



**BINH THUAN BOOKS AND EQUIPMENT  
JOINT STOCK COMPANY**

**Financial statements**

**For the year ended 31/12/2024**



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## REPORT OF THE MANAGEMENT (cont'd)

### Board of Directors

• Mr. Vu Bui Bien	Chairman	Appointed on 14/10/2024
	Member	Appointed on 28/05/2020
• Mr. Tran Van Hung	Chairman	Appointed on 28/05/2020
		Resigned on 14/10/2024
	Member	Appointed on 14/10/2024
• Mr. Nguyen Van So	Member	Reappointed on 28/05/2020
• Mr. Nguyen Minh Ha	Member	Reappointed on 28/05/2020
• Mr. Le Trung Phi	Member	Appointed on 12/04/2023

### Supervisory Board

• Mr. Do Huy Kien	Head of Supervisory Board	Appointed on 28/05/2020
• Mr. Le Trung Nhan	Member	Reappointed on 28/05/2020
• Mr. Vuong Tri Thinh	Member	Appointed on 28/05/2020

### Management and Chief Accountant

• Mr. Nguyen Minh Ha	Director	Reappointed on 28/05/2020
• Mr. Tran Huu Son	Vice Director	Appointed on 01/10/2020
• Mr. Nguyen Khoa Tuyen	Chief Accountant	Reappointed on 28/05/2020

### Independent auditor

These financial statements were audited by AAC Auditing and Accounting Company Ltd (Head office: Lot 78-80, Street 30/4, Hai Chau District, Da Nang City; Tel: (84) 0236.3655886; Fax: (84) 0236.3655887; Website: [www.aac.com.vn](http://www.aac.com.vn); Email: [aac@dng.vnn.vn](mailto:aac@dng.vnn.vn)).

### The Management's responsibility in preparation and presentation of the financial statements

The Management of the Company is responsible for true and fair preparation and presentation of these financial statements on the basis of:

- Complying with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and other relevant regulations;
- Selecting suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Preparing the financial statements on the going concern basis;
- Responsibility for such internal control as the Management determines is necessary to enable the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud or error.



**REPORT OF THE MANAGEMENT (cont'd)**

Member of the Company's Management hereby confirm that the accompanying financial statements including the balance sheet, the income statement, the statement of cash flows and the notes thereto give a true and fair view of the financial position of the Company as at 31/12/2024 and of the result of its operations and its cash flows for the year then ended in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to preparation and presentation of the financial statements.

**On behalf of the Management**

**Nguyen Minh Ha**  
**Director**  
*Binh Thuan Province, 02 March 2025*



# AAC AUDITING AND ACCOUNTING CO., LTD

AN INDEPENDENT MEMBER OF PRIMEGLOBAL  
AUDITING - ACCOUNTING - FINANCE SPECIALITY

Head Office: Lot 78 - 80, April 30th Street, Hai Chau District, Da Nang City

Tel: +84 (236) 3 655 886; Fax: +84 (236) 3 655 887; Email: aac@dng.vnn.vn; Website: http://www.aac.com.vn



No. 159/2025/BCKT-AAC

## INDEPENDENT AUDITORS' REPORT

To: **The Shareholders, Board of Directors and Management  
Binh Thuan Books and Equipment Joint Stock Company**

We have audited the financial statements which were prepared on 02/03/2025 of Binh Thuan Books and Equipment Joint Stock Company ("the Company") as set out on pages 5 to 29, which comprise the balance sheet as at 31/12/2024, the income statement, the statement of cash flows for the year then ended, and the notes thereto.

### Management's Responsibility

The Company's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements, and for such internal control as the Management determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31/12/2024 and its financial performance and its cash flows for the year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements.



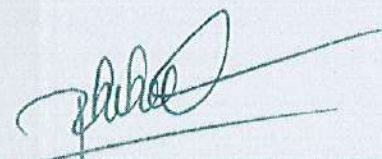
**AAC Auditing and Accounting Co., Ltd**

**Lam Quang Tu – Deputy General Director**

*Audit Practicing Registration Certificate*

No. 1031-2023-010-1

Da Nang City, 02 March 2025



**Do Thi Phuong Thuy – Auditor**

*Audit Practicing Registration Certificate*

No. 2970-2024-010-1



## BALANCE SHEET

### ASSETS 31 December 2024

Form No. B 01 - DN

Issued under Circular No. 200/2014/TT-BTC  
dated 22/12/2014 by the Ministry of Finance

ASSETS	Code	Note	31/12/2024 VND	01/01/2024 VND
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>23,503,022,429</b>	<b>26,268,824,875</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>		<b>2,765,846,243</b>	<b>5,318,477,315</b>
1. Cash	111	5	2,765,846,243	5,318,477,315
2. Cash equivalents	112		-	-
<b>II. Short-term financial investments</b>	<b>120</b>		<b>7,000,000,000</b>	<b>10,000,000,000</b>
1. Trading securities	121		-	-
2. Held-to-maturity investments	123	6a	7,000,000,000	10,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>774,708,604</b>	<b>4,821,281,793</b>
1. Short-term trade receivables	131	7	556,385,607	3,702,936,694
2. Short-term prepayments to suppliers	132	8	11,206,117	457,999,660
3. Other short-term receivables	136	9	314,561,804	988,775,673
4. Provision for doubtful debts	137	10	(107,444,924)	(328,430,234)
<b>IV. Inventories</b>	<b>140</b>	<b>11</b>	<b>12,962,467,582</b>	<b>6,105,751,558</b>
1. Inventories	141		13,567,734,854	7,591,120,124
2. Provision for decline in value of inventories	149		(605,267,272)	(1,485,368,566)
<b>V. Other current assets</b>	<b>150</b>		<b>-</b>	<b>23,314,209</b>
1. Short-term prepaid expenses	151		-	-
2. Taxes and other amounts receivable from the State	153	17	-	23,314,209
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>2,019,715,476</b>	<b>1,143,238,150</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>-</b>	<b>-</b>
<b>II. Fixed assets</b>	<b>220</b>		<b>1,291,795,476</b>	<b>415,318,150</b>
1. Tangible fixed assets	221	12	1,291,795,476	415,318,150
- Cost	222		4,021,939,467	3,479,933,936
- Accumulated depreciation	223		(2,730,143,991)	(3,064,615,786)
2. Intangible fixed assets	227	13	-	-
- Cost	228		83,000,000	83,000,000
- Accumulated amortization	229		(83,000,000)	(83,000,000)
<b>III. Investment properties</b>	<b>230</b>	<b>14</b>	<b>-</b>	<b>-</b>
- Cost	231		210,725,800	210,725,800
- Accumulated depreciation	232		(210,725,800)	(210,725,800)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>-</b>	<b>-</b>
<b>V. Long-term financial investments</b>	<b>250</b>		<b>727,920,000</b>	<b>727,920,000</b>
1. Equity investments in other entities	253	6b	727,920,000	727,920,000
2. Provision for long-term financial investments	254		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>270</b>		<b>25,522,737,905</b>	<b>27,412,063,025</b>



**BALANCE SHEET (cont'd)**

As at 31 December 2024

RESOURCES	Code	Note	31/12/2024 VND	01/01/2024 VND
<b>C. LIABILITIES</b>	<b>300</b>		<b>10,160,258,632</b>	<b>11,899,581,977</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>10,160,258,632</b>	<b>11,899,581,977</b>
1. Short-term trade payables	311	15	6,577,904,145	5,751,088,932
2. Short-term advances from customers	312	16	204,605,782	245,325,652
3. Taxes and amounts payable to the State budget	313	17	111,343,414	579,466,625
4. Payables to employees	314		2,101,096,801	3,694,955,050
5. Short-term accrued expenses	315	18	280,141,362	899,061,208
6. Other short-term payables	319	19	49,407,381	85,500,000
7. Reward and welfare fund	322		835,759,747	644,184,510
<b>II. Long-term liabilities</b>	<b>330</b>		<b>-</b>	<b>-</b>
<b>D. EQUITY</b>	<b>400</b>		<b>15,362,479,273</b>	<b>15,512,481,048</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>20</b>	<b>15,362,479,273</b>	<b>15,512,481,048</b>
1. Share capital	411	20	11,000,000,000	11,000,000,000
- Common shares with voting rights	411a		11,000,000,000	11,000,000,000
- Preferred shares	411b		-	-
2. Other owners' capital	414		112,410,011	112,410,011
3. Investment and development fund	418	20	2,310,911,155	2,213,696,100
4. Undistributed profit after tax	421	20	1,939,158,107	2,186,374,937
- Undistributed profit after tax up to prior year-end	421a		756,374,937	472,109,472
- Undistributed profit after tax for current period	421b		1,182,783,170	1,714,265,465
<b>II. Budget sources and other funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>25,522,737,905</b>	<b>27,412,063,025</b>

Nguyen Minh Ha

Director

Binh Thuan Province, 02 March 2025

Nguyen Khoa Tuyen

Chief Accountant

Nguyen Khoa Tuyen

Preparer



## INCOME STATEMENT

For the year ended 31/12/2024

Form No. B 02 - DN

Issued under Circular No. 200/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2024 VND	Year 2023 VND
1. Revenue from sales and service provision	01	22	84,346,393,977	100,732,784,008
2. Revenue deductions	02	23	518,961,176	454,641,989
3. Net revenue from sales and service provision	10		83,827,432,801	100,278,142,019
4. Cost of goods sold	11	24	73,183,888,990	87,057,917,539
<b>5. Gross profit from sales and service provision</b>	<b>20</b>		<b>10,643,543,811</b>	<b>13,220,224,480</b>
6. Financial income	21	25	1,007,692,435	1,488,789,998
7. Financial expenses	22	26	76,011,000	82,553,200
<i>Including: Interest expense</i>	23		-	-
8. Selling expenses	25	27.a	6,525,206,720	8,733,473,886
9. Administrative expenses	26	27.b	3,013,853,158	3,095,549,587
<b>10. Operating profit</b>	<b>30</b>		<b>2,036,165,368</b>	<b>2,797,437,805</b>
11. Other income	31	28	189,720,262	12,593,690
12. Other expenses	32	29	125,060,997	16,647
<b>13. Other profit</b>	<b>40</b>		<b>64,659,265</b>	<b>12,577,043</b>
<b>14. Accounting profit before tax</b>	<b>50</b>		<b>2,100,824,633</b>	<b>2,810,014,848</b>
15. Current corporate income tax expense	51	30	480,573,716	583,696,063
16. Deferred corporate income tax expense	52		-	-
<b>17. Profit after tax</b>	<b>60</b>		<b>1,620,250,917</b>	<b>2,226,318,785</b>
18. Basic earnings per share	70	31	1,164	1,660
19. Diluted earnings per share	71	31	1,164	1,660

Nguyen Minh Ha

Director

Binh Thuan Province, 02 March 2025

Nguyen Khoa Tuyen

Chief Accountant

Nguyen Khoa Tuyen

Preparer



## STATEMENT OF CASH FLOWS

For the year ended 31/12/2024

Form No. B 03 - DN

Issued under Circular No. 200/2014/TT-BTC dated 22/12/2014 by the Ministry of Finance

ITEMS	Code	Note	Year 2024	Year 2023
			VND	VND
<b>I. Cash flows from operating activities</b>				
1. Cash receipts from sales, service and other income	01		86,750,923,558	99,607,932,440
2. Cash paid to suppliers	02		(83,027,182,571)	(93,501,842,859)
3. Cash paid to employees	03		(6,662,330,650)	(5,224,717,026)
4. Corporate income tax paid	05	17	(566,963,268)	(551,331,821)
5. Other cash receipts from operating activities	06		2,242,500,454	3,227,311,505
6. Other payments for operating activities	07		(2,456,810,418)	(3,115,015,566)
<b>Net cash (used in)/provided by operating activities</b>	<b>20</b>		<b>(3,719,862,895)</b>	<b>442,336,673</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases, construction of fixed assets and other long-term assets	21		(999,800,000)	-
Proceeds from sales, disposal of fixed assets and other long-term assets	22		136,363,636	-
3. Cash paid for loans, acquisition of debt instruments	23		(11,020,668,493)	(11,000,000,000)
4. Recovery of loans, resales of debt instruments	24		14,020,668,493	12,700,000,000
5. Proceeds from loans interest, dividends, shared profit	27	10,25	460,668,187	398,872,731
<b>Net cash provided by investing activities</b>	<b>30</b>		<b>2,597,231,823</b>	<b>2,098,872,731</b>
<b>III. Cash flows from financing activities</b>				
1. Repayment of borrowings	34		-	(324,805,730)
2. Cash paid for dividends, profit to owners	36	20	(1,430,000,000)	(1,210,000,000)
<b>Net cash used in financing activities</b>	<b>40</b>		<b>(1,430,000,000)</b>	<b>(1,534,805,730)</b>
<b>Net cash flows for the year</b>	<b>50</b>		<b>(2,552,631,072)</b>	<b>1,006,403,674</b>
Cash and cash equivalents at the beginning of the year	60	5	5,318,477,315	4,312,073,641
Impacts of exchange rate fluctuations	61		-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	<b>5</b>	<b>2,765,846,243</b>	<b>5,318,477,315</b>

Nguyen Minh Ha  
Director

Binh Thuan Province, 02 March 2025

Nguyen Khoa Tuyen  
Chief Accountant

Nguyen Khoa Tuyen  
Preparer



## NOTES TO THE FINANCIAL STATEMENTS

(These notes form part of and should be read in conjunction with the accompanying financial statements)

Form No. B 09 - DN

Issued under Circular 200/2014/TT - BTC dated 22/12/2014 by the Ministry of Finance

### 1. Nature of operations

#### 1.1. Overview

Binh Thuan Books and Equipment Joint Stock Company ("the Company") was incorporated on the basis of equitization of Binh Thuan Books and Equipment Company belonging to Binh Thuan Province People's Committee under Decision No. 2734/QĐ-CTUBBT dated 07/06/2004 of Binh Thuan Province People's Committee. The Company is an independent accounting entity, operating in accordance with Business Registration Certificate (now being Enterprise Registration Certificate) No. 4803000042 dated 01/09/2004 of the Planning and Investment Department of Binh Thuan Province (since the incorporation date, the Enterprise Registration Certificate has been amended 11 times and the nearest amendment was made on 13/01/2025 with the enterprise code 3400393632), the Enterprise Law, the Company's Charter and other relevant regulations.

#### 1.2. Principal scope of business

- Wholesale of textbooks; Publishing various types of publications;
- Wholesale of educational equipment, office supplies;
- Trading of children's toys;
- Lease of office;
- Financial investment activities;

### 2. Accounting period, currency used in accounting

The Company's annual accounting period starts on 1 January and ends on 31 December. Financial statements and accounting transactions are expressed in Vietnamese Dong (VND).

### 3. Applied accounting standards and accounting system

The Company adopts the Vietnamese Corporate Accounting System which is guided in Circular No. 200/2014/TT-BTC dated 22/12/2014, Circular No. 53/2016/TT-BTC dated 21/3/2016 and the Vietnamese Accounting Standards issued by the Ministry of Finance.

### 4. Summary of significant accounting policies

#### 4.1 Cash and cash equivalents

Cash includes cash on hand, cash in bank and cash in transit.

All short-term investments which are collectible or mature of 3 months or less as from purchasing date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value at reporting date shall be recognized as cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**4.2 Financial investments****Held-to-maturity investments**

Held-to-maturity investments are term deposits (including treasury bills, promissory notes), bonds, preferred shares which the issuer is required to re-buy them at a certain time in the future and held-to-maturity loans to earn profits periodically and other held-to-maturity investments.

Held-to-maturity investments are recorded at book value upon revaluation. Provision for loss of held-to-maturity investments shall be recorded as a decrease directly in the book value of investments.

In case where held-to-maturity investments are monetary items denominated in foreign currencies, they are revaluated using the buying rate of the commercial bank where the Company regularly conducts transactions at year end.

**Long-term equity investments in other companies**

Long-term equity investments in other companies are investments which the Company has no power to control or joint control, no significant influence over the investees.

Long-term equity investments in other companies are stated at cost less provision for diminution in value. Dividends and profits received in money or non-monetary asset for the period before the investment date shall be recorded as a decrease in value of investment.

**Provision**

Provision for long-term equity investments in other companies is made as follows:

- If an investment in listed shares or the fair value of the investment is determined reliably, the provision shall be made based on the market value of the shares.
- If the market value of the shares is not identifiable, the provision shall be made based on the loss reported in the financial statements of the investee.

With regards to the investees who are required to prepare the consolidated financial statements, the provision is made based on the consolidated financial statements. For other cases, the provision is made based on the financial statements of the investees.

**4.3 Receivables**

Receivables includes: trade receivables and other receivables:

- Trade receivables are trade-related amounts arising from trading activities between the Company and its customers;
- Other receivables include non-trade amounts which are not related to trading activities, intra-company transactions.

Receivables are recorded at cost less provision for doubtful debts. Provision for doubtful debts represents the estimated loss amounts at the balance sheet date for overdue receivables which the Company has claimed many times but still has not collected yet or which have not been overdue but the debtor has been in the state of insolvency, doing dissolution procedures, missing or absconding.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

These notes form part of and should be read in conjunction with the accompanying financial statements)

**4.4 Inventories**

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

Value of inventories is accounted for using the perpetual method and calculated using the retail inventory method with cost comprising costs of purchase, costs of conversion and any directly attributable costs of bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price less the estimated costs of completing the products and the estimated costs needed for their consumption.

Provision for decline in value of inventories is made for each kind of inventories when the net realizable value of that kind of inventories is less than cost.

**4.5 Tangible fixed assets****Cost**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of tangible assets comprises their purchase price and all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state. The costs incurred after the initial recognition of tangible fixed asset shall be recorded as increase in their historical cost if these costs are certain to augment future economic benefits obtained from the use of those assets. Those incurred costs which fail to meet this requirement must be recognized as production and business expenses in the period.

**Depreciation**

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of asset</u>	<u>Depreciation period (years)</u>
Buildings, architectures	30
Motor vehicles	6
Office equipment	4

**4.6 Intangible fixed assets****Cost**

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of intangible fixed assets comprises all the costs incurred by the Company to acquire those assets as of the time of putting such assets into the ready-for-use state.

**Amortization**

Intangible fixed assets are amortized in accordance with the straight-line method over their estimated useful lives. Amortization period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kind of asset</u>	<u>Amortization period (years)</u>
Accounting software	Fully amortized

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***4.7 Investment properties**

Investment property held to be leased out under an operating lease is stated at cost less accumulated depreciation. Investment property held for capital appreciation is reflected at net of book value and impairment losses.

The depreciation policy of investment property held to be leased out under an operating lease is performed consistently with the depreciation policy of the same kind of fixed assets of the Company. Accordingly, investment properties held to be leased out under an operating lease are depreciated in accordance with the straight-line method. The depreciation rate is calculated based on cost and estimated useful lives of assets. The depreciation period is in conformity with Circular No. 45/2013/TT-BTC dated 25/4/2013 by the Ministry of Finance. Details are as follows:

<u>Kinds of assets</u>	<u>Depreciation period (years)</u>
Buildings, architectures	Fully depreciated

**4.8 Payables**

Payables include: trade payables and other payables:

- Trade payables are trade-related amounts, arising from trading activities between the company and its suppliers;
- Other payables are non-trade amounts, which are not related to trading activities, intra-company transactions.

Payables are recognized at cost and reported as short-term and long-term payables based on the remaining terms at the balance sheet date.

Payables are monitored according to their creditors, principal terms, remaining terms and original currencies.

**4.9 Accrued expenses**

Accruals are recognized for amount to be paid in the future for goods and services received, whether or not billed to the Company.

**4.10 Loans and finance lease liabilities**

Loans and finance lease liabilities are recorded at cost and classified into current and non-current liabilities based on the remaining terms at the balance sheet date.

The Company monitors loans and finance lease liabilities according to their creditors, loan agreements, principal terms, remaining terms and original currencies. Loans and finance lease liabilities denominated in foreign currency are reevaluated using the selling exchange rate at the end of the year of the commercial bank where the Company regularly conducts transactions.

**Borrowing costs**

Borrowing costs comprise interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they qualify the conditions to be capitalized in accordance with Accounting Standard "Borrowing costs".

Borrowing costs associated with a particular borrowing for the purpose of obtaining a qualifying asset shall be capitalized as part of the cost of that asset. For general borrowing funds, the borrowing costs eligible for capitalization in the period shall be determined according to the capitalization rate, which is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

*These notes form part of and should be read in conjunction with the accompanying financial statements)*

Capitalisation of borrowing costs shall be suspended during extended periods in which it suspends active development of a qualifying asset, except to the extent that the suspension is necessary. Capitalization shall be ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

**4.11 Owners' equity**

Paid-in capital represents the amount of capital actually contributed by shareholders.

**Profit distribution**

Profit after corporate income tax is available for appropriation to funds and to shareholders as provided for in the Company's Charter or Resolution of General Shareholders' Meeting.

The dividend to be paid to the shareholders shall not exceed the undistributed profit after tax and with consideration of non-monetary items in undistributed post-tax profits that may affect cash flow and ability to pay dividends.

**4.12 Recognition of revenue and other income**

- Revenue from sales and service provision is recognized to the extent that it is probable to obtain economic benefits, it can be reliably measured and the following conditions are also met:
  - ✓ Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and there are no significant uncertainties regarding recovery of the consideration due or the likely return of goods;
  - ✓ Revenue from service provision is recognized when the services have been rendered. In case that the services are to be provided in many accounting periods, the determination of revenue in each period is done on the basis of the service completion rate as of the balance sheet date.
- Revenue from financing activities is recognized when revenue is determined with relative certainty and it is possible to obtain economic benefits from the transactions.
  - ✓ Interests are recognized on the basis of the actual term and interest rates;
  - ✓ Dividends and profits shared are recognized when the Company has the rights to receive dividends or profit from the capital contribution. Stock dividends are not recognized as financial revenue. Dividends received in the period before investment date shall be recorded as a decrease in value of investment.
- Other income is the income derived out of the Company's scope of business and recognized when it can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

**4.13 Revenue deductions**

Revenue deductions include trade discounts, sales rebates and sales returns.

In case where revenue is recognized in during the year but the corresponding revenue deductions arise after the balance sheet date, revenue shall be decreased in accordance with the following principles:

- If the corresponding deductions arise before the date of releasing the financial statements, they shall be charged against revenue of the reporting year;
- If the corresponding revenue deductions arise after the date of releasing the financial statements, they shall be charged against revenue of the next reporting year.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***4.14 Cost of goods sold**

Cost of products, goods sold and services rendered shall be recognized in the correct accounting period in accordance with the matching principle and conservatism principle.

**4.15 Financial expenses**

Financial expenses reflect expenses or losses related to financial investment activities: interest expense, payment discounts for buyers, provision for diminution in value of trading securities, provision for loss from investment in other entities and other expenses attributable to investing activities.

**4.16 Selling expenses, administrative expenses**

Selling expenses reflect expenses actually incurred in the process of selling products, goods, rendering services.

Administrative expenses reflect expenses actually incurred related to the overall administration of the Company.

**4.17 Current corporate income tax expense, deferred corporate income tax expense**

Corporate income tax expenses comprise current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income in the period at the tax rates ruling at the balance sheet date. The difference between taxable income and accounting profit is due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

Deferred income tax is determined for temporary differences at the balance sheet date between the tax base of assets and liability and their carrying amount for financial reporting purpose.

**4.18 Tax rates and charges paid to the State Budget that the Company is applying**

- Value Added Tax (VAT):
  - ✓ Textbooks, reference books supplementing textbooks are not subject to VAT;
  - ✓ Reference books not supplementing textbooks, dictionaries, etc are subject to the 5% VAT rate;
  - ✓ Other goods such as office supplies, calendars, equipment, etc are subject to a tax rate of 10%. In 2024, the Company applied the VAT rate of 8% to these goods as stipulated in Decree No. 94/2023/ND-CP dated 28/12/2023 and Decree No. 72/2024/ND-CP dated 30/06/2024 of the Government.
- Corporate Income Tax (CIT): CIT rate of 20 % is applicable.
- Other taxes and charges are paid in accordance with the prevailing regulations.

**4.19 Financial instruments****Initial recognition***Financial assets*

A financial asset is recognized initially at cost plus transaction costs directly attributable to the acquisition of the asset. The Company's financial assets include cash on hand, cash in bank, trade receivables, other receivables and financial investments.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***Financial liabilities**

A financial liability is recognized initially at cost plus transaction costs directly attributable to the issuance of such liability. The Company's financial liabilities include loans, trade payables, accrued expenses and other payables.

**Subsequent measurement**

Currently, there has been no requirement for subsequent measurement of financial instruments.

**4.20 Related parties**

Parties are considered to be related if one party has the ability (directly or indirectly) to control the other party or exercise significant influence over the other party in making financial or operational decisions.

*Unit: VND***5. Cash**

	<u>31/12/2024</u>	<u>01/01/2024</u>
Cash on hand	21,323,000	30,499,000
Cash in bank	2,744,523,243	5,287,978,315
<b>Total</b>	<b><u>2,765,846,243</u></b>	<b><u>5,318,477,315</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**6. Financial investments**

**a. Short-term held-to-maturity investments**

	31/12/2024		01/01/2024	
	Cost	Book value	Cost	Book value
Term deposits	7,000,000,000	7,000,000,000	10,000,000,000	10,000,000,000
<b>Total</b>	<b>7,000,000,000</b>	<b>7,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>

As at 31/12/2024, the Company's short-term held-to-maturity investments are the deposits with the term of over 3 months and no more than 12 months at Bank. The Management assesses that these investments are not impaired or lost in value.

**b. Equity investments in other entities**

	Status of operation	% equity	Number of shares	31/12/2024			01/01/2024		
				Cost	Provision	Fair value	Cost	Provision	Fair value
Binh Duong Educational Book & Equipment Joint Stock Company (i)	Operating	3%	30,000	300,000,000	-	-	300,000,000	-	-
Binh Thuan Environmental Urban Service Joint Stock Company (BMD)(ii)	Operating	1.55%	42,792	427,920,000	-	620,484,000	427,920,000	-	427,920,000
<b>Total</b>				<b>727,920,000</b>	<b>-</b>	<b>620,484,000</b>	<b>727,920,000</b>	<b>-</b>	<b>427,920,000</b>

(i) The 2024 financial statements of Binh Duong Educational Book and Equipment Joint Stock Company showed well-reserved owners' equity. Therefore, this investment was recorded at cost and no provision is made. Since this Company's shares have not been listed on any stock exchanges and there was no reliable reference data source on market price at the end of the accounting period, the Company had no basis to determine the fair value of the investment.

(ii) The fair value of the investment in Binh Thuan Environment Urban Service Joint Stock Company (stock code BMD) is determined based on the closing price at the Hanoi Stock Exchange on 31/12/2024.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***7. Short-term trade receivables**

	31/12/2024	01/01/2024
Education and Training Department of Binh Thuan Province	125,534,680	-
Thuan Minh 2 Primary School	68,283,200	93,283,200
Others	362,567,727	3,609,653,494
<b>Total</b>	<b>556,385,607</b>	<b>3,702,936,694</b>

**8. Short-term prepayments to suppliers**

	31/12/2024	01/01/2024
Education Solution Viet Nam Co., Ltd	11,206,067	100,409,660
Others	50	357,590,000
<b>Total</b>	<b>11,206,117</b>	<b>457,999,660</b>

**9. Other short-term receivables**

	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
Accrued interest receivable	122,890,411	-	201,004,109	-
Advances	6,839,891	-	10,500,000	-
Deposits, collaterals	181,779,386	-	680,510,700	-
Other receivables	3,052,116	-	96,760,864	-
<b>Total</b>	<b>314,561,804</b>	<b>-</b>	<b>988,775,673</b>	<b>-</b>

**10. Provision for short-term doubtful debts**

	Year 2024	Year 2023
Beginning balance	328,430,234	454,157,267
Charge for the year	61,673,928	149,370,327
Reversal in the year	282,659,238	275,097,360
<b>Ending balance</b>	<b>107,444,924</b>	<b>328,430,234</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**11. Inventories**

	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Goods	13,567,734,854	(605,267,272)	7,591,120,124	(1,485,368,566)
<b>Total</b>	<b>13,567,734,854</b>	<b>(605,267,272)</b>	<b>7,591,120,124</b>	<b>(1,485,368,566)</b>

- Value of the inventories which are slow-moving as at 31/12/2024 is VND966,983,089. The company is currently planning to reduce prices to liquidate these items.
- No inventories are pledged, mortgaged as security for debts as at 31/12/2024.

**12. Tangible fixed assets**

	Buildings, architectures	Motor vehicles	Office equipment	Total
<b>Cost</b>				
Beginning balance	1,984,596,285	1,082,872,651	412,465,000	3,479,933,936
New purchase	-	999,800,000	-	999,800,000
Decrease in the year	-	457,794,469	-	457,794,469
<b>Ending balance</b>	<b>1,984,596,285</b>	<b>1,624,878,182</b>	<b>412,465,000</b>	<b>4,021,939,467</b>
<b>Depreciation</b>				
Beginning balance	1,593,807,295	1,082,872,651	387,935,840	3,064,615,786
Charge for the year	29,493,504	83,316,666	10,512,504	123,322,674
Decrease in the year	-	457,794,469	-	457,794,469
<b>Ending balance</b>	<b>1,623,300,799</b>	<b>708,394,848</b>	<b>398,448,344</b>	<b>2,730,143,991</b>
<b>Net book value</b>				
Beginning balance	390,788,990	-	24,529,160	415,318,150
<b>Ending balance</b>	<b>361,295,486</b>	<b>916,483,334</b>	<b>14,016,656</b>	<b>1,291,795,476</b>

- Cost of tangible fixed assets fully depreciated but still in active use as at 31/12/2024 was VND2,095,284,283.
- No tangible fixed assets were pledged as security for loans as at 31/12/2024.

**13. Intangible fixed assets**

Intangible fixed asset is the computer software costing VND83,000,000 that was fully amortized.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

(These notes form part of and should be read in conjunction with the accompanying financial statements)

**14. Investment properties**

	Buildings, architectures VND	Total VND
<b>Cost</b>		
Beginning balance	210,725,800	210,725,800
Increase in the year	-	-
Decrease in the year	-	-
<b>Ending balance</b>	<u>210,725,800</u>	<u>210,725,800</u>
<b>Accumulated depreciation</b>		
Beginning balance	210,725,800	210,725,800
Increase in the year	-	-
Decrease in the year	-	-
<b>Ending balance</b>	<u>210,725,800</u>	<u>210,725,800</u>
<b>Net book value</b>		
Beginning balance	-	-
<b>Ending balance</b>	<u>-</u>	<u>-</u>

- The real estate is the leased house at 13 Nguyen Du costing VND210,725,800 that was fully depreciated but still in use as at 31/12/2024.
- No investment properties were pledged as security for loans as at 31/12/2024.

**15. Short-term trade payables**

	31/12/2024	01/01/2024
South Books and Educational Equipment Joint Stock Company	5,304,498,532	1,904,322,704
Others	1,273,405,613	3,846,766,228
<b>Total</b>	<u>6,577,904,145</u>	<u>5,751,088,932</u>

**Of which: Trade payables to related parties**

	Relationship	31/12/2024	01/01/2024
Book and Educational Equipment Joint Stock Company of Ho Chi Minh City	Having same investor	72,000,000	772,834,570
South Books and Educational Equipment Joint Stock Company	Having same investor	5,304,498,532	1,904,322,704
<b>Total</b>		<u>5,376,498,532</u>	<u>2,677,157,274</u>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

These notes form part of and should be read in conjunction with the accompanying financial statements)

## 16. Short-term advances from customers

	31/12/2024	01/01/2024
Luu Kim Sang	11,217,569	6,907,448
Gia Huynh Primary School	15,967,960	15,525,000
Nhat Nguyen Book Store	11,423,682	16,237,832
Others	165,996,571	206,655,372
<b>Total</b>	<b>204,605,782</b>	<b>245,325,652</b>

## 17. Taxes and amounts payable to the State

	Beginning balance		Amount to be paid in the year	Actual amount paid in the year	Ending balance	
	Receivable	Payable			Receivable	Payable
VAT	-	370,444,514	94,408,557	447,042,784	-	17,810,287
CIT	-	157,141,565	480,573,716	566,963,268	-	70,752,013
Personal Income Tax	-	51,880,546	231,309,003	260,408,435	-	22,781,114
Land and housing tax, land rer	23,314,209	-	79,435,991	56,121,782	-	-
Licensing fee	-	-	5,000,000	5,000,000	-	-
<b>Total</b>	<b>23,314,209</b>	<b>579,466,625</b>	<b>890,727,267</b>	<b>1,335,536,269</b>	<b>-</b>	<b>111,343,414</b>

The Company's tax returns would be subject to examination of tax authorities. The tax amounts reported in these financial statements could later be changed under decision by the tax authorities.

## 18. Short-term accrued expenses

	31/12/2024	01/01/2024
Brokerage commission expenses	224,141,362	854,061,208
Other accrued expenses	56,000,000	45,000,000
<b>Total</b>	<b>280,141,362</b>	<b>899,061,208</b>

## 19. Other short-term payables

	31/12/2024	01/01/2024
Remunerations for the Board of Directors, Supervisory Board payable	33,002,000	85,500,000
Other payables	16,405,381	-
<b>Total</b>	<b>49,407,381</b>	<b>85,500,000</b>

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

## 10. Owners' equity

## a. Statement of changes in owners' equity

	Share capital	Other owners' capital	Investment and development fund	Investment and development fund	Total
As at 01/01/2023	11,000,000,000	112,410,011	2,102,380,161	1,682,109,472	14,896,899,644
Increase in the year	-	-	111,315,939	2,226,318,785	2,337,634,724
Decrease in the year	-	-	-	1,722,053,320	1,722,053,320
As at 31/12/2023	<u>11,000,000,000</u>	<u>112,410,011</u>	<u>2,213,696,100</u>	<u>2,186,374,937</u>	<u>15,512,481,048</u>
As at 01/01/2024	11,000,000,000	112,410,011	2,213,696,100	2,186,374,937	15,512,481,048
Increase in the year	-	-	97,215,055	1,620,250,917	1,717,465,972
Decrease in the year	-	-	-	1,867,467,747	1,867,467,747
As at 31/12/2024	<u>11,000,000,000</u>	<u>112,410,011</u>	<u>2,310,911,155</u>	<u>1,939,158,107</u>	<u>15,362,479,273</u>

## b. Breakdown of share capital

	31/12/2024	01/01/2024
Capital contributed by Vietnam Education Publishing House Co., Ltd	4,400,000,000	4,400,000,000
Capital contributed by other shareholders	6,600,000,000	6,600,000,000
<b>Total</b>	<u><u>11,000,000,000</u></u>	<u><u>11,000,000,000</u></u>

## c. Capital transactions with the owners and distribution of profit

	Year 2024	Year 2023
<b>Share capital</b>		
- Beginning balance	11,000,000,000	11,000,000,000
- Increase in the year	-	-
- Decrease in the year	-	-
- Ending balance	11,000,000,000	11,000,000,000
<b>Paid dividend</b>	<b>1,430,000,000</b>	<b>1,210,000,000</b>

## d. Shares

	31/12/2024 Shares	01/01/2024 Shares
Number of shares registered for issuance	1,100,000	1,100,000
Number of shares issued publicly	1,100,000	1,100,000
- Common shares	1,100,000	1,100,000
- Preferred shares	-	-
Number of outstanding shares	1,100,000	1,100,000
- Common shares	1,100,000	1,100,000
- Preferred shares	-	-
Par value of outstanding shares: VND10,000 each		

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

(These notes form part of and should be read in conjunction with the accompanying financial statements)

## e. Undistributed profit after tax

	Year 2024	Year 2023
Profit brought forward	2,186,374,937	1,682,109,472
Profit after CIT of current year	1,620,250,917	2,226,318,785
Distribution of profit	1,867,467,747	1,722,053,320
Distribution of prior-year profit (*)	1,430,000,000	1,210,000,000
- Appropriated for investment and development fund	-	-
- Dividends paid to shareholders	1,430,000,000	1,210,000,000
Temporary distribution of current year profit (**)	437,467,747	512,053,320
- Appropriated for reward fund of the executive board	97,215,055	111,315,939
- Appropriated for reward fund	113,417,564	133,579,127
- Appropriated for welfare fund	129,620,073	155,842,315
- Appropriated for investment and development fund	97,215,055	111,315,939
<b>Undistributed profit after tax</b>	<b>1,939,158,107</b>	<b>2,186,374,937</b>

(\*) The Company distributed the 2023 profit after tax in accordance with Resolution of the 2024 Annual General Shareholders' Meeting No. 31/NQ-DHCD-2024 dated 09/04/2024.

(\*\*) The Company temporarily distributed the 2024 profit after tax according to the Board of Directors' Resolution No. 68/NQ-HDQT-2024 dated 14/10/2024.

## f. Dividends

The Annual General Shareholders' Meeting on 09/04/2024 approved the plan to pay dividends from the 2023 profit after tax at a rate of 13% of charter capital (equivalent to VND1,430,000,000). Of which, the second interim dividend in 2022 is 1% and the dividend in 2023 is 12%. The Company has made payments in 2024.

## 21. Off-balance sheet items

Bad debts written off	VND	Reasons for writing off
BTA Vietnam Appraisal and Cadastral Survey Co., Ltd	90,400,000	Uncollectible
Kien Long Project Management Co., Ltd	43,250,000	Uncollectible
Do Dinh Nam	52,832,481	Uncollectible
Nguyen Thi Ngoc	57,791,666	Uncollectible
ECENTER Phan Thiet International Trading Service Co., Ltd	30,000,000	Uncollectible
Bac Ruong 1 Primary School	24,192,140	Uncollectible
Nguyen Truong To High School	27,667,090	Uncollectible
Others	536,951,461	
<b>Total</b>	<b>863,084,838</b>	

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***22. Revenue from sales and service provision**

	Year 2024	Year 2023
Revenue from sales of textbooks	66,793,807,007	71,589,557,516
Revenue from sales of reference books	2,092,698,027	1,517,251,107
Revenue from sales of educational equipment	4,054,863,911	15,319,816,473
Revenue from sales of other goods	11,170,054,733	11,559,568,470
Revenue from lease of office and other services	234,970,299	746,590,442
<b>Total</b>	<b><u>84,346,393,977</u></b>	<b><u>100,732,784,008</u></b>

**23. Revenue deductions**

	Year 2024	Year 2023
Sales returns	518,961,176	454,641,989
<b>Total</b>	<b><u>518,961,176</u></b>	<b><u>454,641,989</u></b>

**24. Cost of goods sold**

	Year 2024	Year 2023
Cost of textbooks sold	61,384,123,400	65,737,778,597
Cost of reference books sold	1,402,809,196	953,749,420
Cost of educational equipment sold	2,731,265,135	10,684,769,853
Cost of other goods sold	8,279,316,347	8,344,915,653
Appropriation/Reversal of provision for decline in value of inventories	(613,625,088)	1,336,704,016
<b>Total</b>	<b><u>73,183,888,990</u></b>	<b><u>87,057,917,539</u></b>

**25. Financial income**

	Year 2024	Year 2023
Deposit interest, loan interest	340,600,089	411,553,081
Payment discounts	625,137,946	1,014,724,117
Received dividends, profit	41,954,400	62,512,800
<b>Total</b>	<b><u>1,007,692,435</u></b>	<b><u>1,488,789,998</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***26. Financial expenses**

	Year 2024	Year 2023
Payment discounts, interest on installment sales	76,011,000	82,553,200
<b>Total</b>	<b><u>76,011,000</u></b>	<b><u>82,553,200</u></b>

**27. Selling expenses and administrative expenses****a. Selling expenses**

	Year 2024	Year 2023
Labor costs	3,762,441,454	4,943,267,443
Depreciation and amortization expenses	10,512,504	10,512,504
Ppropaganda, advertising, brokerage expenses	1,064,418,721	2,000,935,959
Others	1,687,834,041	1,778,757,980
<b>Total</b>	<b><u>6,525,206,720</u></b>	<b><u>8,733,473,886</u></b>

**b. Administrative expenses**

	Year 2024	Year 2023
Labor costs	2,055,134,223	2,215,238,618
Entertainment, conference, reception expenses	158,269,796	206,865,805
Others	800,449,139	673,445,164
<b>Total</b>	<b><u>3,013,853,158</u></b>	<b><u>3,095,549,587</u></b>

**28. Other income**

	Year 2024	Year 2023
Proceeds from disposals of fixed assets	136,363,636	-
Production bonus	52,680,710	-
Other income	675,916	12,593,690
<b>Total</b>	<b><u>189,720,262</u></b>	<b><u>12,593,690</u></b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

*(These notes form part of and should be read in conjunction with the accompanying financial statements)*

**29. Other expenses**

	Year 2024	Year 2023
Tax, deferred payment, administrative fine	70,385,779	-
Others	54,675,218	16,647
<b>Total</b>	<b>125,060,997</b>	<b>16,647</b>

**30. Current corporate income tax expense**

	Year 2024	Year 2023
Accounting profit before tax	2,100,824,633	2,810,014,848
Adjustment to taxable income	132,391,400	108,465,467
- Increases	174,345,800	170,978,267
+ Remunerations for non-executives officers	72,011,789	110,273,898
+ Other non-deductible expenses	102,334,011	60,704,369
- Decreases (received dividend, profit)	41,954,400	62,512,800
Total taxable income	2,233,216,033	2,918,480,315
<b>Current corporate income tax expense</b>	<b>480,573,716</b>	<b>583,696,063</b>
<i>Of which:</i>		
- Current CIT expense incurred in current year	446,643,206	583,696,063
- Adjustment of current CIT expense of previous year to current CIT expense of current year	33,930,510	-

**31. Basic, diluted earnings per share**

	Year 2024	Year 2023
Profit after corporate income tax	1,620,250,917	2,226,318,785
Adjustments increasing or decreasing profit after tax	(340,252,692)	(400,737,381)
- Increases	-	-
- Decreases (appropriated to reward and welfare fund)	340,252,692	400,737,381
Profit/(loss) attributable to common shareholders	1,279,998,225	1,825,581,404
Weighted average number of outstanding common shares	1,100,000	1,100,000
<b>Basic, diluted earnings per share</b>	<b>1,164</b>	<b>1,660</b>

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***32. Production and business expenses by element**

	Year 2024	Year 2023
Labor costs	5,817,575,677	7,158,506,061
Depreciation and amortization expenses	123,322,674	40,006,008
Outside service expenses	1,017,927,062	1,536,808,404
Other cash expenses	2,585,347,769	3,178,073,141
<b>Total</b>	<b><u>9,544,173,182</u></b>	<b><u>11,913,393,614</u></b>

**33. Segment reporting**

According to Vietnamese Accounting Standard No. 28 and the Circular guiding this Standard, the Company is required to have segment reporting. Accordingly, a segment is a distinguishable component of the Company that is engaged in providing related products or service (business segment) or providing goods or services in a specific economic environment (segment by geographical area) and that is subject to risks and returns that are different from those of other business segment.

Based on the Company's actual operations, the Management assesses that business segments and segments by geographical area have no differences in bearing risks and obtaining returns. Accordingly, the Company is operating in a sole business segment, that is trading books and school equipment and its main geographical segment is Binh Thuan Province, Vietnam.

**34. Risk management****a. Capital risk management**

Through capital management, the Company considers and decides to maintain the appropriate balance of resources and liabilities in each period to ensure that it will be able to continue as a going concern while maximizing the return to the shareholders.

**b. Financial risk management**

Financial risks include market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk.

**Market risk management:** The Company's activities expose it primarily to the risks of significant changes in prices.

*Price risk management*

The Company mainly purchases books and school equipment from domestic suppliers to serve its commercial activities, it is therefore exposed to the risk of changes in the price of purchased goods. To hedge the risk of price fluctuations, the Company has signed principle contracts with appropriate and stable discount rates. On the other hand, the prices of these goods do not fluctuate much, so the Company assumes that the price risk in business activities is low.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)***(These notes form part of and should be read in conjunction with the accompanying financial statements)***Credit risk management**

The Company sells goods through two methods: through agents and directly at stores.

The Company minimizes credit risk with a number of measures depending on the sales method:

- Sales through agents: Agents are encouraged to pay early to enjoy good trade discounts and payment discounts, and must pay off the previous goods before receiving the next ones.
- Direct sales: Cash collection applies so no credit risk arises.

**Liquidity risk management**

To ensure the availability of funds to meet present and future financial obligations, the Company manages liquidity risk by regularly monitoring and maintaining sufficient cash reserve, optimizing cash flows, making use of credit from customers and counterparties, controlling maturing liabilities in relative to maturing assets and the amount of funds that can be generated within that period,...

The Company's aggregate financial liabilities are categorized in accordance with their maturity as follows:

<u>31/12/2024</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Trade payables	6,577,904,145	-	6,577,904,145
Accrued expenses	280,141,362	-	280,141,362
Other payables	49,407,381	-	49,407,381
<b>Total</b>	<b>6,907,452,888</b>	<b>-</b>	<b>6,907,452,888</b>
<u>01/01/2024</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	<u>Total</u>
Trade payables	5,751,088,932	-	5,751,088,932
Accrued expenses	899,061,208	-	899,061,208
Other payables	85,500,000	-	85,500,000
<b>Total</b>	<b>6,735,650,140</b>	<b>-</b>	<b>6,735,650,140</b>

The Management assumes that the Company has almost no exposure to liquidity risk and believes that the Company can generate sufficient resources to meet its financial obligations as they fall due.

**NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

*These notes form part of and should be read in conjunction with the accompanying financial statements)*

The Company's available financial assets are drawn up on a net asset basis as follows:

31/12/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	2,765,846,243	-	2,765,846,243
Financial investments	-	727,920,000	727,920,000
Held-to-maturity investments	7,000,000,000	-	7,000,000,000
Trade receivables	448,940,683	-	448,940,683
Other receivables	307,721,913	-	307,721,913
<b>Total</b>	<b>10,522,508,839</b>	<b>727,920,000</b>	<b>11,250,428,839</b>
01/01/2024	Within 1 year	Over 1 year	Total
Cash and cash equivalents	5,318,477,315	-	5,318,477,315
Financial investments	-	727,920,000	727,920,000
Held-to-maturity investments	10,000,000,000	-	10,000,000,000
Trade receivables	3,374,506,460	-	3,374,506,460
Other receivables	978,275,673	-	978,275,673
<b>Total</b>	<b>19,671,259,448</b>	<b>727,920,000</b>	<b>20,399,179,448</b>

**35. Related-party information**

**a. Related parties**

	Relationship
Vietnam Education Publishing House Co., Ltd	Investor
Phuong Nam Education Investment and Development Joint Stock Company	Having same investor
Book and Educational Equipment Joint Stock Company of Ho Chi Minh City	Having same investor
South Books and Educational Equipment Joint Stock Company	Having same investor

**b. Material related-party transactions arising in the year**

Transactions	Year 2024	Year 2023	
<b>Purchasing goods</b>			
South Books and Educational Equipment Joint Stock Company	Books, school equipment	47,269,835,302	49,166,033,693
Book and Educational Equipment Joint Stock Company of Ho Chi Minh City	School equipment	871,952,755	3,704,188,563
Phuong Nam Education Investment and Development Joint Stock Company	Books	12,557,701,950	13,856,013,167
<b>Other transactions</b>			
Vietnam Education Publishing House Co., Ltd	Paid dividends	572,000,000	484,000,000

