



Consolidated Financial Statements

TRANSPORT ENGINEERING DESIGN INC

For the fiscal year ended as at 31 December 2023
(Audited)



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(Audited)



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Transport Engineering Design Inc

No. 278 Ton Duc Thang street, Hang Bot ward, Dong Da district, Hanoi

REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Transport Engineering Design Inc (“the Company”) presents its report and the Company’s Consolidated Financial Statements for the fiscal year ended as at 31 December 2023.

THE COMPANY

Transport Engineering Design Inc is officially converted to Joint stock company under the Business Certificate No. 0100107839 dated 28/09/2010 and its amendments issued by Hanoi Department of Planning and Investment.

The Company’s head office is located at No. 278 Ton Duc Thang street, Hang Bot ward, Dong Da district, Hanoi.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

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

Mr. Hitoshi Yahagi	Chairman
Mr. Pham Huu Son	Vice-chairman
Mrs. Do Thi Phuong Lan	Member
Mr. Do Minh Dung	Member
Mr. Dao Ngoc Vinh	Member

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

Mr. Pham Huu Son	General Director	
Mr. Do Minh Dung	Deputy General Director	
Mr. Nguyen Manh Ha	Deputy General Director	
Mr. Dao Ngoc Vinh	Deputy General Director	
Mr. Tran Quoc Bao	Deputy General Director	Appointed on 15/08/2023
Mr. Bui Tran Long	Deputy General Director	Resigned on 01/07/2023

Members of the Board of Supervision are:

Mr. Mach Thanh Toan	Head of the Board
Mr. Ngo Nam Ha	Member
Mr. Vo Hoang Anh	Member

AUDITORS

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

STATEMENT OF THE BOARD OF GENERAL DIRECTORS’ RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Consolidated 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 Consolidated Financial Statements, the Board of General Directors is required to:

- ▶ Establish and maintain an internal control system which is determined necessary by the Board of General Directors and Board of Management to ensure the preparation and presentation of Consolidated 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 Consolidated Financial Statements;

Transport Engineering Design Inc

No. 278 Ton Duc Thang street, Hang Bot ward, Dong Da district, Hanoi

- ▶ Prepare the Consolidated Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated Financial Statements;
- ▶ Prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors 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 Consolidated Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirms that the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023, its operation results and cash flows in the year then ended of the Company in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.

Other commitments

The Board of General Directors pledges that the Company complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on elaboration of some 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 Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of the Board of General Directors



Pham Huu Son
General Director

Hanoi, 27 March 2024



No: 270324.008/BCTC.FIS2

INDEPENDENT AUDITORS' REPORT

To: The shareholders, the Board of Management and the Board of General Directors
Transport Engineering Design Inc

We have audited the Consolidated Financial Statements of Transport Engineering Design Inc ("the Company") prepared on 27 March 2024, from page 05 to page 35, which comprise Consolidated Statement of financial position as at 31 December 2023, Consolidated Statement of income, Consolidated Statement of cash flows and Notes to the consolidated financial statements for the fiscal year then ended.

Board of General Directors' Responsibility

The Board of General Directors is responsible for the preparation and presentation of Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of Consolidated 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 Consolidated 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 Consolidated Financial Statements are free from material misstatement.

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

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

Auditor's opinion

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the financial position of the Transport Engineering Design Inc as at 31 December 2023, its operating results and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements.



Do Thi Ngoc Dung
Deputy General Director
Registered Auditor No. 0659-2023-002-1

Hanoi, 27 March 2024

Tran Quang Thang
Auditor
Registered Auditor No. 5166-2020-002-1

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

Code	ASSETS	Note	31/12/2023	01/01/2023
			VND	VND
100	A. CURRENT ASSETS		1,142,079,472,844	1,246,417,441,428
110	I. Cash and cash equivalents	3	155,213,660,196	189,722,780,688
111	1. Cash		105,385,411,735	157,665,159,188
112	2. Cash equivalents		49,828,248,461	32,057,621,500
120	II. Short-term investment	4	63,000,356,314	47,792,977,238
123	1. Held-to-maturity investments		63,000,356,314	47,792,977,238
130	III. Short-term receivables		590,801,351,494	651,504,060,839
131	1. Short-term trade receivables	5	527,804,623,565	535,568,115,578
132	2. Short-term prepayments to suppliers	6	62,883,329,549	89,784,160,510
136	3. Other short-term receivables	7	64,651,126,724	76,276,707,051
137	4. Provision for short-term doubtful debts		(64,537,728,344)	(50,124,922,300)
140	IV. Inventories	8	330,097,308,141	356,856,069,860
141	1. Inventories		332,440,686,703	361,669,219,747
149	2. Provision for obsolescence of inventories		(2,343,378,562)	(4,813,149,887)
150	V. Other current assets		2,966,796,699	541,552,803
151	1. Short-term prepaid expenses	9	310,965,473	366,608,629
152	2. VAT deductibles		1,363,046,220	-
153	3. Taxes and other receivables from State budget	14	1,292,785,006	174,944,174
200	B. NON-CURRENT ASSETS		97,145,976,774	88,229,292,627
220	I. Fixed assets		72,801,531,861	73,318,444,153
221	1. Tangible fixed assets	11	69,720,592,105	69,805,816,753
222	- Historical cost		249,909,029,342	245,469,463,563
223	- Accumulated depreciation		(180,188,437,237)	(175,663,646,810)
227	2. Intangible fixed assets	10	3,080,939,756	3,512,627,400
228	- Historical cost		18,272,745,725	18,026,296,225
229	- Accumulated amortization		(15,191,805,969)	(14,513,668,825)
240	II. Long-term assets in progress		2,718,518,518	-
242	1. Construction in-progress		2,718,518,518	-
260	III. Other non-current assets		21,625,926,395	14,910,848,474
261	1. Long-term prepaid expenses	9	21,161,484,989	14,428,083,737
262	2. Deferred tax assets		464,441,406	482,764,737
270	TOTAL ASSETS		1,239,225,449,618	1,334,646,734,055

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

(Continued)

Code	RESOURCES	Note	31/12/2023	01/01/2023
			VND	VND
300	C. LIABILITIES		894,325,958,459	1,014,021,867,221
310	I. Current liabilities		892,632,933,551	1,011,355,877,693
311	1. Short-term trade payables	13	70,688,071,550	79,427,699,204
312	2. Short-term prepayments from customers	16	460,758,033,826	575,184,852,256
313	3. Taxes and other payables to State budget	14	15,968,090,271	19,862,806,796
314	4. Payables to employees		128,537,774,576	128,194,841,349
315	5. Short-term accrued expenses	17	59,745,688,863	58,910,080,423
317	6. Payable relating to construction contracts under percentage of completion method		1,067,451,852	1,067,451,852
318	7. Short-term unrealized revenue		960,000,000	431,000,000
319	8. Other short-term payables	18	130,364,206,092	104,850,895,544
320	9. Short-term borrowings and finance lease liabilities	15	6,615,725,112	20,515,925,496
321	10. Provision for short-term payables	12	2,000,000,000	14,280,000,000
322	11. Bonus and welfare funds		15,927,891,409	8,630,324,773
330	II. Long-term liabilities		1,693,024,908	2,665,989,528
336	1. Long-term unrealized revenue		545,454,545	545,454,545
337	2. Other long-term payables	18	908,637,000	1,255,601,628
338	3. Long-term borrowings and finance lease liabilities	15	238,933,363	864,933,355
400	D. EQUITY		344,899,491,159	320,624,866,834
410	I. Owners' equity	19	344,899,491,159	320,624,866,834
411	1. Contributed charter capital		125,000,000,000	125,000,000,000
411a	- Ordinary shares with voting right		125,000,000,000	125,000,000,000
412	2. Share premium		815,232,000	815,232,000
414	3. Other owner's equity		26,086,235,108	26,086,235,108
416	4. Differences upon asset revaluation		(9,876,529,675)	(9,876,529,675)
418	5. Investment and development fund		89,435,416	89,435,416
421	6. Retained earnings		108,376,498,196	84,579,732,888
421a	- Retained earnings accumulated to previous year		37,039,032,201	21,741,692,437
421b	- Retained earnings of the current year		71,337,465,995	62,838,040,451
429	7. Non - controlling interests		94,408,620,114	93,930,761,097
440	TOTAL RESOURCES		1,239,225,449,618	1,334,646,734,055

Vo Thu Thuy
Preparer

Hanoi, 27 March 2024


Tang Thi Thu Hien
Chief Accountant



Pham Huu Son
General Director

CONSOLIDATED STATEMENT OF INCOME
Year 2023

Code	ITEMS	Note	Year 2023 VND	Year 2022 VND
01	1. Gross revenue from rendering of services	21	1,481,592,380,577	1,463,887,511,867
02	2. Less deductions	22	1,242,175,069	2,323,864,132
10	3. Net revenue from rendering of services		1,480,350,205,508	1,461,563,647,735
11	4. Cost of services rendered	23	1,123,587,873,948	1,118,540,296,714
20	5. Gross profit from services rendered		356,762,331,560	343,023,351,021
21	6. Financial income	24	11,169,229,437	6,211,928,156
22	7. Financial expenses	25	749,387,882	3,711,918,180
23	<i>In which: Interest expense</i>		747,354,100	3,642,589,371
24	8. Profit/(Loss) in associates/joint ventures		-	-
25	9. Selling expenses		-	-
26	10. General administrative expenses	26	244,424,786,520	229,968,296,613
30	11. Operating profit		122,757,386,595	115,555,064,384
31	12. Other incomes		1,588,217,722	1,018,760,854
32	13. Other expenses		1,902,978,762	2,308,583,235
40	14. Other profit		(314,761,040)	(1,289,822,381)
50	15. Accounting profit before tax		122,442,625,555	114,265,242,003
51	16. Current corporate income tax expense	27	25,900,379,337	24,133,836,070
52	17. Deferred corporate income tax expense		18,323,331	(479,898,991)
60	18. Net profit after tax		96,523,922,887	90,611,304,924
61	19. Profit after tax attributable to owners of the parent		71,415,200,297	63,054,551,054
62	20. Profit after tax attributable to non-controlling interests		25,108,722,590	27,556,753,870
70	21. EPS	28	5,707	3,542


Vo Thu Thuy
Preparer


Tang Thi Thu Hien
Chief Accountant




Phạm Hữu Sơn
General Director

Hanoi, 27 March 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2023
(Indirect method)

Code ITEMS	Note	Year 2023 VND	Year 2022 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax	122,442,625,555	114,265,242,003
	2. Adjustments for:		
02	Depreciation and amortization	12,348,248,012	12,228,615,796
03	Provisions	(336,965,281)	20,077,624,822
04	(Gains)/losses from foreign exchange differences due to revaluation	(515,493,746)	48,767,710
05	(Gains) from investment activities	(10,657,353,678)	(7,055,085,603)
06	Interest expense	747,354,100	3,642,589,371
08	3. Profit from operating activities before changes in working capital	124,028,414,962	143,207,754,099
09	(Increase)/Decrease in receivables	44,012,699,821	(216,893,893,766)
10	(Increase)/Decrease in inventories	29,228,533,044	(48,623,617,874)
11	Increase/(Decrease) in payables (excluding interest payables/CIT payables)	(101,267,873,929)	309,371,089,549
12	(Increase) in prepaid expenses	(6,677,758,096)	(5,297,012,087)
14	Interest paid	(727,515,442)	(3,631,988,371)
15	Corporate income tax paid	(25,486,631,486)	(22,772,291,529)
17	Other payments on operating activities	(19,617,222,463)	(14,519,208,561)
20	Net cash inflow from operating activities	43,492,646,411	140,840,831,460
II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets	(14,705,338,129)	(15,686,760,055)
22	2. Proceeds from disposals of fixed assets and long-term assets	119,700,000	907,710,439
23	3. Loans granted, purchases of debt instruments of other entities	(75,746,000,000)	(13,519,948,844)
24	4. Collection of loans, proceeds from sales of debt instruments	60,993,630,137	16,711,128,844
27	5. Interest, dividends and profit received	9,840,007,336	5,734,686,251
30	Net cash outflow from investing activities	(19,498,000,656)	(5,853,183,365)

CONSOLIDATED STATEMENT OF CASH FLOWS

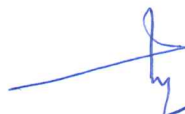
Year 2023
(Indirect method)
(Continued)

Code	ITEMS	Note	Year 2023 VND	Year 2022 VND
III. CASH FLOWS FROM FINANCING ACTIVITIES				
31	1. Proceeds from issue of shares and capital contribution		-	394,155,865
33	2. Proceeds from borrowings		11,756,041,116	157,341,637,740
34	3. Repayment of borrowings		(26,282,241,492)	(190,193,837,533)
36	4. Dividends paid		(44,493,059,617)	(32,578,554,236)
40	Net cash outflow from financing activities		(59,019,259,993)	(65,036,598,164)
50	Net cash flows in the year		(35,024,614,238)	69,951,049,931
60	Cash and cash equivalents at beginning of the year		189,722,780,688	119,820,498,467
61	Impact of foreign exchange fluctuation		515,493,746	(48,767,710)
70	Cash and cash equivalents at the end of the year	3	155,213,660,196	189,722,780,688



Vo Thu Thuy
Preparer

Hanoi, 27 March 2024



Tang Thi Thu Hien
Chief Accountant




Pham Huu Son
General Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year 2023

1. GENERAL INFORMATION OF THE COMPANY

Form of ownership

Transport Engineering Design Inc ("the Company") was established under the Business Certificate No. 0100107839 dated 28/09/2010 and its amendments issued by Hanoi Department of Planning and Investment.

The Company's head office is located at No. 278 Ton Duc Thang street, Hang Bot ward, Dong Da district, Hanoi.

Charter capital of the company at 31 December 2023 is VND 125 billion, equivalent to 12,500,000 shares, par value per share is VND 10,000.

The number of employees of the Parent Company as at 31 December 2023 was 583 employees (as at 31 December 2022: 448 employees).

The number of employees of the Subsidiaries as at 31 December 2023 was 1,107 employees (as at 31 December 2022: 1,174 employees).

Business field

Main business activities of the Company include:

- ▶ Construction consultancy, design, supervision, relating technical assessment (bridge, tunnel; port - waterway construction; railway, etc.);
- ▶ Technical inspection and analysis, measurement of construction materials as well as indicators of geological, hydrological and environmental; transport, civil and industrial engineering works; Quality control, load testing of civil and industrial transportation engineering works.

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

In 2023, the value accepted and accepted for payment increased compared to 2022 because of completing progress of the works and the acceptance of the investors. This resulted in an increase in revenue, cost of goods sold and profit compared to the previous year.

Group structure

The Company's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2023 include:

<u>Company</u>	<u>Address</u>	<u>Interest rate and Voting right</u>	<u>Business activities</u>
1. Bridge – Tunnel Engineering Consultant JSC	Hanoi	51.00%	Transport construction consultancy
2. Road and Bridge Engineering Consultants JSC	Hanoi	50.96%	Consulting construction, inspection and controlling quality of transport engineering
3. Highway Engineering Consultant JSC	Hanoi	51.00%	Transport construction consultancy

<u>Company</u>	<u>Address</u>	<u>Interest rate and Voting right</u>	<u>Business activities</u>
4. Port & Waterway Engineering Consultant JSC	Hanoi	51.00%	Port and waterway construction consultancy
5. Waterway Engineering Consultant JSC	Hanoi	51.60%	Transport construction consultancy
6. Geotechnical And Inspection Design Consultant JSC	Hanoi	66.66%	Consulting construction, inspection and controlling quality of transport engineering
7. Transport Engineering Consultant No.2 JSC	Hanoi	51.00%	Transport construction consultancy
8. Transport Engineering Consultant JSC	Nghe An	51.00%	Transport construction consultancy
9. Consultant Construction Transport Engineering No.5	Da Nang	51.00%	Transport construction consultancy
10. Asia Pacific Engineering Consultant Company	Hanoi	67.26%	Provide engineering consultant service

2. ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 Accounting period and accounting currency

Annual accounting period commences from 01 January and ends on 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 Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance guiding the preparation and presentation of Consolidated Financial Statements.

Statement 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 the preparation of Consolidated Financial Statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Company and Financial Statements of its subsidiaries under its control as at 31 December annually. Control right is achieved when the company has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Consistent accounting policies are applied in the Financial Statements of subsidiaries and the Company.

Balance, main incomes and expenses, including unrealized profits from intra-group transactions are eliminated in full from the consolidated financial statements.

Non-controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Company.

2.4 Accounting estimates

The preparation of Consolidated Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and legal regulations relating to financial reporting requires the Board of General 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 consolidated 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 Consolidated Financial Statements include:

- ▶ Provision for bad debts;
- ▶ Provision for obsolescence of inventories;
- ▶ Estimated useful life of fixed assets;
- ▶ Classification and provision of financial investments;
- ▶ Estimated income tax;
- ▶ Allocation of prepaid expenses.

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 General Directors to be reasonable under the circumstances.

2.5 Financial instruments

Initial recognition

Financial assets

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

Financial liabilities

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

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No.210/2019/TT-BTC and prevailing statutory regulations require to present Financial statements and Notes to financial instruments but not provide any relevant instruction for assessment and recognition of fair value of financial assets and financial liabilities.

2.6 Foreign currency transactions

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

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

- ▶ For asset accounts: applying the bid rate of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV);
- ▶ For foreign currency deposited in bank: applying the bid rate of the commercial bank where the Company opens the accounts;
- ▶ For liability accounts: applying the offer rate of Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV);

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

2.7 Cash and cash equivalents

Cash comprises cash on hand, demand deposits and cash equivalents.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.8 Financial investments

Investments held to maturity comprise term deposits held to maturity to earn profits periodically.

Provision for devaluation of held to maturity is made at the end of the year, based on the recovery capacity to be made provision for bad debt in accordance with statutory regulations.

2.9 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. Receivables are classified as short-term and long-term in the consolidated financial statements based on the remaining term of the receivables 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 possible losses.

2.10 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 specific identification method.
Inventory is recorded by perpetual method.

Cost for work in progress is gathered for each unfinished work or unrecognized revenue, corresponding to the volume of work in progress at the end of the year.

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

2.11 Fixed assets

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

Subsequent measurement after initial recognition

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

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

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

▶ Buildings, structures	05 – 50 years
▶ Machinery, equipment	03 – 20 years
▶ Transportation equipment	06 – 30 years
▶ Office equipment	03 – 10 years
▶ Other tangible fixed assets	04 – 25 years
▶ Computer software	03 – 08 years
▶ Other intangible fixed assets	02 – 20 years

2.12 Construction in progress

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

2.13 Operating leases

Operating leases are 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 income statement on a straight-line basis over the period of the lease.

2.14 Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation may be jointly controlled by venturers under BCC or controlled by one of them.

In case of receiving money or assets from other entities in the BCC, they should be recorded as payables. In case of contributing money or assets to BCC, they should be recorded as receivables. According to the terms of BCC, the venturer receiving the fixed profit every year, irrespective of the contract's operating results, records revenue from property leasing with the amount shared by BCC when receiving announcement from BCC.

2.15 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 year.

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

Prepaid expenses of the Company include:

- ▶ Tools and supplies include assets held by the Company for use in the ordinary course of business, with cost of each asset less than VND 30 million and therefore ineligible for recognition as fixed assets according to current regulations. Cost of tools and supplies is amortized on a straight-line basis over a period of 05 to 60 months.
- ▶ Goodwill arising from the equitization of state-owned enterprise is allocated gradually within no more than 10 years.

- ▶ Major repair expenses are allocated on a straight-line basis over their useful lives from 24 to 36 months.
- ▶ Other prepaid expenses are recognized at cost and allocated on a straight-line basis over their useful lives from 12 to 72 months.

2.16 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. Payables are classified as short-term and long-term in the consolidated financial statements based on the remaining term of the payables at the reporting date.

2.17 Borrowings

Borrowings shall be recorded in details in terms of lending entities, loan agreement and terms of borrowings.

2.18 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".

2.19 Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers during the reporting period, but the payments for such goods or services have not been made and are recorded as operating expenses of the reporting period for instance: accrued interest expense, accrued sub-contractors expense on acceptance of quantity that are recorded as revenue leading to carried forward to cost of services rendered,... 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.

2.20 Deferred revenue

Deferred revenue includes the following prepayment: prepaid amounts from customers for one or more accounting periods on asset leases and other deferred revenues.

Deferred revenue is transferred to revenue from rendering of services the amount matching each accounting period.

2.21 Provision for payables

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 payable is the most reasonably estimated amount required to settle the present debt obligation at the end of the year.

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

Provisions for payables are recorded as operating expenses of the accounting year. In case provision made for the previous accounting period but not used up exceeds the one made for the

current accounting year, the difference is recorded as a decrease in operating expenses. The excess of the provision for payables relating to construction warranty is recorded as other income in the year.

2.22 Owner's equity

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

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

Other capital represents the amount of business capital raised from the addition of the business performance or from donation, sponsorship and revaluation of assets (when an add or less in owner's equity is recognized).

Differences arising from asset revaluation shall be recorded when having the decision of State on asset revaluation, or when carrying out the equitization of State-owned enterprises and other cases in accordance with the provisions of the law.

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.

Distributed dividends are recognised as a payable in the Consolidated Statement of Financial position after the resolution from the General Meeting of Shareholders and the dividend announcement of the Board of Management.

2.23 Revenues

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

Revenue from rendering of services:

- ▶ The percentage of completion of the transaction at the Consolidated Statement of Financial Position date can be measured reliably.

Financial income

Financial incomes include income from interest and foreign exchange gain earned by the Company should be recognized when 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 from capital contribution is established.

2.24 Revenue deductions

Revenue deductions from service provisions arising in the year are trade discounts

Trade discount incurred in the same period of rendering of services are recorded as a decrease in revenue in the incurring period. In case services are rendered 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 Consolidated Financial Statements of the reporting period (the previous period); and if it is incurred after the issuance of Consolidated Financial Statements, it is recorded as a decrease in revenue of incurring period (the next period).

2.25 Cost of services rendered

The recognition of cost of services rendered is the total cost incurred for services rendered to customers matched against revenue in the year and complies with the prudence principle.

2.26 Financial expenses

Items recorded into financial expenses comprise:

- ▶ Borrowing costs;
- ▶ Loss due to foreign exchange differences foreign currencies.

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

2.27 Corporate income tax

a) *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.

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

b) *Current corporate income tax rate*

The Company is subject to corporate income tax of 20% for the year 2023 for the operating activities which has taxable income.

2.28 Basic earnings per share

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

2.29 Related parties

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

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

In considering the relationship of related parties to serve for the preparation and presentation of Consolidated Financial Statements, the Company consider the nature of the relationship, not just the legal form of the relationship.

2.30 Segment information

The Company's operating activities are mainly design consultancy, supervision consultancy for traffic works in the territory of Vietnam. As the total revenue from all sectors or from divisions of other fields accounts for a modest proportion of the total revenue of all divisions, the Company does not prepare segment reports by business sector and geographic area.

3. Cash and cash equivalents

	31/12/2023	01/01/2023
	VND	VND
Cash on hand	7,955,338,405	2,408,746,208
Cash in bank	97,430,073,330	155,256,412,980
Cash equivalents (*)	49,828,248,461	32,057,621,500
	155,213,660,196	189,722,780,688

- (i) As at 31 December 2023, cash equivalents are less than 3 months term deposits at commercial banks with interest rates ranging from 2.1% per year to 5.1% per year.

4. Short-term financial investments

	31/12/2023	01/01/2023
	VND	VND
Term deposits (i)	61,310,245,647	46,102,866,571
Investment capital contribution (ii)	1,690,110,667	1,690,110,667
	63,000,356,314	47,792,977,238

- (i) As at 31 December 2023, held-to-maturity bank deposits are those with original terms from 06 months to 12 months at commercial banks with interest from 4.0% per year to 10.5% per year. The total value of term deposits as collateral for loans as at 31 December 2023 is VND 10 billion (see details at Note 15).
- (ii) Financial investments are capital contributions to business cooperation with Construction Investment and Design Consultancy JSC with the aim of earning interest on a quarterly basis, the interest rate is 10% per year, regardless of the business results of the enterprise managing the business cooperation fund.

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5. Short-term trade receivables

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
Project Management Board No. 6	17,215,199,555	-	33,354,482,065	-
Van Don Infrastructure Development and Investment Co., Ltd	28,725,352,653	-	29,545,228,851	-
Trung Luong - My Thuan BOT JSC	10,453,870,166	-	26,764,083,128	-
Ho Chi Minh Road Project Management Board	7,913,549,286	-	25,935,360,686	-
Bac Giang Project Management Board of Transport Construction	12,211,609,000	-	18,897,480,000	-
Hai Phong Project Management Board of Transport Construction	25,979,351,139	-	18,844,077,659	-
BOT Bien Cuong JSC	12,166,655,481	(4,925,550,659)	12,766,655,481	(1,650,909,070)
Hanoi Project Management Board of Transport Construction	17,215,560,737	-	10,352,436,137	(1,197,923,409)
Hung Yen Department of Transport	2,241,320,000	-	9,324,424,000	-
My Thuan Project Management Board	5,146,978,657	-	3,920,981,904	-
Others	388,535,176,891	(58,435,132,885)	345,862,905,667	(46,099,045,021)
	527,804,623,565	(63,360,683,544)	535,568,115,578	(48,947,877,500)

6. Short-term prepayments to suppliers

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
Transport engineering Consulting JSC No.7	4,351,547,886	-	6,237,583,700	-
Yooshin Engineering Corporation	989,233,000	-	1,867,038,925	-
Trades Transformation Company Limited	5,373,820,628	-	5,373,820,628	-
Long Thanh Survey and Construction JSC	1,667,610,528	-	9,234,097,778	-
Others	50,501,117,507	(323,000,000)	67,071,619,479	(323,000,000)
	62,883,329,549	(323,000,000)	89,784,160,510	(323,000,000)

7. Other short-term receivables

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
a) Details by content				
Advances (i)	46,442,581,335	-	55,316,829,767	-
Personal income tax receivables	7,841,269,593	-	5,271,935,632	-
Others	10,367,275,796	(854,044,800)	15,687,941,652	(854,044,800)
	64,651,126,724	(854,044,800)	76,276,707,051	(854,044,800)
b) Details by object				
Department, Production Center and Staffs	50,813,407,366	-	60,665,057,916	-
Others	13,837,719,358	(854,044,800)	15,611,649,135	(854,044,800)
	64,651,126,724	(854,044,800)	76,276,707,051	(854,044,800)

(i) Advance to the Company's departments and staffs for consulting, surveying and design activities.

8. Inventories

	31/12/2023		01/01/2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	269,338,898	-	267,519,051	-
Tools, supplies	165,821,324	-	83,463,935	-
Work in progress	332,005,526,481	(2,343,378,562)	361,318,236,761	(4,813,149,887)
Van Don - Mong Cai Expressway Project	2,796,635,715	-	2,818,914,430	-
North-South Expressway in the Eastern part of Hanoi to Ho Chi Minh City	-	-	13,210,614,106	-
Construction supervision of the Land and Maritime Connectivity Project of Solomon Island	10,719,670,682	-	8,538,840,800	-
Ring Road 4 - Hanoi capital area, section of National Highway 32 - National Highway 6	10,714,558,400	-	10,714,558,400	-
Project of Renovating and Upgrading Railway Lines Hanoi - Ho Chi Minh City - Vinh Nha Trang, Nha Trang - Ho Chi Minh City	4,979,247,837	-	6,233,681,391	-
Others	302,795,413,847	(2,343,378,562)	319,801,627,633	(4,813,149,887)
	332,440,686,703	(2,343,378,562)	361,669,219,747	(4,813,149,887)

9. Prepaid expenses

	31/12/2023	01/01/2023
	VND	VND
Short-term		
Others	310,965,473	366,608,629
	310,965,473	366,608,629
Long-term		
Dispatched tools and supplies	6,622,937,920	5,163,895,435
Expenses office repair and renovation	5,751,646,490	6,506,244,627
Goodwill	295,545,665	1,004,855,333
Others	8,491,354,914	1,753,088,342
	21,161,484,989	14,428,083,737

10. Intangible fixed assets

	Computer software	Others	Total
	VND	VND	VND
Historical cost			
As at 01/01/2023	17,828,241,046	198,055,179	18,026,296,225
Purchase	644,440,000	-	644,440,000
Liquidating, disposal	(397,990,500)	-	(397,990,500)
As at 31/12/2023	18,074,690,546	198,055,179	18,272,745,725
Accumulated amortization			
As at 01/01/2023	14,315,613,646	198,055,179	14,513,668,825
Amortization	1,024,581,277	-	1,024,581,277
Liquidating, disposal	(346,444,133)	-	(346,444,133)
As at 31/12/2023	14,993,750,790	198,055,179	15,191,805,969
Net carrying amount			
As at 01/01/2023	3,512,627,400	-	3,512,627,400
As at 31/12/2023	3,080,939,756	-	3,080,939,756

Cost of fully amortized intangible fixed assets but still in use at the end of the year: VND 11,358,887,665.

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11. Tangible fixed assets

	Buildings, structures	Machinery, equipment	Transportation vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
As at 01/01/2023	112,186,395,222	69,239,721,340	49,874,903,643	12,027,761,964	2,140,681,394	245,469,463,563
Completed construction investment	3,030,040,319	-	-	-	-	3,030,040,319
Purchase	318,750,000	2,431,913,667	1,357,976,020	4,126,568,681	-	8,235,208,368
Liquidation, disposal	-	(3,749,316,253)	(2,641,856,228)	(374,137,727)	(60,372,700)	(6,825,682,908)
As at 31/12/2023	115,535,185,541	67,922,318,754	48,591,023,435	15,780,192,918	2,080,308,694	249,909,029,342
Accumulated depreciation						
As at 01/01/2023	70,856,875,782	57,791,510,338	36,995,454,033	7,938,018,863	2,081,787,794	175,663,646,810
Depreciation	2,663,583,354	3,477,453,440	3,349,161,900	1,813,684,041	19,784,000	11,323,666,735
Liquidation, disposal	-	(3,722,509,653)	(2,641,856,228)	(374,137,727)	(60,372,700)	(6,798,876,308)
As at 31/12/2023	73,520,459,136	57,546,454,125	37,702,759,705	9,377,565,177	2,041,199,094	180,188,437,237
Net carrying amount						
As at 01/01/2023	41,329,519,440	11,448,211,002	12,879,449,610	4,089,743,101	58,893,600	69,805,816,753
As at 31/12/2023	42,014,726,405	10,375,864,629	10,888,263,730	6,402,627,741	39,109,600	69,720,592,105

The carrying amount of tangible fixed assets pledged as collaterals for borrowings at the end of the year: VND 1,549,640,432;
The historical cost of fully depreciated tangible fixed assets which are still in use at the end of the year: VND 90,286,967,717.

12. Provision for short-term payables

As at 01/01/2023 and 31/12/2023, provision for short-term payables of the Company is the provision for the salary fund of the year 2022 and 2023.

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13. Short-term trade payables

	31/12/2023		01/01/2023	
	Book value VND	Liquidity VND	Book value VND	Liquidity VND
Long Thanh Survey and Construction JSC	9,837,752,219	9,837,752,219	10,997,329,994	10,997,329,994
Engineering Construction Design Investagite JSC	-	-	2,385,636,363	2,385,636,363
T&S Technology Development Co., Ltd	596,711,517	596,711,517	8,406,203,167	8,406,203,167
Apex International Trading and Construction Investment Consultant JSC	1,832,241,710	1,832,241,710	2,071,241,710	2,071,241,710
Others	58,421,366,104	58,421,366,104	55,567,287,970	55,567,287,970
	70,688,071,550	70,688,071,550	79,427,699,204	79,427,699,204

14. Taxes and other payables/ receivables to State budget

	01/01/2023		Year 2023		31/12/2023	
	Receivables VND	Payables VND	Payables VND	Actual payment VND	Receivables VND	Payables VND
Value-added tax	-	9,362,811,856	91,271,140,469	98,093,382,681	1,156,112,556	3,696,682,200
Corporate income tax	117,306,524	5,524,158,275	26,452,006,307	25,486,631,486	-	6,372,226,572
Personal income tax	-	4,859,945,665	26,741,444,458	26,098,856,565	136,672,450	5,639,206,008
Land tax and land rental	57,637,650	115,891,000	5,511,106,613	5,324,899,483	-	244,460,480
Other taxes	-	-	566,493,247	566,493,247	-	-
Fees, charges and other payables	-	-	220,375,204	204,860,193	-	15,515,011
	174,944,174	19,862,806,796	150,762,566,298	155,775,123,655	1,292,785,006	15,968,090,271

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

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15. Loans

	01/01/2023		Year 2023		31/12/2023	
	Book value	Liquidity	Increase	Decrease	Book value	Liquidity
	VND	VND	VND	VND	VND	VND
a) Short-term loans						
a1) Short-term loans	19,889,925,500	19,889,925,500	11,756,041,116	25,656,241,500	5,989,725,116	5,989,725,116
Military Commercial Joint Stock Bank - Dien Bien Phu Branch (i)	13,168,217,297	13,168,217,297	3,370,147	13,171,588,450	(1,006)	(1,006)
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,800,000,000	1,800,000,000	1,000,000,000	2,800,000,000	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch (ii)	149,260,203	149,260,203	2,208,391,050	2,276,505,623	81,145,630	81,145,630
Military Commercial Joint Stock Bank - Thanh Xuan Branch (iii)	-	-	4,048,304,819	932,699,427	3,115,605,392	3,115,605,392
Joint Stock Commercial Bank for Investment and Development of Vietnam (iv)	-	-	3,545,975,100	2,553,000,000	992,975,100	992,975,100
Ho Chi Minh City Development Commercial Joint Stock Bank - Nghe An Branch	-	-	950,000,000	950,000,000	-	-
Individual loans (v)	4,772,448,000	4,772,448,000	-	2,972,448,000	1,800,000,000	1,800,000,000
a2) Current portion of long-term loans	625,999,996	625,999,996	625,999,992	625,999,992	625,999,996	625,999,996
Military Commercial Joint Stock Bank - Thanh Xuan Branch (vi)	625,999,996	625,999,996	625,999,992	625,999,992	625,999,996	625,999,996
	20,515,925,496	20,515,925,496	12,382,041,108	26,282,241,492	6,615,725,112	6,615,725,112
b) Long-term loans	1,490,933,351	1,490,933,351	-	625,999,992	864,933,359	864,933,359
Military Commercial Joint Stock Bank - Thanh Xuan Branch (vi)	1,490,933,351	1,490,933,351	-	625,999,992	864,933,359	864,933,359
	1,490,933,351	1,490,933,351	-	625,999,992	864,933,359	864,933,359
Maturity within next 12 months	(625,999,996)	(625,999,996)	(625,999,992)	(625,999,992)	(625,999,996)	(625,999,996)
Maturity after 12 months	864,933,355	864,933,355	-	-	238,933,363	238,933,363

Detailed information on Short-term loans:

- (i) Credit extension contract No. 145828.23.051.1318276.TD dated 10/07/2023 with Military Commercial Joint Stock Bank - Dien Bien Phu Branch with a total credit limit of VND 180 billion.

The credit extension period is until 21/06/2024, the interest rate is specified according to each contract and the time of loan arising.

The collateral is a construction work on the land at lane 278 Ton Duc Thang, Hang Bot Ward, Dong Da District, Hanoi according to the Certificate of Land Use Rights, ownership of houses and other land-attached assets number DC333804 issued on 09/07/2021.

- (ii) Credit limit agreement No. 01/2023/134643/HĐTD dated 05/06/2023 with Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch, total credit limit is VND 210 billion.

The credit extension period is until 31 May 2024, interest rate is regulated for each specific sub-contract.

The collateral is Mortgage/guarantee/escrow contracts entered before, on the same day and after the signing date of this credit contract with a total value of VND 10 billion with the Joint Stock Commercial Bank for Investment and Development of Vietnam (details in Note 04).

- (iii) 6 months term loans with interest rates ranging from 8.5% to 8.96% per year between Asia Pacific Engineering Consultant Company and Military Commercial Joint Stock Bank - Thanh Xuan Branch for the purpose of paying salaries to employees. These loans are secured by term deposits.

- (iv) Loan under Credit Contract No. 01/2023/256787/HĐTD dated 08 September 2023, credit limit is VND 12,000,000,000. Loan purpose: supplementing working capital, guarantee. The term of credit limit is 12 months, loan term, interest rate and fee are determined according to each specific credit contract.

- (v) Personal loan contract with interest rate from 10% to 12% per year, loan period from 06 -12 months. The form of security is unsecured, with the purpose of borrowing to serve business activities.

Detailed information on Long-term borrowings

- (vi) Including loan contracts for the purpose of buying automobiles for production and business activities. The loan term is 60 months from the next day of disbursement. The loan interest rate is determined according to the floating interest rate and specified in the debt receipts:

- Loan under loan contract No. 23229.19.014.3588549.TD dated 19/06/2019. Loan balance as at 31/12/2023 is VND 244,533,351, of which the current portion is VND 244,533,351. Loan secured by Toyota car with original price of VND 2,486,518,182.
- Loan under loan contract No. 67587.21.014.3588549TD dated 20/12/2021 with Loan balance as at 31/12/2023 is VND 620,400,008, of which the current portion is VND 381,466,645. Loan secured by a Ford Everest car with the original price of VND 1,441,516,364.

16. Short-term prepayments from customers

	31/12/2023	01/01/2023
	VND	VND
Related Parties	554,709,637	554,709,637
Oriental Consultant Company Global Ltd.,	554,709,637	554,709,637
Other Parties	460,203,324,189	574,630,142,619
Project Management Board No. 6	22,294,758,277	46,728,301,993
Thang Long Project Management Board	9,860,454,098	45,159,153,410
Project Management Board No. 2	13,644,461,025	35,826,609,162
Project Management Board No. 7	3,990,388,999	30,055,320,796
Ministry of Infrastructure Development of Solomon Island	24,297,217,246	28,505,110,569
Project Management Board No. 85	15,596,609,000	23,530,884,000
Traffic Project Management Board of Cai Mep - Thi Vai port area	15,657,628,471	21,998,164,500
Him Lam Corporation - Ha Noi Branch	20,914,263,600	20,914,263,600
Hanoi Project Management Board of Transport Construction	18,422,852,909	20,458,393,000
Nam Dinh Department of Transportation	5,000,000,000	15,287,723,000
Hai Phong Project Management Board of Transport Construction	24,988,858,208	13,640,832,550
Tuyen Quang Department of Transportation	2,813,103,000	7,716,885,190
Others	282,722,729,356	264,808,500,849
	460,758,033,826	575,184,852,256

17. Short-term accrued expenses

As at 01/01/2023 and 31/12/2023, short-term accrued expenses are accrued expenses of subcontractors that have not yet been accepted.

18. Other payables

	31/12/2023	01/01/2023
	VND	VND
a) Short-term		
a.1) Details by content		
Trade union fee	602,349,350	1,078,481,066
Payables production and business expenses	118,838,472,136	95,787,514,266
Receipts and payments on behalf	259,124,368	1,502,225,042
Dividends or profits payables	2,649,055,125	1,824,486,742
Other payables	8,015,205,113	4,658,188,428
	130,364,206,092	104,850,895,544
a.2) Details by object		
Department, Production Center	111,239,944,611	88,175,818,939
Other payables	19,124,261,481	16,675,076,605
	130,364,206,092	104,850,895,544
b) Long-term		
Long-term deposits, collateral received	908,637,000	1,255,601,628
	908,637,000	1,255,601,628

Transport Engineering Design Inc

No. 278 Ton Duc Thang street, Hang Bot ward, Dong Da district, Hanoi

Consolidated Financial Statements

For the fiscal year ended as at 31/12/2023

19. Owner's equity

a) Changes in owner's equity

	Contributed charter capital	Share premium	Other capital	Treasury shares	Asset revaluation differences	Investment development fund	Retained earnings	Non- controlling interest	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
As at 01/01/2022	125,000,000,000	815,232,000	19,540,090,000	(652,800)	(9,876,529,675)	89,435,416	62,247,923,730	78,507,816,007	276,323,314,678
Profit for previous year	-	-	-	-	-	-	63,054,551,054	27,556,753,870	90,611,304,924
Capital increase	-	-	-	-	-	-	-	394,155,865	394,155,865
Dividend contribution	-	-	6,546,145,108	-	-	-	(31,546,145,108)	(7,798,374,955)	(32,798,374,955)
Bonus and welfare fund contribution	-	-	-	-	-	-	(8,967,656,736)	(4,576,208,532)	(13,543,865,268)
Bonus fund distributed from profit of 2022	-	-	-	-	-	-	(216,510,604)	(157,624,461)	(374,135,065)
Other increase	-	-	-	652,800	-	-	7,570,552	4,243,303	12,466,655
As at 01/01/2023	125,000,000,000	815,232,000	26,086,235,108	-	(9,876,529,675)	89,435,416	84,579,732,888	93,930,761,097	320,624,866,834
Profit for current year	-	-	-	-	-	-	71,415,200,297	25,108,722,590	96,523,922,887
Dividend payment (i)	-	-	-	-	-	-	(28,750,000,000)	(16,567,628,000)	(45,317,628,000)
Bonus and welfare fund contribution (i)	-	-	-	-	-	-	(18,567,507,268)	(7,915,706,766)	(26,483,214,034)
Temporarily appropriate funds from profits in 2023 (ii)	-	-	-	-	-	-	(77,734,302)	(38,880,763)	(116,615,065)
Other increase	-	-	-	-	-	-	(223,193,419)	(108,648,044)	(331,841,463)
As at 31/12/2023	125,000,000,000	815,232,000	26,086,235,108	-	(9,876,529,675)	89,435,416	108,376,498,196	94,408,620,114	344,899,491,159



- (i) According to the Resolution of the General Meeting of Shareholders No. 11-NQ/TEDI-DHDCD dated 05/05/2023, the Company announced the distribution of profits for 2022 as follows:

	Rate %	Amount VND
Net Profit after tax		42,519,433,636
Dividend payment (equivalent to 2,300 VND/share)	67.6%	28,750,000,000
Bonus and Welfare fund	15.4%	6,541,433,636
Bonus for the Board of General Directors	3.5%	1,488,000,000
Bonus for the Sales fund	3.5%	1,488,000,000
Undistributed profit	10.0%	4,252,000,000

Subsidiaries distribute profit after tax as follows:

	Distributed in Subsidiaries	
	Parent company VND	Non - controlling interests VND
Dividend payment	19,148,452,000	16,567,628,000
Bonus and Welfare fund	9,050,073,632	7,915,706,766

- (ii) During the year, the subsidiary - Geotechnical and Inspection - Design Consultant Construction JSC temporarily deducted the Welfare and Bonus Fund and the Bonus for the Board of General Directors in 2023 from Profit after tax in 2023 according to the decision of the Board of General Directors of the Company.

b) Details of Contributed capital

	31/12/2023		01/01/2023	
	VND	%	VND	%
Oriental Consultant Company Global Ltd.,	43,737,100,000	34.99	42,669,100,000	34.14
Trans Across VP Inc.	320,000,000	0.26	320,000,000	0.26
Mr. Pham Huu Son	10,623,500,000	8.50	10,623,500,000	8.50
Red One Infrastructure Investment Fund	37,640,500,000	30.11	37,640,500,000	30.11
Union shareholders	350,000,000	0.28	350,000,000	0.28
Others	32,328,900,000	25.86	33,396,900,000	26.72
	125,000,000,000	100.00	125,000,000,000	100.00

c) Share

	31/12/2023	01/01/2023
	Share	Share
Quantity of Authorized issuing shares	12,500,000	12,500,000
Quantity of issued shares	12,500,000	12,500,000
- Common shares	12,500,000	12,500,000
Quantity of outstanding shares in circulation	12,500,000	12,500,000
- Common shares	12,500,000	12,500,000
Par value per share (VND)	10,000	10,000

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

	Year 2023	Year 2022
	VND	VND
Owner's contributed capital		
- At the beginning of the year	125,000,000,000	125,000,000,000
- At the end of the year	125,000,000,000	125,000,000,000
Distributed dividends and profit:		
- Distributed dividends payable at the beginning of the year	1,824,486,743	1,604,666,024
- Distributed dividends payable in the year	45,317,628,000	32,798,374,955
+ <i>Dividend payment from last year's profit</i>	45,317,628,000	32,798,374,955
- Distributed dividends paid by cash	44,493,059,617	32,578,554,236
+ <i>Dividend payment from last year's profit</i>	44,493,059,617	32,578,554,236
Distributed dividends payable at the end of the year	2,649,055,126	1,824,486,743

20. Off Statement of Financial Position items

Foreign currencies

	31/12/2023	01/01/2023
USD	456,792.91	164,613.07
SBD	152,012.82	339,036.72

Operating leased assets

The Company leases land and pays the annual rental according to announcements of tax authority for the usage of head office and working offices, details are as follows:

<u>Land</u>	<u>Contract</u>	<u>Rental period</u>	<u>Area (m2)</u>
Transport Engineering Design Inc			
No. 278 Ton Duc Thang, Hang Bot ward, Dong Da district	No. 708/HDTD-STNMT-PC dated 25/08/2016	50 years	5,533 m2
No. 237 Luong The Vinh, Trung Van ward, Nam Tu Liem District	No. 279/HDTD dated 17/07/2015	50 years	1,357 m2
No. 10 Trung Kinh, Trung Hoa ward, Cau Giay district	No. 301/HDTD dated 29/07/2015	50 years	2,581 m2
No. 15A Hoang Hoa Tham, ward 6, Binh Thanh district	No. 7188/HD-TNMT-QLSDD dated 09/10/2014	50 years	322.9 m2
Transport Engineering Consultant JSC No5			
No. 229 Truong Chinh, An Khe ward, Thanh Khe district, Da Nang	No. 424/HD-TD dated 20/9/2007 & Appendix 424/PLHD:3/2017 dated 31/07/2017	15 years	3,441 m2
No. 569 Nguyen Tat Thanh, Tuy Hoa City, Quy Nhon Province	No. 94/PK-HDTD dated 22/09/2011 and Appendix 45/2017/PL-HDTD dated 15/06/2017	15 years	1,520 m2

<u>Land</u>	<u>Contract</u>	<u>Rental period</u>	<u>Area (m2)</u>
Transport Engineering Design Consultant JSC			
No. 2 Le Ninh Street, Quan Bau Ward, Vinh City, Nghe An Province	Decision No. 362/QD-UBND.DC dated 15/08/2007 by People's Committee of Nghe An province	40 years	2,435.4 m2
Waterway Engineering Consultant JSC			
No. 57, lane 29, Khuong Ha street, Khuong Dinh ward, Thanh Xuan district, Hanoi	No. 78-07/HDTDTN dated 22/02/2007	27 years 10 months and 10 days	2,569 m2
No. 19B, Thanh Luong Ward, Hai Ba Trung District, Hanoi	No. 02-2006/TNMTND-HDTDTN dated 19/01/2006	30 years	1,993.4 m2
Port & Waterway Engineering Consultant JSC			
No. 2 Ben Binh, Minh Khai Ward, Hong Bang District, Hai Phong	No. 457/QD - UBND dated 18/03/2009 by People's Committee of Hai Phong city	50 years	1,096 m2
Highway Engineering Consultant JSC			
Group 113, cluster 20, Vinh Tuy ward, Hai Ba Trung district, Hanoi	Decision 6059/QD-UBND dated 07/10/2013 by Hanoi People's Committee	50 years	591.3 m2
Geotechnical and Inspection - Design Consultant Construction JSC			
No. 237 Luong The Vinh, Trung Van ward, Nam Tu Liem district, Hanoi	No. 707/HDTD-STNMT-PC dated 24/08/2016	50 years	1,962 m2
No. 13 Nguyen An Ninh, Tuong Mai ward, Hoang Mai district, Hanoi	No. 455/HDTĐ-STNMT-CCQLDD dated 16/08/2018	Annual	511 m2
Transport Engineering Consultant JSC No2			
No. 28 Vinh Ho, Nga Tu So ward, Dong Da district, Hanoi	Decision No. 242/QD-UBND dated 11/01/2018	Annual	547.5 m2

21. Revenue from rendering of services

	<u>Year 2023</u>	<u>Year 2022</u>
	VND	VND
Revenue from rendering of services	1,481,592,380,577	1,463,887,511,867
	<u>1,481,592,380,577</u>	<u>1,463,887,511,867</u>

22. Revenue deductions

	Year 2023	Year 2022
	VND	VND
Deduction for the revenue from rendering of services	1,242,175,069	2,323,864,132
	1,242,175,069	2,323,864,132

23. Cost of services rendered

	Year 2023	Year 2022
	VND	VND
Cost of services rendered	1,123,587,873,948	1,118,540,296,714
	1,123,587,873,948	1,118,540,296,714

24. Financial income

	Year 2023	Year 2022
	VND	VND
Interest income	8,216,006,645	3,971,494,497
Dividends or profits received	2,400,000,000	2,220,000,000
Gain on forex differences in the year	29,905,186	6,731,819
Gain on forex differences at year-end	515,493,922	11,322,305
Others	7,823,684	2,379,535
	11,169,229,437	6,211,928,156

25. Financial expenses

	Year 2023	Year 2022
	VND	VND
Interest expenses	747,354,100	3,642,589,371
Loss on forex differences in the year	2,033,606	9,238,794
Loss on forex differences at year-end	176	60,090,015
	749,387,882	3,711,918,180

26. General and administrative expenses

	Year 2023	Year 2022
	VND	VND
Raw materials	3,537,740,099	6,738,939,880
Labour expenses	120,045,252,114	107,478,803,696
Offices Supplies	2,978,779,845	2,536,608,057
Depreciation and amortization expenses	5,546,893,419	5,357,452,447
Tax, Charge and Fee	8,580,530,707	7,560,799,587
Provision expenses	9,620,556,191	25,328,878,974
Expenses of outsourcing services	28,870,339,023	23,012,336,542
Others	65,244,695,122	51,954,477,430
	244,424,786,520	229,968,296,613

27. Current income tax (“CIT”) expenses

	Year 2023	Year 2022
	VND	VND
Current corporate income tax expenses	10,629,473,382	8,016,317,413
Current corporate income tax expenses in Subsidiaries	15,270,905,955	16,117,518,657
Total current corporate income tax expense	25,900,379,337	24,133,836,070

28. Basic earnings per share

The calculation of earnings per share which can be distributed to the shareholders of ordinary shares of the Company is implemented based on the following data:

	Year 2023	Year 2022
Net profit after tax	71,415,200,297	63,054,551,054
Adjustments:	(77,734,302)	(18,784,017,872)
- <i>Bonus and welfare fund, bonus for the Board of General Directors</i>	(77,734,302)	(18,784,017,872)
Profit distributed to common shares	71,337,465,995	44,270,533,182
Average number of outstanding common shares in circulation in the period	12,500,000	12,500,000
	5,707	3,542

The adjustment to the Bonus and Welfare Fund and the bonus for the Board of General Directors in 2023 is determined according to the temporary deductions of the Geotechnical and Inspection - Design Consultant Construction JSC from Profit after tax in 2023 (Note 19). The parent company and other subsidiaries have not planned to make any distribution to Bonus and welfare fund, bonus for the Board of General Directors from the net profit after tax at the date of preparing Consolidated Financial Statements.

Basic earnings per share in 2022 have been adjusted retrospectively as regulated by Vietnamese Accounting Standards No. 30 – Basic earnings per share due to the effects of the distribution of profit after tax in 2022 according to the Resolution of the General Meeting Shareholder’s Council No. 11-NQ/TEDI-DHDCD dated 05/05/2023.

As at 31/12/2023, the Company does not have shares with dilutive potential for earnings per share.

29. Business and productions cost by items

	Year 2023	Year 2022
	VND	VND
Raw materials	115,499,340,019	142,550,895,356
Labour expenses	516,973,533,606	507,873,888,308
Insurance expenses, Trade union fee	24,066,304,192	22,307,226,145
Depreciation and amortization expenses	12,200,870,972	12,198,947,338
Provision expenses	10,021,336,928	25,077,624,822
Expenses of outsourcing services	158,757,494,708	209,714,507,769
Other expenses	233,805,602,743	191,704,887,835
Expenses from subcontracting	268,052,200,484	285,738,600,963
	1,339,376,683,652	1,397,166,578,536

30. Financial instruments

Financial risk management

Financial risks that the Company may face risks including: market risk, credit risk and liquidity risk. The Company has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Company is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

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

Exchange rate risk:

The Company bears the risk of interest rates due to the transaction made in a foreign currency other than VND such as: borrowings and debts, revenue, cost, importing materials, goods, machinery and equipment,...

Interest rate risk:

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

Credit Risk

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

	Under 1 year	From	More	Total
	VND	1 to 5 years	than 5 years	VND
	VND	VND	VND	VND
As at 31/12/2023				
Cash and cash equivalents	147,258,321,791	-	-	147,258,321,791
Trade and other receivables	528,241,021,945	-	-	528,241,021,945
Loans	63,000,356,314	-	-	63,000,356,314
	738,499,700,050	-	-	738,499,700,050
As at 01/01/2023				
Cash and cash equivalents	187,314,034,480	-	-	187,314,034,480
Trade and other receivables	562,042,900,329	-	-	562,042,900,329
Loans	47,792,977,238	-	-	47,792,977,238
	797,149,912,047	-	-	797,149,912,047

Liquidity Risk

Liquidity risk is the risk that the Company has trouble in settlement of its due date financial obligations due to the lack of funds. The Company's liquidity risk mainly arises from the fact that financial assets and financial liabilities have different maturity dates.

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

	Under 1 year	From 1 to 5 years	More than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2023				
Borrowing and debts	6,615,725,112	238,933,363	-	6,854,658,475
Trade and other payables	201,052,277,642	908,637,000	-	201,960,914,642
Accrued expenses	59,745,688,863	-	-	59,745,688,863
	267,413,691,617	1,147,570,363	-	268,561,261,980
As at 01/01/2023				
Borrowing and debts	20,515,925,496	864,933,355	-	21,380,858,851
Trade and other payables	184,278,594,748	1,255,601,628	-	185,534,196,376
Accrued expenses	58,910,080,423	-	-	58,910,080,423
	263,704,600,667	2,120,534,983	-	265,825,135,650

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

31. Subsequent events after the reporting period

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

32. Transactions and balances with related parties

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

<u>Related parties</u>	<u>Relationship</u>
Oriental Consultant Company Global Ltd.,	Shareholder

In addition to the information with related parties presented in the above Notes, during the year, the Company has remuneration transactions for members of the Board of Management, Board of General Directors and Board of Supervision as follows:

	Year 2023	Year 2022
	VND	VND
Board of Management	619,210,000	376,600,000
Mr. Hitoshi Yahaghi	355,400,000	207,540,000
Mr. Phung Tien Trung (resigned on 06/05/2022)	-	116,360,000
Mrs. Do Thi Phuong Lan (appointed on 06/05/2022)	263,810,000	52,700,000
Board of General Directors	6,918,868,327	6,188,982,536
Mr. Pham Huu Son (i)	1,701,974,525	1,630,902,745
Mr. Do Minh Dung (i)	1,467,108,315	1,266,405,940
Mr. Dao Ngoc Vinh (i)	1,505,477,083	1,358,980,196
Mr. Nguyen Manh Ha	1,248,551,099	1,042,028,041
Mr. Bui Tran Long (resigned on 01/07/2023)	568,268,305	890,665,614
Mr. Tran Quoc Bao (appointed on 15/08/2023)	427,489,000	-
Board of Supervision	1,957,833,218	1,480,095,637
Mrs. Pham Thi Hong Nhung (resigned on 06/05/2022)	-	76,100,000
Mr. Mach Thanh Toan (appointed on 06/05/2022)	189,680,000	39,500,000
Mr. Ngo Nam Ha (ii)	761,977,643	602,705,911
Mr. Vo Hoang Anh (ii)	1,006,175,575	761,789,726
	9,495,911,545	8,045,678,173

- (i) Including salary, bonus, allowance and remuneration for Board of Management.
(ii) Including salary, bonus and allowance of other positions in the Company.

In addition to the above related party transactions, other related parties did not have any transactions during the year and do not have a balance at the end of the financial year with the Company.

33. Comparative figures

The corresponding figures are those taken from the consolidated financial statements for the fiscal year ended as at 31/12/2022, which was audited by AASC Limited.

34. Approval of the Consolidated financial statements

The Consolidated financial statements were approved by the Board of General Directors and authorized for issuance on 27 March 2024.



Vo Thu Thuy
Preparer

Hanoi, 27 March 2024



Tang Thi Thu Hien
Chief Accountant



Pham Huu Son
General Director