

Separate Financial Statements

TRANSPORT ENGINEERING DESIGN INC

For the fiscal year ended as at 31 December 2023
(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 Separate Financial Statements for the year ended as at 31 December 2023.

THE COMPANY

Transport Engineering Design Inc 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.

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

The 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

The 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

The 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 Limited have taken the audit of the Separate Financial Statements for the Company.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of General Directors 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 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 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;

Transport Engineering Design Inc

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

- ▶ Prepare the Separate 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 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 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 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 General Directors confirms that the Separate 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 2023 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 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, 08 March 2024



No.: 080324.009/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 Separate Financial Statements of Transport Engineering Design Inc ("the Company") prepared on 08 March 2024, from page 05 to page 35, which comprise Separate Statement of financial position as at 31 December 2023, Separate Statement of income, Separate Statement of cash flows and Notes to the separate financial statements for the fiscal year ended as at 31 December 2023.

Board of General Directors' Responsibility

The Board of General Directors 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 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 Separate 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 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 audit opinion.

Auditor's opinion

In our opinion, the Separate 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 Financial Statements.



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

Hanoi, 08 March 2024

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

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

Code	ASSETS	Note	31/12/2023	01/01/2023
			VND	VND
100	A. CURRENT ASSETS		505,281,938,903	501,523,091,611
110	I. Cash and cash equivalents	3	66,609,323,773	58,507,587,805
111	1. Cash		46,509,323,773	48,507,587,805
112	2. Cash equivalents		20,100,000,000	10,000,000,000
120	II. Short-term investment		26,771,626,165	11,270,000,000
123	1. Held-to-maturity investments	4	26,771,626,165	11,270,000,000
130	III. Short-term receivables		260,512,993,200	272,312,242,496
131	1. Short-term trade receivables	5	203,492,038,819	193,645,882,177
132	2. Short-term prepayments to suppliers	6	48,034,951,181	65,575,425,012
136	3. Other short-term receivables	8	38,824,191,880	32,195,468,882
137	4. Provision for short-term doubtful debts		(29,838,188,680)	(19,104,533,575)
140	IV. Inventories	9	151,096,897,392	159,300,393,017
141	1. Work in progress		151,096,897,392	159,300,393,017
150	V. Other current assets		291,098,373	132,868,293
151	1. Short-term prepaid expenses		264,179,842	3,210,855
152	2. VAT deductibles		26,918,531	-
153	3. Taxes and other receivables from State budget	13	-	129,657,438
200	B. NON-CURRENT ASSETS		124,352,688,369	118,082,819,765
220	I. Fixed assets	11	55,931,750,008	53,518,202,748
221	1. Tangible fixed assets		54,766,476,009	52,131,712,403
222	- Historical cost		151,318,081,123	145,163,741,265
223	- Accumulated depreciation		(96,551,605,114)	(93,032,028,862)
227	2. Intangible fixed assets		1,165,273,999	1,386,490,345
228	- Historical cost		7,703,077,827	7,617,494,327
229	- Accumulated amortisation		(6,537,803,828)	(6,231,003,982)
240	II. Long-term assets in progress		2,718,518,518	-
242	1. Construction in-progress	7	2,718,518,518	-
250	III. Long-term investments		54,328,968,387	54,328,968,387
251	1. Investments in subsidiaries	4	54,328,968,387	54,328,968,387
260	IV. Other non-current assets		11,373,451,456	10,235,648,630
261	1. Long-term prepaid expenses	10	11,373,451,456	10,235,648,630
270	TOTAL ASSETS		629,634,627,272	619,605,911,376

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2023
(Continued)

Code	RESOURCES	Note	31/12/2023 VND	01/01/2023 VND
300	C. LIABILITIES		430,269,572,459	444,853,418,287
310	I. Current liabilities		429,545,935,459	443,782,816,659
311	1. Short-term trade payables	12	33,121,660,039	27,375,616,045
312	2. Short-term prepayments from customers	15	229,540,627,646	277,372,897,595
313	3. Taxes and other payables to State budget	13	4,422,897,013	2,167,323,903
314	4. Payables to employees	16	60,041,587,099	39,848,699,644
315	5. Short-term accrued expenses	17	53,894,611,080	48,892,159,782
319	6. Other short-term payables	18	44,052,552,900	33,779,547,428
320	7. Short-term borrowings and finance lease liabilities	14	81,144,624	13,317,477,500
322	8. Bonus and welfare funds		4,390,855,058	1,029,094,762
330	II. Long-term liabilities		723,637,000	1,070,601,628
337	1. Other long-term payables	18	723,637,000	1,070,601,628
400	D. EQUITY		199,365,054,813	174,752,493,089
410	I. Owners' equity	19	199,365,054,813	174,752,493,089
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
421	3. Retained earnings		73,549,822,813	48,937,261,089
421a	- Retained earnings accumulated to previous year		10,669,827,453	6,417,827,453
421b	- Retained earnings of the current year		62,879,995,360	42,519,433,636
440	TOTAL RESOURCES		629,634,627,272	619,605,911,376

Vo Thu Thuy
Preparer

Tang Thi Thu Hien
Chief Accountant



Pham Huu Son
General Director

Hanoi, 08 March 2024

SEPARATE STATEMENT OF INCOME
Year 2023

Code	ITEMS	Note	Year 2023 VND	Year 2022 VND
01	1. Gross revenue from rendering of services	21	717,833,724,152	581,346,071,422
02	2. Less deductions	21	252,764,448	148,136,364
10	3. Net revenue from rendering of services	21	717,580,959,704	581,197,935,058
11	4. Cost of services rendered	22	541,419,958,973	440,650,485,186
20	5. Gross profit from services rendered		176,161,000,731	140,547,449,872
21	6. Financial income	23	26,796,312,369	12,817,595,759
22	7. Financial expenses	24	41,862,114	2,568,267,041
23	<i>In which: Interest expense</i>		39,828,508	2,503,365,903
25	8. Selling expenses		-	-
26	9. General administrative expenses	25	129,254,314,434	99,754,586,546
30	10. Operating profit		73,661,136,552	51,042,192,044
31	11. Other incomes		299,896,783	25,837,916
32	12. Other expenses		451,564,593	529,413,165
40	13. Other loss		(151,667,810)	(503,575,249)
50	14. Accounting profit before tax		73,509,468,742	50,538,616,795
51	15. Current corporate income tax expense	26	10,629,473,382	8,016,317,413
52	16. Deferred corporate income tax expense		-	2,865,746
60	17. Net profit after tax		62,879,995,360	42,519,433,636



Vo Thu Thuy
Preparer

Hanoi, 08 March 2024



Tang Thi Thu Hien
Chief Accountant




Phạm Hữu Sơn
General Director

SEPARATE STATEMENT OF CASH FLOWS
Year 2023
(Direct method)

Code	ITEMS	Note	Year 2023 VND	Year 2022 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Proceeds from sales of goods and rendering of services and other revenues		718,425,340,707	719,823,701,529
02	2. Cash paid to suppliers		(298,891,785,636)	(300,182,113,366)
03	3. Cash paid to employees		(188,817,204,209)	(162,345,933,553)
04	4. Interests paid		(39,828,508)	(2,503,365,903)
05	5. Corporate income tax paid		(8,600,485,297)	(9,576,907,067)
06	6. Other receipts from operating activities		1,212,879,237	2,145,930,545
07	7. Other payments on operating activities		(170,438,943,016)	(171,668,540,461)
20	Net cash flow from operating activities		52,849,973,278	75,692,771,724
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		(10,885,437,948)	(8,218,542,455)
23	2. Loans and purchase of debt instruments from other entities		(60,400,000,000)	(1,270,000,000)
24	3. Collection of loans and resale of debt instrument of other entities		45,000,000,000	10,000,000,000
25	4. Equity investments in other entities		-	(809,689,892)
27	5. Interest and dividend received		22,995,085,640	12,744,198,134
30	Net cash flow from investing activities		(3,290,352,308)	12,445,965,787
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	1. Proceeds from borrowings		2,211,761,197	141,940,827,386
34	2. Repayment of principal		(15,448,094,073)	(167,246,660,202)
36	3. Dividends and profits paid to owners		(28,736,890,000)	(24,988,600,000)
40	Net cash flow from financing activities		(41,973,222,876)	(50,294,432,816)
50	Net cash flows in the year		7,586,398,094	37,844,304,695
60	Cash and cash equivalents at the beginning of the year		58,507,587,805	20,718,945,454
61	Effect of exchange rate fluctuations		515,337,874	(55,662,344)
70	Cash and cash equivalents at the end of the year	3	66,609,323,773	58,507,587,805

Vo Thu Thuy
Preparer

Tang Thi Thu Hien
Chief Accountant



Pham Huu Son
General Director

Hanoi, 08 March 2024

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
Year 2023

1. GENERAL INFORMATION

Form of ownership

Transport Engineering Design Inc 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 31/12/2023 is VND 125 billion, equivalent to 12,500,000 shares, par value per share is VND 10,000.

The number of employees of the Company as at 31 December 2023 is 583 employees (as at 31 December 2022: 448 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 Separate 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.

Corporate structure

Besides its head office, the Company has the following dependent units:

<u>Name</u>	<u>Address</u>	<u>Operation</u>
Construction - Architecture Design Consulting Company Limited	No. 278 Ton Duc Thang street, Hang Bot ward, Dong Da district, Ha Noi	Related technical inspection, consulting, technical inspection and analysis,....
Ho Chi Minh City Branch	No. 15 (on the right) Hoang Hoa Tham Street, Ward 6, Binh Thanh District, Ho Chi Minh City.	Construction consultancy, design, supervision, relating technical assessment, technical inspection and analysis,....

Information about the Company's subsidiaries: details in Note 04.

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 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 Systems.

2.3 Basis for preparation of Separate Financial Statements

Separate Financial Statements are presented based on historical cost principles.

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

In the Separate Financial Statements of the Company, the intra-group balances and transactions related to assets, equity, receivables and payables are eliminated in full.

The users of these Separate Financial Statements should study the Separate Financial Statements combined with the Consolidated Financial Statements of the Company and its subsidiaries (the "Group") for the fiscal year ended as at 31/12/2023 in order to gain enough information regarding the financial position, operating results and cash flows of the Group.

2.4 Accounting estimates

The preparation of Separate Financial Statements in conformity with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and legal regulations relating to financial reporting requires the Board of General Director 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 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 prices 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.

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 foreign currency deposited in bank: applying the bid 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 fiscal 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.

Investments in subsidiaries are initially recognized at original cost. After initial recognition, the value of these investments is 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:

- ▶ With regard to investments held to maturity: the provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

- ▶ With regard to investments in subsidiaries, provision for devaluation of investments is made when the investee has incurred a loss, the provision shall be made based on the financial statements of subsidiaries at the provision making date.

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 interim separate 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 the 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.

At the end of the period, the value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the period.

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.

2.11 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 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 lives as follows:

- | | |
|--------------------------------------|---------------|
| ▶ Buildings, structures | 05 – 50 years |
| ▶ Machinery, equipment | 03 – 20 years |
| ▶ Vehicles, transportation equipment | 06 – 30 years |

- | | |
|----------------------------------|---------------|
| ▶ Office equipment and furniture | 03 – 10 years |
| ▶ Other tangible fixed assets | 04 – 25 years |
| ▶ Computer software | 03 – 08 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 year of the lease.

2.14 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, 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 15 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.

2.15 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 interim separate financial statements based on the remaining term of the payables at the reporting date.

2.16 Borrowings

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

2.17 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".

2.18 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, which are recorded as operating expenses of the reporting period.

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

2.19 Owner's equity

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

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

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

Dividends to be paid to shareholders are recognised as a payable in the Separate Statement of Financial position after the Resolution of General Meeting of Shareholders and the dividend announcement of the Board of Management.

2.20 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 Separate Statement of Financial Position date can be measured reliably.

Financial income

Financial incomes include income from interest, foreign exchange gain and other financial incomes shall be recognised when the two conditions are satisfied:

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

2.21 Revenue deductions

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

Trade discounts incurred in the same year of rendering of services are recorded as a decrease in revenue in the incurring year. In case services are sold in the previous years, but until the next year 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 Separate Financial Statements of the reporting year (the previous year); and if it is incurred after the issuance of Separate Financial Statements, it is recorded as a decrease in revenue of incurring year (the next year).

2.22 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.

2.23 Financial expenses

Items recorded into financial expenses comprise:

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

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

2.24 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.

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.

2.25 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 Separate Financial Statements, the Company consider the nature of the relationship, not just the legal form of the relationship.

2.26 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 gross sales outside Vietnam's geographic area 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	6,450,602,409	839,839,461
Cash in bank	40,058,721,364	47,667,748,344
Cash equivalents (i)	20,100,000,000	10,000,000,000
	66,609,323,773	58,507,587,805

(i) Cash equivalents are 02 – 03 months term deposits at Military Commercial Joint Stock Bank - Dien Bien Phu Branch and Joint Stock Commercial Bank for Investment and Development - Hanoi Branch of Vietnam with interest rates from 2.9% - 3.75% per year.

4. Financial investments

a) Held to Maturity Investment

	31/12/2023		01/01/2023	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Term deposits	26,771,626,165	-	11,270,000,000	-
	26,771,626,165	-	11,270,000,000	-

Deposits with term of 06 - 12 months at Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi Branch, National Citizen Bank - Hanoi Branch, Military Commercial Joint Stock Bank - Dien Bien Phu Branch and Prosperity And Growth Commercial Joint Stock Bank with interest rates from 4.75% – 5.4% per year. The total value of term deposits as collateral for loans as at 31/12/2023 is VND 10 billion (see details at Note 13).

b) Investment in subsidiaries

	31/12/2023	01/01/2023
	VND	VND
Waterway Engineering Consultant JSC	2,903,313,669	2,903,313,669
Geotechnical and Inspection - Design Consultant Construction JSC	8,137,951,975	8,137,951,975
Transport Engineering Consultant JSC No2	5,495,993,461	5,495,993,461
Transport Engineering Design Consultant JSC	2,701,818,608	2,701,818,608
Transport Engineering Consultant JSC No5	7,030,053,149	7,030,053,149
Bridge - Tunnel Engineering Consultant JSC	7,347,124,822	7,347,124,822
Highway Engineering Consultant JSC	7,222,223,491	7,222,223,491
Road and Bridge Engineering Consultants JSC	4,030,440,000	4,030,440,000
Port & Waterway Engineering Consultant JSC	4,384,470,000	4,384,470,000
Asia Pacific Engineering Consultants Company	5,075,579,212	5,075,579,212
	54,328,968,387	54,328,968,387

Fair value of these financial investments has not been determined by the Company as the Vietnamese Accounting Standards and the Vietnamese Enterprise Accounting System have not yet provided specific guidance on determining fair value.

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Detailed information of the Company's subsidiaries on 31 December 2023 is as follows:

Name of subsidiaries	Establishment address	Interest rate and Voting right	Business activities
1. Waterway Engineering Consultant JSC	29/57 Khuong Ha Street, Khuong Dinh Ward, Thanh Xuan District, Hanoi	51.60%	Transport construction consultancy
2. Geotechnical and Inspection - Design Consultant Construction JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	66.66%	Transport construction consultancy and quality inspection
3. Transport Engineering Consultant JSC No2	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Transport construction consultancy
4. Transport Engineering Design Consultant JSC	No. 2, Le Ninh Street, Vinh City, Nghe An Province.	51.00%	Transport construction consultancy
5. Transport Engineering Consultant JSC No5	No. 229 Truong Chinh Street, An Khe Ward, Thanh Khe District, Da Nang	51.00%	Transport construction consultancy
6. Bridge - Tunnel Engineering Consultant JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Transport construction consultancy
7. Highway Engineering Consultant JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Transport construction consultancy
8. Road and Bridge Engineering Consultants JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	50.96%	Transport construction consultancy and quality inspection
9. Port & Waterway Engineering Consultant JSC	No. 278 Ton Duc Thang Street, Dong Da District, Hanoi	51.00%	Port and waterway construction consultancy
10. Asia Pacific Engineering Consultants Company	Room 301, Tower D 10 Giang Vo Ward, Ba Dinh District, Hanoi	67.26%	Engineering consulting services

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5. Short-term trade receivables

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
Related Parties	7,107,937,504	-	8,877,371,212	-
Waterway Engineering Consultant JSC	-	-	80,954,560	-
Geotechnical and Inspection - Design Consultant Construction JSC	96,812,817	-	73,114,196	-
Transport Engineering Consultant JSC No2	275,141,120	-	655,150,520	-
Transport Engineering Design Consultant JSC	-	-	420,887,800	-
Transport Engineering Consultant JSC No5	164,360,680	-	243,867,240	-
Bridge - Tunnel Engineering Consultant JSC	1,506,705,604	-	1,403,052,205	-
Highway Engineering Consultant JSC	778,454,255	-	867,072,216	-
Road and Bridge Engineering Consultants JSC	638,920,447	-	1,996,748,109	-
Port & Waterway Engineering Consultant JSC	3,493,421,538	-	2,867,435,566	-
Asia Pacific Engineering Consultants Company	154,121,043	-	269,088,800	-
Other Parties	196,384,101,315	(28,993,188,680)	184,768,510,965	(18,259,533,575)
Van Don Infrastructure Development and Investment Co., Ltd	25,437,612,505	-	25,187,641,675	-
Thang Long Project Management Board	9,584,697,373	-	663,874,248	-
Hanoi Project Management Board of Transport Construction	15,282,295,737	-	8,334,725,137	-
Trung Luong - My Thuan BOT JSC	10,453,870,166	-	26,764,083,128	-
Project Management Board No. 7	7,451,839,498	-	3,433,894,000	-
Bien Cuong BOT JSC	9,998,819,101	(4,925,550,659)	9,998,819,101	-
Project Management Board No. 6	7,734,546,074	-	7,813,480,326	-
Hanoi City Civil Engineering Construction Investment Project Management Board	13,729,278,373	-	2,207,008,100	-
Others	96,711,142,488	(24,067,638,021)	100,364,985,250	(18,259,533,575)
	203,492,038,819	(28,993,188,680)	193,645,882,177	(18,259,533,575)

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6. Short-term prepayments to suppliers

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
Related Parties	13,122,680,500	-	22,265,042,302	-
Waterway Engineering Consultant JSC	5,795,584,700	-	7,874,165,000	-
Geotechnical and Inspection - Design Consultant Construction JSC	4,177,177,300	-	7,647,343,950	-
Transport Engineering Consultant JSC No2	30,000,000	-	30,000,000	-
Transport Engineering Design Consultant JSC	100,000,000	-	1,727,251,065	-
Bridge - Tunnel Engineering Consultant JSC	81,600,000	-	81,600,000	-
Transport Engineering Consultant JSC No5	1,280,877,500	-	557,022,287	-
Road and Bridge Engineering Consultants JSC	283,047,000	-	1,946,160,000	-
Port & Waterway Engineering Consultant JSC	1,374,394,000	-	2,401,500,000	-
Other Parties	34,912,270,681	-	43,310,382,710	-
Trades Transformation Co., Ltd	5,373,820,628	-	5,373,820,628	-
Phap Hoa Construction and Traffic JSC	1,235,000,000	-	2,330,000,000	-
Transport Engineering Consultant JSC No7	2,750,387,556	-	4,571,682,200	-
TAFCO Hanoi JSC	-	-	2,575,280,000	-
Others	25,553,062,497	-	28,459,599,882	-
	48,034,951,181	-	65,575,425,012	-

7. Construction in-progress

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
Project to renovate and upgrade house D at 278 Ton Duc Thang	2,718,518,518	-	-	-
	2,718,518,518	-	-	-

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8. Other short-term receivables

	31/12/2023		01/01/2023	
	Value VND	Provision VND	Value VND	Provision VND
a) Details by content				
Dividends Receivables	4,186,302,800	-	1,301,562,000	-
Advances (i)	27,639,525,892	-	22,891,968,662	-
Personal income tax receivables	2,184,838,253	-	3,377,289,518	-
Others	4,813,524,935	(845,000,000)	4,624,648,702	(845,000,000)
	38,824,191,880	(845,000,000)	32,195,468,882	(845,000,000)
b) Details by object				
Related Parties	6,173,153,001	-	3,792,718,368	-
Waterway Engineering Consultant JSC	-	-	35,270,000	-
Geotechnical and Inspection - Design Consultant Construction JSC	444,496,300	-	489,473,500	-
Transport Engineering Consultant JSC No2	15,000,000	-	91,000,000	-
Transport Engineering Design Consultant JSC	-	-	10,000,000	-
Transport Engineering Consultant JSC No5	24,600,000	-	16,000,000	-
Bridge - Tunnel Engineering Consultant JSC	74,913,861	-	301,099,595	-
Highway Engineering Consultant JSC	15,000,000	-	166,000,000	-
Road and Bridge Engineering Consultants JSC	1,181,104,325	-	1,333,112,968	-
Port & Waterway Engineering Consultant JSC	1,463,650,515	-	1,350,762,305	-
Asia Pacific Engineering Consultants Company	2,954,388,000	-	-	-
Other Parties	32,651,038,879	(845,000,000)	28,402,750,514	(845,000,000)
Department, Production Center and Staffs	27,639,525,892	-	22,891,968,662	-
Others	5,011,512,987	(845,000,000)	5,510,781,852	(845,000,000)
	38,824,191,880	(845,000,000)	32,195,468,882	(845,000,000)

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

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9. Inventories

	31/12/2023		01/01/2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Work in progress				
- Ring road 4 - Hanoi capital region section Highway 32 - Highway 6	10,714,558,400	-	10,714,558,400	-
- Van Don - Mong Cai expressway	2,796,635,715	-	2,818,914,430	-
- Hoa Binh - Son La (Moc Chau) expressway	3,184,011,491	-	3,184,011,491	-
- North - South expressway in the east - Hanoi section	-	-	13,210,614,106	-
- Improving and upgrading railway Hanoi - Ho Chi Minh City - Vinh Nha Trang, Nha Trang - Ho Chi Minh City	4,979,247,837	-	6,233,681,391	-
- Construction supervision of Land and Maritime Connectivity Project	10,719,670,682	-	8,538,840,800	-
- Others	118,702,773,267	-	114,599,772,398	-
	151,096,897,392	-	159,300,393,017	-

10. Long-term prepaid expenses

	31/12/2023		01/01/2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Tools and supplies	3,616,054,258		2,808,539,878	
Company's goodwill	295,545,665		1,004,855,333	
Repairing costs	4,046,845,657		5,386,021,685	
Others	3,415,005,876		1,036,231,734	
	11,373,451,456	-	10,235,648,630	-

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11. Fixed assets ("FA")

	Tangible FA					Total
	Intangible FA	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Office equipment and furniture	
	VND	VND	VND	VND	VND	VND
Historical cost						
As at 01/01/2023	7,617,494,327	94,726,644,499	24,876,211,659	17,007,803,606	8,242,103,001	145,163,741,265
Completed construction investment	-	3,030,040,319	-	-	-	3,030,040,319
Purchase	168,712,000	-	625,000,000	1,357,976,020	2,985,191,091	4,968,167,111
Liquidation, disposal	(83,128,500)	-	(1,030,129,872)	(666,500,000)	(86,865,000)	(1,843,867,572)
As at 31/12/2023	7,703,077,827	97,756,684,818	24,471,081,787	17,699,279,626	11,140,429,092	151,318,081,123
Accumulated depreciation						
As at 01/01/2023	6,231,003,982	53,755,292,600	19,573,882,837	14,155,469,291	5,236,405,634	93,032,028,862
Depreciation	389,928,346	2,191,445,982	1,394,738,840	644,074,234	1,133,184,768	5,363,443,824
Liquidation, disposal	(83,128,500)	-	(1,030,129,872)	(666,500,000)	(86,865,000)	(1,843,867,572)
As at 31/12/2023	6,537,803,828	55,946,738,582	19,938,491,805	14,133,043,525	6,282,725,402	96,551,605,114
Net carrying amount						
As at 01/01/2023	1,386,490,345	40,971,351,899	5,302,328,822	2,852,334,315	3,005,697,367	52,131,712,403
As at 31/12/2023	1,165,273,999	41,809,946,236	4,532,589,982	3,566,236,101	4,857,703,690	54,766,476,009

Cost of fully depreciated/ amortized tangible and intangible fixed assets but still in use at the end of the year are VND 30,528,117,792 and VND 4,638,867,916 respectively.

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12. Short-term trade payables

	31/12/2023		01/01/2023	
	Book value VND	Liquidity VND	Book value VND	Liquidity VND
Related Parties	14,031,666,318	14,031,666,318	13,017,978,939	13,017,978,939
Waterway Engineering Consultant JSC	2,475,589,088	2,475,589,088	2,179,532,643	2,179,532,643
Geotechnical and Inspection - Design Consultant Construction JSC	1,736,470,297	1,736,470,297	1,052,449,147	1,052,449,147
Transport Engineering Consultant JSC No2	191,373,000	191,373,000	191,373,000	191,373,000
Transport Engineering Design Consultant JSC	556,429,687	556,429,687	295,411,087	295,411,087
Transport Engineering Consultant JSC No5	1,372,597,000	1,372,597,000	1,595,529,000	1,595,529,000
Bridge - Tunnel Engineering Consultant JSC	465,882,000	465,882,000	465,882,000	465,882,000
Highway Engineering Consultant JSC	3,946,797,424	3,946,797,424	4,412,631,424	4,412,631,424
Road and Bridge Engineering Consultants JSC	2,394,220,038	2,394,220,038	2,088,591,038	2,088,591,038
Port & Waterway Engineering Consultant JSC	892,307,784	892,307,784	736,579,600	736,579,600
Other Parties	19,089,993,721	19,089,993,721	14,357,637,106	14,357,637,106
GEOTEST JSC	-	-	585,631,500	585,631,500
Transport Engineering Consultant JSC No7	2,940,674,342	2,940,674,342	948,367,350	948,367,350
Trung Chinh Trading And Construction Company Limited	2,585,203,936	2,585,203,936	-	-
Bang Giang Consulting JSC	1,645,619,000	1,645,619,000	-	-
Others	11,918,496,443	11,918,496,443	12,823,638,256	12,823,638,256
	33,121,660,039	33,121,660,039	27,375,616,045	27,375,616,045

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13. Taxes and other receivables /payables 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	-	295,069,040	38,995,812,600	38,980,428,525	-	310,453,115
Corporate income tax	72,019,788	-	10,629,473,382	8,600,485,297	-	1,956,968,297
Personal income tax	-	1,872,254,863	11,690,560,058	11,407,339,320	-	2,155,475,601
Land tax and land rental	57,637,650	-	3,195,968,017	3,138,330,367	-	-
Other taxes	-	-	491,019,786	491,019,786	-	-
Fees, charges and other payables	-	-	67,964,000	67,964,000	-	-
	129,657,438	2,167,323,903	65,070,797,843	62,685,567,295	-	4,422,897,013

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 Separate Financial Statements could be changed at a later date upon final determination by the tax authorities.

14. Short-term borrowings

	01/01/2023		Year 2023		31/12/2023	
	Book value VND	Liquidity VND	Increase VND	Decrease VND	Book value VND	Liquidity VND
Joint Stock Commercial Bank for Investment and Development of Vietnam - Hanoi branch (1) - <i>Credit Card</i>	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 - <i>Overdraft loans</i>	13,168,217,297	13,168,217,297	3,370,147	13,171,588,450	(1,006)	(1,006)
	13,317,477,500	13,317,477,500	2,211,761,197	15,448,094,073	81,144,624	81,144,624



(1) 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).

15. Short-term prepayments from customers

	<u>31/12/2023</u>	<u>01/01/2023</u>
	VND	VND
Related Parties	2,074,129,637	2,811,613,637
Bridge - Tunnel Engineering Consultant JSC	244,800,000	804,792,000
Transport Engineering Consultant JSC No2	181,200,000	181,200,000
Highway Engineering Consultant JSC	926,120,000	1,103,612,000
Road and Bridge Engineering Consultants JSC	167,300,000	167,300,000
Oriental Consultant Company Global Ltd.,	554,709,637	554,709,637
Other Parties	227,466,498,009	274,561,283,958
Hanoi Project Management Board of Transport Construction	18,341,925,909	20,415,775,000
Project Management Board No. 2	265,577,400	22,925,261,658
Him Lam Corporation - Hanoi Branch	20,914,263,600	20,914,263,600
Hanoi City Civil Engineering Construction Investment Project Management Board	3,096,452,000	2,601,641,000
Ministry of Infrastructure Development - Solomon Islands	24,297,217,246	28,505,110,569
Project Management Board No. 85	12,519,439,000	20,397,613,000
Project Management Board No. 6	5,580,579,408	11,426,779,007
Thang Long Project Management Board	8,870,737,457	30,264,560,986
Hai Phong Project Management Board of Transport Construction	9,386,692,000	8,160,000,000
Joint venture Petro Trade (Laos) and HT (Vietnam)	8,950,185,608	8,894,650,478
Others	115,243,428,381	100,055,628,660
	<u>229,540,627,646</u>	<u>277,372,897,595</u>

16. Payables to employees

	<u>31/12/2023</u>	<u>01/01/2023</u>
	VND	VND
Payables to employees	60,041,587,099	39,848,699,644
	<u>60,041,587,099</u>	<u>39,848,699,644</u>

In which, information about the number of employees, the employee's salary fund and average income are as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
Average number of employees (person)	583	448
Salary fund of employees (VND)	184,451,760,307	138,659,985,408
Average income (VND/person/month)	26,365,317	25,792,408

17. Short-term accrued expenses

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

18. Other payables

	<u>31/12/2023</u>	<u>01/01/2023</u>
	VND	VND
a) Short-term		
a.1) Details by content		
Trade union fee	155,668,600	270,169,000
Payables production and business expenses	40,280,447,194	29,558,571,388
Receipts and payments on behalf	259,124,368	1,502,225,042
Dividends or profits payables	87,495,000	74,385,000
Other payables	3,269,817,738	2,374,196,998
	<u>44,052,552,900</u>	<u>33,779,547,428</u>
a.2) Details by object		
Department, Production Center	39,695,032,927	28,141,487,960
Other payables	4,357,519,973	5,638,059,468
	<u>44,052,552,900</u>	<u>33,779,547,428</u>
b) Long-term		
Long-term deposits, collateral received	723,637,000	1,070,601,628
	<u>723,637,000</u>	<u>1,070,601,628</u>

19. Owner's equity

a) Changes in owner's equity

	Contributed capital VND	Share Premium VND	Retained earnings VND	Total VND
As at 01/01/2022	125,000,000,000	815,232,000	35,026,117,453	160,841,349,453
Profit of the previous year	-	-	42,519,433,636	42,519,433,636
Distribution of profit of 2021:	-	-	(28,608,290,000)	(28,608,290,000)
<i>Divident</i>	-	-	(25,000,000,000)	(25,000,000,000)
<i>Other funds distribution</i>	-	-	(3,608,290,000)	(3,608,290,000)
As at 01/01/2023	125,000,000,000	815,232,000	48,937,261,089	174,752,493,089
Profit of the current year	-	-	62,879,995,360	62,879,995,360
Distribution of profit of 2022 (i):	-	-	(38,267,433,636)	(38,267,433,636)
<i>Divident</i>	-	-	(28,750,000,000)	(28,750,000,000)
<i>Other funds distribution</i>	-	-	(9,517,433,636)	(9,517,433,636)
As at 31/12/2023	125,000,000,000	815,232,000	73,549,822,813	199,365,054,813

(i) According to the Resolution No. 11-NQ/TEDI-DHDCD dated 05/05/2023, the Company announced its 2022 profit distribution 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 Volume	3.5%	1,488,000,000
Undistributed profit	10.0%	4,252,000,000

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) Capital transactions with owners and distribution of dividends and profits

	Year 2023 VND	Year 2022 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		
- Dividend payable at the beginning of the year	74,385,000	62,985,000
- Dividend payable in the year	28,750,000,000	25,000,000,000
+ Dividend payable from previous year's profit	28,750,000,000	25,000,000,000
- Dividend paid in cash in the year	28,736,890,000	24,988,600,000
+ Dividend payable from previous year's profit	28,736,890,000	24,988,600,000
Dividend payable at the end of the year	87,495,000	74,385,000

d) Share

	31/12/2023 Share	01/01/2023 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

20. Off Statement of Financial Position items

a) Foreign currencies

	31/12/2023	01/01/2023
USD	456,100.35	164,071.20
SBD	152,012.82	339,036.72

b) Operating leased assets

The Company has rented the land areas and paid rental annually as announcement from Tax authority for use of head office and working office, details are as follows

<u>Land</u>	<u>Contract</u>	<u>Rental period</u>	<u>Area (m2)</u>
No.278 Ton Duc Thang, Hang Bot ward, Dong Da district, Hanoi	No. 708/HDTD-STNMT-PC dated 25/08/2016	From 15/10/1993 to 14/10/2043	5,533 m2
No.237 Luong The Vinh, Trung Van ward, Nam Tu Liem district, Hanoi	No. 279/HDTD dated 17/07/2015	From 15/10/1993 to 14/10/2043	1,357 m2
No.10 Trung Kinh, Trung Hoa ward, Cau Giay district, Hanoi	No. 301/HDTD dated 29/07/2015	From 06/01/2014 to 05/01/2064	2,581 m2
No.15A Hoang Hoa Tham, ward 6, Binh Thanh district, Ho Chi Minh City	No. 7188/HĐ-TNMT-QLSDD dated 09/10/2014	From 19/12/2008 to 18/12/2058	322.9 m2

21. Revenue from rendering of services

	Year 2023	Year 2022
	VND	VND
Revenue from rendering of services	717,833,724,152	581,346,071,422
Deductible	252,764,448	148,136,364
<i>Reduction of the price of services rendered</i>	<i>252,764,448</i>	<i>148,136,364</i>
	<u>717,580,959,704</u>	<u>581,197,935,058</u>
In which: Revenue from related parties (Note 30)	<u>12,419,087,438</u>	<u>15,112,857,508</u>

22. Cost of services rendered

	Year 2023	Year 2022
	VND	VND
Cost of services rendered	541,419,958,973	440,650,485,186
	<u>541,419,958,973</u>	<u>440,650,485,186</u>
In which: Revenue from related parties (Note 30)	<u>73,106,488,692</u>	<u>48,439,809,923</u>

23. Financial income

	Year 2023	Year 2022
	VND	VND
Interest income	4,716,044,758	1,274,096,976
Dividends or profits received	21,548,452,000	11,534,387,429
Gain on forex differences in the year	8,654,053	6,731,819
Gain on forex differences at year-end	515,337,874	-
Others	7,823,684	2,379,535
	<u>26,796,312,369</u>	<u>12,817,595,759</u>
In which, Income from related parties (Note 30)	<u>19,148,452,000</u>	<u>9,314,387,429</u>

24. Financial expenses

	Year 2023	Year 2022
	VND	VND
Interest expenses	39,828,508	2,503,365,903
Loss on forex differences in the year	2,033,606	9,238,794
Loss on forex differences at year-end	-	55,662,344
	<u>41,862,114</u>	<u>2,568,267,041</u>

25. General and administrative expenses

	Year 2023	Year 2022
	VND	VND
Raw materials	1,458,126,658	3,307,983,685
Labour expenses	47,120,245,999	37,245,814,641
Offices supplies	1,373,816,860	1,107,810,551
Depreciation and amortization expenses	3,101,051,623	3,010,597,947
Tax, Charge and Fee	5,720,022,455	4,987,640,720
Provisions	10,733,655,105	3,737,635,735
Expenses of outsourcing services	16,446,038,775	13,236,190,434
Other expenses	43,301,356,959	33,120,912,833
	129,254,314,434	99,754,586,546

26. Current corporate income tax ("CIT") expense

	Year 2023	Year 2022
	VND	VND
Profit before tax	73,509,468,742	50,538,616,795
Increase	1,040,490,670	867,082,540
- <i>Ineligible expenses</i>	1,040,490,670	867,082,540
Decrease	(21,548,452,000)	(11,548,716,162)
- <i>Dividend payment</i>	(21,548,452,000)	(11,534,387,429)
- <i>Adjustment to aggregation</i>	-	(14,328,733)
Taxable income	53,001,507,412	39,856,983,173
CIT expense (Tax rate 20%)	10,600,301,481	7,971,396,634
Previous CIT expense	29,171,901	44,920,779
Current CIT expense	10,629,473,382	8,016,317,413
Tax payable at the beginning of the year	(72,019,788)	1,488,569,866
Tax paid in the year	(8,600,485,297)	(9,576,907,067)
CIT payable at the end of the year	1,956,968,297	(72,019,788)

27. Business and production costs by items

	Year 2023	Year 2022
	VND	VND
Raw materials	26,336,443,600	35,448,029,626
Labour expenses	227,219,460,728	189,385,549,419
Insurance expenses, Trade union fee	6,384,438,086	5,561,097,370
Depreciation and amortization expenses	5,753,372,170	5,438,496,018
Provision expenses	10,733,655,105	3,737,635,735
Expenses of outsourcing services	72,627,359,246	73,235,737,247
Other expenses	112,067,168,710	100,690,971,220
Expenses from subcontracting	201,348,880,137	145,021,445,276
	662,470,777,782	558,518,961,911

28. 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 risks 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 VND	From 1 to 5 years VND	More than 5 years VND	Total VND
As at 31/12/2023				
Cash and cash equivalents	60,158,721,364	-	-	60,158,721,364
Trade and other receivables	212,478,042,019	-	-	212,478,042,019
Loans	26,771,626,165	-	-	26,771,626,165
	299,408,389,548	-	-	299,408,389,548
As at 01/01/2023				
Cash and cash equivalents	57,667,748,344	-	-	57,667,748,344
Trade and other receivables	206,736,817,484	-	-	206,736,817,484
Loans	11,270,000,000	-	-	11,270,000,000
	275,674,565,828	-	-	275,674,565,828

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 VND	From 1 to 5 years VND	More than 5 years VND	Total VND
As at 31/12/2023				
Borrowing and debts	81,144,624	-	-	81,144,624
Trade and other payables	77,174,212,939	723,637,000	-	77,897,849,939
Accrued expenses	53,894,611,080	-	-	53,894,611,080
	131,149,968,643	723,637,000	-	131,873,605,643
As at 01/01/2023				
Borrowing and debts	13,317,477,500	-	-	13,317,477,500
Trade and other payables	61,155,163,473	1,070,601,628	-	62,225,765,101
Accrued expenses	48,892,159,782	-	-	48,892,159,782
	123,364,800,755	1,070,601,628	-	124,435,402,383

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.

29. 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 separate financial statements.

30. 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>
Waterway Engineering Consultant JSC	Subsidiary
Geotechnical and Inspection - Design Consultant Construction JSC	Subsidiary
Transport Engineering Consultant JSC No2	Subsidiary
Transport Engineering Design Consultant JSC	Subsidiary
Transport Engineering Consultant JSC No5	Subsidiary
Bridge - Tunnel Engineering Consultant JSC	Subsidiary
Highway Engineering Consultant JSC	Subsidiary
Road and Bridge Engineering Consultants JSC	Subsidiary
Port & Waterway Engineering Consultant JSC	Subsidiary
Asia Pacific Engineering Consultants Company	Subsidiary
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 transactions with related parties as follows:

Rendering of services:

	Year 2023 VND	Year 2022 VND
Rendering of services - Brand management fee	1,756,991,000	2,905,915,000
Waterway Engineering Consultant JSC	53,897,000	99,032,000
Geotechnical and Inspection - Design Consultant Construction JSC	80,930,000	56,943,000
Transport Engineering Consultant JSC No2	295,724,000	576,804,000
Transport Engineering Design Consultant JSC	42,605,000	82,985,000
Transport Engineering Consultant JSC No5	149,871,000	263,303,000
Bridge - Tunnel Engineering Consultant JSC	378,676,000	543,108,000
Highway Engineering Consultant JSC	358,217,000	575,939,000
Road and Bridge Engineering Consultants JSC	195,789,000	185,212,000
Port & Waterway Engineering Consultant JSC	86,566,000	174,164,000
Asia Pacific Engineering Consultants Company	114,716,000	348,425,000
Rendering of services - Office rental	5,444,671,457	6,328,872,365
Waterway Engineering Consultant JSC	74,618,182	38,690,909
Transport Engineering Consultant JSC No2	173,894,182	744,293,819
Bridge - Tunnel Engineering Consultant JSC	308,072,728	337,527,272
Highway Engineering Consultant JSC	2,177,407,273	1,908,500,364
Road and Bridge Engineering Consultants JSC	906,250,910	832,901,818
Port & Waterway Engineering Consultant JSC	1,449,078,182	1,720,530,910
Asia Pacific Engineering Consultants Company	355,350,000	746,427,273
Rendering of services - Water and Electricity	1,822,638,509	1,854,023,310
Waterway Engineering Consultant JSC	270,643	322,300
Bridge - Tunnel Engineering Consultant JSC	1,026,491,750	982,875,967
Highway Engineering Consultant JSC	363,563,066	329,820,981
Road and Bridge Engineering Consultants JSC	206,893,242	180,846,287
Port & Waterway Engineering Consultant JSC	186,278,709	270,375,240
Asia Pacific Engineering Consultants Company	39,141,099	89,782,535
Rendering of services - Factory of documents	200,141,402	94,117,200
Geotechnical and Inspection - Design Consultant Construction JSC	63,783,260	54,100,200
Transport Engineering Consultant JSC No5	25,387,042	-
Bridge - Tunnel Engineering Consultant JSC	2,136,000	1,935,000
Highway Engineering Consultant JSC	97,755,100	38,082,000
Transport Engineering Consultant JSC No2	8,680,000	-
Asia Pacific Engineering Consultants Company	2,400,000	-
Rendering of services - Consulting services	3,194,645,070	3,929,929,633
Transport Engineering Consultant JSC No2	-	116,416,296
Transport Engineering Design Consultant JSC	-	341,012,963
Transport Engineering Consultant JSC No5	-	431,818,182
Bridge - Tunnel Engineering Consultant JSC	1,620,007,689	662,682,407
Highway Engineering Consultant JSC	1,574,637,381	2,377,999,785
	12,419,087,438	15,112,857,508

Service and asset purchase transactions:

	Year 2023	Year 2022
	VND	VND
Waterway Engineering Consultant JSC	12,603,599,566	12,568,808,218
Geotechnical and Inspection - Design Consultant Construction JSC	31,583,837,750	17,647,280,891
Transport Engineering Design Consultant JSC	4,636,656,340	7,439,851,852
Transport Engineering Consultant JSC No5	1,246,741,784	4,396,452,779
Bridge - Tunnel Engineering Consultant JSC	1,195,677,527	-
Highway Engineering Consultant JSC	-	1,855,429,651
Road and Bridge Engineering Consultants JSC	13,796,923,652	-
Port & Waterway Engineering Consultant JSC	7,646,923,891	4,531,986,532
Asia Pacific Engineering Consultants Company	396,128,182	-
	73,106,488,692	48,439,809,923

Profits and Dividends distributions:

	Year 2023	Year 2022
	VND	VND
Waterway Engineering Consultant JSC	544,896,000	408,672,000
Geotechnical and Inspection - Design Consultant Construction JSC	916,826,300	-
Transport Engineering Consultant JSC No2	3,468,000,000	1,734,000,000
Transport Engineering Design Consultant JSC	571,200,000	499,800,000
Transport Engineering Consultant JSC No5	1,725,075,000	925,650,000
Bridge - Tunnel Engineering Consultant JSC	3,350,700,000	1,080,410,970
Highway Engineering Consultant JSC	3,396,600,000	765,000,000
Road and Bridge Engineering Consultants JSC	1,299,566,700	668,894,959
Port & Waterway Engineering Consultant JSC	928,200,000	822,088,500
Asia Pacific Engineering Consultants Company	2,947,388,000	2,409,871,000
	19,148,452,000	9,314,387,429

Remuneration to Board of General Directors, Board of Management and Board of Supervision as follows:

	Year 2023 VND	Year 2022 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 salaries, bonuses, allowances for Board of Management.

(ii) Including salaries, bonuses, allowances for other positions in the Company.

Except for the transactions with related party as mentioned above, other related parties have no transaction during the period and no closing balance as at the balance sheet date with the Company.

31. Comparative figures

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

32. Approval of the Separate financial statements

The Separate Financial statements were approved by the Board of General Directors and authorized for issuance on 08 March 2024.



Vo Thu Thuy
Preparer



Tang Thi Thu Hien
Chief Accountant




Pham Huu Son
General Director

Hanoi, 08 March 2024