

SEPARATE FINANCIAL STATEMENTS

**THAI NGUYEN IRON AND STEEL JOINT STOCK
CORPORATION**

For the fiscal year ended as at 31 December 2024

(Audited)

CONTENTS

	Page
Report of the Board of Management	02 - 03
Independent Auditors' Report	04 - 05
Audited Separate Financial Statements	06 - 52
Separate Statement of Financial position	06 - 07
Separate Statement of Income	08
Separate Statement of Cash flows	09 - 10
Notes to the Separate Financial Statements	11 - 52

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management of Thai Nguyen Iron and Steel Joint Stock Corporation (“the Company”) presents its report and the Company’s Separate Financial Statements for the fiscal year ended as at 31 December 2024.

THE COMPANY

Thai Nguyen Iron and Steel Joint Stock Corporation was equitized from the state-owned enterprise - Thai Nguyen Iron and Steel Corporation under Vietnam Steel Corporation according to Decision No. 996/QD-VNS dated November 30, 2007 of the Board of Directors of Vietnam Steel Corporation. The Company operates under the Business Registration Certificate of a joint stock company No. 4600100155, initially issued by the Department of Planning and Investment of Thai Nguyen province on June 24, 2009, and changes, with the most recent change (11th time) on November 15, 2021.

The Company’s head office is located at: Group 13, Cam Gia ward, Thai Nguyen city, Thai Nguyen province.

BOARD OF DIRECTORS

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

Mr. Nghiem Xuan Da	Chairman	(Appointed on 19 April 2024)
Mr. Pham Cong Thao	Chairman	(Resigned on 19 April 2024)
Mr. Nguyen Minh Hanh	Member	(Reappointed on 19 April 2024)
Mr. Le Minh Tu	Member	(Reappointed on 19 April 2024)
Mr. Le Hong Khue	Member	(Reappointed on 19 April 2024)
Mr. Le Thanh Thuc	Member	(Reappointed on 19 April 2024)
Mr. Tran Quang Tien	Member	(Reappointed on 19 April 2024)
Mr. Tran Trong Manh	Member	(Appointed on 19 April 2024)
Mr. Tran Tuan Dung	Vice Chairman	(Resigned on 19 April 2024)

BOARD OF MANAGEMENT

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

Mr. Nguyen Minh Hanh	General Director
Mr. Tran Quang Tien	Vice General Director
Mr. Ha Tuan Hung	Vice General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and until the preparation of this Separate Financial Statements is Mr. Nguyen Minh Hanh - General Director.

BOARD OF SUPERVISION

Members of the Board of Supervision:

Mr. Tran Anh Dung	Head	(Reappointed on 19 April 2024)
Mr. Bui Quang Hung	Member	(Reappointed on 19 April 2024)
Mrs. Nguyen Thi Hue	Member	(Reappointed on 19 April 2024)
Mrs. Nguyen Thuy Ha	Member	(Reappointed on 19 April 2024)
Mr. Nguyen Hong Van	Member	(Appointed on 19 April 2024)
Mr. Tran Quoc Viet	Member	(Resigned on 19 April 2024)

AUDITORS

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

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

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

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

The Board of Management is responsible for ensuring that accounting records are kept to reflect the financial position of the Company, with reasonable accuracy at any time and to ensure that the Separate Financial Statements comply with the current State's regulations. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Other commitments

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

On behalf of the Board of Management



Nguyen Minh Hanh
General Director

Thai Nguyen, 10 March 2025



No: 100325.004/BCTC.KT5

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, Board of Directors and Board of Management
Thai Nguyen Iron and Steel Joint Stock Corporation**

We have audited the accompanying Separate Financial Statements of Thai Nguyen Iron and Steel Joint Stock Corporation ("the Company") prepared on 10 March 2025, as set out on pages 06 to 52, including: Separate Statement of Financial position as at 31 December 2024, Separate Statement of Income, Separate Statement of Cash flows and Notes to Separate Financial Statements for the year ended as at 31 December 2024.

Board of Management's Responsibility

Board of Management of Thai Nguyen Iron and Steel Joint Stock Corporation is responsible for the preparation and presentation of Separate Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements and for such internal control as Board of Management determines is necessary to enable the preparation and presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for qualified audit opinion

As presented in Note 13 and Note 34 of the Notes to the Separate Financial Statements, the Phase 2 Production Expansion Project of Thai Nguyen Iron and Steel Joint Stock Corporation ("Project") commenced construction in 2007 but has been suspended since 2013 due to various issues. The Vietnamese Government and relevant authorities are in the process of addressing violations and finding solutions to overcome difficulties and obstacles to complete the project. We were unable to fully assess the impact of transactions and events related to the Project on the preparation and presentation of the accompanying Separate financial statements, including:

- (i) The value of the items "Prepayments to suppliers", "Construction in progress", "Trade payables", "Exchange rate differences" related to the Project, as presented in Notes 6, 13, 14, 21 as well as other related indicators.

- (ii) The value of capitalized borrowing costs related to the Project (as presented in Note 13) from the point at which the Project became delayed. And,
- (iii) The potential impairment losses related to the Project as well as their impact on other relevant indicators presented in the Consolidated financial statements.

As presented in Note 30 (i) of the Notes to the Separate financial statements, the Company recognized a reversal of over-accrued mineral exploitation rights fees for the Bac Lang Cam coal mine, Nam Lang Cam coal mine and the Canh Chim underground mining project - Phan Me coal mine as other income in 2024 with a value of VND 51.04 billion. The Company is still working with competent authorities on the issuance and renewal of mining license for the Nam Lang Cam coal mine. As we were unable to obtain sufficient and appropriate audit evidence in relation to this recognition, we could not determine whether any adjustments to the accompanying Separate financial statements were necessary.

Qualified Audit Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Audit Opinion" paragraph, the Separate Financial Statements give a true and fair view, in all material respects, of the financial position of Thai Nguyen Iron and Steel Joint Stock Corporation as at 31 December 2024, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Emphasis of Matter

As presented in Note 1 of the Notes to the Separate financial statements, as of 31 December 2024, the Company's short-term liabilities exceeded its short-term assets by VND 3,080.72 billion (as of 31 December 2023, it was VND 3,437.19 billion); The Company's Phase 2 production expansion project commenced in 2007 but has been suspended since 2013, significantly impacting the Company's financial situation and business operation. Additionally, some principal and interest payables to banks related to the project are overdue (Note 17). These factors indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. However, the accompanying Separate financial statements are still prepared by the Company's Board of Management on a going concern basis for the reasons stated in Note 1.

Our Independent Auditor's Report expresses an opinion solely on the financial position of Thai Nguyen Iron and Steel Joint Stock Corporation as of 31 December 2024, its operating results and its cash flows for the year then ended. However, we do not express an opinion on the value of construction in progress expenses recorded under code 242 on the Consolidated Statement of Financial position, as these amounts are subject to audit in accordance with Vietnamese Auditing Standard No. 1000 - Auditing of Completed Project Settlement Reports.

Our opinion is not modified in respect of these matters.

AASC Auditing Firm Company Limited

TRÁCH NHIỆM HỮU HẠN
HÀNG KIỂM TOÁN
AASC

Phạm Anh Tuấn

Deputy General Director

Registered Auditor No.: 0777-2023-002-1

Hanoi, 10 March 2025

Nguyen Truong Minh

Auditor

Registered Auditor No.: 2290-2023-002-1

SEPARATE STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

Code ASSETS	Note	31/12/2024 VND	01/01/2024 VND
100 A. CURRENT ASSETS		3,272,810,300,818	2,577,565,191,421
110 I. Cash and cash equivalents	3	176,544,497,420	110,240,961,933
111 1. Cash		176,544,497,420	110,240,961,933
120 II. Short-term investments	4	8,627,790,000	-
123 1. Held-to-maturity investments		8,627,790,000	-
130 III. Short-term receivables		1,246,054,852,986	1,085,169,791,611
131 1. Short-term trade receivables	5	1,496,078,318,628	1,341,989,085,897
132 2. Short-term prepayments to suppliers	6	3,740,068,728	962,801,512
136 3. Other short-term receivables	7	96,626,604,721	90,048,053,481
137 4. Provision for short-term doubtful debts		(350,579,870,182)	(347,943,144,304)
139 5. Shortage of assets awaiting resolution		189,731,091	112,995,025
140 IV. Inventories	9	1,772,911,576,404	1,331,291,821,926
141 1. Inventories		1,776,590,518,449	1,335,932,721,544
149 2. Provision for devaluation of inventories		(3,678,942,045)	(4,640,899,618)
150 V. Other short-term assets		68,671,584,008	50,862,615,951
151 1. Short-term prepaid expenses	10	31,743,168,442	38,223,368,616
152 2. Deductible VAT		224,124,875	148,959,164
153 3. Taxes and other receivables from State budget	16	36,704,290,691	12,490,288,171
200 B. NON-CURRENT ASSETS		7,263,117,999,036	7,563,169,600,540
210 I. Long-term receivables		63,800,488,952	60,762,560,474
212 1. Long-term prepayments to suppliers	6	21,046,613,341	21,046,613,341
216 2. Other long-term receivables	7	42,753,875,611	39,715,947,133
220 II. Fixed assets		387,777,271,478	440,902,300,404
221 1. Tangible fixed assets	11	353,034,446,237	403,290,977,517
222 - Historical cost		3,408,337,130,943	3,403,447,938,699
223 - Accumulated depreciation		(3,055,302,684,706)	(3,000,156,961,182)
227 2. Intangible fixed assets	12	34,742,825,241	37,611,322,887
228 - Historical cost		163,242,607,855	163,242,607,855
229 - Accumulated amortization		(128,499,782,614)	(125,631,284,968)
240 III. Long-term assets in progress		6,369,610,766,433	6,629,710,273,959
242 1. Construction in progress	13	6,369,610,766,433	6,629,710,273,959
250 IV. Long-term investments	4	301,381,762,917	290,868,721,513
251 1. Investments in subsidiaries		468,846,333,510	468,846,333,510
252 2. Investments in joint ventures and associates		31,179,438,046	31,179,438,046
253 3. Equity investments in other entities		31,612,891,603	31,612,891,603
254 4. Provision for devaluation of long-term investments		(230,256,900,242)	(240,769,941,646)
260 V. Other long-term assets		140,547,709,256	140,925,744,190
261 1. Long-term prepaid expenses	10	140,547,709,256	140,925,744,190
270 TOTAL ASSETS		10,535,928,299,854	10,140,734,791,961

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

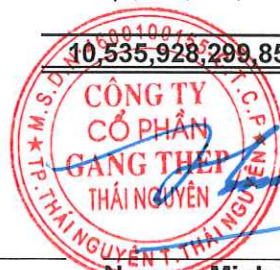
Code CAPITAL	Note	31/12/2024 VND	01/01/2024 VND
300 C. LIABILITIES		8,983,401,606,968	8,459,417,588,825
310 I. Current liabilities		6,353,532,791,437	6,014,755,519,619
311 1. Short-term trade payables	14	1,596,904,105,035	948,651,955,499
312 2. Short-term prepayments from customers	15	20,580,249,496	8,979,672,989
313 3. Taxes and other payables to State budget	16	16,091,101,625	15,590,035,747
314 4. Payables to employees		64,651,358,360	76,814,503,426
315 5. Short-term accrued expenses	17	1,757,357,645,878	2,135,968,638,783
318 6. Short-term unearned revenue		4,727,273	-
319 7. Other short-term payables	19	337,023,007,038	341,719,945,920
320 8. Short-term borrowings and finance lease liabilities	20	2,535,467,564,129	2,450,619,430,715
321 9. Provisions for short-term payables	18	2,114,874,722	12,791,241,298
322 10. Bonus and welfare fund		23,338,157,881	23,620,095,242
330 II. Non-current liabilities		2,629,868,815,531	2,444,662,069,206
331 1. Long-term trade payables	14	287,282,707,744	281,191,800,002
333 2. Long-term accrued expenses	17	611,484,901,721	475,420,799,576
337 3. Other long-term payables	19	345,000,000	447,000,000
338 4. Long-term borrowings and finance lease liabilities	20	1,684,284,955,551	1,618,854,239,855
342 5. Provisions for long-term payables	18	46,471,250,515	68,748,229,773
400 D. OWNER'S EQUITY		1,552,526,692,886	1,681,317,203,136
410 I. Owner's equity	21	1,552,526,692,886	1,681,317,203,136
411 1. Contributed capital		1,840,000,000,000	1,840,000,000,000
411a - Ordinary shares with voting rights		1,840,000,000,000	1,840,000,000,000
415 2. Treasury shares		(41,070,000)	(41,070,000)
417 3. Exchange rate differences		(397,837,384,978)	(277,431,341,922)
418 4. Development and investment funds		29,908,837,239	29,908,837,239
421 5. Retained earnings		80,496,310,625	88,880,777,819
421a - Retained earnings accumulated to previous year		88,880,777,819	265,502,072,886
421b - Retained earnings of the current year		(8,384,467,194)	(176,621,295,067)
440 TOTAL CAPITAL		10,535,928,299,854	10,140,734,791,961



Tran Nguyen Anh
Preparer



Hoang Danh Son
Chief Accountant



Nguyen Minh Hanh
General Director

Thai Nguyen, 10 March 2025

SEPARATE STATEMENT OF INCOME
Year 2024

Code	ITEMS	Note	Year 2024 VND	Year 2023 VND
01	1. Revenue from sales of goods and rendering of services	23	15,411,656,765,794	13,331,709,287,541
02	2. Revenue deductions	24	-	759,321,350
10	3. Net revenue from sales of goods and rendering of services		15,411,656,765,794	13,330,949,966,191
11	4. Cost of goods sold and services	25	15,127,109,517,433	13,217,854,168,404
20	5. Gross profit from sales of goods and rendering of services		284,547,248,361	113,095,797,787
21	6. Financial income	26	19,277,548,501	30,982,643,083
22	7. Financial expense	27	98,930,106,069	131,144,343,340
23	<i>In which: Interest expense</i>		108,271,256,672	129,643,777,529
25	8. Selling expense	28	50,777,341,289	53,536,637,631
26	9. General and administrative expenses	29	218,173,238,972	157,996,120,387
30	10. Net profit from operating activities		(64,055,889,468)	(198,598,660,488)
31	11. Other income	30	83,123,386,886	39,045,921,417
32	12. Other expenses	31	18,399,217,170	17,068,555,996
40	13. Other profit		64,724,169,716	21,977,365,421
50	14. Total net profit before tax		668,280,248	(176,621,295,067)
51	15. Current corporate income tax expense	32	9,052,747,442	-
60	16. Profit after corporate income tax		(8,384,467,194)	(176,621,295,067)



Tran Nguyet Anh
Preparer



Hoang Danh Son
Chief Accountant



Nguyen Minh Hanh
General Director

Thai Nguyen, 10 March 2025

SEPARATE STATEMENT OF CASH FLOWS
Year 2024
(Indirect method)

Code ITEMS	Note	Year 2024 VND	Year 2023 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	668,280,248	(176,621,295,067)
	2. Adjustment for:		
02	- Depreciation and amortization of fixed assets and investment properties	60,084,423,809	63,391,551,785
03	- Provisions	(41,791,618,933)	(5,429,723,579)
04	- Exchange gains / losses from retranslation of monetary items denominated in foreign currency	(109,205,103)	143,648,752
05	- Gains / losses from investment activities	(2,776,281,752)	(788,270,893)
06	- Interest expense	108,271,256,672	129,643,777,529
07	- Other adjustments	-	(32,337,005)
08	3. Operating profit before changes in working capital	124,346,854,941	10,307,351,522
09	- Increase/ decrease in receivables	(190,678,030,082)	(49,171,064,158)
10	- Increase/ decrease in inventories	(440,657,796,905)	392,853,199,798
11	- Increase/ decrease in payables	620,892,126,700	(58,184,750,579)
12	- Increase/ decrease in prepaid expenses	6,858,235,108	10,741,376,937
14	- Interest paid	(108,683,181,672)	(127,533,187,674)
15	- Corporate income tax paid	-	(1,366,508,935)
16	- Other receipts from operating activities	278,008,695	16,390,000
17	- Other payments on operating activities	(1,080,000)	-
20	Net cash flow from operating activities	12,355,136,785	177,662,806,911
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase or construction of fixed assets and other long-term assets	(15,802,573,134)	(28,704,410,989)
22	2. Proceeds from disposals of fixed assets and other long-term assets	1,626,815,400	-
23	3. Loans and purchase of debt instruments from other entities	(8,627,790,000)	-
27	4. Interest and dividend received	978,612,472	874,289,898
30	Net cash flow from investing activities	(21,824,935,262)	(27,830,121,091)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	1. Proceeds from borrowings	4,369,975,646,841	4,583,952,112,627
34	2. Repayment of principal	(4,294,204,139,998)	(4,723,501,443,135)
36	3. Dividends or profits paid to owners	-	(52,640,000)
40	Net cash flow from financing activities	75,771,506,843	(139,601,970,508)

SEPARATE STATEMENT OF CASH FLOWS
Year 2024
(Indirect method)
(Continued)

Code ITEMS	Note	Year 2024 VND	Year 2023 VND
50 Net cash flows in the year		66,301,708,366	10,230,715,312
60 Cash and cash equivalents at the beginning of the year		110,240,961,933	100,010,320,043
61 Effect of exchange rate fluctuations		1,827,121	(73,422)
70 Cash and cash equivalents at the end of the year	3	<u>176,544,497,420</u>	<u>110,240,961,933</u>



Tran Nguyen Anh
Preparer



Hoang Danh Son
Chief Accountant



Nguyen Minh Hanh
General Director

Thai Nguyen, 10 March 2025

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year 2024

1 GENERAL INFORMATION

Form of ownership

Thai Nguyen Iron and Steel Joint Stock Corporation was equitized from the state-owned enterprise - Thai Nguyen Iron and Steel Corporation under Vietnam Steel Corporation according to Decision No. 996/QĐ-VNS dated November 30, 2007 of the Board of Directors of the Vietnam Steel Corporation. The Company operates under the Business Registration Certificate of a joint-stock company No. 4600100155, initially issued by the Department of Planning and Investment of Thai Nguyen Province on June 24, 2009, and changes, with the most recent change (11th time) on November 15, 2021.

The Company's head office is located at: Group 13, Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province, Vietnam.

The Company's charter capital is VND 1,840,000,000,000, equivalent to 184,000,000 shares, with par value of VND 10,000 per share.

The number of employees of the Company as at 31 December 2024 is 3,199 people (as at 01 January 2024: 3,345 people)

Business field: industrial manufacturing.

Business activities : Main business activities of the Company and its subsidiaries include:

- Manufacturing of iron, steel, and cast iron;
- Production of metal products, coke and coke oven products, metallurgical products, ferroalloys, refractory materials, construction materials, carbide, electrode paste, acetylene, oxygen, and various industrial gases; processing of food and agricultural products.

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

From late 2023 and early 2024, the steel market has shown signs of improvement in demand as well as selling prices at some points. In 2024, the Company has implemented many measures to overcome outstanding difficulties, stabilize production, minimize costs, and flexibly apply pricing policies to support consumption activities,...This resulted in significant growth in the Company's revenue and gross profit in 2024 compared to the previous year.

In addition, in 2024, the Company has reversed into other income the excess mineral exploitation rights fees of Bac Lang Cam coal mine, Nam Lang Cam coal mine and Canh Chim underground mining project - Phan Me coal mine with a total value of VND 51.04 billion. The Company also sold large volumes of slow-cooled blast furnace slag at the Iron Plant with a value of VND 20.43 billion.

The above main reasons led to a sharp increase in the Company's pre-tax accounting profit in 2024 compared to the previous year.

Applying the going concern assumption

As of December 31, 2024, the Company's current liabilities exceeded its current assets by VND 3,080.72 billion (as of December 31, 2023 : VND 3,437.19 billion); overdue principal payable to banks amounted to VND 1,076.07 billion (as of December 31, 2023: VND 1,076.72 billion); and the overdue interest payable totaled VND 1,268.96 billion (as of December 31, 2023 : VND 1,631.42 billion). The second phase of the production expansion project, which commenced in 2007 but has been suspended since 2013, has significantly impacted the Company's financial position and business operations. These factors indicate the existence of material uncertainties that may cast doubt on the Company's ability to continue as a going concern. However, the accompanying consolidated financial statements have been prepared by the Company's Board of Management on a going concern basis for the following reasons:

- (i) The resolution of outstanding issues and obstacles related to the Company's Phase 2 production expansion project ("the Project") has shown positive progress. The Board of Management believes that, under the direction and supervision of the relevant state authorities, the Company will soon overcome these difficulties, develop an optimal resolution plan for the Project, and focus on restructuring, stabilizing business operations, and making further investments.
- (ii) In conclusion on the Project, the Government Inspectorate recommended that "The Ministry of Finance, the State Bank of Vietnam, and the Ministry of Planning and Investment should review and address outstanding issues, apply a mechanism to reduce interest expenses incurred during the suspension period of the Project, which TISCO is unable to repay, and report to the Prime Minister for further resolution (if necessary)." Accordingly, in 2024, the Company was granted a waiver by the Vietnam Development Bank- Bac Kan regional, Thai Nguyen branch for interest charges accrued on overdue interest related to the Project, amounting to VND 506.57 billion. The Company continues to negotiate with banks to secure approval for principal debt deferrals and interest waivers for the Project.
- (iii) The Company has formulated plans and measures to meet its working capital needs for business operations, including: implementing effective debt collection strategies; negotiating to maintain credit limits with banks; arranging advance payments from distributors; procuring raw materials and supplies on deferred payment terms; and closely monitoring cash flow, inventory, and raw materials to optimize production efficiency, etc.

The Board of Management has assessed and believes that the Company will have sufficient working capital for its business operations and adequate cash flow to meet its obligations for at least the next 12 months from the issuance date of these Consolidated financial statements. Accordingly, the Company's Consolidated financial statements for the fiscal year ended December 31, 2024, have been prepared on a going concern basis.

Corporate structure :

The Company's member entities are as follows:

Name	Address	Main business activities
LuuXa Steel Roofing Factory	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Manufacturing and trading steel products
Thai Nguyen Steel Roofing Factory	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Manufacturing and trading steel products
Cast Iron Making Factory	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Manufacturing and trading cast iron products, construction materials
LuuXa Steel Making Factory	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Manufacturing and trading cast iron, steel billets, and acetylene
Coking Plant	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Manufacturing coke and coke-based products
Energy Enterprise	Phu Xa Ward, Thai Nguyen City, Thai Nguyen Province	Manufacturing and trading industrial gases, operating and transmitting industrial water supply, etc.
Railway Transport Enterprise	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Rail freight transportation, repair, and construction of railway infrastructure, etc.
Phan Me Coal Mine	Giang Tien Town, Phu Luong District, Thai Nguyen Province	Trading, selecting, and mining coal
Trai Cau Iron Ore Mine	Trai Cau Town, Dong Hy District, Thai Nguyen Province	Mining, selecting, and trading iron ore and non-ore materials.

Name	Address	Main business activities
Phu Tho Quartzite Mine	Thanh Son Town, Thanh Son District, Phu Tho Province	Mining, selecting, and trading quartz ore
Tuyen Quang steel Rolling & Iron Ore Mine	An Tuong Commune, Yen Son District, Tuyen Quang Province	Mining, selling, and selecting iron ore, rolled steel
Branch in Quang Ninh	Gieng Day Ward, Ha Long City, Quang Ninh Province	Trading in construction materials, metals, etc.
Metallurgical Design Consulting Enterprise	Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province	Consulting, surveying, designing, constructing, and executing projects in mining, metallurgy, power lines, substations, etc.
Service Center	Huong Son Ward, Thai Nguyen City, Thai Nguyen Province	Providing venue rental services, event organization
Tien Bo Iron Ore Mine	Lang Phan Hamlet, Linh Son Commune, Dong Hy District, Thai Nguyen Province	Mining, selecting, buying, and selling iron ore, non-ore materials, road freight transport, car and other motor vehicle repairs

Information of Subsidiaries, Associates and Joint ventures of the Company is provided in Note No 04.

2 ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 Accounting period and accounting currency

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

The Company maintains its accounting records in Vietnam Dong (VND)

2.2 Standards and Applicable Accounting Policies

Applicable Accounting Policies

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

Declaration of compliance with Accounting Standards and Accounting System

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

2.3 Basis for preparation of the Separate Financial Statements

The Separate Financial Statements are presented based on historical cost principle.

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

The Users of this Separate Financial Statements should study the Separate Financial Statements combined with the Consolidated Financial Statements of the Company and its subsidiaries for the fiscal year ended as at 31 December 2024 in order to gain enough information regarding the financial position, operating results and cash flows of the Company.

2.4 Accounting estimates

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

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

- Provision for bad debts;
- Provision for devaluation of inventory;
- Provision for payables;
- Estimated allocation of prepaid expenses;
- Estimated useful life of fixed assets;
- Classification and provision of financial investments;
- Estimated income tax.

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

2.5 Foreign currency transactions

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

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

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

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

The foreign exchange differences related to the second phase of the production expansion project - Thai Nguyen Iron and Steel Company: Since 2015, pursuant to Official Dispatch No. 15172/BTC-TCDN dated October 26, 2015, issued by the Ministry of Finance, foreign exchange differences arising from the implementation of the construction investment project, as well as exchange rate differences from the revaluation of year-end foreign currency balances related to this project, are separately accumulated and presented on the balance sheet. Once the project is completed and put into operation, the total accumulated foreign exchange differences will be gradually allocated to financial income or financial expenses over a period not exceeding 05 years from the commencement of operations.

2.6 Cash and cash equivalents

Cash comprises cash on hand, demand deposits.

2.7 Financial investments

Held-to-maturity investments are term bank deposits held to maturity with the aim of earning periodic interest.

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

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

Provision for devaluation of investments is made at the end of the year as follows::

Investments in subsidiaries, joint ventures or associates: provision for loss investments shall be recognized when the investee incurs a loss, based on the Financial Statements of subsidiaries, joint ventures or associates at the provision date.

For long-term investments (not classified as trading securities) and without significant influence on the investee: if the investment is in listed shares or the fair value of the investment is reliably determined, the provision is based on the market value of the shares; if the investment's fair value cannot be determined at the reporting date, the provision is based on the financial statements at the time of provisioning of the investee.

Investments held to maturity: provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.8 Receivables

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

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

2.9 Inventories

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

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

The cost of inventory is calculated using weighted average method.

Inventory is recorded by perpetual period.

Method for valuation of work in process at the end of the year: The value of work in progress is recorded based on actual cost incurred for each unfinished product in inventory at various production stages as of the year-end; and the cost of materials sent out for processing under outsourcing arrangements.

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

2.10 Fixed asset

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

Subsequent measurement after initial recognition

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

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

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

- Buildings, structures	10 - 50 years
- Other Machinery, equipment	03 - 15 years
- Vehicles, Transportation equipment	06 - 30 years
- Office equipment and furniture	03 - 05 years
- Other tangible fixed assets	03 years
- Land use rights	30 - 50 years
- Management software	03 years
- Other intangible fixed assets	10 - 20 years

2.11 Construction in progress

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

2.12 Operating lease

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

2.13 Prepaid expenses

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

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

Types of prepaid expenses include:

Tools and supplies include assets which are possessed by the Company in an ordinary course of business, with historical cost of each asset less than 30 million dongs and therefore not eligible for recording as fixed asset under current legal regulations. The historical cost of tools and supplies are allocated on the straight-line basis from 03 to 36 months.

The fee for using geological and mineral documents is recognized based on the amounts paid by the Company to regulatory authorities for access to and utilization of geological and mineral information and data. The Company allocates this fee over the extraction period of the respective mines.

The mineral extraction licensing fee is recognized based on the amount paid as per notification from the competent authorities and is also allocated by the Company over the mining period.

The costs of underground roadway preparation and overburden removal is allocated based on the actual extraction output at the mines.

The cost of steel rolling equipment and spare parts is recognized based on the warehouse issuance price of equipment and spare parts used in the steel rolling process. This cost is allocated to the production cost of steel products based on the Company's established technical and economic consumption standards.

Other prepaid expenses are recognized at their original cost and allocated on a straight-line basis from 03 to 36 months.

2.14 Payables

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

2.15 Borrowings

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

2.16 Borrowing costs

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

Interest expenses and overdue interest on borrowings incurred since 2007 for the second phase of the production expansion project - Thai Nguyen Iron and Steel JSC are separately tracked and capitalized as part of the project investment value. These amounts will be deducted from the project investment value if the lender issues a notice of interest debt forgiveness.

2.17 Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, but the payments for such goods or services have not been made and other payables such as electricity and water expenses; compensation costs; interest expenses payable, etc which are recorded as operating expenses of the reporting year.

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

2.18 Provision for payable

Provision for payables is only recognized when meeting all of the following conditions:

- The Company has a present debt obligation (legal obligation or joint obligation) as a result of past events;
- It is probable that the decrease in economic benefits may lead to the requirement for debt settlement;
- Debt obligation can be estimated reliably.

Value recorded as a provision for payables is the most reasonably estimated amount required to settle the current debt obligation at the end of the accounting year.

Only expenses related to the previously recorded provision for payables shall be offset by that provision for payables.

Provisions for payables are recorded as operating expenses of the accounting year. In case provision made for the previous accounting year but not used up exceeds the one made for the current accounting year, the difference is recorded as a decrease in operating expenses.

2.19 Unearned revenues

Unearned revenues include prepayments from customers for one or many accounting periods relating to asset leasing, are transferred to revenue from sale of goods and rendering of services with the amount corresponding to each accounting period.

2.20 Owner's equity

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

Treasury shares bought before the effective date of the Securities Law 2019 (January 1, 2021) are shares issued by the Company and bought-back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares bought after January 1, 2021 will be cancelled and adjusted to reduce equity.

Foreign exchange differences arise from exchange rate fluctuations occurring during the implementation of the construction investment project, as well as from the revaluation of year-end foreign currency balances related to the second phase of the production expansion project – Thai Nguyen Iron and Steel JSC. These differences have been cumulatively recognized on the balance sheet since 2015. Once the project is completed and put into operation, the total accumulated foreign exchange differences will be gradually allocated to financial income or financial expenses over a period not exceeding five years from the commencement of operations, in accordance with Official Dispatch No. 15172/BTC-TCDN dated October 26, 2015, issued by the Ministry of Finance.

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

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

2.21 Revenue

Revenue is recognized to extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measures regardless of when payment is being made. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales returns.

The following specific recognition conditions must also be met when recognizing revenue:

Revenue from sale of goods:

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

Revenue from rendering of services:

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

Financial income

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

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

Dividend income shall be recognised when the Company's right to receive dividend is established.

2.22 Revenue deductions

Revenue deductions from sales of goods and rendering of services arising in the year is sales returns.

Sales return incurred in the same period of sale of goods and rendering of services are recorded as a decrease in revenue in the incurring period. In case goods and services are sold in the previous periods, but until the next period they are incurred as deductible items, the Company records the decrease in revenue under the following principles: If it is incurred prior to the issuance of Financial Statements, it is then recorded as a decrease in revenue on the Financial Statements of the reporting period (the previous year); and if it is incurred after the issuance of Financial Statements, it is recorded as a decrease in revenue of incurring period (the next year).

2.23 Cost of goods sold and services rendered

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

2.24 Financial expenses

Items recorded into financial expenses comprise: expenses or losses relating to financial investment activities; provision for losses from investment in other entities, losses from sale of foreign currency, exchange loss, etc. The above items are recorded by the total amount arising in the year without offsetting against financial income.

2.25 Selling expenses

Selling expenses reflect the actual costs incurred during the process of selling products, goods, and providing services. These expenses primarily include salaries of sales personnel, costs of raw materials and supplies, depreciation of fixed assets used for sales activities, outsourced service costs, and other related expenses..

2.26 General and administrative expenses

General and administrative expenses reflect the Company's overall management costs, primarily including salaries of management personnel, social insurance, health insurance, trade union fees, unemployment insurance for management staff, office supplies, work tools, depreciation of fixed assets used for corporate management, provisions for doubtful debts, outsourced service costs, and other related expenses.

2.27 Corporate income tax

Current corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during the year and current corporate income tax rate

Current corporate income tax rate

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

2.28 Related Parties

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

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

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

2.29 Segment information

As the Company's primary operations involve the production and trading of iron, pig iron, and steel products mainly within Vietnam, while other activities in different territories account for an insignificant proportion of its overall operations, the Company does not prepare segment reports by business segment and geographical segment in this Separate Financial Statement.

3 CASH

	<u>31/12/2024</u>	<u>01/01/2024</u>
	VND	VND
Cash	1,568,641,781	1,483,137,490
Demand deposits	174,975,855,639	108,757,824,443
	<u>176,544,497,420</u>	<u>110,240,961,933</u>

4 FINANCIAL INVESTMENTS

a) Held to maturity investments

	<u>31/12/2024</u>		<u>01/01/2024</u>	
	<u>Original cost</u>	<u>Provision</u>	<u>Original cost</u>	<u>Provision</u>
	VND	VND	VND	VND
Short-term investments	8,627,790,000	-	-	-
Term deposits (i)	8,627,790,000	-	-	-
	<u>8,627,790,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

- (i) As of December 31, 2024, a 1-year term deposit valued at 8,627,790,000 VND was placed at Military Commercial Joint Stock Bank - Thai Nguyen Branch with an annual interest rate of 5.2%. This deposit has been used as a guarantee for the implementation of the investment project in the construction of the Canh Chim underground mining facility at the Phan Me Coal Mine, located in Giang Tien Town, Phu Luong District, Thai Nguyen Province.

b) Equity investments in other entities

	Code	31/12/2024		01/01/2024	
		Original cost	Provision	Original cost	Provision
		VND	VND	VND	VND
Investments in subsidiaries		468,846,333,510	(190,792,408,383)	468,846,333,510	(201,305,449,787)
- Thai Trung Steel Rolling Joint Stock Company (i)	TTS	467,316,333,510	(189,262,408,383)	467,316,333,510	(199,775,449,787)
- Thai Trung Mineral exploiting and processing Joint Stock Company		1,530,000,000	(1,530,000,000)	1,530,000,000	(1,530,000,000)
Investments in associates		31,179,438,046	(31,179,438,046)	31,179,438,046	(31,179,438,046)
- Gia Sang Steel Joint Stock Company (ii)		31,179,438,046	(31,179,438,046)	31,179,438,046	(31,179,438,046)
Investments in other entities		31,612,891,603	(8,285,053,813)	31,612,891,603	(8,285,053,813)
- Thai Nguyen Refractories Materials Joint Stock Company		3,423,387,421	-	3,423,387,421	-
- Thai Nguyen Steel and Transport Joint Stock Company		1,527,714,510	-	1,527,714,510	-
- Thai Nguyen Iron and Steel Alloy Joint Stock Company		844,433,611	-	844,433,611	-
- Natsteelvina Co.,Ltd		9,729,031,615	(785,053,813)	9,729,031,615	(785,053,813)
- Phu Tho Ferro - Alloy Joint Stock Company		7,500,000,000	(7,500,000,000)	7,500,000,000	(7,500,000,000)
- Steel and Casting Mechanical Joint Stock Company		8,588,324,446	-	8,588,324,446	-
		531,638,663,159	(230,256,900,242)	531,638,663,159	(240,769,941,646)

The company has not determined the fair value of these financial investments because Vietnamese accounting standards and the Vietnamese enterprise accounting system have not provided specific guidance on how to determine the fair value.

- (i) The shares of Thai Trung Steel Joint Stock Company are listed for trading on the Upcom stock exchange under the ticker TTS. However, there is very little trading on the exchange, so the company has no basis to determine the fair value of this investment.
- (ii) The investment in shares of Gia Sang Steel Rolling Joint Stock Company (GISCO) had an initial value of 19,832,000,000 VND, which was revalued to 31,179,438,046 VND based on the results of the business valuation for the company's equitization in 2007. GISCO has ceased operations since January 1, 2013. On July 15, 2022, the People's Court of Thai Nguyen Province issued a bankruptcy ruling number 01/2022/QD-TBPS for GISCO. However, on April 10, 2023, the High People's Court in Hanoi issued Decision 44/2023/QD-PT, which accepted the request to reconsider the bankruptcy decision of the People's Court of Thai Nguyen Province and annulled the bankruptcy declaration, transferring the case back to the People's Court of Thai Nguyen Province for further legal resolution. On October 1, 2024, the Supreme People's Court issued Decision 19/2024/QD-PS, which annulled the decision to reconsider the bankruptcy declaration (Decision 44/2023/QD-PT of April 10, 2023, by the High People's Court in Hanoi) and upheld the bankruptcy declaration (Decision 01/2022/QD-TBPS of July 15, 2022, by the People's Court of Thai Nguyen Province). The provision for investment loss in GISCO was made based on the company's assessment of the possibility of recovering the investment value.

Detailed information about financial investments as of 31/12/2024 is as follows:

Name of financial investments	Head office	Percentage of ownership and voting rights	Operating status	Main business activities
Investments in subsidiaries				
Thai Trung Steel Rolling Joint Stock Company	Thai Nguyen	93.68%	Currently in operation	Steel rolling
Thai Trung Mineral exploiting and processing Joint Stock Company	Tuyen Quang	51.00%	Ceased operations	Exploration, mining, and mineral processing; forestry product exploitation, processing, and trading
Investments in associates				
Gia Sang Steel Joint Stock Company	Thai Nguyen	39.66%	Currently in the process of	Steel billet trading and production; steel rolling and drawing
Investment in other entities				
Thai Nguyen Refractories Materials Joint Stock Company	Thai Nguyen	4.34%	Currently in operation	Production of refractory products...
Thai Nguyen Steel and Transport Joint Stock Company	Thai Nguyen	6.47%	Currently in operation	Freight transportation, trading of metals, auto parts, iron ore mining...
Thai Nguyen Iron and Steel Alloy Joint Stock Company	Thai Nguyen	0.80%	Currently in operation	Mining of metal ores, iron ore, wholesale of iron alloys, metals, metal ores...
Natsteelvina Co.,Ltd	Thai Nguyen	6.80%	Currently in operation	Production and trading of steel products
Phu Tho Ferro - Alloy Joint Stock Company	Phu Tho	16.30%	Currently in the process of liquidation	Production of building materials, production and trading of iron alloys, cast iron, and steel products
Steel and Casting Mechanical Joint Stock Company	Thai Nguyen	1.91%	Currently in operation	Trading, production of cast iron, steel, non-ferrous metals, and metal products

5 SHORT-TERM TRADE RECEIVABLES

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
Related parties	595,842,463,939	(5,240,071,552)	537,369,634,461	(5,240,071,552)
Thai Trung Steel Rolling Joint Stock Company	584,392,961,915	-	457,044,022,340	-
Gia Sang Steel Joint Stock Company (i)	5,880,475,784	(5,240,071,552)	5,880,475,784	(5,240,071,552)
Thai Hung Trading Joint-Stock Company	5,569,026,240	-	74,445,136,337	-
Others	900,235,854,689	(288,790,609,190)	804,619,451,436	(288,860,609,190)
Trung Dung Trading and Tourism Company Limited (i)	251,899,841,715	(147,566,440,981)	251,899,841,715	(147,566,440,981)
Ha Nam Trading and Construction Company Limited (i)	127,372,235,803	(87,343,026,871)	127,372,235,803	(87,343,026,871)
Luong Tho Company Limited (i)	50,872,614,401	(26,688,093,327)	50,872,614,401	(26,688,093,327)
Tan Hong Import - Export Joint Stock Company (i)	24,384,272,840	(17,216,184,178)	24,384,272,840	(17,216,184,178)
Hong Trang Company Limited (ii)	24,675,235,824	-	24,675,235,824	-
B.C.H Joint Stock Company	223,487,547,063	-	186,655,672,807	-
Thai Nguyen Minerals and Trading Joint Stock Company	-	-	83,232,145,680	-
Others	197,544,107,043	(9,976,863,833)	55,527,432,366	(10,046,863,833)
	<u>1,496,078,318,628</u>	<u>(294,030,680,742)</u>	<u>1,341,989,085,897</u>	<u>(294,100,680,742)</u>

(i) For receivables from Gia Sang Steel Joint Stock Company, Trung Dung Trading and Tourism Co., Ltd., Ha Nam Trading, Construction Co., Ltd., and Luong Tho Co., Ltd. and Tan Hong - Import Export Joint Stock Company, the Company has made a 100% provision for the principal receivables. However, the overdue interest of VND 176,355,623,634 from these parties has been recognized as an increase in receivables and an increase in other payables in accordance with the State Audit's recommendation, therefore, no provision is required for this overdue interest (See Note 19).

(ii) The receivable from Hong Trang Co., Ltd. in the amount of VND 24,675,235,824 represents overdue interest, which has been recognized as an increase in receivables and an increase in other payables in accordance with the State Audit's recommendation, therefore, no provision is required for this overdue interest (Additional information is provided in Note 19).

6 PREPAYMENTS TO SUPPLIERS

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
a) Short-term				
Dhatu International Pte Ltd	2,296,097,573	-	-	-
Phu Thanh Law Office	150,000,000	-	150,000,000	-
Others	1,293,971,155	-	812,801,512	-
	3,740,068,728	-	962,801,512	-
b) Long-term (i)				
Lilama Hanoi Joint Stock Company	12,998,581,845	-	12,998,581,845	-
Lilama 10 Joint Stock Company	6,956,837,496	-	6,956,837,496	-
Others	1,091,194,000	-	1,091,194,000	-
	21,046,613,341	-	21,046,613,341	-

- (i) All long-term prepayments to suppliers are monitored by the Project Management Board, including prepayments related to the Phase 2 Expansion Project of Thai Nguyen Iron and Steel Corporation and other prepayments. On February 20, 2019, the Government Inspectorate issued a notification 'Inspection Conclusion on the Phase 2 Expansion Project of Thai Nguyen Iron and Steel Corporation.' The prepayments to suppliers related to the project may be subject to adjustments following the implementation of the Government Inspectorate's recommendations (Additional information regarding the Project is presented in Note 34).

7 OTHER RECEIVABLES

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
a) Short-term				
<i>Details by content</i>				
Fines, receivables for imported scrap steel that lacks quality assurance	56,772,807,696	(55,748,647,869)	57,245,158,376	(52,975,118,944)
Receivables from the People's Committee of Dong Hy District for land use fees for the resettlement of the Trai Cau iron ore mine	8,583,028,500	-	8,583,028,500	-
Collateral & deposit	17,728,033,956	-	943,942,057	-
Late payment interest for goods purchase	8,404,200,120	-	14,297,546,578	-
Labor agreement, social and cultural fund	732,601,900	-	5,095,392,982	-
Receivables from advances	1,410,385,781	-	826,600,671	-
Outstanding payments for goods from individuals at the Quang Ninh branch	874,722,423	(743,622,244)	998,444,797	(867,344,618)
Receivables from employees for various insurance contributions	782,780,350	-	530,690,572	-
Receivables from interest on deposits	170,853,880	-	-	-
Other receivables	1,167,190,115	-	1,527,248,948	-
	96,626,604,721	(56,492,270,113)	90,048,053,481	(53,842,463,562)
<i>Detail by object</i>				
<i>Related party</i>	4,165,021,091	-	7,030,937,433	-
Thai Hung Trading Joint-Stock Company	4,165,021,091	-	7,030,937,433	-
<i>Others</i>	92,461,583,630	(56,492,270,113)	83,017,116,048	(53,842,463,562)
Jinsu Resources Ltd	23,514,884,834	(23,514,884,834)	23,514,884,834	(23,514,884,834)
Asia Global Commodities Pte Ltd	14,632,997,101	(14,632,997,101)	14,632,997,101	(14,632,997,101)
People's Committee of Dong Hy District	8,583,028,500	-	8,583,028,500	-
B.C.H Joint Stock Company	4,053,398,428	-	7,266,609,145	-
Others	41,677,274,767	(18,344,388,178)	29,019,596,468	(15,694,581,627)
	96,626,604,721	(56,492,270,113)	90,048,053,481	(53,842,463,562)

7 OTHER RECEIVABLES (CONTINUED)

	31/12/2024		01/01/2024	
	Value VND	Provision VND	Value VND	Provision VND
b) Long-term				
<i>Details by content</i>				
Collateral & deposit	42,753,875,611	-	39,715,947,133	-
	42,753,875,611	-	39,715,947,133	-
<i>Detail by objects</i>				
Thai Nguyen Provincial Environmental Protection Fund	42,027,448,305	-	39,331,143,679	-
Others	726,427,306	-	384,803,454	-
	42,753,875,611	-	39,715,947,133	-

8 DOUBTFUL DEBTS

Receivables that are overdue or not yet overdue but difficult to recover:

	31/12/2024		01/01/2024	
	Original cost VND	Recoverable value VND	Original cost VND	Recoverable value VND
Luong Tho Company Limited (i)	50,872,614,401	24,184,521,074	50,872,614,401	24,184,521,074
Ha Nam Trading and Construction Company Limited (i)	127,372,235,803	40,029,208,932	127,372,235,803	40,029,208,932
Trung Dung Trading and Tourism Company Limited (i)	251,899,841,715	104,333,400,734	251,899,841,715	104,333,400,734
Hong Trang Company Limited (i)	24,675,235,824	24,675,235,824	24,675,235,824	24,675,235,824
Gia Sang Steel Joint Stock Company (ii)	5,880,475,784	640,404,232	5,880,475,784	640,404,232
Tan Hong Import - Export Joint Stock Company (i)	24,384,272,840	7,168,088,662	24,384,272,840	7,168,088,662
Jinsu Resources Ltd	23,514,884,834	-	23,514,884,834	-
Asia Global	14,632,997,101	-	14,632,997,101	-
Others	29,666,243,108	1,288,071,770	25,872,545,639	131,100,179
	552,898,801,410	202,318,931,228	549,105,103,941	201,161,959,637
Receivables for late interest arising from overdue debts but not recognized as revenue (ii)	201,030,859,458		201,030,859,458	

(i) The recoverable value of these receivables corresponds to the overdue interest as mentioned in the section (ii).

(ii) The entire amount of VND 201,030,859,458 is overdue interest on past-due receivables stipulated in the contracts. The Company has recognized an increase in trade receivables and other payables items on the balance sheet according to the adjustment made by the State Audit in 2013 (See Note 19).

9 INVENTORIES

	31/12/2024		01/01/2024	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Goods in transit	5,677,952,918	-	41,072,986,500	-
Raw materials	1,330,342,555,165	-	911,874,172,760	-
Tools, supplies	4,458,849,267	-	4,345,753,857	-
Work in progress	20,608,411,592	-	8,117,606,037	-
Finished goods	414,662,417,385	(3,678,942,045)	370,002,705,733	(4,640,899,618)
Goods	840,332,122	-	519,496,657	-
	<u>1,776,590,518,449</u>	<u>(3,678,942,045)</u>	<u>1,335,932,721,544</u>	<u>(4,640,899,618)</u>

As of December 31, 2024, the value of inventory pledged as collateral for securing liabilities amounted to VND 1,430,865,674,118 (as of January 1, 2024, it was VND 1,335,932,721,544).

10 PREPAID EXPENSES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term		
Cost of tunnel preparation for production	16,729,870,842	16,280,402,278
Cost of excavation and rock removal	-	9,739,522,032
Allocated value of materials and equipment	7,712,335,051	6,692,064,664
Advertising billboard costs	4,669,114,843	3,159,512,731
Insurance expenses	1,174,888,093	1,187,786,610
Dispatched tools and supplies	227,409,214	179,724,116
Other short-term prepaid expenses	1,229,550,399	984,356,185
	<u>31,743,168,442</u>	<u>38,223,368,616</u>
b) Long-term		
Spare parts for steel rolling mill components	98,782,358,944	90,954,456,649
Fee for the use of geological documents	36,091,594,553	44,024,194,685
Mineral exploration license fee	3,760,506,273	3,581,878,271
Dispatched tools and supplies	693,902,144	1,139,254,462
Compensation costs for land clearance	813,839,230	876,529,120
Major repair costs of fixed assets awaiting allocation	209,658,603	349,431,003
Other long-term prepaid expenses	195,849,509	-
	<u>140,547,709,256</u>	<u>140,925,744,190</u>

11 TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment and tools	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	980,330,656,723	1,792,568,803,976	456,754,950,354	20,563,194,302	153,230,333,344	3,403,447,938,699
Purchase in the year	205,490,253	5,540,584,131	42,350,000	-	-	5,788,424,384
Completed construction investment	-	-	381,769,145	1,073,798,715	-	1,455,567,860
Liquidation, disposal	-	-	(2,354,800,000)	-	-	(2,354,800,000)
Ending balance of the year	980,536,146,976	1,798,109,388,107	454,824,269,499	21,636,993,017	153,230,333,344	3,408,337,130,943
Accumulated depreciation						
Beginning balance	792,030,979,192	1,651,745,127,275	397,206,677,368	12,173,190,945	147,000,986,402	3,000,156,961,182
Depreciation in the year	17,399,519,145	27,736,614,513	10,192,232,737	1,585,922,371	586,234,758	57,500,523,524
- Depreciation of assets used for production activities	17,114,921,784	27,736,614,513	10,192,232,737	1,585,922,371	586,234,758	57,215,926,163
- Depreciation of assets formed from the welfare and reward fund	284,597,361	-	-	-	-	284,597,361
Liquidation, disposal	-	-	(2,354,800,000)	-	-	(2,354,800,000)
Ending balance of the year	809,430,498,337	1,679,481,741,788	405,044,110,105	13,759,113,316	147,587,221,160	3,055,302,684,706
Net carrying amount						
Beginning balance	188,299,677,531	140,823,676,701	59,548,272,986	8,390,003,357	6,229,346,942	403,290,977,517
Ending balance	171,105,648,639	118,627,646,319	49,780,159,394	7,877,879,701	5,643,112,184	353,034,446,237

The remaining value of the tangible fixed assets used as collateral to secure loans as of December 31, 2024, is 199,799,197,544 VND (as of January 1, 2024, it was 207,898,617,741 VND).

The original cost of tangible fixed assets that have been fully depreciated but are still in use as of December 31, 2024, is 2,326,338,248,577 VND (as of January 1, 2024, it was 2,220,902,271,702 VND).

12 INTANGIBLE FIXED ASSETS

	Land use rights	Management software	Other intangible fixed assets	Total
	VND	VND	VND	VND
Historical cost				
Beginning balance	44,090,882,400	8,520,589,627	110,631,135,828	163,242,607,855
Ending balance of the year	44,090,882,400	8,520,589,627	110,631,135,828	163,242,607,855
Accumulated depreciation				
Beginning balance	9,107,759,747	5,892,389,393	110,631,135,828	125,631,284,968
Depreciation in the year	1,034,820,055	1,833,677,591	-	2,868,497,646
Ending balance of the year	10,142,579,802	7,726,066,984	110,631,135,828	128,499,782,614
Net carrying amount				
Beginning balance	34,983,122,653	2,628,200,234	-	37,611,322,887
Ending balance	33,948,302,598	794,522,643	-	34,742,825,241

- (i) Including the value of land use rights of the Company in Hanoi, Da Nang, Quang Ninh, Nghe An and Thai Nguyen. These land plots are being used to serve the Company's production and business purposes

The original cost of intangible fixed assets that have been fully depreciated but are still in use as of December 31, 2024, is VND 113,584,192,625 (as of January 1, 2024, it was VND 110,631,135,828).

13 CONSTRUCTION IN PROGRESS EXPENSES

	31/12/2024	01/01/2024
	VND	VND
Purchasing	-	117,167,948
- Acquisition of fixed assets	-	117,167,948
Construction in progress	6,369,610,766,433	6,629,593,106,011
- Phase 2 Expansion Project - Thai Nguyen Iron and Steel Joint Stock Corporation (i)	6,359,941,808,903	6,626,718,099,101
- Other constructions	9,668,957,530	2,875,006,910
	6,369,610,766,433	6,629,710,273,959

- (i) Detailed information on the Phase 2 Expansion Project - Thai Nguyen Iron and Steel Joint Stock Corporation is as follows:

- The Phase 2 Expansion Project - Thai Nguyen Iron and Steel Corporation ("the Project") was initially approved with a total investment of VND 3,843.67 billion, which was later adjusted to VND 8,104.91 billion. The contract with the main contractor (EPC contractor) number 01#EPC/TISCO-MCC was signed with Metallurgical Corporation of China Limited (MCC) on July 12, 2007..
- The Project commenced in 2007 but has been temporarily suspended since 2013. The Company's management, together with Vietnam Steel Corporation (VNSteel), is still negotiating with the contractors and coordinating with relevant state authorities to resolve project-related difficulties.
- On February 20, 2019, the Government Inspectorate issued an announcement on its Inspection Conclusion for the Phase 2 Expansion Project - Thai Nguyen Iron and Steel Corporation. The Government Inspectorate's recommendations are still in the process of being implemented.

- On November 11, 2021, the Hanoi High People's Court issued Judgment No. 531/2021/HS-PT related to the Project. According to the judgment, the damage determined in the case is the actual interest TISCO had to pay to the banks since the project was delayed (from May 31, 2011) until the time of the case prosecution, amounting to VND 830,253,115,150. The defendants named in the judgment are required to compensate TISCO for the aforementioned amount.
- The Company has received in compensation amounting to VND 79,131,547,785 from the Civil Judgment Enforcement Department of Hanoi City. This is the amount collected by the Department from the defendants. The Company has recorded a reduction in the capitalized interest expenses of the Project corresponding to the above-mentioned amount.
- Interest expenses and late payment interest on the project-related loans incurred from 2007 to present have been separately tracked and capitalized into the project investment value. As of December 31, 2024, the Bac Kan Regional Development Bank - Thai Nguyen Branch issued Notification No. 460/TB.NHPT.BK-TN, stating that it has waived the accrued interest on overdue interest payments which had not been collected as of December 21, 2023, amounting to VND 506,567,725,220. Accordingly, the Company has recorded a reduction in the Project investment value corresponding to the waived interest debt.
- As of December 31, 2024, the total remaining investment value of the Project is VND 6,359.942 billion, of which capitalized interest expenses amount to VND 3,144.77 billion. The main expense incurred during the year was capitalized interest expenses.

(Additional information related to the Project is presented in Note 34).

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14 TRADE PAYABLES

	31/12/2024		01/01/2024	
	Value	Amount can be paid	Value	Amount can be paid
	VND	VND	VND	VND
a) Short-term				
Related parties	680,381,937,308	680,381,937,308	356,931,872,492	356,931,872,492
Thai Trung Steel Rolling Joint Stock Company	571,414,906,648	571,414,906,648	356,931,872,492	356,931,872,492
Ho Chi Minh City Steel Corporation	67,124,574,660	67,124,574,660	-	-
Thai Hung Trading Joint-Stock Company	41,842,456,000	41,842,456,000	-	-
Others	916,522,167,727	916,522,167,727	591,720,083,007	591,720,083,007
B.C.H Joint Stock Company	5,990,577,660	5,990,577,660	67,894,190,077	67,894,190,077
Trung Thanh Thai Nguyen Limited Liability Company	127,436,960,280	127,436,960,280	76,536,907,223	76,536,907,223
Dai Viet Limited Liability Company	64,281,884,936	64,281,884,936	36,295,127,275	36,295,127,275
Thai Nguyen Ferrous Metallurgy Joint Stock Company	35,552,512,900	35,552,512,900	144,136,300	144,136,300
Hiep Huong Trade Joint Stock Company	3,248,712,300	3,248,712,300	57,282,549,480	57,282,549,480
Toan Thang Steel Joint Stock Company	136,660,664,800	136,660,664,800	31,022,271,000	31,022,271,000
Binh An Development Investment and Trading Limited Liability Company	80,337,847,700	80,337,847,700	11,479,659,950	11,479,659,950
Others	463,013,007,151	463,013,007,151	311,065,241,702	311,065,241,702
	<u>1,596,904,105,035</u>	<u>1,596,904,105,035</u>	<u>948,651,955,499</u>	<u>948,651,955,499</u>

14 TRADE PAYABLES (CONTINUED)

	31/12/2024	01/01/2024
	VND	VND
b) Long-term (i)		
<i>Others</i>	287,282,707,744	281,191,800,002
China Metallurgical Group Corporation	135,076,785,516	129,151,949,690
LILAMA 45.3 Joint Stock Company	34,458,870,572	34,458,870,572
Quang Minh General Investment and Trading Joint Stock Company	23,877,604,252	23,877,604,252
Viet Nam Industrial Construction Corporation	20,237,364,786	20,237,364,786
MAKSTEEL Industrial Equipment Joint Stock Company	17,811,372,974	17,811,372,974
Others	55,820,709,644	55,654,637,728
	<u>287,282,707,744</u>	<u>281,191,800,002</u>

(i) Long-term trade payables monitored by the Project Management Board include amounts related to the Phase 2 Expansion Project of Thai Nguyen Iron and Steel Corporation. On February 20, 2019, the Government Inspectorate issued its Inspection Conclusion on the Phase 2 Expansion Project of Thai Nguyen Iron and Steel Corporation. The payable amounts related to the project may be subject to adjustments following the implementation of the Government Inspectorate's recommendations.

(Additional information related to the Project is presented in Note 34).

15 SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2024	01/01/2024
	VND	VND
<i>Related parties</i>	41,094,509	8,195,157
Vnsteel - Hanoi Steel Corporation	41,094,509	8,195,157
<i>Others</i>	20,539,154,987	8,971,477,832
Duc Minh Trading Company Limited	14,685,000,000	-
Quyinh Minh Corporation Trading and Construction	3,189,118,821	387,720,897
Hiep Huong Trade Joint Stock Company	-	2,536,193,666
T-D Investment Consulting Joint Stock Company	8,950,030	3,437,324,769
Others	2,656,086,136	2,610,238,500
	<u>20,580,249,496</u>	<u>8,979,672,989</u>

16 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	Opening receivable	Opening payables	Payables in the year	Actual payment in the year	Closing receivables	Tax payable at the end of the
	VND	VND	VND	VND	VND	VND
Value-added tax	-	10,586,395,437	55,146,361,322	65,585,879,926	-	146,876,833
Export, import duties	-	-	1,990,507,880	1,990,507,880	-	-
Corporate income tax	-	-	9,052,747,442	-	-	9,052,747,442
Personal income tax	63,222,893	5,100,000	2,196,356,615	2,201,853,286	65,816,564	2,197,000
Natural resource tax	-	3,486,574,710	38,233,464,887	37,145,171,985	-	4,574,867,612
Land tax and land rental	12,427,065,278	-	67,607,133,500	55,370,734,758	190,666,536	-
Environmental protection tax	-	76,046,550	659,723,550	658,017,000	-	77,753,100
Other taxes	-	-	17,000,000	17,000,000	-	-
Fees, charges and other payables (i)	-	1,435,919,050	(11,286,381,391)	24,360,685,612	36,447,807,591	2,236,659,638
	12,490,288,171	15,590,035,747	163,616,913,805	187,329,850,447	36,704,290,691	16,091,101,625

The company's tax settlement is subject to inspection by the tax authorities. Since the application of laws and tax regulations to various types of transactions can be interpreted in multiple ways, the tax amount presented in the separate financial statements may be adjusted based on the decisions of the tax authorities.

- (i) The amount of other fees and charges payable in the year is negative, due to the Company's accounting for the refund of mineral exploitation rights fees for the Bac Lang Cam coal mine, Nam Lang Cam coal mine and the Canh Chim underground mining project - Phan Me coal mine due to over-accrual (Note 30(i)).

17 ACCRUED EXPENSES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term accrued expenses		
Interest expenses for production and business operations	1,408,650,000	1,820,575,000
Interest expense for the Phase 2 Production expansion project- Thai Nguyen Iron and Steel JTC (i)	1,745,409,022,817	2,107,869,422,203
Accrued electricity and water expenses	7,326,871,244	11,914,146,887
Provision for compensation, reimbursement, and support	-	4,828,587,193
Provision for distributor bonuses	2,126,000,000	2,846,000,000
Provision for furnace dust treatment costs	69,326,095	5,984,907,500
Other accrued expenses	1,017,775,722	705,000,000
	<u>1,757,357,645,878</u>	<u>2,135,968,638,783</u>
b) Long-term accrued expenses		
Interest expenses for the Phase 2 production expansion project - Thai Nguyen Iron and Steel Joint Stock Corporation (i)	611,484,901,721	475,420,799,576
	<u>611,484,901,721</u>	<u>475,420,799,576</u>
c) Unpaid overdue		
Interest payable on loans from Viet Nam Development Bank of the Bac Kan Region - Thai Nguyen Branch	1,268,963,329,177	1,631,423,728,563
	<u>1,268,963,329,177</u>	<u>1,631,423,728,563</u>

- (i) Regarding the interest expenses of the Phase 2 Expansion Project - Thai Nguyen Iron and Steel Corporation, the Company will continue working with the lending banks on interest payment matters. Additionally, in the conclusion of the Government Inspectorate on the project, the Government Inspectorate has recommended that the Ministry of Finance, the State Bank of Vietnam, and the Ministry of Planning and Investment review and address the existing issues, apply mechanisms to reduce interest expenses incurred during the suspension period when TISCO was unable to make payments, and report to the Prime Minister for guidance on resolving any remaining obstacles (if any).

On December 31, 2024, the Bac Kan Regional Development Bank - Thai Nguyen Branch issued Notice No. 460/TB.NHPT.BK-TN, announcing the cancellation of accrued interest on overdue interest that had not been collected as of December 21, 2023, for the project, amounting to VND 506,567,725,220. Accordingly, the Company has recognized a reduction in the project investment value, corresponding to the amount of the cancelled interest debt.

18 PROVISIONS FOR PAYABLES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term provisions		
Provision for major repair	-	8,402,400,600
Provision for transportation support costs	-	957,550,000
Cost of sludge treatment and furnace dust	2,114,874,722	3,431,290,698
	<u>2,114,874,722</u>	<u>12,791,241,298</u>
b) Long-term provisions		
Environmental restoration costs	36,471,250,515	34,159,749,343
Mineral exploitation rights fees	-	14,588,480,430
Provision for major repair	10,000,000,000	20,000,000,000
	<u>46,471,250,515</u>	<u>68,748,229,773</u>

19 OTHER PAYABLES

	31/12/2024	01/01/2024
	VND	VND
a) Short-term payables		
Late payment interest receivable is recognized simultaneously with an increase in accounts receivable from customers and an increase in other payables (i)	201,030,859,458	201,030,859,458
Commercial discount payable to the agent	57,874,197,490	56,982,649,960
Short-term deposits and collateral	27,606,134,019	29,557,834,400
Compensation and support for subsidence caused by mining in deep ore mountain layers (ii)	25,640,172,758	25,638,555,964
Payable to the People's Committee of Thai Nguyen Province for the value of Ban Co Lake and Cua Lang Lake (iii)	10,188,115,550	10,188,115,550
Funding for the construction of the Ho Chi Minh Memorial House	6,216,200,242	2,494,850,000
Collective labor agreement fund	2,984,712,220	6,784,163,445
Trade union funds and mandatory insurance	1,353,076,896	1,584,864,021
Meal allowances and refreshments	861,608,598	1,211,533,547
Dividends payable	107,640,000	107,640,000
Charitable and social-cultural funds	256,238,184	844,245,603
Liability for the shortage of goods	131,100,179	538,808,194
Collection of funds for the resettlement area	800,000,000	800,000,000
Bid deposit, price quotation, and contract deposit	450,000,000	450,000,000
Other payables	1,522,951,444	3,505,825,778
	<u>337,023,007,038</u>	<u>341,719,945,920</u>
b) Long-term payables		
Long-term deposits, collateral received	345,000,000	447,000,000
	<u>345,000,000</u>	<u>447,000,000</u>

(i) The overdue interest on past-due receivables, as stipulated in the contract, is recorded as an increase in the trade receivables and other payables items on the balance sheet as per the adjustments made by the State Audit in 2013 (See Note 08).

(ii) These costs relate to compensation and support for households affected by subsidence caused by mining activities at the Deep Layer Ore Mountain Mine, according to the approved compensation plan and the payment decision.

(iii) The investment value of the Cua Lang Lake and Ban Co Lake, received from the Thai Nguyen Provincial People's Committee for management and exploitation to serve the production activities of the Tien Bo Iron Mine.

20 BORROWINGS

a) Borrowings for operating activities

	01/01/2024		During the year		31/12/2024	
	Outstanding VND	Amount can be VND	Increase VND	Decrease VND	Outstanding VND	Amount can be paid VND
Short-term borrowings						
Short-term debts (i)	1,342,443,299,347	1,342,443,299,347	4,369,975,646,841	4,281,553,272,070	1,430,865,674,118	1,430,865,674,118
	<u>1,342,443,299,347</u>	<u>1,342,443,299,347</u>	<u>4,369,975,646,841</u>	<u>4,281,553,272,070</u>	<u>1,430,865,674,118</u>	<u>1,430,865,674,118</u>

b) Borrowings for Phase 2 Production Expansion Project - Thai Nguyen Iron and Steel JTC

	01/01/2024	During the year		31/12/2024
	Outstanding balance VND	Increase VND	Decrease VND	Outstanding balance VND
Current portion of long-term debts	1,108,176,131,368	9,162,292,161	12,736,533,518	1,104,601,890,011
	<u>1,108,176,131,368</u>	<u>9,162,292,161</u>	<u>12,736,533,518</u>	<u>1,104,601,890,011</u>
Long-term borrowings (ii)				
Long-term debts	2,727,030,371,223	123,344,781,587	61,488,307,248	2,788,886,845,562
	<u>2,727,030,371,223</u>	<u>123,344,781,587</u>	<u>61,488,307,248</u>	<u>2,788,886,845,562</u>
Amount due for settlement within 12 months	(1,108,176,131,368)	(9,162,292,161)	(12,736,533,518)	(1,104,601,890,011)
Amount due for settlement after 12 months		<u>1,618,854,239,855</u>		<u>1,684,284,955,551</u>

As of the date of this financial statement, the Company lacks a sufficient basis to assess its ability to repay the loans related to the Phase 2 expansion project of Thai Nguyen Iron and Steel Corporation, as the Company is still in the process of seeking solutions to settle the aforementioned debts.

c) Overdue borrowings

	31/12/2024		01/01/2024	
	Principal	Interest	Principal	Interest
	VND	VND	VND	VND
Vietnam Development Bank - Regional Development Bank Branch Bac Kan - Thai Nguyen	1,076,068,691,352	1,268,963,329,177	1,076,718,691,352	1,631,423,728,563
	<u>1,076,068,691,352</u>	<u>1,268,963,329,177</u>	<u>1,076,718,691,352</u>	<u>1,631,423,728,563</u>

(i) Detailed information on Short-term borrowings is as follows:

	Currency	Interest rate	Maturity	Loan limit	Loan purpose	Guarantee	31/12/2024	01/01/2024
							VND	VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Thai Nguyen Branch	VND	Per disbursement	From 31/12/2024 to 30/11/2025	From 31/12/2024 to 31/03/2025 : VND 640 billion and USD 3.8 billion From 01/04/2025 : VND 620 billion and USD 3.8 VND 480 billion	Working capital, L/C issuance, and guarantee issuance for business operations	Asset- backed collateral	722,142,936,465	656,433,211,963
Vietnam Joint Stock Commercial Bank for Industry and Trade - Luu Xa Branch	VND	Per disbursement	From 14/10/2025 to 31/07/2025		Working capital for production	Asset- backed collateral	472,463,192,660	428,085,293,429
Vietnam Joint Stock Commercial Bank for Industry and Trade - Nam Thai Nguyen	VND	Per disbursement	From 17/10/2024 to 31/07/2025	VND 70 billion	Working capital for production and business	Asset- backed collateral	69,622,971,948	67,954,108,946
Military Commercial Joint Stock Bank - Thai Nguyen Branch	VND	Per disbursement	From 05/06/2024 to 14/05/2025	VND 190 billion	Working capital for production	Asset- backed collateral	166,636,573,045	189,970,685,009
							<u>1,430,865,674,118</u>	<u>1,342,443,299,347</u>

The borrowings from banks are secured by mortgage contracts with the lenders and have been fully registered for secured transactions.

21 OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Treasury shares	Exchange rate differences	Development and investment funds	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of previous year	1,840,000,000,000	(41,070,000)	(207,186,546,087)	29,908,837,239	265,502,072,886	1,928,183,294,038
Profit/(Loss) for previous year	-	-	-	-	(176,621,295,067)	(176,621,295,067)
Transfer of foreign exchange differences related to investment project (i)	-	-	(70,244,795,835)	-	-	(70,244,795,835)
Beginning balance of current year	1,840,000,000,000	(41,070,000)	(277,431,341,922)	29,908,837,239	88,880,777,819	1,681,317,203,136
Profit/ (Loss) for this year	-	-	-	-	(8,384,467,194)	(8,384,467,194)
Transfer of foreign exchange differences related to investment project (i)	-	-	(120,406,043,056)	-	-	(120,406,043,056)
Ending balance of this year	1,840,000,000,000	(41,070,000)	(397,837,384,978)	29,908,837,239	80,496,310,625	1,552,526,692,886

(i) The exchange rate differences related to Phase 2 Expansion Project - Thai Nguyen Iron and Steel Corporation is cumulatively reflected on the Balance Sheet according to Official Dispatch No. 15172/BTC-TCDN dated October 26, 2015 of the Ministry of Finance.

b) Details of Contributed capital

	31/12/2024	Rate	01/01/2024	Rate
	VND	%	VND	%
Vietnam Steel Corporation	1,196,000,000,000	65.00	1,196,000,000,000	65.00
Thai Hung Trading Joint- Stock Company	368,000,000,000	20.00	368,000,000,000	20.00
Other shareholders	275,889,000,000	14.99	275,889,000,000	14.99
Treasury shares	111,000,000	0.01	111,000,000	0.01
	<u>1,840,000,000,000</u>	<u>100</u>	<u>1,840,000,000,000</u>	<u>100</u>

c) Capital transactions with owners and distribution of dividends

	Year 2024	Year 2023
	VND	VND
Owner's contributed capital		
- At the beginning of the year	1,840,000,000,000	1,840,000,000,000
- At the ending of the year	1,840,000,000,000	1,840,000,000,000
Distributed dividends		
- Dividend payable at the beginning of the year	107,640,000	160,280,000
- Dividend paid in cash in the year	-	(52,640,000)
+ Dividend paid from last year's profit	-	(52,640,000)
- Dividend payable at the end of the year	107,640,000	107,640,000

d) Share

	31/12/2024	01/01/2024
Quantity of Authorized issuing shares		
Quantity of issued shares	184,000,000	184,000,000
- Common shares	184,000,000	184,000,000
Quantity of share repurchased	11,100	11,100
- Common stocks	11,100	11,100
Quantity of outstanding shares in circulation	183,988,900	183,988,900
- Common shares	183,988,900	183,988,900
Per value per share: 10,000 VND/ share		

e) Company's fund

	31/12/2024	01/01/2024
	VND	VND
Development and Investment Fund	29,908,837,239	29,908,837,239
	<u>29,908,837,239</u>	<u>29,908,837,239</u>

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22 OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Leased Assets

The Company signs land lease contracts with the state for business purposes. According to these contracts, the company must pay annual land lease fees until the contract expires under current state regulations. The details of the leased land plots are as follows:

No	Land location	Area (m ²)	Lease Duration
I Company Office			
1	Plot No. 04, cadastral map No. 05, Phu Xa Ward, Thai Nguyen City	7,861.70	Until 2047
2	Cadastral map No. 128, Phu Xa Ward, Thai	3,210.00	Until 2047
3	Expanded production area phase 2 (Cam Gia Ward, Thai Nguyen City)	31,723.20	Until 2036
4	Green planting area (Cam Gia Ward, Thai Nguyen City)	423,191.80	Until 2047
5	Fenced area (Cam Gia Ward, Thai Nguyen City)	1,297,342.90	Until 2047
II Tien Bo Mine			
1	Mine site area	2,224,785.80	Until 2038
2	Explosives storage area	29,848.80	Until 2038
3	Cau river's water pipeline, transportation road area	18,672.00	Until 2038
4	Road to Mine Office	2,140.40	Until 2038
III Trai Cau Mine			
1	Rented land at Trai Cau town		
-	Rented land until 2047	696,913.10	Until 2047
-	Rented land until 2036	279,217.10	Until 2036
-	Rented land until 2025	13,223.50	Until 2025
-	Rented land until 2020	137,219.20	Until 2020
2	Land leased in Nam Hoa commune		
-	Land leased in D mountain (Nam Hoa commune)	18,559.30	Until 2047
-	Land leased in D mountain (Nam Hoa commune)	21,241.20	Until 2050
3	Land leased in Tan Loi commune	217,726.00	Until 2047
4	Land leased in Cay Thi commune		
-	Land leased in D mountain	88,015.00	Until 2050
-	Land leased in D mountain	3,085.70	Under renewal
-	Land leased in the deep ore mountain layer	4,669.20	Until 2020
-	Land leased in the deep ore mountain layer	9,529.30	Until 2025
IV Phan Me Mine			
1	Cadastral map sheet No. 10 and 166, Giang Tien town, Phu Luong district (Office area and mine	305,860.00	Until 2047
2	Cadastral map sheet No. 33 and 169, Ha Thuong commune, Dai Tu district (Residential area and mine area)	139,980.00	Until 2047
3	Cadastral map sheets No. 45, 46, 47, 57, 58, and 59, Phuc Linh commune, Dai Tu district (Mine	436,257.00	Until 2047
4	Cadastral map sheets No. 57, 65, 66, 67, 68, 73, 74 and 75 Phuc Linh commune, Dai Tu district (Waste dump area)	751,660.00	Until 2028
5	Cadastral map sheets No. 57, 68, and 69, Phuc Linh commune, Dai Tu district (Extended mine area, explosion belt area 3)	258,931.00	Until 2028
6	Cadastral map excerpt for Giang Tien town (Phan Me coal mine waste dump area)	187,200.00	Under renewal

TT	Land location	Area (m ²)	Lease duration
V	Tuyen Quang Iron ore and steel rolling		
1	Service and Protection Packaging Area (An Hoa 2 Hamlet, An Tuong Commune, Tuyen Quang City)	1,139.00	Until 2043
2	Office and Production Area (An Hoa 2 Hamlet, An Tuong Commune, Tuyen Quang City)	45,829.00	Until 2043
VI	Quac Zit Phu Tho Mine		
1	Office Building Land (Ha Son Street, Thanh Son Town, Thanh Son District, Phu Tho Province)	2,034.00	Under renewal
2	Mining Land (Thuc Luyen, Thanh Son District, Phu Tho Province)	222,000.00	Under renewal
3	Storage Land (Thuc Luyen, Thanh Son District, Phu Tho Province)	22,400.00	Under renewal
VII	Railway Transport Enterprise		
1	From Station 48 to Cay Thi Commune	5,000.00	Until 2047
VIII	Quang Ninh branch		
1	Gieng Day Ward, Ha Long City	6,654.30	Under renewal

b) **Assets held under trust**

	31/12/2024	01/01/2024
Related parties		
Rolled steel (tons)	6,657.10	950.38
- Thai Hung Trading Joint- Stock Company	6,610.45	950.38
- VNSteel- Hanoi Steel Corporation	46.65	-
Others		
Rolled steel (tons)	13,590.76	6,411.12
Billets (tons)	34,420.40	-
Australia anthracite coal (tons)	13,383.19	-
Russia fat coal meeting blending standards (tons)	5,745.23	-
Granulated blast furnace slag (tons)	306,257.41	-
Pig iron (tons)	-	1,207.16
Dust filter bags (pieces)	-	300.00
Ferrosilicon (Tons)	101.66	-
Hot repair materials (tons)	57.85	-

c) **Foreign currencies**

	31/12/2024	01/01/2024
USD	2,102.12	2,097.78

d) **Doubtful debts written-off**

	31/12/2024	01/01/2024
	VND	VND
Doubtful debts written-off	4,033,133,561	4,033,133,561

23 TOTAL REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	Year 2024	Year 2023
	VND	VND
Revenue from sale of goods	4,866,403,302,788	3,870,747,358,426
Revenue from sale of semi-finished goods	10,522,696,226,823	9,447,042,856,700
Revenue from rendering of services	22,557,236,183	13,919,072,415
	<u>15,411,656,765,794</u>	<u>13,331,709,287,541</u>
In which: Revenue from related parties (Detailed in Note 37)	8,458,660,727,145	6,959,660,297,190

24 REVENUE DEDUCTIONS

	Year 2024	Year 2023
	VND	VND
Sale returns	-	759,321,350
	<u>-</u>	<u>759,321,350</u>

25 COST OF GOODS SOLD

	Year 2024	Year 2023
	VND	VND
Cost of goods sold	4,864,049,492,018	3,870,690,827,231
Cost of finished goods sold	10,242,429,541,023	9,320,498,428,301
Cost of services rendered	17,274,875,575	10,376,144,888
Provision/(Reversal) of provision for devaluation of inventories	(961,957,573)	(1,422,006,301)
Others	4,317,566,390	17,710,774,285
	<u>15,127,109,517,433</u>	<u>13,217,854,168,404</u>
In which: Purchase from related parties Total purchase value: (Detailed in Note 37)	5,882,622,476,951	4,234,693,517,920

26 FINANCIAL INCOME

	Year 2024	Year 2023
	VND	VND
Interest income	1,002,746,352	809,559,898
Dividends or profits received	146,720,000	64,730,000
Gain on exchange difference in the year	317,494,012	955,609,067
Gain on exchange difference at the year- end	109,205,103	-
Interest from deferred payment sale or payment discount	17,701,383,034	29,152,744,118
	<u>19,277,548,501</u>	<u>30,982,643,083</u>
In which: Financial income received from related parties (Detailed in Note 37)	10,913,796,567	13,926,638,115

27 FINANCIAL EXPENSES

	Year 2024	Year 2023
	VND	VND
Interest expenses	108,271,256,672	129,643,777,529
Payment discount or interests from deferred payment purchase	-	2,653,748,803
Loss on exchange difference in the year	583,704,500	603,420,608
Loss on exchange difference at the year - end	-	143,648,752
Provision/ (Reversal) of provision for impairment loss from financial investment	(10,513,041,404)	(1,975,759,201)
Other financial expenses	588,186,301	75,506,849
	<u>98,930,106,069</u>	<u>131,144,343,340</u>

28 SELLING EXPENSES

	Year 2024	Year 2023
	VND	VND
Raw materials	1,566,775,811	1,985,727,737
Labour expenses	7,144,162,453	6,863,791,458
Depreciation expenses	1,167,297,548	1,172,891,760
Expenses of outsourcing services	25,885,657,104	21,416,748,865
Other expenses in cash	15,013,448,373	22,097,477,811
	<u>50,777,341,289</u>	<u>53,536,637,631</u>

In which: Selling expenses purchased from related parties (Detailed in Note 37)	392,727,276	392,727,276
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29 GENERAL AND ADMINISTRATIVE EXPENS

	Year 2024	Year 2023
	VND	VND
Raw materials	7,716,410,293	8,469,067,183
Labour expenses	78,776,852,357	77,462,878,972
Depreciation expenses	6,508,553,743	6,756,217,887
Tax, Charge, Fee	67,375,859,306	35,839,858,278
Provision expenses/ (Reversal) of provision expenses	2,636,725,878	(27,397,579,985)
Expenses of outsourcing services	9,321,521,305	10,369,326,415
Other expenses in cash	45,837,316,090	46,496,351,637
	<u>218,173,238,972</u>	<u>157,996,120,387</u>

30 OTHER INCOME

	Year 2024	Year 2023
	VND	VND
Reversal of mineral exploitation license fee (i)	51,036,288,021	3,690,860,126
Income from the sale of recovered products (ii)	20,600,209,490	168,492,072
Reversal of compensation costs for support at Trai Cau Iron Mine (iii)	4,828,587,193	-
Excess coal, ore discovered during inventory	4,166,896,093	12,483,567,300
Income from liquidation, transfer of fixed assets	1,626,815,400	-
Reduced land tax	166,638,947	12,092,742,789
Refund of over-accrued electricity expenses	-	5,956,291,887
Refund of imported scrap steel costs	-	1,454,421,518
Other income	697,951,742	3,199,545,725
	<u>83,123,386,886</u>	<u>39,045,921,417</u>

(i) In 2024, based on the decisions of the Ministry of Natural Resources and Environment (Decision No. 1686/QĐ-BTNMT dated September 29, 2022, and Decision No. 2707/QĐ-BTNMT dated October 17, 2022), the Company has recognized a reversal of the over-accrued mineral exploitation rights fee for Bac Lang Cam coal mine, Nam Lang Cam coal mine, and the Canh Chim underground mining project - Phan Me coal mine, totaling VND 51,036,288,021. Currently, the Company is continuing to work with competent authorities on the issuance and renewal of mining licenses for the Nam Lang Cam coal mine.

(ii) In 2024, income from the sale of recovered products primarily came from the sale of slowly cooled blast furnace slag at the Cast Iron Making Factory, totaling VND 20,425,548,000.

(iii) This is a refund determined by the company that it has deducted excess compensation costs to support people at Trai Cau Iron Mine due to subsidence caused by mining in previous years.

31 OTHER EXPENSES

	Year 2024	Year 2023
	VND	VND
Dust handling expense	-	14,633,349,500
Stripping cost and geological document usage fee at Trai Cau mine (i)	13,571,466,732	-
Wages for selling slag	2,051,652,339	-
Additional taxes and fees	1,644,781,276	618,428,611
Compensation, fines	501,758,603	180,000,000
Expenses from liquidation, disposal of fixed assets	-	86,019,005
Others	629,558,220	1,550,758,880
	<u>18,399,217,170</u>	<u>17,068,555,996</u>

(i) The remaining unallocated stripping costs and geological data usage fees at the Trai Cau iron mine have been fully recognized as other expenses by the Company, as mining activities at the site have long been suspended due to unfavorable conditions and insufficient operational efficiency.

32 CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2024 VND	Year 2023 VND
Total profit before tax	668,280,248	(176,621,295,067)
Increase	91,068,312,957	130,359,889,073
- Non-deductible interest expense according to Decree 132/2020/ND-CP.	76,279,396,922	129,643,777,529
- Handling costs for rock excavation and fees for geological data usage at the Trai Cau Iron Mine	13,571,466,732	-
- Other non-deductible expenses	1,217,449,303	716,111,544
Decrease	(146,720,000)	(64,730,000)
- Dividend and profit payments	(146,720,000)	(64,730,000)
Taxable income	91,589,873,205	(46,326,135,994)
Loss carried forward	(46,326,135,994)	-
Current corporate income tax expense (tax rate 20%)	9,052,747,442	-
Tax payable at the beginning of the year	-	1,366,508,935
Tax paid in the year	-	(1,366,508,935)
Corporate income tax payable at the end of the year	9,052,747,442	-

Loan interest expenses exceeding the prescribed threshold

The portion of interest expenses that cannot be deducted according to the provisions of Decree 132/2020/ND-CP dated 05 November 2020, of the Ministry of Finance, may be carried forward to the next tax period when determining the total deductible interest expenses, provided that the deductible interest expenses incurred in the subsequent tax period are lower than the prescribed limit. The carryforward period for such interest expenses is limited to a maximum of 05 consecutive years from the year following the year in which the non-deductible interest expenses occurred. The actual amount of interest expenses carried forward to subsequent years for tax purposes will be subject to review and approval by the tax authorities and may differ from the figures presented in the Consolidated financial statements. As of 31 December 2024, the Company has non-deductible interest expense that may be used to offset against the total interest expenses of subsequent years, detailed as follows:

Year of occurrence	Can be converted into deductible interest expense until the year	The inspections by tax authorities and the state audit	Loan interest costs exceeding 30% of EBITDA which non-deductible in the following years	Non-deductible interest expenses are used and expire on 31/12/2024	Non-deductible loan interest costs will be carried forward to the next tax years as of 31/12/2024
			VND	VND	VND
2020	2025	Audited (State Audit)	35,541,292,016	-	35,541,292,016
2021	2026	Non-inspection	-	-	-
2022	2027	Non-inspection	42,002,723,252	-	42,002,723,252
2023	2028	Non-inspection	129,643,777,529	-	129,643,777,529
2024	2029	Non-inspection	76,279,396,922	-	76,279,396,922
			283,467,189,719	-	283,467,189,719

The Board of Management of the Company assesses that the Company's ability to carry forward these non-deductible interest expenses to future years is uncertain. Therefore, no deferred income tax assets related to these amounts have been recognized in this year's balance sheet.

33 BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2024	Year 2023
	VND	VND
Raw materials	9,299,597,437,082	8,694,573,054,700
Labour expenses	385,254,287,080	378,050,639,899
Depreciation expenses	60,084,423,809	63,391,551,787
Provision expenses/ (Reversal) of provision expenses	2,636,725,878	(27,397,579,985)
Expenses of outsourcing services	256,378,685,985	315,083,666,560
Other expenses in cash	163,104,592,988	177,332,972,692
	<u>10,167,056,152,822</u>	<u>9,601,034,305,653</u>

34 ISSUES RELATED TO THE PHASE 2 EXPANSION PROJECT - THAI NGUYEN IRON AND STEEL COMPANY

The Phase 2 Expansion Project of Thai Nguyen Iron and Steel Corporation ("the Project") was approved by the Prime Minister under investment Policy Approval Document No. 342/TTg-CN dated 05 April 2005. The Vietnam Steel Corporation ("VNS") was assigned to conduct the appraisal and approval process; while Thai Nguyen Iron and Steel Corporation was designated as the project investor.

The total investment of the Project was initially approved by the Board of Directors of VNS in Decision No. 684/QD-DT dated 05 October 2005 at VND 3,843 billion. Subsequently, it was approved for an adjustment to VND 8,104.91 billion according to Decision No. 489/QD-GTTN dated 15 May 2013 by the Chairman of the Board of Directors of Thai Nguyen Iron and Steel Joint Stock Corporation ("TISCO").

Metallurgical Corporation of China Limited ("MCC") was awarded the EPC contract package. On 12 July 2007, Contract No. 01#EPC/TISCO-MCC was signed between TISCO and MCC. During the contract execution, TISCO and MCC signed several amendment appendices. According to the fourth amendment appendix dated 31 August 2009, the schedule of EPC Contract No. 01# was adjusted to 21 months from the effective date of the appendix.

Currently, the project has significantly exceeded its original planned timeframe and remains completed. According to Report No. 434/GTTN-TKCTy dated 02 June 2014 sent by the Company to VNS, the construction activities at the site had ceased since the first quarter of 2013. Since then, contractors have only maintained a presence for site supervision, security, and payment documentation processing.

On 20 February 2019, the Government Inspectorate issued Notice No. 199/TB-TTCP announcing the conclusion of the inspection of the Phase 2 Expansion Project - Thai Nguyen Iron and Steel Corporation. This was based on Document No. 167/KL-TTCP regarding the official inspection conclusions of the Phase 2 Expansion Project - Thai Nguyen Iron and Steel Corporation and the directives of the Deputy Prime Minister for the inspection conclusion in Document No. 1388/VPCP-V.I dated 20 February 2019.

Following the Government Inspectorate's announcement of the inspection conclusion, the Board of Directors of TISCO developed an action plan to implement Conclusion No. 167/KL-TTCP.

Implementing Conclusion No. 167/KL-TTCP of the Government Inspectorate: Regarding the contents related to MCC, the Company has reorganized the Steering Committee and working groups to carry out the procedures for termination and liquidation of EPC Contract No. 01#EPC/TISCO-MCC and subcontracts; assigning tasks to groups and members to review documents, work with MCC, subcontractors, supervision consultants, and lending banks. Regarding the review and deduction of consulting contractors APAVE and SOFRECO, the Company has sent many official dispatches requesting review and handling according to Conclusion No. 167/KL-TTCP of the Government

Inspectorate, however, these contractors have not yet accepted and implemented the Company's request. Regarding the handling of incorrect payment amounts (part C) to Subcontractors according to form 02-KLTT, the Company has also sent many official dispatches requesting review and handling according to Conclusion No. 167/KL-TTCTP of the Government Inspectorate, however, these contractors have not yet accepted and implemented the Company's request.

On 11 November 2021, the Hanoi High People's Court issued Judgment No. 531/2021/HS-PT regarding the Phase 2 Expansion Project of Thai Nguyen Iron and Steel Corporation. According to the judgment, the damages incurred was determined to be the actual interest amount paid by TISCO to banks due to project delays from 31 May 2011 until the time of the case's prosecution, totaling VND 830,253,115,150. The defendants mentioned in the judgment were required to compensate TISCO for this amount.

The Company has received compensation amounting to VND 79,131,547,785 from the Hanoi Department of Civil Judgment Enforcement. This amount was collected by the Department from the defendants. The Company has reduced the capitalized borrowing costs of the project by the corresponding amount.

In 2024, in accordance with the directives from the competent state authorities and VNS, the positive changes were made in addressing the Project's outstanding issues. The Company collaborated with MCC and an independent consultants to conduct an on-site equipment inventory; strengthened security and equipment preservation measures; enhanced personnel and restructured the Steering Committee and task forces; and actively engaged with MCC regarding the EPC contract and the implementation of a resolution plan for the Project.

On 31 December 2024, the Bac Kan Regional Development Bank - Thai Nguyen Branch issued Notice No. 460/TB.NHPT.BK-TN, stating the cancellation of the interest debt accrued on overdue interest payments for the Project as of 21 December 2023 for the project, amounting to VND 506,567,725,220.

As of the date of preparing this Separate financial report, the Company is still in the process of implementing Conclusion No. 167/KL-TTCTP and the directives from the competent state authorities to address the existing issues and obstacles of the project. The relevant indicators in the Separate financial statements will be adjusted accordingly based on the results of the Government Inspectorate's conclusions and the enforcement of Judgment No. 531/2021/HS-PT.

35 OTHER INFORMATION

Ongoing legal proceedings involving the Company

Lawsuit against the Bank for Investment and Development of Vietnam ("BIDV") regarding the receivable from Luong Tho Company Limited ("Luong Tho")

In the criminal appellate judgment No. 68/2019/HSPT dated 20 February 2019, the civil section recorded the agreement of BIDV Bank to fulfill the payment obligation of the guaranteed amount of VND 51,337,050,857 on behalf of Luong Tho. (As of 31 December 2021, BIDV had fully paid this amount to TISCO). The judgment also assigned responsibility to Ms. Nguyen Thi Nhung to reimburse TISCO the amount of VND 21,178,281,328.

Regarding the remaining amount of VND 5,509,812,327, the judgment did not specify which party is responsible for payment to TISCO.

On 09 January 2024, TISCO filed a lawsuit against Luong Tho at the People's Court of Soc Son District. Accordingly, on 28 February 2024, the People's Court of Soc Son District issued a notice of case acceptance.

On 25 July 2024, the People's Court of Soc Son District, Hanoi, issued Decision No. 05/2024/QDST-KDTM suspending of the commercial dispute between TISCO (plaintiff) and Luong Tho ((defendant)). TISCO is currently working with a law firm to refile the lawsuit.

Lawsuit against Vietnam International Commercial Joint Stock Bank - Hanoi Branch ("VIB Bank") regarding the receivable from Ha Nam Trading and Construction Company Limited ("Ha Nam Construction")

The Company filed a lawsuit against VIB Bank as the payment guarantor.

On 07 March 2016, the Supreme People's Court in Hanoi issued Decision No. 03/2016/KDTM-GDT regarding the commercial dispute over a goods sale contract. The decision annulled both the first-instance judgment of the People's Court of Thai Nguyen City and the appellate judgment of the People's Court of Thai Nguyen Province to rehear the case from the beginning.

On 05 July 2017, the Supreme People's Court issued Notification No. 171/TB-TANDTC-VGDKTII stating that there were no grounds to review Decision No. 03/2016/KDTM-GDT dated 07 March 2016 under cassation proceedings, as requested by the Company.

On 29 December 2017, TISCO formally requested the People's Court of Thai Nguyen City to proceed with the case.

TISCO, in collaboration with the law firm HERMAN HENRY & DOMINIC, provided all required documents. The People's Court of Thai Nguyen City accepted the case and conducted the first mediation session on 31 October 2023, but the parties maintained their positions.

On 22 March 2024, the People's Court of Thai Nguyen City held the first-instance trial for the dispute over the sales contract between TISCO and Ha Nam Construction. The court partially accepted TISCO's claim, ordering Ha Nam Construction to pay both the principal and interest owed under Steel Scrap Sales Contract No. 05 signed on 01 January 2011, and requested the handling of secured assets of 2,420,853 shares according to Share Pledge Contract No. 02/GTTN-TCKT dated 07 October 2011. However, the court rejected TISCO's request to compel VIB Bank to fulfill its payment obligations under the guarantee letter.

On 09 April 2024, TISCO filed an appeal with the People's Court of Thai Nguyen City, requesting that the Thai Nguyen Provincial Court overturn the first-instance ruling and compel VIB Bank to pay the full principal and accrued interest within the scope of the guarantee.

On 16 July 2024, the Thai Nguyen Provincial People's Court rejected TISCO's appeal, affirming that VIB Bank is not liable for payment the guarantee. TISCO is now working with the law firm to file a complaint with the Supreme Court.

Lawsuit regarding the receivables from Tan Hong Import-Export Joint Stock Company ("Tan Hong")

The People's Court of Hanoi conducted a first-instance trial and ruled that Tan Hong must pay its debt to the Company.

The Company appealed the case, requesting the Vietnam Bank for Agriculture and Rural Development - Hong Ha Branch to fulfill its payment guarantee obligations.

On 19 March 2018, the High People's Court in Hanoi issued judgment No. 125/2018/HSPT which was later amended by Notice No. 04/2020/TB-TA on 06 January 2020, requiring Mr. Trinh Khanh Hong (Chairman of the Board of Directors and General Director of Tan Hong) to compensate the Company.

On 27 February 2024, the Civil Judgment Execution Department of Hanoi issued Decision No. 333/QD-CCTHADS-HS, initiating enforcement proceedings against Mr. Trinh Khanh Hong based on the judgment.

On 01 October 2024, the Judgment Execution Sub-Department of Nam Tu Liem District - Hanoi issued Decision No. 01/QD-CCTHADS stating that Mr. Trinh Khanh Hong currently lacks sufficient assets to settle his debt of VND 17,216,187,178 to TISCO.

The Company will continue working with the enforcement agency to monitor and recover the debt when there are assets available for enforcement.

36 SUBSEQUENT EVENTS

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

37 TRANSACTION AND BALANCES WITH RELATED PARTIES

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

Related parties	Relation
Thai Trung Rolling Joint Stock Company	Subsidiary company
Gia Sang Steel Joint Stock Company	Affiliated Company
Viet Nam Steel Corporation	Parent company
Vnsteel - Hanoi Steel Corporation	Under same parent company
Vnsteel - Hochiminh City Metal Corporation	Under same parent company
Thai Hung Trading Joint-Stock Company	Major shareholders have significant
Members of the Board of Directors, General Director, Supervisory Board, and other managers of the company	Key management members of the company

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

	Year 2024 VND	Year 2023 VND
Revenue from sales of goods and rendering of services	8,458,660,727,145	6,959,660,297,190
Thai Trung Rolling Joint Stock Company	4,864,680,165,105	3,870,423,258,650
Thai Hung Trading Joint Stock Company	3,241,958,652,360	2,968,408,012,250
Vnsteel - Hanoi Steel Corporation	352,021,909,680	120,829,026,290
Purchase of materials, goods, and services	5,883,015,204,227	4,235,086,245,196
Thai Trung Rolling Joint Stock Company	5,283,850,198,551	4,101,508,044,920
Thai Hung Trading Joint Stock Company	513,727,896,100	133,185,473,000
Vnsteel - Hochiminh City Metal Corporation	61,022,340,600	-
Viet Nam Steel Corporation	24,022,041,700	-
Branch of Thai Hung Trading Joint Stock Company	392,727,276	392,727,276
Late payment interest	10,913,796,567	13,926,638,115
Thai Hung Trading Joint Stock Company	10,913,796,567	13,926,638,115

The terms and conditions of the transaction with related parties

The transactions of purchasing and selling goods with Thai Trung Rolling Joint Stock Company ("Thai Trung") primarily involve the Company acting as the seller of steel billets to Thai Trung and simultaneously as the buyer of concrete reinforcing steel produced by this subsidiary. Accordingly, the Company supplies standard steel billets sourced from either imports or domestic production to Thai Trung, ensuring sufficient quantities for production according to the Company's manufacturing plans. The selling prices are specifically detailed in each contract appendix and are based on delivery at Thai Trung's warehouse using the Company's transportation. Additionally, the Company purchases concrete reinforcing steel products produced by Thai Trung. The Company will provide Thai Trung with the production schedule and the product specifications for each purchasing period. The purchased goods will be delivered at Thai Trung's warehouse, using the Company's transportation, at prices mutually agreed upon at the time of purchase, as specified in the corresponding contract appendix.

For the sales transactions with Thai Hung Trading Joint Stock Company and Vnsteel - Hanoi Steel Corporation, these transactions are primarily conducted under annual distribution contracts for the sale of all TISCO-branded reinforcing steel products. Sales volumes are based on the Company's production and the distributors' commitment to consumption. These transactions occur in designated market areas as per the Company's market segmentation regulations. The transaction terms and pricing are consistent with those applied to other distributors of the Company.

For remaining transactions with other related parties, these transactions are conducted at prices and terms similar to standard commercial transactions, as stipulated in the respective contracts.

Remuneration, salaries, and other income of members of the Board of Directors, the General Director, the Supervisory Board, and other managers are as follows:

	Position	Year 2024 VND	Year 2023 VND
Mr. Nghiem Xuan Da	Chairman of the Board of Directors (Appointed on 19/04/2024)	50,076,923	-
Mr. Pham Cong Thao	Chairman of the Board of Directors (Relieved on 19/04/2024)	21,923,077	72,000,000
Mr. Tran Trong Manh	Member of the Board of Directors (Appointed on 19/04/2024)	197,251,912	-
Mr. Tran Tuan Dung	Vice Chairman of the Board of Directors (Resigned on 19/04/2024)	20,096,154	66,000,000
Mr. Le Minh Tu	Member of the Board of Directors	60,000,000	60,000,000
Mr. Le Hong Khue	Member of the Board of Directors	60,000,000	60,000,000
Mr. Le Thanh Thuc	Member of the Board of Directors	60,000,000	60,000,000
Mr. Nguyen Minh Hanh	Member of the Board of Directors, General Director	388,403,200	367,157,185
Mr. Tran Quang Tien	Member of the Board of Directors, Deputy General Director	319,757,850	308,469,510
Mr. Do Trung Kien	Deputy General Director (Retired since 01/06/2023)	1,533,332	133,352,198
Mr. Ha Tuan Hung	Deputy General Director	329,375,450	194,651,648
Mr. Tran Anh Dung	Head of the Supervisory Board	286,496,050	272,576,061
Mr. Bui Quang Hung	Member of the Supervisory Board	42,000,000	42,000,000
Mr. Nguyen Hong Van	Members of the Supervisory Board (Appointed on 19/04/2024)	29,211,538	-
Mr. Tran Quoc Viet	Members of the Supervisory Board (Relieved of duties on 19/04/2024)	12,788,462	42,000,000
Mrs. Nguyen Thi Hue	Member of the Supervisory Board	136,145,400	129,324,800
Mrs. Nguyen Thuy Ha	Member of the Supervisory Board	42,000,000	42,000,000

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

38 COMPARATIVE FIGURES

The comparative figures are figures in the Separate Financial Statements for the fiscal year ended as at 31 December 2023, which was audited by AASC Auditing Firm Company Limited.



Tran Nguyet Anh
Preparer



Hoang Danh Son
Chief Accountant



Nguyen Minh Hanh
General Director

Thai Nguyen, 10 March 2025