the year	134.276.829.767	4.192.489.402	138.469.319.169
As at the end of the year	100.668.929.767	3.113.846.430	103.782.776.197

The carrying value of intangible fixed assets pledged/mortgaged as loan security: VND 100.668.929.767.

The original costs of intangible fixed assets-fully depreciated but still in use: VND 4.992.013.816.

The notes to the consolidated financial statements form an integral part of this report

13. Construction in progress

	Dec. 31, 2024	Jan. 01, 2024
Consulting and designing expenses for the project to build a factory of 5 ha	-	5.500.000.000
Building factories, warehouses, offices in Da Nang and Ho Chi Minh City	-	39.622.998.733
Others	609.942.693	4.892.848.657
Total	609.942.693	50.015.847.390

14. Prepaid expenses

	Dec. 31, 2024	Jan. 01, 2024
a. Short-term	3.499.617.490	8.884.496.238
Tools and supplies awaiting for allocation	1.337.939.259	3.354.238.055
Other expenses awaiting for allocation	2.161.678.231	5.530.258.183
b. Long-term	222.929.854.088	368.206.756.618
Prepaid land rental awaiting for allocation (*)	198.855.720.289	327.472.914.179
Tools and supplies awaiting for allocation	10.097.823.912	15.374.457.651
Repairing expense awaiting for allocation	3.198.893.056	9.658.118.809
Others	10.777.416.831	15.701.265.979
Total	226.429.471.578	377.091.252.856

(*) Including:

	Dec. 31, 2024	Jan. 01, 2024
Land rental at Lot 33 - Center Road, Extended Tan Tao IP, Binh Tan, HCMC	36.792.569.079	38.207.667.890
Land rental at Road No. 2, Hoa Cam Industrial Park, Hoa Tho Tay Ward, Cam Le District, Da Nang City	-	23.494.658.333
Land rental at Phu My I, Tan Thanh District, Ba Ria-Vung Tau Province (**)	1.325.382.977	1.325.382.977
Land rental at Phu My I IP (5 ha) in Tan Thanh District, Ba Ria -Vung Tau Province	-	5.013.872.045
Land rental at Phu My II, Tan Thanh District, Ba Ria-Vung Tau Province (***)	160.737.768.233	166.007.858.995
Cost of receiving the transfer of land use rights at Road No. 3, Tan Tao Industrial Park, Tan Tao A ward, Binh Tan District, Ho Chi Minh City	-	93.423.473.939
Total	198.855.720.289	327.472.914.179

(**) The prepaid rental in accordance with 12 months of land rental is exempted based on decision No. 82/QĐ-UB-ND dated January 10, 2013 issued by Chairman of the Ba Ria - Vung Tau People's Committees, which is pending.

(***) The costs of renting land and receiving the transfer of this land use rights are currently the collateral for the borrowings (see item "V.22 - borrowings and financial lease liabilities").

15. Deferred income tax assets and Deferred income tax liabilities

	Dec. 31, 2024	Jan. 01, 2024
a. Deferred income tax assets incurred from temporarily deductible differences:		
- Provision for doubtful debts	2.621.963.489	12.261.604.770
- Depreciation expense	345.296.159	1.607.418.245
- Plant rental expense	131.552.739	161.107.526
- Foreign exchange difference gain upon revaluation	(46.601.965)	38.692.000
Total	3.052.210.422	14.068.822.541
b. Deferred income tax liabilities incurred from temporarily deductible differences:		
- Cost of provision for financial investment	41.770.212.425	41.770.212.425
Total	41.770.212.425	41.770.212.425



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

16. Short-term advances from customers	Dec. 31, 2024	Jan. 01, 2024
Local customers	54.039.689.824	62.274.200.890
NOVALAND JSC	40.000.000.000	40.000.000.000
Minh Hien Trading Service Co., Ltd.	-	496.672.000
Related parties (see Note X.3)	92.000.000	92.000.000
Others	13.947.689.824	21.685.528.890
Foreign customers (USD 201,233.07)	5.094.566.324	3.580.544.480
Others	5.094.566.324	3.580.544.480
Total	59.134.256.148	65.854.745.370

17. Short-term payables	Dec. 31, 2024		Jan. 01, 2024	
	Amount	Amount to be able to pay (*)	Amount	Amount to be able to pay (*)
Local suppliers	1.354.753.247.685	1.354.753.247.685	1.335.466.782.854	1.335.466.782.854
Vina Kyoie Steel Co., Ltd.	660.025.008.995	660.025.008.995	638.202.817.115	638.202.817.115
Marubeni-Itochu Steel Viet Nam Co., Ltd.	54.613.453.053	54.613.453.053	62.505.199.047	62.505.199.047
VNSTEEL – Southern Steel Company limited	128.927.263.381	128.927.263.381	78.014.632.023	78.014.632.023
China Steel And Nippon Steel Vietnam Joint Stock Company	58.630.964.962	58.630.964.962	59.454.009.546	59.454.009.546
Payables to related parties (see Note X.3)	186.381.289.794	186.381.289.794	256.769.301.863	256.769.301.863
Others	266.175.267.500	266.175.267.500	240.520.823.260	240.520.823.260
Foreign suppliers (USD 2,574,000.63)	65.768.290.097	65.768.290.097	674.311.908.008	674.311.908.008
Singapore (Cogeneration) Steel Pte. Ltd.	25.611.228.306	25.611.228.306	-	-
China Steel Global Trading Corporation	-	-	83.451.502.141	83.451.502.141
WuChan ZhongDa International Group Co., Ltd.	-	-	121.681.635.583	121.681.635.583
Arsen International (HK) Limited	-	-	218.696.322.418	218.696.322.418
Others	40.157.061.791	40.157.061.791	250.482.447.866	250.482.447.866
Total	1.420.521.537.782	1.420.521.537.782	2.009.778.690.862	2.009.778.690.862

18. Taxes and payables to/receivables from the State Budget

	Jan. 01, 2024	Payable amount	Paid amount	Dec. 31, 2024
a. Receivables				
VAT requested to refund	28.987.259	-	-	28.987.259
CIT overpaid	1.416.059.861	-	-	1.416.059.861
PIT overpaid	984.767.194	253.923.596	139.151.975	869.995.573
Total	2.429.814.314	253.923.596	139.151.975	2.315.042.693
b. Payables				
VAT	5.140.099.866	1.840.590.647	6.980.690.513	-
VAT on imports	-	43.852.435.783	43.852.435.783	-
Corporate income tax	14.217.279.063	24.584.290.104	9.391.937.448	29.409.631.719
Personal income tax	151.753.796	1.357.490.914	1.394.371.831	114.872.879
Import duty	-	71.763.217	71.763.217	-
Other taxes	-	476.884.466	87.995.578	388.888.888
Total	19.509.132.725	72.183.455.131	61.779.194.370	29.913.393.486

19. Accrued expenses	Dec. 31, 2024	Jan. 01, 2024
Borrowing interest payable	3.265.379.603	5.009.444.955
Bond interest expense payable	1.466.658.220	8.340.079.994
Production cost provision	343.612.500	1.671.824.910
Bonus, payroll expenses payable	-	4.091.422.502
Remuneration paid to the Board of Directors	2.260.505.110	2.260.505.110
Others	1.656.614.026	8.384.619.190
Total	8.992.769.459	29.757.896.661

20. Long-term unrealized revenue	Dec. 31, 2024	Jan. 01, 2024
a. Short-term	351.120.000	-
Unrevenue received in advance from providing services	351.120.000	-
b. Long-term	210.320.598	315.480.900
Unrevenue received in advance from providing services	210.320.598	315.480.900
Total	561.440.598	315.480.900

21. Other short-term payables	Dec. 31, 2024	Jan. 01, 2024
Trade union fee	8.448.000	77.435.000
Payables for L/C Upas	247.275.000	189.800.000.000
Others	595.805.802	337.970.286
Payables to related parties (see Note X.3)	9.978.273.830	-
Total	10.829.802.632	190.215.405.286



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

22. Borrowings and financial lease liabilities Dec. 31, 2024

Jan. 01, 2024

	Amount	Amount to be able to pay	Amount	Amount to be able to pay
a. Short-term	2.173.481.234.090	2.173.481.234.090	2.685.470.160.731	2.685.470.160.731
(1) Vietinbank	1.264.911.738.453	1.264.911.738.453	1.295.864.268.157	1.295.864.268.157
(1) Maritimebank	195.890.841.222	195.890.841.222	146.353.635.555	146.353.635.555
(1) CTBC Bank Co., Ltd.	-	-	102.834.819.893	102.834.819.893
(1) HD Bank	-	-	98.555.073.010	98.555.073.010
(1) BIDV Bank	405.010.647.527	405.010.647.527	299.972.011.400	299.972.011.400
(1) VIB Bank	-	-	168.379.436.137	168.379.436.137
(1) MB Bank	-	-	172.219.043.039	172.219.043.039
(1) TP Bank	14.942.387.118	14.942.387.118	71.138.493.038	71.138.493.038
(1) OCB Bank	112.000.000.000	112.000.000.000	-	-
(2) Individuals	98.870.000.000	98.870.000.000	32.430.000.000	32.430.000.000
(3) Business	3.000.000.000	3.000.000.000	3.000.000.000	3.000.000.000
Current portion of long term borrowings	78.855.619.770	78.855.619.770	294.723.380.502	294.723.380.502
b. Long-term	18.640.638.750	18.640.638.750	105.349.008.760	105.349.008.760
VIB bank	-	-	51.800.000.006	51.800.000.006
(4) Maritimebank	43.494.823.750	43.494.823.750	68.349.008.750	68.349.008.750
Current portion of long term borrowings	(24.854.185.000)	(24.854.185.000)	(14.799.999.996)	(14.799.999.996)
c. Long-term financial lease liabilities	85.158.425.516	85.158.425.516	113.306.146.657	113.306.146.657
(5) Chailease International Leasing Co., Ltd.	9.642.346.867	9.642.346.867	17.658.145.069	17.658.145.069
(6) Vietcombank Financial Leasing Co., Ltd.	40.609.230.536	40.609.230.536	56.239.822.580	56.239.822.580
(7) Vietnam International Leasing Company	88.908.282.883	88.908.282.883	120.229.539.320	120.229.539.320
Current portion of long term borrowings	(54.001.434.770)	(54.001.434.770)	(80.821.360.312)	(80.821.360.312)
d. Bonds (face value)	113.274.999.987	113.274.999.987	113.174.999.991	113.174.999.991
(8) Related parties	113.450.000.000	113.450.000.000	113.450.000.000	113.450.000.000
(9) Others	-	-	200.000.000.000	200.000.000.000
Bond issuing expense	(175.000.013)	(175.000.013)	(1.172.979.815)	(1.172.979.815)
Current portion of bonds	-	-	(199.102.020.194)	(199.102.020.194)
Total	2.390.555.298.343	2.390.555.298.343	3.017.300.316.139	3.017.300.316.139

Detail of borrowings and financial lease liabilities is as follows:

a. Short-term borrowings

All of the short term borrowings below have interest rates from 4,8% – 9,75%/year.

(1) As at December 31, 2024, short-term loans from banks are secured by the following assets:

- Assets formed from borrowed amount;
 - Some accounts receivable and inventories;
 - Contract to ensure the performance of payment obligations including assets invested and constructed by Delta – Valley Binh Thuan Company Limited at NovaWorld Phan Thiet project;
 - Land use rights, ownership rights of houses, and other assets attached to land;
 - Property rights to capital contributions to SMC Steel Co., Ltd., SMC Steel Mechanical One – Member Co., Ltd., SMC Trading One Member Co., Ltd., SMC Tan Tao One – Member Co., Ltd., SMC Phu My Precision Mechanics Co., Ltd.;
 - Some deposit contracts;
 - Some machinery and equipment;
 - All property rights arising from the land sublease contract in Phu My II Industrial Park and all works on leased land;
 - Land use rights and assets attached to land located at plot number 736, map sheet number 4, Tan Phuoc ward, Phu My town, Ba Ria – Vung Tau province of the Company,
- (2) Borrowings from Individuals in accordance with short-term contracts for adding to working capital; Term: 12 months; Interest rate: 6%/year; Interest will be paid on 25th monthly.
- (3) This is financial support received from Trung Viet Transportation Services Co., Ltd. without interest and unsecured.

b. Long-term borrowings

(4) As at December 31, 2024, long-term loans from banks are secured by the following assets:

- All property rights arising from the land sublease contract in Phu My II Industrial Park and all works on leased land;

c. Financial lease liabilities

All financial lease debts have rental interest rates as at December 31, 2024 ranging from 5,7% – 9,5%/year.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

22. Borrowings and financial lease liabilities (Cont.)

Contract number	Leased property	Lease term	The balance as at Dec. 31, 2024	Current portion of long term borrowings
(5) Long-term financial lease liabilities from Chailease International Leasing Co., Ltd.				
C210139202 dated 29/01/2021	A LKIM component analysis spectrometer type	60 months	VND 238.856.800	VND 204.734.400
B210445801 dated 28/4/2021	Hino truck	60 months	VND 564.300.000	VND 307.800.000
C220714302 dated 29/9/2022	Machine for testing mechanical properties of copper materials	60 months	VND 753.984.000	VND 282.744.000
C211026802 dated 03/11/2021	Welded steel pipe production line	60 months	VND 4.714.063.200	VND 2.571.307.200
C221149002 dated 21/12/2022	Welded steel pipe production line	42 months	VND 3.371.142.867	VND 2.129.142.852
(6) Long-term financial lease liabilities from Vietcombank Financial Leasing Co., Ltd.				
82.20.13/CTTC dated 09/12/2020	A push pull pickling line 850mm	60 months	VND 3.713.069.754	VND 2.475.379.824
82.21.03/CTTC dated 10/3/2021	Acid water treatment system	48 months	VND 1.133.997.960	VND 1.133.997.960
54.22.05/CTTC dated 04/4/2022	Defrosting line 0.3- 3.0X850mm	60 months	VND 2.888.141.388	VND 962.713.788
54.22.06/CTTC dated 26/12/2022	Double girder crane 15Tx22.5/22.7m	60 months	VND 1.868.882.280	VND 622.960.764
82.22.02/CTTC dated 26/4/2022	Continuous pressing - bending - stamping line	72 months	VND 31.005.139.154	VND 9.301.541.736

22. Borrowings and financial lease liabilities (Cont.)

Contract number	Leased property	Lease term	The balance as at Dec. 31, 2024	Current portion of long term borrowings
(7) Long-term financial lease liabilities from Vietnam International Leasing Company				
2021-00035-000 dated 17/5/2021	Cutting machine	60 months	VND 10.497.451.353	VND 5.476.931.148
2021-00037-000 dated 17/5/2021	Cutting machine	60 months	VND 3.754.211.251	VND 1.533.466.744
2021-00120-000 dated 29/7/2021	A punching machine	60 months	USD 1,687,123.43 equivalent to VND 43.107.690.760	USD 674,849.4 equivalent to VND 17.243.077.020
2022-00253-000 dated 18/10/2022	Four steel pipe making machine systems	60 months	VND 31.548.929.519	VND 9.707.362.932

d. Bonds (face value)

(8) On October 08, 2021, the Company issued 113.450 ordinary bonds SMCH2126002 at par value (1.000.000 VND/bond) with a total value of 113.450.000.000 VND to related parties (see Note X.3) according to the bond subscription agreement No.578/2021/HDMT-P/SMCH2126002. The term of bonds: 05 years. The coupon rate as at Dec. 31, 2024: 5,63%/year. Borrowing purpose: to add the working capital. The interest calculation period is 01 consecutive year from the date of issuance. Mortgaged asset is all contributed capital (35% of charter capital) of the Company in Hanwa SMC Steel Service Hanoi Co., Ltd.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

23. Owners' equity

a. Movements in Owner's Equity: (see page 142).

b. Owners' contributed capital in details	% of shareholding	Dec. 31, 2024	Jan. 01, 2024
Hanwa Co., Ltd.	19,57%	144.164.760.000	144.164.760.000
Nguyen Thi Ngoc Loan	14,24%	104.901.940.000	104.901.940.000
Nguyen Cam Van	13,82%	101.818.210.000	101.818.210.000
Nguyen Huu Kinh Luan	4,76%	35.042.800.000	35.042.800.000
Other shareholders	47,62%	350.858.160.000	350.858.160.000
Total	100%	736.785.870.000	736.785.870.000

c. Interests of non-controlling shareholders

	Dec. 31, 2024	Jan. 01, 2024
Members of Sendo Steel Pipe Joint Venture Co., Ltd.	(39.731.629.505)	(22.566.013.323)
Total	(39.731.629.505)	(22.566.013.323)

d. Capital transactions with owners and distribution

	2024	2023
Owners' capital		
At the beginning of the year	736.785.870.000	736.785.870.000
Contributed capital increased during the year	-	-
At the end of the period	736.785.870.000	736.785.870.000
Dividends, profit distributed	-	-

e. Shares

	Dec. 31, 2024	Jan. 01, 2024
Number of shares sold out to the public	73.678.587	73.678.587
Ordinary share	73.678.587	73.678.587
Number of shares repurchased	(71.750)	(71.750)
Ordinary share	(71.750)	(71.750)
Number of shares in circulation	73.606.837	73.606.837
Ordinary share	73.606.837	73.606.837
Par value:	10.000	10.000
VND/share		

24. Off balance sheet items

a. Foreign currencies	Dec. 31, 2024		Jan. 01, 2024	
	Quantity	Amount (VND)	Quantity	Amount (VND)
USD	411.601,28	10.397.618.339	1.370.293,99	33.013.608.912
Total	411.601,28	10.397.618.339	1.370.293,99	33.013.608.912
		Dec. 31, 2024		Jan. 01, 2024
b. Bad debts written off		119.326.189.408		98.677.315.019
Total		119.326.189.408		98.677.315.019

VI. ADDITIONAL INFORMATION FOR ITEMS IN THE CONSOLIDATED INCOME STATEMENT

1. Net revenue from goods sold	2024	2023
Revenue from merchandises and finished goods sold	8.820.119.973.361	13.613.420.761.813
Revenue from service provided	94.040.208.457	70.587.480.251
Revenue from property leased	800.916.364	1.080.172.728
Revenue from selling scraps	16.136.779.602	18.532.712.468
Total revenue	8.931.097.877.784	13.703.621.127.260

Sales deductions

Sales returns	(738.063.917)	(1.931.567.322)
Sales discounts	(223.606.052)	-
Sales allowances	(341.396.019)	(113.525.352)
Total net revenue	8.929.794.811.796	13.701.576.034.586

(*) Of which, include:

Net revenue to related parties (See Note X.3)	386.959.946.335	508.934.261.689
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2. Cost of sales

	2024	2023
Cost of goods sold	8.918.467.253.509	13.724.925.910.700
Cost of investment property leased	363.233.706	363.233.706
Provision for devaluation of inventories	5.254.226.567	(85.282.552.146)
Total	8.924.084.713.782	13.640.006.592.260

3. Financial income

	2024	2023
Interest on deposits, margin, bonds and loans	19.540.763.414	60.464.749.440
Capital interest	-	416.547.946
Dividends	-	10.920.000.000
Gain from realised foreign exchange differences	12.386.269.264	41.440.271.188
Gain from unrealised foreign exchange differences	-	1.218.057.341
Payment discounts received	2.495.934.619	2.574.839.478
Gain from disposal of investments in other entities	207.468.619.935	-
Total	241.891.587.232	117.034.465.393

4. Financial expenses

	2024	2023
Borrowing, financial lease and bond interest expense	176.410.865.717	265.581.768.849
Provision for financial investments	33.608.045.635	1.115.153.333
Loss from realised foreign exchange differences	12.274.431.581	24.383.544.383
Loss from unrealised foreign exchange differences	1.781.629.328	-
Others	10.099.151.555	49.001.546.021
Total	234.174.123.816	340.082.012.586

5. Selling expense and General and administration expenses

	2024	2023
a. Selling expense		
Salaries	25.113.734.719	33.364.166.730
Tools and supplies	-	287.409.320
Depreciation	4.792.000.255	5.507.889.574
Cost of hired services	55.209.242.960	75.103.239.412
- Transportation	40.131.861.768	56.583.178.826
- Others	15.077.381.192	18.520.060.586
Other expenses paid by cash	6.796.050.591	8.578.953.477
Total	91.911.028.525	122.841.658.513



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

5. Selling expense and General and administration expenses (Cont.)	2024	2023
b. General and administration expenses		
Salaries	29.141.461.116	37.811.160.886
Materials, office supplies	1.253.284.256	1.613.440.425
Depreciation	8.213.270.695	9.231.479.010
Taxes, fees and duties	70.961.198	210.440.971
Provision for doubtful debts	(184.244.291.478)	502.801.093.055
Cost of hired services	47.507.444.944	64.704.616.854
Other expenses paid by cash	2.591.322.309	6.851.622.283
Total	(95.466.546.960)	623.223.853.484
6. Other income	2024	2023
Income from disposal of fixed assets	95.687.246.628	13.903.721.243
Income arising from transfer of land use rights	-	22.184.518.415
Income from financial assets leasing	915.073.611	2.868.702.779
Income from receiving payment guarantee support	1.433.835.617	-
Others	142.318.068	8.042.635.027
Total	98.178.473.924	46.999.577.464
7. Other expenses	2024	2023
Tax related costs	1.250.820.922	3.324.154.648
Financial leasing fixed assets depreciation expenses	787.022.235	2.688.419.470
Consulting costs of 5ha project not implemented	5.500.000.000	-
Losses arising from transfer of land use rights	3.306.631.042	-
Late payment penalty expense	46.415.668.988	36.647.640.923
Others	5.220.298.188	3.585.834.951
Total	62.480.441.375	46.246.049.992
8. Costs of production and trading by factors	2024	2023
Raw materials cost	2.360.772.353.686	1.338.203.495.095
Labor cost	134.644.349.152	175.298.364.192
Depreciation	110.587.165.846	104.449.905.481
Cost of hired services	325.798.693.670	615.521.414.765
Other expenses paid by cash	23.731.965.018	27.009.855.374
Total	2.955.534.527.372	2.260.483.034.907
9. Current income tax expense	2024	2023
Current corporate income tax expense incurred at companies:		
SMC Trading Investment JSC	24.810.774.862	7.879.774.943
SMC Steel Co., Ltd.	-	1.949.117.050
SMC Steel Mechanical One - Member Co., Ltd.	-	2.250.976.748
SMC Tan Tao One - Member Co., Ltd.	(226.484.758)	-
Total	24.584.290.104	12.079.868.741

10. Basis earnings per share	2024	2023
Accounting profit after corporate income tax	12.074.172.964	(925.299.043.177)
In which:		
Interest of non-controlling shareholders	(17.165.616.182)	(40.009.963.143)
Profit after tax of parent company's shareholders	29.239.789.146	(885.289.080.034)
Adjustment to decrease	-	-
Bonus and welfare fund	-	-
Profit or loss attributable to shareholders who owned ordinary shares of the parent company (*)	29.239.789.146	(885.289.080.034)
Average ordinary shares outstanding during the period	73.606.837	73.606.837
Earnings per share	397	(12.027)

(*): The bonus and welfare fund has not been deducted from the profit attributable to the shareholders holding ordinary shares as statutorily required. Basic earnings per share and diluted earnings per share of 2024 will be adjusted and represented after the plan of profit distribution is approved by the annual Shareholders' meeting.

11. Diluted earnings per share	2024	2023
Profit or loss allocated to shareholders owning ordinary shares	29.239.789.146	(885.289.080.034)
Profit or loss allocated to shareholders owning ordinary shares after adjusting dilution factors	29.239.789.146	(885.289.080.034)
Average outstanding ordinary shares in the period	73.606.837	73.606.837
Average outstanding ordinary shares in the period after adjusting dilution factors	73.606.837	73.606.837
Diluted earnings per share	397	(12.027)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

VII. OBJECTIVES AND FINANCIAL RISKS MANAGEMENT POLICIES

Major risks of financial instruments include market risk, credit risk and liquidity risk. The Board of Management considers the application of management policies for the above risks as follows:

1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in market prices. There are three market risks: interest rate risk, foreign exchange risk and other price risks, for example risk of stock price. Financial instruments affected by the market risks include: cash, trade receivables, other receivables, trade payables, other borrowings and liabilities.

The following sensibility analysis relates to the financial position of the Company as at December 31, 2024 and December 31, 2023.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

When calculating the sensibility analysis, the Board of Management assumes that the sensibility of available-for-sale liability in the balance sheet and related items in the income statement is affected by changes in the assumption of corresponding market risks. This analysis is based on the financial assets and liabilities that the Company held as at December 31, 2024 and December 31, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market prices. Market risks due to change in interest rate of the Group mainly relate to: borrowings and liabilities, cash, loans and short-term deposits.

The Group manages the interest rate risk by analyzing the competition status in the market in order to apply the interest rate that brings benefits to the Group and still in the limit of its risk management.

Sensibility to interest rate

The sensibility of (borrowings and liabilities, cash and short-term deposits) of the Group to changes that may occur at reasonable level in the interest rate is illustrated as follows.

Assuming that other variables remain constant, the fluctuation in the interest rate of (borrowings) with floating interest rate makes impact on the Group profit before tax as follows:

The notes to the consolidated financial statements form an integral part of this report

	Increase/Decrease of basic points	Influences on profit before tax (VND)
Year 2024		
VND	+100	(16.824.344.185)
VND	-100	16.824.344.185
USD	+100	(538.390.181)
USD	-100	538.390.181
Year 2023		
VND	+100	(18.208.154.014)
VND	-100	18.208.154.014
USD	+100	(312.230.276)
USD	-100	312.230.276

Increase/decrease of basic points being used to analyze the sensibility to the interest rate is assumed on the basis of observable conditions of current market. These conditions show that the fluctuation is insignificantly greater than prior periods.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in exchange rate. The Group bears risks due to changes in the exchange rate of the currencies other than VND related directly to the Group's business.

The Group manages foreign exchange risk by considering current and expected market status when it outlines plans for future transactions in foreign currencies. The Group does not use any derivative instruments to prevent foreign exchange risks.

The sensibility of borrowings and liabilities, cash in bank of the Group to changes that may occur at reasonable level in the foreign currencies is illustrated as follows:

Assuming that other variables remain constant, the following table shows the sensibility of the Group's profit before tax (due to the changes in the fair value of assets and liabilities) to changes that may occur at reasonable level of the exchange rate of USD. Risks due to changes in the exchange rates of other foreign currencies of the Group are insignificant.

	Changes in USD exchange rate	Influences on profit before tax (VND)
Year 2024		
	+2%	(2.080.464.617)
	-2%	2.080.464.617
Year 2023		
	+1%	(6.759.946.358)
	-1%	6.759.946.358

Stock price risk

Listed and unlisted stocks held by the Group are affected by market risks resulted from the uncertainty of future value of investment stock. The Group manages risks of stock price by setting up investment limit. The Board of Management considers and approves decisions on stock investment.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

Stock price risk (Cont.)

At the reporting date, the fair value of investments in listed stock and stock registered on Upcom of the Group is VND 62.309.044.500 (December 31, 2023: VND 100.655.651.667). If the price of these stocks decreases 10%, the profit before tax will decrease approximately VND 6.230.904.450. If the price of these stocks increases 10%, the profit before tax will increase approximately VND 6.230.904.450.

2. Credit risk

Credit risk is the risk due to the uncertainty in a counterparty's ability to meet its obligations causing the financial loss. The Group bears credit risks from production and doing business activities (mainly trade receivables) and from its financial activities including deposits, foreign exchange transactions and other financial instruments.

Trade receivables

The Group minimizes the credit risk by only doing business with entities who have good financial capacity and closely keeping track of the liabilities to speed up the recovery of debts. On the basis of this method and receivables related to different customers, the credit risk does not concentrate on a certain customer.

Cash in bank

The Group mainly maintains deposits in big and prestigious banks in Vietnam. The Group realized that the concentration level of credit exposure to deposits is low.

The Board of Management of the Company has assessed that most financial assets are not overdue and impaired since these financial assets relate to prestigious customers who have good liquidity capacity. The financial assets which are devalued have been fully provided.

	Overdue impaired
As at Dec 31, 2024	
>181 days	1.325.900.440.977
Total book value	1.325.900.440.977
Provision for devaluation	(355.077.950.905)
Net value	970.822.490.072
As at Dec 31, 2023	
>181 days	1.313.916.139.002
Total book value	1.313.916.139.002
Provision for devaluation	(573.630.901.990)
Net value	740.285.237.012

3. Liquidity risk

Liquidity risk is the risk that arises from the difficulty in fulfilling financial obligations due to lack of capital. The liquidity risk of the Group mainly arises from difference of maturity of the financial assets and liabilities.

The Group supervises liquidity risk by maintaining an amount of cash, cash equivalents and borrowings from banks at the level that the Board of Management considers as sufficient to satisfy the Group's activities and minimize influences of changes in cash flows.

The following table summarizes liquidity deadline of the Group's financial liabilities on the basis of estimated payments in accordance with contract which are not discounted:

As at Dec 31, 2024	Under 1 year	From 1-5 years	Over 5 years	Total
Borrowings and liabilities	2.173.481.234.090	217.074.064.253	-	2.390.555.298.343
Trade payables	1.420.521.537.782	-	-	1.420.521.537.782
Other payables and accrued expenses	9.835.850.261	-	-	9.835.850.261
Total	3.603.838.622.133	217.074.064.253	-	3.820.912.686.386

As at Dec 31, 2023	Under 1 year	From 1-5 years	Over 5 years	Total
Borrowings and liabilities	2.685.470.160.731	331.830.155.408	-	3.017.300.316.139
Trade payables	2.009.778.690.862	-	-	2.009.778.690.862
Other payables and accrued expenses	219.895.866.947	-	-	219.895.866.947
Total	4.915.144.718.540	331.830.155.408	-	5.246.974.873.948

Liquidity risk is high. The Group are able to access capital sources as necessary and borrowings matured within 12 months could be re-lent by prevailing lenders.

Secured assets

The Group pledged fixed assets, land use rights, term deposits, trade receivables, inventories, and the rights to contribute capital as security for short-term and long-term borrowings from banks (Notes No.22- Short-term and long-term borrowings and financial leasing liability).

The Company is using third party assets as collateral as at December 31, 2024. The Company and Delta - Valley Binh Thuan Company Limited ("Valley Binh Thuan") have entered into a payment guarantee contract No. 1904_TSBD_NVW.PT-SMC. Under this contract, Valley Binh Thuan uses assets invested and constructed by Valley Binh Thuan at the NovaWorld Phan Thiet project with a total appraised value of 454.273 billion VND to secure payment for payables to the Company. The Company then used this guarantee contract as collateral for loans of the Company and its subsidiaries at Vietnam Joint Stock Commercial Bank for Industry and Trade.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

VIII. FINANCIAL ASSETS AND LIABILITIES: (See page 143).

The fair value of financial assets and financial liabilities is stated at the value that the financial instruments are convertible in present transaction among partners, except for compulsory sale or disposal.

The Group uses the following methods and assumptions to estimate the fair value:

The fair value of cash on hand and short-term deposits, trade receivables, trade payables and other short-term liabilities is equivalent to the book value of these items because these instruments are in short-term.

The fair value of securities and financial debt instruments listed and traded on the UpCom market is determined according to the market value

As to unlisted securities investments but under regular transactions, the fair value is the average price provided by three independent securities company at the fiscal year end.

The fair value of securities and financial investments whose fair value can not be firmly determined since there exists no high-liquid market for securities, financial investments will be stated at book value.

Except for the above-mentioned items, the fair value of long-term financial assets and financial liabilities has not been revaluated and determined officially as at December 31, 2023 and December 31, 2022. However, the Board of Management has assessed that the fair value of these financial assets and liabilities is not significantly different from the book value at the fiscal year end.

IX. ADDITIONAL INFORMATION FOR ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

1. Borrowing amount in the period	2024	2023
- Proceeds from the borrowing under normal agreement	7.755.826.400.838	9.554.473.325.694
2. Payment for principal debts	2024	2023
- Payment for principal debts under normal agreement	8.328.601.751.753	10.117.344.507.813

X. OTHER INFORMATION

1. Contingent liabilities, commitments

The Company undertakes to guarantee, irrevocably and unconditionally for the entire loan amount borrowed by the Subsidiaries from banks.

For receivables from: Hung Thinh INCONS Joint Stock Company, from member companies of NOVA Real Estate Investment Joint Stock Company: Although these businesses are having certain difficulties, the Company believes in the ability to collect these receivables.

At SMC Summit Co., Ltd. (affiliated company), there are overdue receivables from Nguyen Minh Stainless Steel Production Trading Investment Joint Stock Company (VND 97.997.566.428): these receivables are insured. Guaranteed by LC at Saigon Commercial Joint Stock Bank (SCB). Currently, SCB is under special control of the State Bank of Vietnam (SBV). SBV's approval is required for SCB to disburse payments for debts secured by the above LC. SMC Summit Co., Ltd. commits to working with Nguyen Minh Stainless Steel Production Trading Investment Joint Stock Company to find a way to recover all of the above receivables.

Up to the time of reporting, the Group has no contingent liabilities, commitments and other financial information occurred since the ending date of the fiscal year that requires any adjustments or disclosures in the consolidated financial statements.

Recognizing the current difficulties, the Group always tries and flexibly offers solutions to stabilize and maintain production and business activities such as maintaining inventory at a reasonable level, using term deposits, promoting retail and export activities, as well as effectively exploiting the outsourcing sector to support trade activities may still be difficult.

2. Post balance sheet events

On February 06, 2025, the Company received Official Letter No. 99/SGDHCM-NY from the Ho Chi Minh City Stock Exchange regarding the possibility of SMC being delisted due to its business results being unprofitable for 3 consecutive years.

On December 20, 2024, the Group and NOVAGROUP & its member companies (hereinafter referred to as "Novaland Group") signed a debt confirmation and debt repayment commitment. As of the date of this report, the Group and Novaland Group have signed a number of real estate sales contracts and agreements to ensure payment obligations for the Group's receivables. These transactions occurred after December 31, 2024 and were determined by the Group's Board of Management as events occurring after the annual accounting period, providing additional evidence of events that existed in the fiscal year that need to be adjusted before preparing the financial statements. On that basis, the Company's Board of Management has reviewed, re-evaluated the recovery ability and adjusted the provision level for related receivables as at December 31, 2024.

Out of the matters as mentioned above, there are no significant events occurred since the period ended that need to be adjusted or noted in the financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

3. Related party information

a. Related parties

	Relationship
Hanwa Viet Nam Co., Ltd.	A subsidiary of investor
SMC – Summit Co., Ltd.	Associates
Hanwa SMC Steel Service Ha Noi Co., Ltd.	Associates
SMC Toami Co., Ltd.	Associates
Hanwa Co., Ltd.	Investor
Ms. Nguyen Thi Ngoc Loan	Chairman
Ms. Nguyen Ngoc Y Nhi	Vice Chairman, Deputy GD
Mr. Nguyen Huu Kinh Luan	Member of BOD, Deputy GD
Mr. Vu Anh Nguyen	Member of BOD
Mr. Kishimoto Hideki	Member of BOD
Mr Dang Huy Hiep	General Director
Mr. Truong Van Minh	Deputy GD
Ms. Nguyen Thi Kim Hong Chau	Deputy GD
Mr. Nguyen Van Tien	Deputy General Director (disappointed since Jan. 02, 2024)
Mr. Nguyen Van Lam	Chief Accountant

b. Key transactions with related parties

	2024	2023
Sale of goods and rendered services		
SMC – Summit Co., Ltd.	360.339.632.514	469.356.854.683
SMC Toami Co., Ltd.	6.975.314.399	8.781.280.491
Hanwa SMC Steel Service Ha Noi Co., Ltd.	-	1.140.073.500
Hanwa Viet Nam Co., Ltd.	17.616.361.834	23.505.647.742
Hanwa Co., Ltd.	2.028.637.588	6.150.405.273
Total	386.959.946.335	508.934.261.689

Other income

	2024	2023
SMC – Summit Co., Ltd.	57.908.741.307	390.848.485
Hanwa SMC Steel Service Ha Noi Co., Ltd.	21.341.159.550	2.875.702.779
Total	79.249.900.857	3.266.551.264

Finance income

	2024	2023
Hanwa Viet Nam Co., Ltd.	-	969.114.033

b. Key transactions with related parties (cont.)

Goods purchased and services received

	2024	2023
SMC – Summit Co., Ltd.	174.393.077.397	538.864.011.203
SMC Toami Co., Ltd.	1.410.429.200	59.019.278
Hanwa Viet Nam Co., Ltd.	44.565.120.294	361.710.567.756
Total	220.368.626.891	900.633.598.237

Financial expenses (bond interest)

	2024	2023
Hanwa Co., Ltd.	-	6.176.749.230

c. As at December 31, 2024, balances with related parties:

	Dec. 31, 2024	Jan. 01, 2024
Short-term receivables		
SMC – Summit Co., Ltd.	22.156.770.730	22.115.522.810
Hanwa SMC Steel Service Ha Noi Co., Ltd.	-	250.926.000
SMC Toami Co., Ltd.	132.000.000	54.803.602
Hanwa Viet Nam Co., Ltd.	190.714.544	999.759.459
Ms. Nguyen Thi Ngoc Loan	-	41.428.079.058
Total	22.479.485.274	64.849.090.929

Long-term receivables

	Dec. 31, 2024	Jan. 01, 2024
Ms. Nguyen Thi Ngoc Loan	3.609.704.278	3.609.704.278

Short-term other receivables

	Dec. 31, 2024	Jan. 01, 2024
Hanwa Viet Nam Co., Ltd.	-	12.172.486
Total	-	12.172.486

Trade payables

	Dec. 31, 2024	Jan. 01, 2024
SMC – Summit Co., Ltd.	106.078.473.660	98.391.687.365
Hanwa Viet Nam Co., Ltd.	80.302.816.134	158.377.614.498
Total	186.381.289.794	256.769.301.863

Short-term advances from customers

	Dec. 31, 2024	Jan. 01, 2024
SMC Toami Co., Ltd.	92.000.000	92.000.000

Short-term accrued expenses

	Dec. 31, 2024	Jan. 01, 2024
Hanwa Co., Ltd.	-	202.585.403

Other short-term payables

	Dec. 31, 2024	Jan. 01, 2024
Ms. Nguyen Thi Ngoc Loan	9.978.273.830	-

Long-term borrowings and financial lease liabilities

	Dec. 31, 2024	Jan. 01, 2024
Hanwa Co., Ltd.	113.450.000.000	113.450.000.000



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

d. The Board of Directors and Management's income	2024	2023
Board of Directors (*)	1.504.427.835	2.316.131.000
Board of Controlling (**)	1.124.159.680	1.034.724.000
Board of Management (***)	903.223.500	1.980.415.244
Total	3.531.811.015	5.331.270.244

(*) Details of income of Board of Directors:	2024	2023
Ms. Nguyen Thi Ngoc Loan	604.698.000	1.073.470.000
Ms. Nguyen Ngoc Y Nhi	338.623.200	542.997.000
Mr. Nguyen Huu Kinh Luan	561.106.635	699.664.000
Total	1.504.427.835	2.316.131.000

(**) Details of income of Controlling:	2024	2023
Ms. Vo Thi To Ngan	254.511.400	201.133.000
Ms. Le Thi Cam Tu	450.187.155	427.187.000
Ms. Dang Thi Thu Trang	419.461.125	406.404.000
Total	1.124.159.680	1.034.724.000

(***) Details of income of Board of Management:	2024	2023
Mr. Dang Huy Hiep	521.321.500	929.370.000
Mr. Truong Van Minh	-	-
Ms. Nguyen Thi Kim Hong Chau	377.902.000	628.458.000
Mr. Nguyen Van Tien	4.000.000	410.050.000
Mr. Nguyen Binh Trong	-	12.537.244
Total	903.223.500	1.980.415.244

4. Presentation of segment assets, revenue and operating result: (See page 144-145).

5. Going-concern activity

The accumulated loss as at Dec. 31, 2024 of the Group is VND 139.625.294.642. The Group's net operating cash flow was negative VND 508.075.438.005. As at Dec. 31, 2024, the short term liabilities have exceeded the short term assets by VND 622.624.569.469. The above raises concerns about the Company's ability to money creation to pay its due debts. The plant of the owner and the Board of Management regarding this matter is presented below:

- The short term liabilities (code 310 on Balance sheet) at as Dec. 31, 2024 is VND 3.709.283.936.976. The Group believes to receive the support of supplier and individuals by extend the due date.

5. Going-concern activity (Cont.)

- Enhance cash flow through urging, proposing positive solutions to recover outstanding debts (overdue, backlog), reducing/repaying loans/debts from suppliers, etc. to create effective results through the reduction of financial expenses/bank interest;

- For traditional customers, regular customers, have good payment ability but are temporarily unable to turn around capital in a short time: Create favorable conditions for debt payment, consider providing resupply to debtors may have the opportunity to rotate capital and generate revenue for better debt repayment; then discuss a specific payment schedule and ask the debtor to pay on time as committed.

Therefore, the Group believes that the above assessments are correct and the Group will continue with normal business activities in the future.

PREPARED BY

Nguyen Thi Thu Thuy

CHIEF ACCOUNTANT

Nguyen Van Lam

HCMC, April 28, 2025

GENERAL DIRECTOR



Dang Huy Hiep

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.2. FINANCIAL INVESTMENTS

2.1. Held to maturity investments

	Dec. 31, 2024		Jan. 01, 2024	
	Original cost	Book value	Original cost	Book value
a. Short-term	505.000.000.000	505.000.000.000	488.551.095.890	488.551.095.890
- Deposits with the term of over 03 months (*)	505.000.000.000	505.000.000.000	483.551.095.890	483.551.095.890
- Bonds held have a remaining term of less than 12 months	-	-	5.000.000.000	5.000.000.000
b. Long-term	6.000.000.000	6.000.000.000	7.000.000.000	7.000.000.000
- Bonds with term 10 years	6.000.000.000	6.000.000.000	7.000.000.000	7.000.000.000
(interest rate: 5,675% - 5,98%/year)				
Total	511.000.000.000	511.000.000.000	495.551.095.890	495.551.095.890

(*) A portion of Deposits with term over 3 months to 12 months (interest rate: 2,8% - 5,8%/year) are used as collateral at banks: see note V.22.

2.2. Investments in equity of other entities

	Dec. 31, 2024			Jan. 01, 2024		
	Original cost	Group's ownership (profit (loss)) in associates or joint ventures	Fair value	Original cost	Group's ownership (profit (loss)) in associates or joint ventures	Fair value
Investment into associates	103.015.255.066	11.629.434.290	114.644.689.356	103.015.255.066	21.669.301.478	124.684.556.544
SMC - Summit Co., Ltd.	41.640.000.000	(5.057.683.536)	36.582.316.464	41.640.000.000	9.469.851.089	51.109.851.089
Hanwa SMC Steel Service Ha Noi Co., Ltd.	45.440.755.066	32.621.617.826	78.062.372.892	45.440.755.066	28.133.950.389	73.574.705.455
SMC - Toami Co., Ltd. (2*)	15.934.500.000	(15.934.500.000)	-	15.934.500.000	(15.934.500.000)	-

	Dec. 31, 2024			Jan. 01, 2024		
	Original cost	Provision	Fair value	Original cost	Provision	Fair value
Investment into other entities	157.147.500.000	(60.062.964.065)	97.084.535.935	165.473.070.097	(26.454.918.430)	139.018.151.667
Listed companies						
Pomina Steel JSC (POM)	-	-	-	23.578.570.097	(15.903.585.097)	7.674.985.000
Nam Kim Steel JSC (NKG)	-	-	-	89.532.000.000	-	89.532.000.000

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.2. FINANCIAL INVESTMENTS (CONT.)

2.2. Investments in equity of other entities (Cont.)

	Dec. 31, 2024			Jan. 01, 2024		
	Original cost	Provision	Fair value	Original cost	Provision	Fair value
Securities traded on UpCom						
Thong Nhat Flat Steel JSC (TNS)	14.000.000.000	(6.986.000.000)	7.014.000.000	14.000.000.000	(10.551.333.333)	3.448.666.667
Hoa Binh Construction Group Joint Stock Company (HBC) (2**)	104.785.000.000	(49.489.955.500)	55.295.044.500	-	-	-
Other company						
VSSC Steel Center Co., Ltd. (2***)	38.362.500.000	(3.587.008.565)	34.775.491.435	38.362.500.000	-	38.362.500.000
Total	260.162.755.066	(48.433.529.775)	211.729.225.291	268.488.325.163	(4.785.616.952)	263.702.708.211

Detailed explanation:

(2*) SMC Toami Co., Ltd. has ceased production and business since September 2024 and in 2024, continued to operate at a loss.

(2**) On June 29, 2024, the Board of Directors of Hoa Binh Construction Group Corporation ("HBC") approved the results of the distribution of shares issued to convert debt according to Resolution No. 17/2024/NQ-HĐQT.HBC and the Report on the results of the issuance of shares to convert debt No. 53/2024/BC-HBC. Accordingly, the Company converted HBC receivables of VND 104.785.000.000 to hold 10.478.500 shares, par value VND 10.000/share, accounting for 3,02% of HBC's charter capital. The number of shares that the Company is holding is restricted from transfer for 01 year from the date of issuance. The Board of Management of the Company determined that this investment will last for many years, so it should be recorded and presented in the item "Other long-term investments".

(2***) According to the business registration certificate No. 3502447502 dated February 22, 2021 issued by the Department of Planning and Investment of Ba Ria - Vung Tau province, the charter capital of VSSC Steel Center Company Limited is VND 255.750.000.000. As at December 31, 2024, the Company has contributed VND 38.362.500.000, accounting for 15% of the charter capital. VSSC Steel Center Company Limited has officially come into operation and in 2024, this company operated at a loss.

The fair value as at December 31, 2024 and at December 31, 2023 of long-term investments in listed entities on the stock market are assessed and formally determined on the balance sheet date by market prices with reliable reference values. For the fair value of investments in unpublic entities, the Board of Management has determined the fair value equivalent to its book value based on the original cost method (fair value are recorded at original cost less provision).

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.7. DOUBTFUL DEBTS

	Dec. 31, 2024			Jan. 01, 2024		
	Original cost	Recoverable amount	Debtors	Original cost	Recoverable amount	Debtors
Total overdue or undue receivables and prepayments to suppliers that are unlikely to recover	1.325.900.440.977	970.822.490.072		1.313.916.139.002	740.285.237.012	
CII E&C Buiding Materials Co., Ltd.	-	-	Provision (100%)	4.129.287.200	-	Provision (100%)
BENTON 6 JSC	-	-	Provision (100%)	11.603.913.165	-	Provision (100%)
Other customers	3.082.413.488	-	Provision (100%)	3.436.970.057	-	Provision (100%)
Huu Lien A Chau JSC	-	-	Receivables overdue more than 3 years that are unlikely to recover	16.731.432.764	-	Receivables overdue more than 3 years that are unlikely to recover
Other customers	-	-		12.092.036.746	-	
China Construction Co., Ltd.	22.458.123.986	-	Receivables on debts overdue more than 3 years	22.458.123.986	-	Receivables on debts overdue from 2 to 3 years
Trung Nam Construction Investment Joint Stock Company	26.831.523.592	804.262.486	Receivables on debts overdue from 1 year to under 3 years	26.831.523.592	6.231.100.772	Receivables on debts overdue from 1 year to under 3 years
Da Lat Valley Real Estate Company Limited (*)	169.260.183.239	167.807.345.955	Receivables on debts overdue from 1 year to under 3 years	169.260.183.239	103.595.033.319	Receivables on debts overdue from 6 months to 2 years
Delta - Valley Binh Thuan Company Limited (*)	440.796.852.909	315.298.128.656	Receivables on debts overdue from 1 year to under 3 years	440.796.852.909	261.107.369.381	Receivables on debts overdue from 6 months to 2 years

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.7. DOUBTFUL DEBTS (CONT.)

	Dec. 31, 2024			Jan. 01, 2024		
	Original cost	Recoverable amount	Debtors	Original cost	Recoverable amount	Debtors
Ngan Hiep Real Estate Joint Stock Company (*)	43.104.688.934	38.298.509.371	Receivables on debts overdue from 1 year to under 3 years	43.104.688.934	26.473.119.514	Receivables on debts overdue from 6 months to 2 years
Aqua City Company Limited (*)	113.638.200.970	110.747.226.157	Receivables on debts overdue from 1 year to under 3 years	113.638.200.970	68.360.745.359	Receivables on debts overdue from 6 months to 2 years
The Forest City Company Limited (*)	131.505.957.524	131.323.948.893	Receivables on debts overdue from 1 year to under 3 years	131.505.957.524	78.883.662.100	Receivables on debts overdue from 6 months to 2 years
Tuong Minh Investment And Real Estate Company Limited	41.411.175.390	17.840.830.196	Receivables on debts overdue from 1 year to under 3 years	42.411.175.390	26.506.210.085	Receivables on debts overdue from 6 months to 2 years
Viet Land Development Corporation	20.352.670.635	10.271.717.606	Receivables on debts overdue from 1 year to under 3 years	20.352.670.635	14.331.910.033	Receivables on debts overdue from 6 months to 2 years
Thai Binh Real Estate Trading Joint Stock Company (*)	40.634.441.366	39.068.636.613	Receivables on debts overdue from 1 year to under 3 years	40.634.441.366	24.976.467.126	Receivables on debts overdue from 6 months to 2 years
Binh An Ecoland Limited Company	36.173.835.137	13.259.767.664	Receivables on debts overdue from 1 year to under 3 years	36.173.835.137	20.290.390.109	Receivables on debts overdue from 6 months to 2 years
Hoan Vu Joint Stock Company	25.730.225.489	10.031.082.167	Receivables on debts overdue from 1 year to under 3 years	25.730.225.489	15.054.208.047	Receivables on debts overdue from 6 months to 2 years

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.7. DOUBTFUL DEBTS (CONT.)

	Dec. 31, 2024			Jan. 01, 2024		
	Original cost	Recoverable amount	Debtors	Original cost	Recoverable amount	Debtors
Hoang Khang Binh Thuan Joint Stock Company	14.161.087.740	5.701.769.657	Receivables on debts overdue from 1 year to under 3 years	14.161.087.740	8.473.064.985	Receivables on debts overdue from 6 months to 2 years
Hoang Long International Tourism Joint Stock Company	9.596.514.859	4.344.171.933	Receivables on debts overdue from 1 year to under 3 years	9.596.514.859	6.240.044.920	Receivables on debts overdue from 6 months to 2 years
Long Hung Phat Real Estate Investments Company Limited	29.555.066.673	14.373.352.495	Receivables on debts overdue from 1 year to under 3 years	29.555.066.673	20.249.172.335	Receivables on debts overdue from 6 months to 2 years
Hung Thinh INCONS Joint Stock Company	31.185.625.374	11.308.046.162	Receivables on debts overdue from 1 year to under 3 years	63.015.313.735	32.562.820.329	Receivables on debts overdue from 6 months to 2 years
Hieu Hanh Production Trading Mechanical Company Limited	33.538.789.519	23.477.152.663	Receivables on debts overdue from 1 year to under 3 years			
Other customers	35.401.474.706	11.667.991.554	Receivables on debts overdue from 1 year to under 3 years	24.696.636.892	14.949.918.598	Receivables on debts overdue from 6 months to 3 years
K.N.G Construction Company Limited	12.000.000.000	7.579.784.799	Provision for losses incurred	12.000.000.000	12.000.000.000	Doubtful debt overdue from 1 year to 2 years
An Khang Steel Production - Service - Trading Company Limited	9.777.328.400	6.844.129.880	Receivables on debts overdue from 6 months to under 1 years			
Van Phu Import Export Company Limited	35.336.394.237	30.632.885.165	Provision for losses incurred			
Others prepayments to suppliers	367.866.810	141.750.000	Receivables on debts overdue from 1 year to under 3 years			

(*) As at December 31, 2024, the Board of Management of the Company makes provisions for receivables from these companies based on the net value of receivables (the value of receivables minus the value of collateral as assessed by the Board of Management and the offsetting of payables arising after the fiscal year related to real estate sales contracts and agreements stated in Section X.2).
The recoverable amount is presented as net book value of receivables that has not been made provisions yet because of not being exceeded of overdue time as stipulated.
The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.9. TANGIBLE FIXED ASSETS

Items	Buildings & structures	Machinery & equipment	Transportation & facilities	Office supplies and other assets	Total
Original cost					
Opening balance	867.355.783.207	762.454.073.312	181.149.682.297	24.942.403.003	1.835.901.941.819
New purchases	56.650.634	4.069.704.559	122.682.304	31.710.000	4.280.747.497
Construction completed	29.722.355.028	816.697.600	12.597.960.939	-	43.137.013.567
Purchase of finance lease asset	-	8.215.347.000	-	-	8.215.347.000
Disposal, sales	(125.834.410.376)	(76.855.012.168)	(27.333.493.042)	(13.431.517.036)	(243.454.432.622)
Closing balance	771.300.378.493	698.700.810.303	166.536.832.498	11.542.595.967	1.648.080.617.261
Accumulated depreciation					
Opening balance	198.299.284.904	497.029.916.174	106.275.923.381	22.287.462.618	823.892.587.077
Charge for the period	33.794.708.577	39.174.663.120	11.473.537.500	711.477.279	85.154.386.476
Purchase of finance lease asset	-	4.800.770.834	-	-	4.800.770.834
Disposal, sales	(20.176.495.962)	(47.923.564.560)	(14.856.893.707)	(12.688.485.940)	(95.645.440.169)
Closing balance	211.917.497.519	493.081.785.568	102.892.567.174	10.310.453.957	818.202.304.218
Net book value					
Opening balance	669.056.498.303	265.424.157.138	74.873.758.916	2.654.940.385	1.012.009.354.742
Closing balance	559.382.880.974	205.619.024.735	63.644.265.324	1.232.142.010	829.878.313.043

* Ending original costs of tangible fixed assets-fully depreciated but still in use: VND 145.025.983.005.
* Ending net book value of tangible fixed assets pledged/mortgaged as loan security: VND 214.574.166.594.

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

V.23 OWNERS' EQUITY

a. Comparison schedule for changes in Owner's Equity:

Items	Owner's paid-in capital	Share premium	Treasury shares	Investment and development fund	Retained earnings	Interests of non-controlling shareholders	Total
For the fiscal year ended December 31, 2023							
Balance as at January 01, 2023	736.785.870.000	253.132.567.160	(717.500.000)	372.822.448.820	343.601.547.426	17.443.949.820	1.723.068.883.226
Loss for the year	-	-	-	-	(885.289.080.034)	-	(885.289.080.034)
Transfer of Development Investment Fund (*)	-	-	-	(372.822.448.820)	372.822.448.820	-	-
Interests of non-controlling shareholders	-	-	-	-	-	(40.009.963.143)	(40.009.963.143)
Balance as at December 31, 2023	736.785.870.000	253.132.567.160	(717.500.000)	-	(168.865.083.788)	(22.566.013.323)	797.769.840.049
For the fiscal year ended December 31, 2024							
Balance as at January 01, 2024	736.785.870.000	253.132.567.160	(717.500.000)	-	(168.865.083.788)	(22.566.013.323)	797.769.840.049
Profit for the year	-	-	-	-	29.239.789.146	-	29.239.789.146
Interests of non-controlling shareholders	-	-	-	-	-	(17.165.616.182)	(17.165.616.182)
Balance as at December 31, 2024	736.785.870.000	253.132.567.160	(717.500.000)	-	(139.625.294.642)	(39.731.629.505)	809.844.013.013

(*) Transferring the Development Investment Fund to undistributed profit after tax in 2023 according to the Minutes of the Board of Directors' meeting No. 417/2023/BBH-HDQT dated December 28, 2023.

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

VIII. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table specifies book value and fair value of the financial instruments presented in the consolidated financial statements.

	Book value				Fair value	
	Dec. 31, 2024		Jan. 01, 2024		Dec. 31, 2024	Jan. 01, 2024
	Value	Provisions	Value	Provisions		
Financial asests						
Held-to-maturity investments	511.000.000.000	-	495.551.095.890	-	511.000.000.000	495.551.095.890
Trade receivables	1.777.176.554.884	(350.431.618.894)	2.019.576.149.119	(573.619.001.990)	1.426.744.935.990	1.445.957.147.129
Receivables from loans	-	-	84.100.000.000	-	-	84.100.000.000
Other receivables	39.179.787.624	-	51.029.894.510	-	39.179.787.624	51.029.894.510
Cash and cash equivalents	143.281.861.697	-	669.710.791.326	-	143.281.861.697	669.710.791.326
Total	2.470.638.204.205	(350.431.618.894)	3.319.967.930.845	(573.619.001.990)	2.120.206.585.311	2.746.348.928.855
Financial liabilities						
Borrowings and liabilities	2.390.555.298.343	-	3.017.300.316.139	-	2.390.555.298.343	3.017.300.316.139
Trade payables	1.420.521.537.782	-	2.009.778.690.862	-	1.420.521.537.782	2.009.778.690.862
Accrued expenses	8.992.769.459	-	29.757.896.661	-	8.992.769.459	29.757.896.661
Other payables	843.080.802	-	190.137.970.286	-	843.080.802	190.137.970.286
Total	3.820.912.686.386	-	5.246.974.873.948	-	3.820.912.686.386	5.246.974.873.948

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

X.4. ASSETS, REVENUE AND OPERATING RESULTS BY SEGMENT

For the purpose of management, the Group with large scale in the whole country should present the segment report by geographical area as follows:

The segment report by geographical area

As at December 31, 2024, the Group reports its operation by geographical region: HCMC, Binh Duong, Ba Ria-Vung Tau and Da Nang. The Group analyses details of items by geographical region as follows:

Items	HCMC	Binh Duong	Ba Ria- Vung Tau	Da Nang	Sub total	Elimination	Total
1. Net revenue	4.966.617.981.330	4.324.600	6.332.474.194.903	126.842.430.729	11.425.938.931.562	(2.496.144.119.766)	8.929.794.811.796
Net revenue from sales to outsiders	4.658.011.160.441	4.324.600	4.205.422.540.675	66.356.786.080	8.929.794.811.796	-	8.929.794.811.796
Net revenue from sales to other divisions	308.606.820.889	-	2.127.051.654.228	60.485.644.649	2.496.144.119.766	(2.496.144.119.766)	-
2. Total expenses	4.868.582.459.682	755.034.662	6.424.116.994.934	132.563.775.614	11.426.018.264.892	(2.505.489.069.545)	8.920.529.195.347
Cost of goods sold	5.000.793.807.447	4.324.600	6.290.724.576.925	127.417.116.617	11.418.939.825.589	(2.494.855.111.807)	8.924.084.713.782
Cost of goods sold to outsiders	4.693.776.226.506	4.324.600	4.162.882.086.192	67.422.076.484	8.924.084.713.782	-	8.924.084.713.782
Cost of goods sold to other divisions	307.017.580.941	-	2.127.842.490.733	59.995.040.133	2.494.855.111.807	(2.494.855.111.807)	-
Selling expense and General and administration expenses	(132.211.347.765)	750.710.062	133.392.418.009	5.146.658.997	7.078.439.303	(10.633.957.738)	(3.555.518.435)
3. Financial profit	(97.752.354.410)	311.223.559	(105.433.904.687)	(5.728.128.148)	(208.603.163.686)	216.320.627.102	7.717.463.416
4. Profit from other activities	59.895.056.354	859.136.364	(5.984.865.986)	(20.383.646.658)	34.385.680.074	(3.693.684.752)	30.691.995.322
5. Total profit before tax	60.178.223.592	419.649.861	(203.061.570.704)	(31.833.119.691)	(174.296.816.942)	221.971.892.129	47.675.075.187
6. Segment assets	3.737.520.158.834	36.981.652.668	2.985.626.550.810	20.226.419.942	6.780.354.782.254	(2.002.172.233.989)	4.778.182.548.265
In which, unallocated assets	-	2.621.963.489	311.352.570	-	2.933.316.059	118.894.363	3.052.210.422
7. Segment liabilities	2.615.492.891.053	4.229.159.209	2.418.838.755.038	38.597.949.212	5.077.158.754.512	(1.108.820.219.260)	3.968.338.535.252
In which, unallocated liabilities	-	-	-	-	-	41.770.212.425	41.770.212.425

The notes to the consolidated financial statements form an integral part of this report

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended December 31, 2024

Unit: VND

X.4. ASSETS, REVENUE AND OPERATING RESULTS BY SEGMENT (CONT.)

As at December 31, 2023, the Group reports its operation by geographical region: HCMC, Binh Duong, Ba Ria-Vung Tau and Da Nang. The Group analyses details of items by geographical region as follows:

Items	HCMC	Binh Duong	Ba Ria- Vung Tau	Da Nang	Sub total	Elimination	Total
1. Net revenue	10.000.419.268.533	12.077.264.766	10.331.742.172.142	428.180.984.162	20.772.419.689.603	(7.070.843.655.017)	13.701.576.034.586
Net revenue from sales to outsiders	7.250.977.539.720	12.077.264.766	6.048.383.362.646	390.137.867.454	13.701.576.034.586	-	13.701.576.034.586
Net revenue from sales to other divisions	2.749.441.728.813	-	4.283.358.809.496	38.043.116.708	7.070.843.655.017	(7.070.843.655.017)	-
2. Total expenses	10.547.166.648.093	19.876.105.475	10.450.393.539.855	439.603.207.841	21.457.039.501.264	(7.070.967.397.007)	14.386.072.104.257
Cost of goods sold	9.958.436.625.523	12.033.560.816	10.300.078.509.972	429.724.282.204	20.700.272.978.515	(7.060.266.386.255)	13.640.006.592.260
Cost of goods sold to outsiders	7.208.341.461.185	12.033.560.816	6.030.209.726.408	389.421.843.851	13.640.006.592.260	-	13.640.006.592.260
Cost of goods sold to other divisions	2.750.095.164.338	-	4.269.868.783.564	40.302.438.353	7.060.266.386.255	(7.060.266.386.255)	-
Selling expense and General and administration expenses	588.730.022.570	7.842.544.659	150.315.029.883	9.878.925.637	756.766.522.749	(10.701.010.752)	746.065.511.997
3. Financial profit	(139.062.392.001)	409.905.955	(82.929.658.018)	(10.181.725.990)	(231.763.870.054)	8.716.322.861	(223.047.547.193)
4. Profit from other activities	5.525.697.615	1.177.397.384	(4.881.454.148)	56.572.814	1.878.213.665	(7.135.430.936)	(5.257.217.271)
5. Total profit before tax	(680.284.073.946)	(6.211.537.370)	(206.462.479.879)	(21.547.376.855)	(914.505.468.050)	1.704.633.915	(912.800.834.135)
6. Segment assets	4.684.958.761.065	65.518.681.054	3.986.443.603.361	237.871.197.026	8.974.792.242.506	(2.796.101.178.780)	6.178.691.063.726
In which, unallocated assets	5.933.656.541	2.621.963.489	4.136.722.183	-	12.692.342.213	1.376.480.328	14.068.822.541
7. Segment liabilities	3.574.220.240.961	33.185.837.456	3.212.768.867.272	224.409.606.605	7.044.584.552.294	(1.663.663.328.617)	5.380.921.223.677
In which, unallocated liabilities	-	-	-	-	-	41.770.212.425	41.770.212.425

The notes to the consolidated financial statements form an integral part of this report