

**FECON JOINT STOCK COMPANY**

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**ANNUAL REPORT**

**2024**

Hanoi, Date 19 Month 4 2025



## OPENING MESSAGE FOR 2025

The year 2024 continued to be a challenging period for both the global and domestic economies. While signs of recovery have emerged, the impacts of high interest rates, inflation, and volatility in the financial and real estate markets remain significant pressure points for businesses. Many sectors were affected, notably those in construction and real estate. Rising material costs, limited supply, and financial market instability have created a difficult business environment, forcing many companies into stagnation and reduced profitability.

Competition in the construction market was fiercer than ever, with many enterprises focusing on securing projects to survive the downturn rather than aiming for profit. Key contracts signed and executed by FECON in 2024 — such as the Headquarters of several Ministry of Public Security departments, Nhon Trach 3 & 4 Gas Power Plant, Lach Huyen Port Infrastructure Packages 5–6 in Hai Phong, My Thuy Port in Quang Tri, Ha Khanh Urban Area in Quang Ninh, and the Quang Ninh Provincial Police Headquarters — helped the company maintain operations and navigate an extremely tight cash flow period.

In terms of investment activities, 2024 marked an important milestone with the enactment of a number of relevant legal documents such as the 2024 Land Law, 2023 Law on Real Estate Business, 2023 Law on Housing, and the 2023 Law on Credit Institutions. These changes have created a clearer legal framework for investors, promoting the development of real estate, energy, and infrastructure projects — particularly those under public-private partnership (PPP) models. FECON made notable efforts in project investment throughout the year, with highlights including the Nam Thai Urban Area (Square City) in Pho Yen, Thai Nguyen; the Danh Thang – Doan Bai Industrial Cluster; and the Hoa Yen Industrial – Urban – Service Complex in Hiep Hoa, Bac Giang. In addition, urban and industrial real estate projects and renewable energy projects continued to be developed according to plan.

However, the company faced considerable difficulty in divesting from investment projects due to a sluggish market and aggressive pricing tactics from prospective M&A investors. By year-end, FECON had not achieved its project divestment goals, despite the Management's efforts.

Looking at the overall picture, while FECON Group's 2024 performance in construction, investment, and project divestment remained difficult, the year laid an important foundation for 2025, marked by the official establishment of two industrial zone projects and several major construction contracts secured in Q4/2024. Consolidated business results recorded VND 3,375 billion in revenue and VND 30 billion in net profit after tax.

To pursue sustainable development, FECON continues to prioritize training, organizational development, technical innovation, and international integration. We are proud to have once again been honored with the National Brand Award in 2024 and recognized in the Top 10 Prestigious Construction Contractors (Vietnam Report). On the organizational front, we undertook a significant restructuring process, including major changes in the Executive Management team to better adapt to market shifts and seize development opportunities.

In light of favorable national policies promoting public investment, along with an expected surge in transportation, urban, and energy infrastructure projects between 2025 and 2030 — and ongoing foreign direct investment growth — FECON is confident in achieving improved business outcomes in the coming period. We aim to leverage these opportunities to become a leading infrastructure development group in Vietnam by 2030. Everyone within FECON can

sense this transformation — driven not only by clear business goals in a market where potential is becoming reality, but also by bold investments in technology and people to optimize resources, enhance competitiveness, and achieve sustainable development. I firmly believe that FECON will overcome the post-COVID economic downturn and successfully implement the 2025–2030 strategic plan, confidently entering a new era of growth alongside Vietnam.

With the unified determination and tireless efforts of all FECON leaders and employees, the Board of Directors looks forward to continuing to receive the trust and companionship of our esteemed shareholders, partners, and clients on FECON’s development journey!

Let us unite in our efforts and strive together toward a breakthrough year in 2025!

**Respectfully!**

*Phạm Việt Khoa*  
**FECON CORPORATION**  
**PHẠM VIỆT KHOA**



**CHAIRMAN OF THE  
BOARD OF DIRECTORS**



FECON CORPORATION

SOCIALIST REPUBLIC OF VIETNAM  
INDEPENDENCE - FREEDOM - HAPPINESS

Số: 05./2025/BC-TCKT.FECON

Hanoi, Date 19 Month 04 2025

## 2024 ANNUAL REPORT

- REGARDS:**
- STATE SECURITIES COMMISSION
  - HO CHI MINH CITY STOCK EXCHANGE
  - SHAREHOLDERS AND INVESTORS

### I. GENERAL INFORMATION

#### 1. Overview

- Company Name : FECON Joint Stock Company (hereinafter referred to as the "Company" or "FECON")
- Business Registration Certificate No : 0101502599 issued for the first time by the Hanoi Department of Planning and Investment on June 18, 2004, amended for the 32nd time on January 14, 2022
- Charter Capital : VND 1,574,390,050,000 (*One trillion five hundred seventy-four billion three hundred ninety million and fifty thousand Vietnamese dong*)
- Owner's Investment Capital : VND 1,574,390,050,000 (*One trillion five hundred seventy-four billion three hundred ninety million and fifty thousand Vietnamese dong*)
- Head Office Address : 15th Floor, CEO Tower, Lot HH2-1, Me Tri Ha Urban Area, Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi, Vietnam
- Telephone : (+84) 24 6269 0481
- Fax : (+84) 24 6269 0484
- Website : <https://fecon.com.vn>
- Ticker Symbol : FCN



**Development History:**

- June 18, 2004: Established as FECON Foundation Engineering and Underground Construction JSC
- 2007: Increased charter capital to VND 39.63 billion
- 2009: Increased charter capital to VND 87.997 billion
- 2010: Increased charter capital to VND 107 billion
- 2011: Increased charter capital to VND 128.4 billion
- March 2012: Increased charter capital to VND 138.051 billion
- July 2012: Officially listed on the Vietnamese stock exchange under the ticker FCN
- October 2013: Increased charter capital to VND 397.591 billion
- 2014: Increased charter capital to VND 457 billion
- 2016: Renamed as FECON Joint Stock Company
- March 10, 2017: Increased charter capital to VND 543.5 billion
- February 12, 2018: Increased charter capital to VND 943.4 billion
- June 10, 2019: Increased charter capital to VND 1,138.5 billion
- October 17, 2019: Increased charter capital to VND 1,195.4 billion
- January 25, 2021: Increased charter capital to VND 1,254.4 billion
- January 14, 2022: Increased charter capital to VND 1,574.4 billion

**2. Business Scope and Geographic Markets**

**2.1. Business Scope:**

The Company operates in two main business areas: construction and project investment, detailed as follows:

*a. Construction Sector:*

- Industrial Construction:

+ *Heavy Industrial Construction:* Execution of steel structures, foundations, M&E systems for thermal power plants, steel manufacturing complexes, oil refineries, and petrochemical complexes.

+ *Energy Construction:* Implementation of construction for thermal power plants, solar power plants, and wind power plants,...

+ *Light Industrial Construction:* Provision of comprehensive solutions from design, procurement, to construction for civil and light industrial buildings.

- Infrastructure and Underground Construction:

+ *Infrastructure Construction:* Construction of bridges, highways, railways, airports, ports, inland waterways, and industrial and urban infrastructure.

+ *Foundation and Ground Works:* Geotechnical surveys and foundation testing, static load testing of large bored piles, O-cell testing, ground improvement, installation of PHC piles, bored piles, diaphragm walls, tunneling, and underground structures.

+ *Underground Construction:* Tunnel excavation using tunnel boring machines (TBM) and pipe jacking; advanced waterproofing and ground treatment technologies for underground works; deep excavations; monitoring during construction and operation phases.

*b. Project Investment:*

- Investment in transportation infrastructure: roads, expressways, ports, railways, and bridges.

- Investment in renewable energy infrastructure: solar power, wind power, hydropower, and development of LNG gas-to-power projects.

- Development of urban areas and industrial parks: including green industrial parks and eco-urban zones.

**2.2. Geographic Markets:**

The Company primarily operates in Vietnam. In addition, it has implemented and is continuing to implement several projects abroad, notably in Myanmar and Cambodia.

**3. Corporate Governance Model, Organizational Structure and Management Team**

**3.1. Corporate Governance Model:**

FECON Joint Stock Company is organized and operates under the joint stock company model in accordance with the Company's Charter and the Law on Enterprises. The Company's governance structure includes the General Meeting of Shareholders (GMS), The Board of Directors (BOD), The Supervisory Board (SB), and The Executive Management (EM).

**3.2. Organizational Structure:**





3.3. Các công ty con, công ty liên kết:

No	Company's Name	Address	Business Scope	Ownership	Voting Rights	Equity Interest
<b>I</b>	<b>Direct Subsidiaries</b>					
1	FECON Equipment Joint Stock Company (including indirect ownership through FECON RAITO Underground Works Joint Stock Company)	Peace	Repair and Rental of Machinery and Equipment	86,14%	99,93%	93,17%
2	FECON Pile and Construction Joint Stock Company	Hanoi	Foundation construction, including pile pressing	93,50%	93,50%	93,50%
3	FECON Chungzheng Myanmar	Myanmar	Activities in the field of road and bridge construction	51,00%	51,00%	93,56%
4	FECON Infrastructure Construction Joint Stock Company	Hanoi	Construction of weak ground treatment	99,56%	99,56%	99,56%
5	Y Yen High School	Nam Dinh	Education and training at the lower secondary and upper secondary levels	72,90%	72,90%	72,90%
6	FECON Investment Joint Stock Company	Hanoi	Activities in the field of project development and construction	90,52%	90,52%	90,52%
7	FECON RAITO Underground Works Joint Stock Company (formerly FECON Underground Works Joint Stock Company)	Hanoi	Construction and treatment of foundations of underground works	51,00%	51,00%	51,00%
8	FECON SOUTH Joint Stock Company	Hồ Chí Minh City	Building the foundation of the building including the construction of piles, foundation treatment	99,99%	99,99%	99,99%
9	FECON Energy Joint Stock Company (including indirect ownership through FECON Investment Joint Stock Company)	Hanoi	Construction Investment Consulting	14,29%	99,99%	91,87%
10	FECON RAINBOW FOUNDATION CONSTRUCTION CO LTD	Myanmar	Geological survey, foundation treatment, pile construction and design services in Myanmar market	60%	60%	60%

No	Company's Name	Address	Business Scope	Ownership	Voting Rights	Equity Interest
11	FECON Hai Dang Minerals Joint Stock Company (including indirect ownership through FECON Investment Joint Stock Company)	Thanh Hoa	Mining and processing of minerals	64%	99,999%	96,59%
12	ECOTECH Vietnam Energy Investment Joint Stock Company (including indirect ownership through FECON Investment Joint Stock Company)	Hanoi	Power Generation	48,997%	99,997%	95,85%
<b>II</b>	<b>Indirect subsidiaries</b>					
1	FECON Pile Construction Joint Stock Company No. 1 (Indirectly owned through FECON Pile and Construction Joint Stock Company)	Hanoi	Construction of foundations and underground works		99,89%	93,40%
2	FECON Drilling Pile and Underground Structure Joint Stock Company (Indirectly owned through FECON Pile and Construction Joint Stock Company)	Hanoi	Construction of foundations, underground works, including pile pressing		99,89%	93,40%
3	Dong Khe Organic Agriculture Joint Stock Company (indirectly owned through FECON Investment Joint Stock Company)	Hanoi	Growing vegetables and beans of all kinds and growing flowers and ornamental plants		97,22%	88,01%
4	Quoc Vinh Soc Trang Wind Power Joint Stock Company (indirectly owned through Ecotech Vietnam Energy Investment Joint Stock Company and Fecon Energy Joint Stock Company)	Soc Trang	Wind power production at the Quoc Vinh Soc Trang Wind Power Plant project.		51,00%	47,85%
5	FECON Hiep Hoa Joint Stock Company (Indirectly owned through FECON Investment Joint Stock Company)	Bac Giang	Real Estate Business		55,00%	49,79%

No	Company's Name	Address	Business Scope	Ownership	Voting Rights	Equity Interest
6	FECON Pho Yen Joint Stock Company (Indirectly owned through FECON Investment Joint Stock Company)	Thai Nguyen	Real Estate Business		55,00%	49,79%
7	GF Homes Joint Stock Company (Indirectly owned by FECON Investment Joint Stock Company)	Dong Thap	Real estate business, land use rights		50,90%	46,08%
8	RAITO Advanced Geotechnical Joint Stock Company - FECON (Indirectly owned through FECON RAITO Underground Works Joint Stock Company)	Hanoi	Construction and treatment of foundations of underground works	0,02%	99,98%	51,00%
<b>III Indirect Affiliates</b>						
1	FECON Hoa Yen Joint Stock Company	Bac Giang	Real Estate Business		36,00%	32,59%
2	FCC Infrastructure Investment Joint Stock Company	Hanoi	Build		24,20%	21,91%
3	FECON Miltec Joint Stock Company	Long An	Design and construction of weak ground treatment		49,20%	48,98%
4	Omega Fortune Infrastructure Joint Stock Company (OFICO)	Hanoi	Management consultancy activities		49,10%	45,11%
5	GF Land Bac Ninh Joint Stock Company	Bac Ninh	Real Estate Business		36,00%	32,59%

Source: Audited Consolidated Financial Statements 2024

#### 4. Development orientation

##### 4.1. Company main objectives

- Maintaining the market position of the core business segment of foundations and underground works;
- To become an industrial and infrastructure construction contractor and a prestigious investor according to international standards possessing excellent capacity in foundations and underground works;
- Vision to become the leading infrastructure construction and development group in Vietnam by 2030, with a vision to 2040.

##### 4.2. Medium- and long-term development strategy



FECON strive for sustainable development in the field of infrastructure construction and industrial construction, prioritizing joint ventures and general contractor associations to expand into the international market. The company focuses on key projects such as urban railways, high-speed railways, underground drainage systems, as well as heavy industrial projects such as oil refineries, steel plants and large-scale energy projects, and constantly improves the construction capacity of the general contractor through cost optimization and excellent project management.

In the field of project investment, FECON plans to develop industrial real estate and urban real estate in satellite areas of big cities such as Hanoi and Ho Chi Minh City with outstanding advantages in connecting infrastructure. In addition, FECON will work with prestige partners to implement large-scale strategic projects, such as urban railway projects, high-speed railways with a TOD investment model under the PPP mechanism. In order to simultaneously improve operational efficiency in both construction and investment segments, and at the same time attract financial resources from international financial institutions for strategic infrastructure development.

#### **4.3. *The company's business philosophy***

- All of the Company's activities are oriented toward the long-term goal: "Benefit the nation, Prosper the people;
- Every product and service, regardless of size, must satisfy customers to the fullest extent;
- Quality – Efficiency – Timeliness are always the top priorities, leaving a lasting impression of "Professionalism" in the minds of clients;
- Develop and nurture a high-quality workforce with a positive mindset, guided by the principle: "People are the most valuable asset of the enterprise."
- Continuous learning and self-improvement to drive innovation and adaptability are both a collective and individual responsibility at FECON.
- Foster a strong corporate culture to become a source of pride for employees and a trusted name in the community.

#### **4.4. *Sustainability goals (environmental, social and community) and key programs related to the Company's short- and medium-term plan***

- a. Constantly researching, prioritizing the development of science and technology, expanding international cooperation*

With the aspiration to make practical contributions to the sustainable development of Vietnam's economy, FECON continuously promotes research, application, and technological advancement throughout the entire system. Initiated in 2011, the "Innovation Initiative" movement has attracted enthusiastic participation from employees across the organization. Over 13 years, the program has generated thousands of proposals, with more than 600 innovations applied in actual production and business activities. Embracing a spirit of constant innovation, from 2024 the program has been restructured and renamed "F-Ideas", with adjusted timelines and extended participation across more departments in the system, creating opportunities for

breakthrough ideas that contribute to overall improvements in the company's operations and business activities. Notably, June 18 each year has been designated as **FECON Innovation Day** – a celebration of intelligence and creativity that marks the beginning of a new F-Ideas season and honors the most outstanding ideas from the previous cycle. In addition, the **FECON Construction Technology Conference** is held regularly twice a year, providing FECON engineers with the opportunity to share knowledge, technology, and experience while fueling their passion for scientific research.

Furthermore, in 2024, FECON and Thang Long Corporation signed a cooperation agreement with the University of Transport and Communications to collaborate on training and research for the development of railway construction technology, marking a significant step forward in human resource development — specially to meet the growing demand for urban railway and high-speed railway projects that are currently being actively promoted by the Government and major cities. With a long-term vision, FECON identifies the proactive training and research to enhance workforce quality, as well as the timely adoption of new technologies, not only as a central task but also as a core element for achieving sustainable business development and contributing more effectively to the modernization of national infrastructure.

Also in 2024, FECON signed a cooperation agreement with Shanghai Tunnel Engineering Co., Ltd. (STEC) to jointly conduct research, develop proposals, and participate in tenders for urban railway projects in Vietnam. With a long-term strategic perspective, FECON considers the development of science and technology and the cultivation of top-tier human resources as key foundations for building a strong and sustainable enterprise.

*b. Human Capital and Corporate Culture Development – Centering on People to Foster Sustainable Community Values*

Throughout its more than 20-year journey of formation and development, FECON has remained steadfast in its philosophy that “People are the most valuable asset of the enterprise.” With human capital at the core, FECON continuously invests in personnel development and builds a professional organizational structure. Notably, the Company has implemented training programs grounded in its core values, aiming to cultivate a distinctive corporate culture — one where each employee is empowered to pursue their passions, develop their capabilities, and contribute positively to both the Company and society.

The year 2024 marked a vibrant period for FECON's corporate culture development activities, highlighted by the grand celebration of the Company's 20th anniversary. A series of engaging events — such as the Run for 20 race, Strong for 20 sports festival, Sing for 20 competition, and the third season of the I Love FECON writing contest — successfully brought together more than 1,000 employees across the FECON network.

Alongside the anniversary celebrations, other meaningful cultural initiatives flourished, including The Beauty of FECON, Understanding and Living the FECON Values, and F-Thanks. Especially noteworthy was the monthly program “Dharma Talks and Meditation,” which offered employees access to the wisdom of Buddhist teachings, fostering mindfulness and personal



growth while enhancing individual, team, and corporate management practices — ultimately promoting improved work performance and a happier, more fulfilling life.

In addition to internal cultural development efforts, FECON continued to extend these positive values to the broader community. In 2024, the Company served as a diamond sponsor for the Run for the Heart charity event; sponsored and directly implemented a water safety infrastructure project; and provided gifts and encouragement to underprivileged yet resilient students at Yen Phu Primary and Secondary Schools in Nam Dinh. Beyond the Warm Clothes for the Highlands initiative in Yen Bai and Lai Chau, FECON actively engaged in various social programs, such as honoring families with meritorious services to the revolution, offering incense in memory of fallen heroes, and organizing blood donation drives. In the future, FECON aims to further contribute to social causes, reinforcing its corporate values and fulfilling its social responsibility toward sustainable development.

Despite the many challenges faced in 2024, FECON concluded the year with significant achievements — reaffirming its market position while spreading positive values to the community. This journey stands as a vivid testament to the unwavering efforts of the entire FECON team in pursuit of a sustainable and prosperous future.

*c. Environmental Protection as an Investment in Sustainable Development*

Environmental protection is a key priority for FECON in its journey toward sustainable development. The construction and production technologies employed by the Company are carefully selected to ensure safety, minimize the use of natural resources, and remain environmentally friendly.

FECON embraces the vision of a green and livable environment as the guiding principle for all real estate projects it chooses to invest in. Notably, the *Square City Urban Area* — FECON’s first model urban development project — is master planned in line with modern, smart, and nature-harmonized standards. The living environment is optimally designed and integrated with a wide range of amenities including green parks, recreational zones, shopping centers, schools, and high-quality hospitals.

FECON’s industrial real estate projects also align with the “green and sustainable” objective. All investments feature ample greenery, water surfaces, comprehensive community facilities, and the application of smart management technologies, aimed at enhancing safety and convenience for workers in the industrial zones.

*d. Sustainable Governance*

One of the most critical factors ensuring the enduring development of the Company is its enterprise governance system. FECON consistently emphasizes the importance of building a unified, professional, and transparent governance structure that fully leverages the dedication and accountability of leaders and managers across the entire organization to efficiently operate the Company’s activities.

In recent years, FECON has particularly focused on digital transformation to enhance governance efficiency and labor productivity. Management software systems such as ERP,



Office 365, HRM, and PMS have significantly improved both corporate and project-level management effectiveness. In 2025, FECON will further accelerate the digital transformation process, continuing to drive innovation and operational excellence

## **5. Risk Assessment**

The construction market continues to present various risks, particularly in relation to outstanding construction debts and shortages of materials during project peak periods. In this context, FECON maintains a comprehensive risk management system extending from the Board of Directors to all levels of management and individual employees. This includes screening of projects and clients, and proactively securing material sources at early stages to minimize risks and optimize operational efficiency.

FECON's risk management policy is built upon the identification and evaluation of risks, from which comprehensive mitigation measures are developed in accordance with the Company's system capabilities. Risk management units are responsible for daily oversight, closely monitoring situations and analyzing risks across all aspects — from business operations and corporate governance to project management.

Accordingly, FECON has identified, assessed, and managed key risks that may significantly affect the Group's strategic direction and business operations, including:

### **5.1. Macroeconomic Risks**

Instabilities in the economic, political, and social landscape of both Vietnam and the global market — especially in securities, real estate, finance, monetary policy, and labor resources — directly impact the Group's production and business activities.

FECON actively monitors macro developments to devise timely and appropriate response measures aimed at mitigating potential risks.

### **5.2. Operational Risks**

Given the nature of the construction industry, risks in project execution — such as delays in site handover, occupational safety incidents, fluctuations in input costs, material shortages, and natural disasters — are primary risks requiring control. Mitigation measures include strict compliance with safety protocols, diversification of input material suppliers, and establishing disaster prevention units,...

In addition, bidding activities pose risks such as incomplete or inaccurate input data leading to mispriced bids, as well as fierce competition. FECON's management has reinforced project selection, actively sought and collaborated with highly capable partners, and enhanced interdepartmental coordination to improve bidding effectiveness.

### **5.3. Project Investment Risks**

Business and investment strategy planning is conducted annually. Beyond evaluating investment efficiency, prior to launching a new project, FECON thoroughly assesses potential risks related to market conditions, legal frameworks, licensing, taxation, and operational feasibility. Mitigation plans are developed when necessary. The Company regularly consults

with financial, legal, and tax experts and applies a rigorous due diligence process to each prospective investment.

#### **5.4. Financial Risks**

The primary financial risks identified include liquidity risk and credit risk:

- **Liquidity Risk:**

A challenging market environment has impacted multiple stakeholders, including project owners, resulting in delayed payments and pressure on the Company's cash flows.

FECON focuses on negotiating and defining strict payment terms within bidding contracts. The Finance and Accounting Department, supported by oversight units, plays a key role in formulating financial strategies and periodic planning, forecasting cash flows, and preparing backup capital plans across both the Group and individual projects. Project Executive Boards are also tasked with improving payment documentation and implementing receivables recovery plans, especially for long-overdue debts.

- **Credit Risks**

In 2024, although access to bank and institutional credit improved compared to previous periods, limited flexibility in funding sources and persistent loan repayment pressures continued to erode the Group's profit margins. In response, FECON has actively negotiated with banks and financial institutions and expanded its search for alternative credit sources to maintain favorable credit policies.

#### **5.5. Human Resource Risks**

FECON recognizes that people are the core of its growth and development. Amid a volatile labor market, the Company faces ongoing risks in attracting and retaining experienced, skilled personnel.

FECON emphasizes training in soft skills, management, and technical expertise; establishes clear career development paths; fairly evaluates employee performance; and provides competitive compensation and benefits. In parallel, the Company collaborates with universities and reputable recruitment partners to supplement its talent pool with young and capable professionals.

#### **5.6. Brand Management Risks**

A strong and reputable brand is the only path to long-term business success. In line with its sustainable development strategy, FECON consistently works to raise internal awareness of brand risk management, strengthen communication capabilities, and ensure transparency and accuracy in all disclosures to maximize stakeholder confidence.

#### **5.7. Legal Risks**

The construction industry is regulated by a range of legal frameworks including the Law on Enterprises, Construction Law, Real Estate Business Law, Investment Law, and Securities



Law. Frequent updates and changes in regulations may pose challenges for timely compliance and adjustment.

FECON has established a dedicated Legal Department responsible for continuously updating and disseminating legal information and working with legal experts and partners to ensure timely and effective legal consultation.

## **II. OPERATING PERFORMANCE IN THE YEAR**

### **1. Business Operations**

Vietnam's socio-economic conditions in 2024 maintained a positive trajectory, with macroeconomic stability, inflation kept below target, major economic balances secured, and social welfare maintained. Many key sectors achieved or surpassed their set goals, making Vietnam a bright spot in economic growth both regionally and globally. However, the construction and real estate markets in 2024 had yet to recover from the crises involving major domestic real estate groups during the 2023–2024 period. The stagnation of the real estate market led to declining construction demand, particularly in residential and commercial sectors. Renewable energy and gas power projects remained stalled due to incomplete policies and regulatory mechanisms; large-scale energy projects continued to face barriers in meeting investment prerequisites such as electricity pricing and power purchase auction frameworks. Strategic infrastructure projects such as urban railways in major cities and the national railway system were being prioritized for study and development by the Government, but actual project execution is projected to commence from 2026 onward.

The participation of numerous domestic and foreign construction companies in a market with limited project availability intensified competitive pressures, requiring contractors to significantly strengthen core competitiveness and substantially reduce production costs. Meanwhile, a critical challenge faced by most contractors was the escalating cost of input materials — particularly mined resources such as soil, sand, and gravel — driven by urgent demand, which put significant strain on profit margins and cash flows.

In the face of these challenges, despite the earnest efforts of the Board of Directors and the Executive Management, FECON's 2024 business performance did not meet the targets set at the beginning of the year. Overall, the Group's operational results from both construction and investment activities remained difficult, with consolidated revenue reaching VND 3,375 billion and profit after tax totaling VND 30 billion.

On the human resource development front, the Company completed its organizational realignment, notably introducing a new Executive Board in July 2024 and optimizing the assignment of responsibilities within the Executive Management in November 2024. The delegation of authority was promptly updated to align with the revised organizational structure. Core operational procedures were issued to streamline processes and optimize implementation efficiency in response to new development requirements. Cost-saving measures in administrative and personnel expenses were applied, resulting in reductions in overhead and improved labor productivity.



Key financial indicators have been recorded in FECON's 2024 Financial Statements as follows:

Indicators	Unit	Implementation 2023	Plan 2024	Implementation 2024	Plan completion rate 2024	Growth 2024/2023
Consolidated revenue	billion VND	2.880	4.000	3.375	84%	17%
Parent Company Revenue	billion VND	1.890	2.700	2.367	88%	25%
Consolidated LNST	billion VND	-42	60	30	50%	171%
Parent Company Profit	billion VND	13	33	7	20%	-48%
Profit after profit of shareholders of the parent company	billion VND	-32	50	9	19%	129%
Consolidated EPS	VND/share	-221	316	59	19%	127%

## 2. Organization and personnel

### 2.1. Executive Board List

#### a. List of the Board of Management

STT	Họ và tên	Chức vụ
1	Nguyễn Thanh Tùng	COO
2	Nguyễn Quốc Bảo	Deputy General Director
3	Đỗ Mạnh Cường	Deputy General Director
4	Trần Trung Hiếu	Deputy General Director

Summary of the curriculum vitae and ownership ratio of voting shares and other securities issued by the Company by the Board of Management:

[i] Mr. NGUYEN THANH TUNG – Chief Operating Officer

- Year of Birth: 1981

- Nationality: Vietnamese

- Education: Master of Business Administration, Schidler College of Business

- Career History:

- 2004 – 2005: Construction Engineer, CIMAS/CTCI Design Consultancy Co., Ltd.
- 2005 – 2014: Construction Engineer, Vamed Engineering GMBH & Co
- 2015: Project Manager, AA Architecture Construction JSC
- 2016 – 2018: Chief Executive Officer, Econs Vietnam Infrastructure Co., Ltd.
- Oct 2018 – Nov 2019: Deputy Director, Hawee Industrial Construction JSC
- Dec 2019 – Jun 2024: Deputy CEO, FECON Corporation
- Jul 2024 – present: Chief Operating Officer, FECON Corporation
- Direct ownership: 0 shares – Ownership Ratio: 0%
- Representative ownership: 0 shares – Ownership Ratio: 0%

**[ii] Mr. NGUYEN QUOC BAO – Deputy General Director**

- Year of Birth: 1985
- Nationality: Vietnamese
- Education: Master's Degree in Engineering and Technology (Construction), Russian Federation – Tambov State Technical University
- Career History:
  - 2011-2012: Design Engineer, VSL Vietnam
  - 2012-2013: Deputy Planning Director, Forio JSC
  - 2013-2018: Project Manager, Project Team Leader, Head of Project Division 2, FECON Corporation
  - 2018 - nay: Deputy General Director, FECON Corporation.
- Direct ownership: 59 shares – Ownership Ratio: 0%
- Representative ownership: 0 shares – Ownership Ratio: 0%

**[iii] Mr. DO MANH CUONG – Deputy General Director**

- Year of Birth: 1977
- Nationality: Vietnamese
- Education: Bachelor's Degree in Bridge and Tunnel Engineering, University of Transport and Communications
- Career History:
  - 2000 – 2003: Design Engineer, TEDI – Bridge and Tunnel Design Consultancy JSC
  - 2003 - 2005: Bridge Engineer, Nippon Koei – TEDI Joint Venture
  - 2005 - 2007: Structural Group Leader (Bridges, Culverts, Marine Structures)

- Aug 2007 – Sep 2008: Design Engineer, TEDI – Bridge and Tunnel Design Consultancy JSC
- Oct 2008 – Sep 2010: Deputy Resident Engineer (Lead Vietnamese Engineer), OC – TEDI – APECO JV
- Sep 2010 – Oct 2014: Deputy Head, Bridge Department 4, TEDI
- Oct 2014 – Jul 2016: Head of Technical & Economic Dept., FCC Infrastructure Investment JSC
- Jul 2016 – Jul 2019: Deputy Director, FECON Infrastructure JSC
- Jul 2019 – May 2020: Director, FECON Urban Infrastructure Development JSC
- Jun 2020 – present: Deputy General Director, FECON Corporation.

- Direct ownership: 10,159 shares – Ownership Ratio: 0.006%

- Representative ownership: 0 shares – Ownership Ratio: 0%

**[iv] Mr. TRAN TRUNG HIEU – Deputy General Director**

- Year of Birth: 1983

- Nationality: Vietnamese

- Education: Bachelor's Degree in Hydropower, Irrigation, and Water Supply Engineering – Ho Chi Minh City University of Technology

- Career History:

- 2007 - 2008: Site Supervisor, N.E.S JOINT VENTURE JAPAN
- 2008 - 2009: Field Engineer, SW CONSTRUCTION
- 2009 - 2012: Senior Engineer, Deputy Site Manager, POSCO E&C
- 2012 - 2022: Deputy Site Manager, Site Manager, Project Director, NEWTECONS
- 2022 - 2023: Project Director, NOVALAND Group
- 09/2023 - 06/2024: Project Director, FECON Corporation
- 07/2024 - nay: Deputy General Director - FECON Corporation

- Direct ownership: 0 shares – Ownership Ratio: 0%

- Representative ownership: 0 shares – Ownership Ratio: 0%

*b. Chief Financial Officer and Chief Accountant*

TT	Full name	Duty
1	Nguyen Thi Hien	Chief Financial Officer
2	Pham Van Tung	Chief Accountant



Summary of background and ownership ratio of voting shares and other securities issued by the Company of the Chief Financial Officer and Chief Accountant:

**[i] Ms. NGUYEN THI NGHIEN – Chief Financial Officer**

- Year of birth: 1976

- Nationality: Vietnamese.

- Education: Master of Finance at National Economics University

- Work experience:

- 07/2011 - 04/2015: Deputy Head of Accounting Department of Financial Statistics of Inter-provincial Telecommunications Company

- 05/2015 - 12/2016: Assistant General Director for Finance of FECON Joint Stock Company

- 05/2015 - 09/2018: Deputy Director of FECON Infrastructure Joint Stock Company

- 09/2018 - 08/2019: Chief Accountant of FECON Joint Stock Company

- 09/2019 - 4/2022: Chief Financial Officer - Chief Accountant of FECON Joint Stock Company

- 04/2022 - present: Chief Financial Officer of FECON Joint Stock Company

- Individual ownership: 0 shares - Ratio: 0 %

- Representative ownership: 0 shares - Ratio: 0 %

**[ii] Mr. PHAM VAN TUNG - Chief Accountant**

- Year of birth: 1987

- Nationality: Vietnamese

- Education: Master of Financial Economics - Banking at National Economics University

- Work experience:

- 06/2011 - 06/2017: Accountant of ACC-244 Joint Stock Company of ACC Aviation Construction Corporation, Ministry of National Defense

- 07/2017 - 03/2019: Accountant of FECON Joint Stock Company

- 05/2019 - 11/2021: Chief Accountant of FECON Pile Construction Joint Stock Company No. 1

- 11/2021 - 03/2022: Deputy Head of Finance and Accounting Department of FECON Joint Stock Company

- 04/2022 - present: Chief Accountant of FECON Joint Stock Company

- Individual ownership: 63 shares - Ratio: 0%

- Representative ownership: 0 shares - Ratio: 0 %

**2.2. Changes in Board of Management**

*a. Changes in Board of Management*

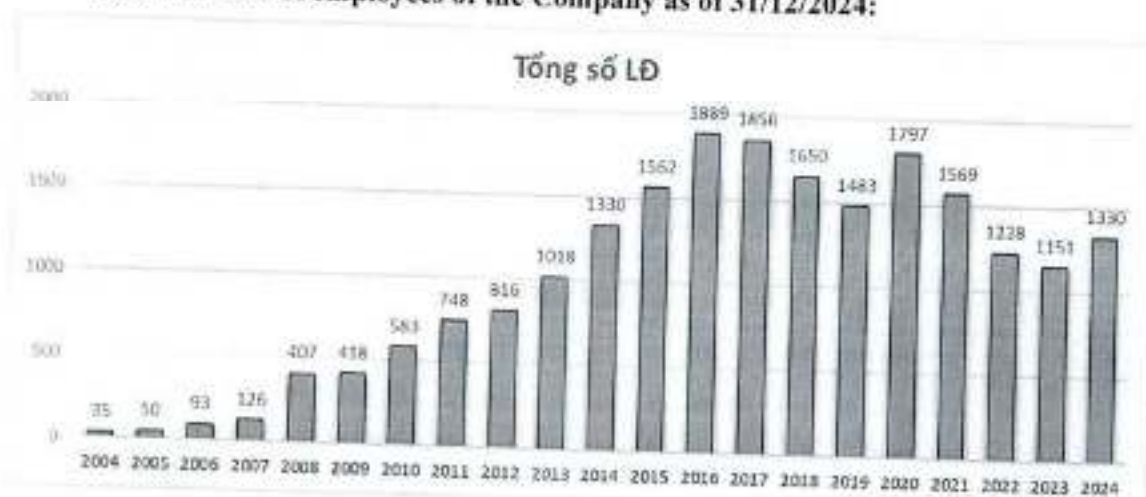
No	Full name	Year of birth	Qualifications	Date of appointment/dismissal
1	Mr. Nguyen Van Thanh	1980	Master of Civil Engineering at the National University of Singapore (NUS)	Dismissal of the General Director from 05/07/2024
2	Mr. Nguyen Thanh Tung	1981	Master of Business Administration at Schidler College of Business	Appointment of COO effective 05/07/2024
3	Mr. Tran Trung Hieu	1983	Civil engineer at Ho Chi Minh City University of Science and Technology	Appointment of Deputy General Director as of 05/07/2024

*b. Changes related to the Chief Financial Officer and Chief Accountant*

In 2024, there will be no change in the Chief Financial Officer and Chief Accountant.

**2.3. Number of officials and employees, summary of policies and policy changes for employees**

**Total number of employees of the Company as of 31/12/2024:**



The total number of employees at FECON in 2024 is 1,330 people, an increase of 15.55% compared to 2023.

**Summary of HR policies and adjustments to policies for employees in HR policies:**

In parallel with business development, FECON consistently prioritizes the stabilization and development of internal resources, particularly human resources. The Company focuses on establishing competitive and market-aligned policies on salaries, bonuses, and benefits to attract, motivate, and reward employees while recognizing individual contributions to the organization. A performance evaluation system is in place to ensure accurate and fair compensation practices.

In 2024, FECON continued to adjust its HR policies in a timely manner to promote productivity and acknowledge employee contributions. Notably, the Company continued to



revise the income policy for project management divisions and piloted a performance-based compensation mechanism at selected projects. The updated HR policy, effective from January 1, 2024 — following nearly a year of implementing the 2023 HR policy — removed the application of KPI/OGSM coefficients in monthly performance-based income calculations and adjusted the year-end performance bonus (KCT) to better recognize employee loyalty and contributions to FECON.

The Executive Management also places high importance on and invests in training as a core HR strategy for sustainable enterprise development. In 2024, internal training programs were actively expanded. Key initiatives such as TBM (Tunnel Boring Machine) training and technical seminars significantly improved staff quality, as evidenced by increased productivity and work effectiveness. These programs also enhanced adaptability to organizational changes, particularly as FECON diversified its business activities. Training was also provided to high-potential employees to build a successor pipeline, ensuring long-term organizational stability. Looking ahead to 2025, training programs are expected to expand further, including the incorporation of external technical and professional development courses.

FECON remains committed to its philosophy of becoming a sustainable enterprise and shaping the future through the development of corporate culture, management capacity building, technical innovation, and global integration in 2024 and beyond. Training programs not only aim to enhance staff capabilities but also foster the development of the Company's core values — as reflected in the application of Buddhist principles in corporate governance, most notably through the launch of the "Dharma Talks & Meditation Handbook" in May 2024. Internal cohesion was further strengthened through cultural and sports activities as part of the Company's 20th anniversary celebration, including a meaningful commemorative event held on July 27.

Additionally, the Company maintained its Solidarity Fund and various welfare and social responsibility initiatives to support individual employees and their families (e.g., support on War Invalids and Martyrs Day – July 27, for underprivileged families), along with employee union activities (e.g., March 8, October 20, International Children's Day, Mid-Autumn Festival, etc.) and recognition programs for individuals and collectives (e.g., honorary titles, innovation awards).

FECON continues to fully comply with labor policies on wages, health insurance, social insurance, pension benefits, social and charitable activities, and fulfills all obligations related to employee contributions to the State budget.

### **3.1. Project Execution and Investment Activities**

#### **3.2. Implementation of Major Construction Projects**

In 2024, FECON signed numerous large-scale contracts, further expanding its portfolio in both infrastructure and civil construction. These contracts not only demonstrated FECON's execution capabilities but also affirmed its ability to secure strategic, high-value projects.

In the infrastructure sector, FECON took part in several landmark projects such as Lach Huyen Port, the Phu Ly railway overpass, My Thuy Port, and Baria Serece Port in Ba Ria-Vung



Tau province. Undertaking these major infrastructure projects has helped solidify FECON's reputation in the execution of nationally significant works, especially seaport developments.

Beyond infrastructure, FECON continued to expand its operations into civil construction. As the general contractor for key Ministry of Public Security projects — such as the Headquarters of the Quang Ninh Provincial Police, the A09 Investigation Security Department, and Project A06 — FECON demonstrated its technical expertise and high-quality construction standards. These projects are not only valuable in financial terms but also significantly enhance FECON's standing in the civil construction sector.

*a. Hanoi Metro Line 3 – Nhon to Hanoi Station Segment*

One of the most critical transportation projects in the capital, the Nhon–Hanoi Station metro line is being built to modern standards, aiming to ease traffic congestion and improve public transport services. The total project length is 12.5 km, comprising 8.5 km of elevated tracks and 4 km of underground segments.

In 2024, FECON continued to work with the main contractor Hyundai Ghella as a subcontractor responsible for underground construction, with a key focus on installing and operating the TBM (Tunnel Boring Machine). This advanced technology ensures high precision during tunneling and minimizes disruption to surrounding structures. With a total investment exceeding VND 32,900 billion, FECON's contract value is estimated at VND 1,200 billion.

On July 30, 2024, FECON officially launched the TBM to begin the first underground tunnel boring works for Hanoi Metro Line 3. FECON became the first Vietnamese subcontractor to directly operate a TBM and was responsible for most underground structures, including underground stations, diaphragm walls, foundation piling, ground treatment, and waterproofing — some of the most technically demanding components in metro projects.

This project allowed FECON to leverage its core strengths as one of Vietnam's leading foundation and underground contractors, particularly in urban tunneling. The use of cutting-edge construction technologies reduced execution time and minimized environmental and geological impact. Successfully operating the TBM as a Vietnamese contractor marks a major milestone in asserting FECON's capabilities in urban underground infrastructure and metro development, contributing to the long-term goal of Vietnamese companies mastering key underground construction technologies.

*b. Lach Huyen Port – Berths 5 and 6, Hai Phong*

Lach Huyen Port in Hai Phong is a key deep-water port, playing a vital role in connecting Vietnam's trade with international markets. As part of an effort to expand logistics infrastructure, Berths 5 and 6 are being developed to enhance cargo handling capacity.

FECON was responsible for the construction of port yards, ground reinforcement, and the installation of specialized cargo-handling equipment. The project commenced in Q2/2023, with FECON's contract value totaling approximately VND 800 billion. Once operational, the expanded port will increase shipping capacity, reduce congestion at nearby ports, and boost trade in northern Vietnam.

*c. Headquarters of the Quang Ninh Provincial Police*

A key security and defense project, the Quang Ninh Police Headquarters is designed to modernize infrastructure and improve the province's ability to maintain public safety and order.

FECON's scope included construction of the foundation structures, M&E systems, and interior finishing. The project began in March 2024 and is expected to be completed by December 2025, with a total contract value of around VND 500 billion. Once completed, the headquarters will enhance the operational capabilities of the Quang Ninh police force — a key region in Vietnam's national security strategy.

*d. Headquarters of the Investigation Security Department, Ministry of Public Security (A09)*

This project has stringent requirements for security and construction quality. FECON was responsible for building a sustainable structural system and applying advanced technical solutions to ensure safety and operational efficiency.

Commencing in May 2024, FECON completed and handed over part of the work to the investor by December 31, 2024. With a contract value of approximately VND 600 billion, this project strengthens the capacity of the A09 department and underscores FECON's commitment to meeting strict construction standards.

*e. Expansion of Baria Serece Port*

As part of the southern port development strategy, this project is critical to enhancing freight handling capacity in the region. The expansion allows for larger vessels and improved logistics efficiency.

FECON carried out construction works to expand the cargo-handling area, reinforce foundations, and install operational support equipment. The project began in June 2024 and was completed in early 2025, with a contract value of VND 108 billion. Once in operation, the expanded Baria Serece Port will contribute to increased trade volume and support regional economic development.

With a portfolio of major projects stretching from North to South, FECON continues to make a strong mark in infrastructure and underground construction across Vietnam. These projects not only contribute to the socio-economic development of their respective localities but also clearly reflect FECON's capabilities and reputation in the construction industry. Commitment to quality, timely delivery, and safety remains at the core of FECON's identity as a trusted partner in the country's strategic development projects.

**3.3. Implementation of Investment Projects:**

In 2024, FECON focused on implementing two major investment projects through its member companies under the management of FECON Investment Joint Stock Company. These include the Danh Thang – Doan Bai Industrial Cluster Project in Bac Giang and the Nam Thai Urban Area Project (commercially branded as Square City) in Pho Yen City, Thai Nguyen Province. In addition, at the end of 2024, the Company was officially recognized as the investor



of the Hoa Yen Industrial Park Project in Bac Giang Province, with a planned scale of 256.68 hectares.

*a. Danh Thang – Doan Bai Industrial Cluster Project:*

On December 26, 2022, the People's Committee of Bac Giang Province approved the establishment of the Danh Thang – Doan Bai Industrial Cluster Project. FECON Hiep Hoa JSC was designated as the infrastructure developer, responsible for planning, managing, and investing in the project's technical infrastructure.

The project has a planned area of 75 hectares with a total investment capital of nearly VND 1,000 billion. As of now, the feasibility study report, basic design, and environmental impact assessment have been appraised and approved. Land clearance is scheduled to begin in March 2025. According to the expected timeline, infrastructure construction will commence in Q2/2025, with revenue recognition projected by the end of 2025. Upon completion, the project is estimated to generate approximately VND 400 billion in profit.

*b. Nam Thai Urban Area Project (Square City):*

The Nam Thai Urban Area Project covers a planned area of 24.68 hectares, with a total investment of nearly VND 3,000 billion. The investment policy was approved by the People's Committee of Thai Nguyen Province on April 14, 2022, and FECON Pho Yen JSC was appointed as the official project developer on December 30, 2022.

To date, the project has received two rounds of land allocation totaling 15.2 hectares and officially broke ground on June 9, 2024. Infrastructure construction has been completed for the first allocated area and is ongoing for the second. The project has been certified as meeting conditions for off-plan housing sales and lease-purchase, and land plots with completed infrastructure are now eligible for individual resale and private home construction. In 2025, the Company plans to launch sales and marketing campaigns to generate cash flows and contribute profit to the Group. Upon completion, the project is expected to bring in around VND 450 billion in profit.

*c. Hoa Yen Industrial Park Project:*

On November 25, 2024, the Prime Minister signed Decision No. 1462/QĐ-TTg approving the investment policy for the Hoa Yen Industrial Park Project in Bac Giang Province. FECON Hoa Yen JSC was assigned as the project developer. The industrial park will span 256.68 hectares with a projected total investment of VND 3,700 billion. The Company is currently expediting procedures for land clearance. This is considered one of FECON's key strategic projects and will be prioritized for implementation in the near future. Upon completion, the project is expected to generate more than VND 1,000 billion in profit.

**3.4. Subsidiaries and associated companies**

*Unit: billion VND*



No	Company Name	Summary of the operating and financial situation	
		Total assets	Equity
<b>I</b>	<b>Direct Subsidiaries</b>		
1	FECON Equipment Joint Stock Company	58,5	15,7
2	FECON Pile and Construction Joint Stock Company	582,6	83,7
3	FECON Chungzheng Myanmar	19,9	15,9
4	FECON Infrastructure Construction Joint Stock Company	407,7	99,7
5	Y Yen High School	9,3	8,7
6	FECON Investment Joint Stock Company	1.764,7	663,7
7	FECON RAITO Underground Works Joint Stock Company	801,3	354,1
8	FECON SOUTH Joint Stock Company	507,1	109,5
9	FECON Energy Joint Stock Company	1.412,7	358,1
10	FECON RAINBOW FOUNDATION CONSTRUCTION CO LTD	13,7	13,7
11	FECON Hai Dang Minerals Joint Stock Company	123,8	94,2
12	ECOTECH Vietnam Energy Investment Joint Stock Company	301,8	301,5
<b>II</b>	<b>Indirect subsidiaries</b>		
1	FECON Pile Construction Joint Stock Company No. 1	87,2	49,2
2	FECON Drilling Pile and Underground Structure Joint Stock Company	18,0	18,0
3	Dong Khe Organic Agriculture Joint Stock Company	98,4	98,0
4	Quoc Vinh Soc Trang Wind Power Joint Stock Company	1.210,8	433,1
5	FECON Hiep Hoa Joint Stock Company	482,6	466,6
6	FECON Pho Yen Joint Stock Company	1.323,6	392,6
7	GF Homes Joint Stock Company	5,5	5,4
8	RAITO Advanced Geotechnical Joint Stock Company - FECON	100,3	-8,6

No	Company Name	Summary of the operating and financial situation	
III	Affiliates	Voting Rate	Main production and business lines
1	FECON Hoa Yen Joint Stock Company	36,00%	Real Estate Business
2	FCC Infrastructure Investment Joint Stock Company	24,20%	Build
3	FECON Miltec Joint Stock Company	49,20%	Design and construction of weak ground treatment
4	Omega Fortune Infrastructure Joint Stock Company (OFICO)	49,10%	Management Consulting
5	GF Land Bac Ninh Joint Stock Company	36,00%	Real Estate Business

### 3. Financial Statistics

#### 3.1. Financial Statistics

Unit: billion VND

No	Quota	Year 2023	In 2024	Change
1	Total Asset Value	8.581	9.706	13
2	Net sales	2.880	3.375	17
3	Net profit from business activities	-9	61	800
4	Other Profits	-9	-2	76
5	Profit before tax	-18	59	425
6	Profit after tax	-42	30	171
7	Dividend Ratio (%)	No division	No division	

(Source: Audited consolidated financial statements for 2023 and 2024)

#### 3.2. Major financial indicators

No	Quota	Unit	Year 2023	In 2024
1	Short-term payment ratio (Current Assets/Current Liabilities)	times	1,42	1,32
2	Fast Payout Ratio ((Short-Term Assets - Inventory)/Short-Term Liabilities)	times	1,03	0,97



No	Quota	Unit	Year 2023	In 2024
3	Debt/Total Assets Ratio	times	0,61	0,65
4	Debt/Equity Ratio	times	1,55	1,88
5	Inventory Turnover (Cost of goods sold/Average inventory)	Ring	1,43	1,74
6	Total Asset Turnover (Net Revenue/Average Total Assets)	Ring	0,36	0,37
7	Profit after tax/Net revenue ratio	%	-1,5	0,9
8	Profit After Tax/Equity Ratio	%	-1,2	0,9
9	Profit after tax/Total assets ratio	%	-0,5	0,3
10	Return on Business/Net Revenue	%	-0,3	1,8

(Source: Audited consolidated financial statements for 2023 and 2024)

#### 4. Shareholder structure, change of owner's investment capital

##### 4.1. Stock

No	Content	Amount
1	Number of outstanding shares	157.439.005
2	Number of freely transferable shares	157.439.005
3	Number of shares restricted from transfer	0
	<b>Amount</b>	<b>157.439.005</b>

##### 4.2. Shareholder Structure

#### Structure of the company's shareholders

No	Shareholder Structure	Number of Shareholders	Corresponding Stocks	Value (VND)	% Rate/Actual Contribution
1	<b>Domestic shareholders</b>	<b>14.032</b>	<b>108.617.189</b>	<b>1.086.171.890.000</b>	<b>68,99</b>
1.1	Shareholders are organizations	30	34.209.435	342.094.350.000	21,73
1.2	Individual shareholders	14.002	74.407.754	744.077.540.000	47,26
1.3	State shareholders	0	0	0	0,00
2	<b>Foreign shareholders</b>	<b>116</b>	<b>48.821.816</b>	<b>488.218.160.000</b>	<b>31,01</b>

No	Shareholder Structure	Number of Shareholders	Corresponding Stocks	Value (VND)	% Rate/Actual Contribution
2.1	Shareholders are organizations	21	48.522.237	485.222.370.000	30,82
2.2	Individual shareholders	95	299.579	2.995.790.000	0,19
<b>Total</b>		<b>14.148</b>	<b>157.439.005</b>	<b>1.574.390.050.000</b>	<b>100,00</b>

(According to the list of shareholders as of 27/03/2025)

**List of shareholders holding over 5% of Charter Capital as of 27/03/2025**

TT	Shareholder Name	Ownership Registration Number	Issue Date	Number of shares held (CP)	Ownership Rate
1	RAITO KOGYO CORPORATION	CB9736	06/03/2019	40.167.682	25,51 %
2	HD FUND MANAGEMENT JOINT STOCK COMPANY	44/UBCK-GP44/UBCK-GP	21/11/2008	17.500.000	11,12 %
3	RED ONE INFRASTRUCTURE INVESTMENT FUND	41/GCN-UBCK	01/11/2021	16.000.000	10,16 %

Maximum foreign ownership rate at 31/12/2024: 75%.

**4.3. Changes in the owner's investment capital**

No	Time of change	Charter capital (VND)	Total Shares	Share Type	Ghi chú
1	18/06/2004	5.000.000.000	5.000	Common Shares	Face value: 1,000,000 VND
2	30/06/2006	10.000.000.000	10.000	Common Shares	
3	10/08/2007	50.000.000.000	5.000.000	Common Shares	Face value: 10,000 VND
4	16/09/2009	88.000.000.000	8.800.000	Common Shares	
5	17/11/2010	107.000.000.000	10.700.000	Common Shares	
6	04/11/2011	128.400.000.000	12.840.000	Common Shares	
7	17/05/2012	138.051.620.000	13.805.162	Common Shares	
8	18/04/2013	165.663.280.000	16.566.328	Common Shares	
9	18/10/2013	397.591.180.000	39.759.118	Common Shares	



No	Time of change	Charter capital (VND)	Total Shares	Share Type	Ghi chú
10	18/06/2014	457.228.540.000	45.722.854	Common Shares	
11	18/11/2016	477.228.540.000	47.722.854	Common Shares	
12	10/3/2017	494.994.220.000	49.499.422	Common Shares	
13	28/7/2017	543.529.160.000	54.352.916	Common Shares	
14	10/4/2018	873.529.160.000	87.352.916	Common Shares	
15	12/6/2018	898.529.160.000	89.852.916	Common Shares	
16	12/12/2018	943.445.620.000	94.344.562	Common Shares	
17	10/06/2019	1.138.477.420.000	113.847.742	Common Shares	
18	17/10/2019	1.195.388.930.000	119.538.893	Common Shares	
19	25/01/2021	1.254.390.050.000	125.439.005	Common Shares	
20	14/01/2022	1.574.390.050.000	157.439.005	Common Shares	

#### 4.4. Trade treasury stocks

None

#### 4.5. Other Securities

In 2024, the Company will deploy 01 individual corporate bond issuance with specific information as follows:

- Total number of bonds actually issued: 1,200 Bonds
- Total value of bonds actually issued: VND 120,000,000,000
- Type of bond: Non-convertible bonds, without warrants, secured by assets, not secondary liabilities.
- Term: Up to 18 months from the date of release
- Release Date: 21/10/2024
- Maturity Date: 21/04/2026
- Purpose of issuance: Restructuring the Company's debts

### 5. The Company's environmental and social impact report

#### 5.1. Impact on the environment

As a company operating in the construction industry, FECON understands that in addition to contributing to national economic development, businesses in this sector also have an impact on the natural environment through their operations. Specifically, construction enterprises consume a substantial amount of raw materials and release large volumes of CO<sub>2</sub> — a major contributor to the greenhouse effect. To ensure that its operations and business activities meet environmental standards and do not cause harm to the environment, the Company conducted occupational environmental monitoring in 2024. The results are summarized as follows:

Microclimate

- Total Temperature Samples: 30 Samples
  - Total number of samples with temperatures not reaching the permissible limit: 00 samples
  - Total Humidity Samples: 30 Samples
  - Total number of samples with humidity not reaching the permissible limit: 00 samples
  - Total wind speed samples: 30 samples
  - Total number of samples of wind speed not reaching the permissible limit: 00 samples
- ⇒ At the time of measurement, the microclimate samples measured at the locations were at the permissible limit according to QCVN 26:2016/BYT.

Light

- Total number of light samples: 30 samples
  - Total number of light samples that do not meet the permissible limit: 00 samples
- ⇒ At the time of measurement, the light samples were below the permissible limit according to QCVN 22:2016/BYT.

Noise

- Total number of general noise samples: 30 samples
  - Total number of common noise samples that do not meet the permissible limit: 00 samples
- ⇒ At the time of measurement, the measured noise samples were below the permissible limit according to QCVN 24:2016/BYT.

Dust

- Total dust samples: 30 samples
  - The total number of total dust samples that do not meet the permissible limit: 00 samples
- ⇒ At the time of measurement, the total dust concentration was below the permissible limit according to QCVN 02:2019/BYT.

Toxic gas vapors

- Total number of CO2 samples: 30 samples.
  - Total number of CO2 samples exceeding the permissible limit: 00 samples.
- ⇒ The concentration of point gas vapors at the time of measurement is at the permissible limit according to QCVN 03:2019/BYT.

## 5.2. Material Resource Management

FECON places great importance on the selection of materials and construction technologies tailored to the specific requirements of each project, with the objective of minimizing negative environmental impacts. In particular, FECON has been a pioneer in



researching and applying advanced and environmentally friendly green construction technologies. Since 2011, the Company has organized five GEOTEC Hanoi International Conferences — a forum for scientists and professionals to exchange knowledge and identify optimal solutions for applying appropriate technologies that meet three key criteria: structural safety, environmental sustainability, and cost-effectiveness. FECON has successfully implemented various new technologies in real-world projects, including innovations in foundation design and construction, underground structures, landslide prevention, and civil infrastructure development.

### 5.3. Energy Consumption

Construction is one of the most energy-intensive industries, consuming large amounts of energy throughout nearly every phase of a building's life cycle. In response, FECON upholds a strong commitment to energy conservation across all its projects — prioritizing the use of natural energy sources and ensuring that electricity is turned off when not in use.

At the Company's offices, energy-saving practices are also rigorously implemented. Employees are encouraged to switch off computers after work, turn off lights in hallways, restrooms, and unused areas. Through these small but meaningful actions, FECON aims to instill a culture of environmental consciousness and foster a responsible, sustainable lifestyle within the organization and beyond.

### 5.4. Water Consumption

FECON recognizes that clean water is a finite and precious resource — fundamental to all aspects of life and central to sustainable development. In all operations, production, and business activities, the Company actively promotes water conservation, advocating for the prevention of waste, as well as reuse and recycling of water wherever possible. This initiative has received strong support and engagement from employees across the FECON system.

### 5.5. Compliance with the law on environmental protection

- a. Number of times sanctioned for violations due to non-compliance with laws and environmental regulations: *No.*
- b. Total amount of penalties for non-compliance with environmental laws and regulations: *No.*

### 5.6. Policies related to employees

- a. *Number of employees and average salary for employees:*
  - The number of employees of the Company as of December 31, 2024 is 1,330 people
  - Average salary for employees: 24.76 million VND/month (according to the average salary of the whole Group for defined personnel).
- b. *Labor policies to ensure the health, safety and welfare of employees include:*

The updated HR policy for 2024 was issued after nearly one year of implementing the 2023 policy. Notably, it removed the application of KPI/OGSM coefficients in calculating monthly

performance-based bonuses and revised the year-end performance bonus coefficient (KCT) to better reflect employee contributions and long-term commitment to FECON.

The Collective Labor Agreement was supplemented with two new programs: (i) an annual gift program for site workers, providing protective sun hats and face-covering scarves distributed in 2024; and (ii) a workday accumulation program for site staff.

The *Solidarity Fund*, social welfare, and corporate responsibility activities for employees and their families (e.g., on War Invalids and Martyrs Day – July 27, for disadvantaged families), along with union-sponsored events (such as International Women’s Day, Vietnamese Women’s Day, Children’s Day, Mid-Autumn Festival, etc.), and recognition programs for individuals and collectives (e.g., honorary awards, innovation prizes), continued to be maintained annually by the Company.

*c. Employee Training Activities*

Total training hours in 2024: 34,369 hours, equivalent to 37 hours per employee per year.

Despite ongoing socio-economic challenges in 2024, FECON remained committed to sustainable business development by maintaining key activities such as management capacity-building, corporate culture development, R&D and technical innovation, and international integration — all of which serve to lay a stronger foundation for success in 2025 and beyond.

Key training programs such as TBM training and technical workshops contributed significantly to enhancing workforce quality, as evidenced by improved productivity and efficiency. These programs also strengthened employees’ adaptability to organizational changes, especially as FECON expanded its business scope and diversified service lines. In particular, the Company focused on building a pipeline of high-potential employees to ensure long-term organizational stability through effective succession planning.

**5.7. Community Engagement Report**

Remaining steadfast in its commitment to continuous learning and innovation to deliver long-term value to society, FECON is proud to have been honored twice with the Vietnam Value (National Brand) award (in 2022 and 2024). The Company was also named among the Top 10 Most Reputable Construction Contractors of 2024 by Vietnam Report. Beyond its goals of business efficiency and profit growth, FECON strives to make positive contributions to national development and social welfare through meaningful community initiatives.

In 2024, FECON extended its journey of community engagement by: Sponsoring and distributing more than 100 gifts to disadvantaged students and high-performing pupils; Providing funding for educational equipment and school supplies for Yen Phu Kindergarten (Nam Dinh); Visiting border guards and donating warm clothing to children in the remote commune of Mu Ca (Lai Chau); Completing the construction of anti-drowning safety railings for children in Yen Phu (Nam Dinh); Serving as the Diamond Sponsor for the “Run for the Heart 2024” charity event.



In addition, FECON actively participated in other social responsibility initiatives, such as honoring families with revolutionary contributions, offering incense in memory of national heroes and martyrs, and organizing voluntary blood donation drives.

#### **5.8. Green Finance Market Activity Report (per SSC Guidelines)**

As of the reporting period, FECON has not yet conducted any green capital-raising initiatives. The Company is currently studying the potential of the green finance market and aims to implement such activities in the near future.

### **III. REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY'S ACTIVITIES**

#### **1. Report on the results of production and business activities**

The year 2024 remained a challenging period for the construction industry, significantly affected by domestic and international economic and political fluctuations. In this context, FECON proactively initiated a robust restructuring process, including changes in senior management within the Board of Management since July 2024. The combined impact of market difficulties and the transition of leadership responsibilities, along with key tasks, significantly influenced the company's business performance throughout the year.

Despite achieving only 69% of its revenue target and reaching 84% of the planned revenue from construction activities, FECON still recorded a 17% growth compared to the same period last year. A notable highlight in 2024 was the positive contribution from financial revenue in the investment sector, which played a significant role in the company's consolidated business results.

Amid the overall difficulties faced by the construction industry, the parent company and its consolidated units remained profitable. This serves as clear evidence of the relentless efforts of the Board of Management and all employees in adapting to the unpredictable fluctuations of the market. Simultaneously, the company proactively implemented debt restructuring plans and optimized operations of projects that could not yet be transferred, aiming to reduce financial costs. Investment projects in urban and industrial zones have been actively promoted, initially delivering encouraging results and laying a solid foundation for a breakthrough in 2025.

In 2024, FECON earned several prestigious awards, including being named for the second time in the National Brand Program with its Underground Infrastructure Construction services, and maintaining its position in the Top 10 Reputable Construction Contractors for the 7th consecutive year, as recognized by Vietnam Report.

In terms of human resources organization, FECON continued to receive accolades such as TOP 1 Best Workplace in the Architecture/Construction sector among Medium-sized Enterprises in 2024, and Top 100 Best Workplaces in Vietnam 2024 (Medium-sized Enterprises category, as reported by Anphabe). These awards are objective recognition from the market and reputable ranking organizations, affirming the positive values FECON has contributed over the past 20 years. They also represent the collective achievement of every FECON employee in building a strong and sustainable company.

#### **1. Financial Status**

##### **1.1. Asset Situation**

## Changes in the Company's Assets

Unit: billion VND

Indicator	Year 2023	Year 2024	% Increase/Decrease
Current Assets	6.137	6.370	3,8
Non-Current Assets	2.445	3.336	36,5
<b>Total Assets</b>	<b>8.581</b>	<b>9.706</b>	<b>13,1</b>

(Source: Audited Consolidated Financial Statements for 2024)

Current assets increased by VND 233 billion (+3.8%), mainly due to a VND 445 billion (+12.2%) rise in short-term receivables. Short-term receivables have not improved compared to the same period last year, as some construction work volumes performed by the Company have yet to be paid by the investors/general contractors. The main reason is that the challenging market conditions in 2024 have affected the financial capability of these entities.

Non-current assets increased by VND 891 billion (+36.5%) during the period, with a significant rise of VND 977 billion (+1,781.6%) in long-term work in progress. This was mainly due to an increase of VND 971 billion (+4,019.6%) in long-term unfinished production and business costs, resulting from the Group's investments in major projects.

**1.2. Payables Situation**

Unit: billion VND

Indicator	31/12/2023	31/12/2024	% Increase/Decrease
Short-term liabilities	4.319	4.809	11,3
Long-term liabilities	901	1.529	69,8
<b>Total liabilities</b>	<b>5.220</b>	<b>6.338</b>	<b>21,4</b>

(Source: Audited Consolidated Financial Statements for 2024)

Liabilities increased by VND 1,118 billion (+21.4%) during the period, primarily due to increases in long-term borrowings and finance leases, as well as short-term accrued expenses.

**3. Organizational, Policy, and Management Improvements**

A new Executive Management Board was introduced in July 2024 with a revised structure to ensure alignment with the Company's strategic goals. The allocation of responsibilities among members of the Board of Management was also optimized starting from November 1, 2024.

Additionally, the Delegation of Authority Matrix was updated based on the functional organizational chart model from July 2024. The core process system was revised and issued in October 2024, and human resources policies were also updated and adjusted accordingly.

**4. Business Plan for 2025**



In 2025, the construction market is forecasted to gradually recover and grow stronger, offering more opportunities for breakthrough development. The Board of Directors will urge and supervise the Executive Board in implementing the business and production plans for 2025.

With major strategic projects signed in the second half of 2024 in sectors such as energy industry, seaports, wastewater treatment, underground works, and civil construction, the Executive Board has formulated the 2025 Business and Production Plan with the following key targets:

Indicators	Units	Actual 2024	Proposed 2025 Plan	Proposed Growth Rate
Consolidated revenue	billion VND	3.375	5.000	48%
Parent Company Revenue	billion VND	2.367	3.000	27%
Consolidated profit after tax	billion VND	30	200	565%
Parent company profit after tax	billion VND	7	60	807%
Net profit attributable to parent's shareholders	billion VND	9	179	1.834%
Consolidated EPS	VND/Share	59	1.139	1.831%

This business plan is based on the projects that have been contracted as of the reporting date and the carried-over volume from 2024. It also takes into account the probability of winning bids for construction projects in the pipeline or awaiting tender results.

In terms of investment, Management will direct FECON Invest to focus resources on strongly and decisively implementing two key projects: the Square City Urban Area Project in Pho Yen City, Thai Nguyen, and the Danh Thang – Doan Bai Industrial Cluster Project in Bac Giang. These projects are expected to generate breakthrough revenue and profits for FECON Invest in particular, and contribute to the consolidated profit of the Group, ensuring at least the minimum consolidated profit as outlined in the above business plan.

In addition, FECON Invest will oversee FECON Hoa Yen Joint Stock Company in completing necessary procedures for land clearance and commencing construction of the Hoa Yen Industrial Park Project in Hiep Hoa and Viet Yen, Bac Giang, in Q4/2025.

For projects currently in the development pipeline, FECON Invest will continue to closely monitor and complete the next steps for each project, ensuring compliance with legal regulations

on investment. At the same time, the company will seek suitable investors to collaborate and realize these investment opportunities.

*List of projects being researched, developed and implemented:*

PROJECT	Estimated Total Investment (VND billion)	Estimated FECON Ownership (%)	Remarks
<b>1. PROJECTS WITH COMPLETED INVESTMENT LEGAL PROCEDURES</b>			
1 Square City Urban Area (Pu Yen City)	3.064	100.0%	Under construction; expected to start sales and operations in 2025
2 Industrial Cluster Danh Thang-Doan Bai	954	51.0%	Land clearance in progress, construction expected to begin in Q2/2025
3 Hoa Yen Industrial Park	3.700	51.0%	In the stage of preparing EIA report, feasibility study, and basic design
4 QVST 30MW Wind Power Project	1.500	51.0%	Currently in operation
5 Phu Ly bypass BOT project	2.050	24.2%	Currently in operation
6 Ecotourism project in Cao Bang		97.2%	Land size: 82 ha; currently seeking investors for project transfer
<b>2. PROJECTS UNDER DEVELOPMENT</b>			
1 Urban area project in Hung Yen	16.000		Land area: 218 ha. The project has been approved under 1/500 zoning plan. Legal investment procedures are in progress, expected completion in 2025
2 Other Urban and Industrial Real Estate Projects			Total area: 340 ha. Focused on urban real estate in new development zones, TOD (Transit-Oriented Development), and industrial real estate.
3 Renewable Energy Projects			Total capacity: 730 MW. Conducting research and development for solar power in Binh Thuan, wind power in Gia Lai and Vung Tau.



PROJECT	Estimated Total Investment (VND billion)	Estimated FECON Ownership (%)	Remarks
4 Infrastructure Projects linked with TOD Model Real Estate			Includes 1 Metro line in Hanoi, 1 Metro line in Ho Chi Minh City (in cooperation with international partners under TOD model), and 1 highway overpass project crossing the Dong Nai River.

**5. Explanation from the Board of Management regarding the Auditor's Opinion** *(In case the audit opinion is not an unqualified opinion)*

None.

**6. Report on the Company's Environmental and Social Responsibility**

As presented in Section II.6 of this Report.

**IV. REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS**

**1. Evaluation by the Board of Directors on the Company's Activities**

**1.1. Management and Organizational Operations**

FECON's management and organizational operations were carried out in accordance with legal regulations, the Company's Charter, and its Operational Regulations, based on a governance model comprising the General Meeting of Shareholders (GMS), the Board of Directors (BOD), the Supervisory Board (SB), and the Board of Management (BOM). In addition, the Standing Committee of the BOD (a subcommittee under the BOD) has proven effective in enhancing the Company's governance, improving decision-making efficiency through responsibility, caution, flexibility, and timeliness.

With the support, cooperation, and supervision of the BOD, the Company's Executive Board made great efforts to implement business strategies and successfully execute the resolutions adopted by the GMS and the BOD. A range of flexible management solutions were deployed to reinforce core competitive advantages by optimizing reporting processes and internal communications via digital platforms. In 2024, the Company also focused more on changes and improvements to enhance construction capabilities and project management capacity in anticipation of future demands.

The strengthening and improvement of management and construction capacity were essential conditions for the Company to successfully implement the pending signed projects in 2024, with a total consolidated value of VND 4,473 billion. Amid a generally difficult market environment, achieving 69% of the planned business development target demonstrates the partners' confidence in FECON's construction capabilities and reputation.

**1.2. Business Operations**

By the end of 2024, FECON's total assets reached VND 9,706 billion. Consolidated revenue amounted to VND 3,375 billion, reaching 84% of the annual plan. Most of the member companies within the system recorded improved results compared to the previous year, despite the market, clients, and project owners still facing many challenges. This helped the consolidated profit after tax reach VND 30 billion. Although consolidated gross profit reached VND 441 billion and showed no significant change compared to the same period last year, the Company effectively managed and reduced approximately VND 48 billion in total financial, administrative, and selling expenses compared to 2023. This result demonstrates that profits from core business operations as well as investment activities have gradually improved over the past year.

*Regarding construction activities:* In 2024, FECON continued to implement and complete project contracts signed from 2023 and previous years, such as: Hanoi Metro Line 3 Project, Nhon Trach 3 and 4 Gas Power Projects in Dong Nai, Vung Ang 2 Thermal Power Plant Project in Ha Tinh, A09 Project at No. 10 Tran Kim Xuyen Street in Hanoi, A06 Project in Starlake Urban Area in Hanoi, Vu Yen Vinhomes Project in Hai Phong, etc. Large projects with newly signed contracts in early 2024 that have commenced implementation include: Headquarters of the Quang Ninh Provincial Police, Infrastructure Project of Lach Huyen Port Phases 5-6, My Thuy Port Project, Dong Van 3 Industrial Park, Ha Khanh Urban Area, Nam Thai Urban Area, etc. These are encouraging results in the context of a fiercely competitive construction market, where many enterprises set goals simply to secure projects to survive difficult periods rather than to pursue profitability.

*Regarding project investment:* In the context of continued economic difficulties and legal procedure-related challenges for investment projects, in 2024 FECON still continued to promote and maintain project investment activities, including implementing projects that have fully met investment conditions and continuing to develop potential projects from its pipeline that have been pursued for 3–4 years. In addition to the two projects, Square City Urban Area in Pho Yen and Danh Thang – Doan Bai Industrial Cluster in Bac Giang, the Company completed legal procedures and established investor ownership rights for the Hoa Yen Industrial Park Project in Bac Giang Province with a total area of 256.68 hectares in November 2024. This is a highlight in project development activities in 2024 and contributes significantly to the portfolio of industrial park projects that FECON will invest in.

### ***1.3. Environmental and Social Responsibility***

Always steadfast in the philosophy of continuous learning and innovation to bring sustainable value to society, FECON is proud to have been honored twice in a row with the National Brand Award (in 2022 and 2024). At the same time, the enterprise also left a mark by being included in the Top 10 Most Reputable Construction Contractors in 2024 (according to Vietnam Report).

As one of Vietnam's leading construction enterprises operating on a large scale both domestically and internationally, FECON is aware of the need for sustainable development, especially in terms of environmental and social aspects. The Company always prioritizes maximum fuel savings in production and business operations to minimize emissions into the



environment. Its supply chain always prioritizes research and the use of recycled and environmentally friendly materials.

Not only focusing on effective business goals and profit growth, FECON also strives to make positive contributions to economic development, improve social welfare, and join hands in building the country through many meaningful community activities.

In 2024, FECON extended its journey of community contribution with initiatives such as: sponsoring and awarding over 100 gifts to children, underprivileged students who overcame difficulties, and students with excellent academic achievements during the past school year; providing funding to purchase teaching equipment and learning tools for Yen Phu Kindergarten, Nam Dinh; visiting border guards and giving warm clothes to children in the highland border commune of Mu Ca, Lai Chau; inaugurating a railing project to prevent child drowning in Yen Phu Commune, Nam Dinh; accompanying the event “Run for the Heart 2024” as a Diamond Sponsor.

FECON also actively participated in and contributed to other social work activities such as: paying tribute to families with meritorious services to the Revolution, offering incense in remembrance of heroic martyrs, and donating blood for humanitarian purposes.

## **2. Evaluation of the System and Activities of the Board of Management**

The Board of Directors (BOD) evaluates that the Board of Management (BOM) and the Company’s management personnel have made significant efforts to address existing issues and overcome difficulties to fulfill the tasks assigned by the General Meeting of Shareholders (GMS) and the BOD, including:

### **2.1. Regarding organizational operations**

In 2024, the Company underwent a major restructuring and fundamentally changed the job assignment structure within the Board of Management in order to implement its set strategic goals. To respond to unpredictable market changes while still ensuring growth momentum, the Board of Management actively and proactively connected resources between the parent company and its subsidiaries to carry out specific tasks. Notably, the effective implementation of the new Delegation of Authority helped optimize the management of resources across ongoing projects during the year.

The performance of management levels over the past year achieved some notable results; however, changes, personnel shifts, and the lack of key senior management positions—such as Deputy General Director in charge of Business Development and Deputy General Director in charge of Infrastructure Construction—had a considerable impact on the efficiency of management and business operations.

### **2.2. Regarding business development**

Business development faced significant challenges from the market, in which FECON’s key areas of strength—such as underground infrastructure, industrial, and energy projects—saw delays due to pending policy changes. Many of the Government’s key transport infrastructure projects that FECON could participate in have already moved into Phase 1 construction. The

Board of Management responded flexibly, particularly by leveraging effective coordination between the parent company and its subsidiaries to seek and develop smaller-scale civil construction project opportunities. Simultaneously, the focus was placed on developing infrastructure projects in urban areas, industrial zones, and seaports of appropriate scale. These efforts were recognized through several notable contracts signed in Q3 and Q4 of 2024, such as: My Thuy Port Project, Dong Van 3 Industrial Park, Ha Khanh Urban Area (coal sector), BRG Da Nang Project, Toshin Project, and the Maptree Tower in Starlake, Hanoi.

### **2.3. Regarding project management**

In 2024, encouraging progress was recorded in project management, as the Executive Board operated under a model that placed project management at the center of all services, with the Company's functional departments acting as a back office to unconditionally support project management activities—replacing the previous method of supervision and pre-approval. The focus and unity of the Board of Management in managing construction operations were evidenced by the remarkable revenue growth achieved in the last three months of the year.

However, construction project implementation still has many areas that need improvement, particularly the lack of experience in master planning, equipment and workforce mobilization, and internal coordination for large-scale projects. The shortage of experience and competency among key managerial positions—especially mid-level managers and critical roles such as PM (Project Manager), SM (Site Manager), QS (Quantity Surveyor), and QC (Quality Control)—within the project management team significantly affected the effectiveness of project execution and oversight. Although project cost management showed improvement, price fluctuations in construction materials and labor costs (especially after Typhoon Yagi's impact on key Northern projects) posed major challenges to cost control.

Overall, project execution management results are evaluated as showing notable improvement in productivity output, but still require further enhancement in effectiveness—particularly in supply capacity and economic management of projects. The Board of Management is expected to make more efforts in improving organizational structure and enhancing the capabilities of the project management team, including staff and engineers, in order to meet the requirements of becoming a primary contractor or general contractor for large-scale (Level 1, Special Level) projects according to the Company's Strategic Plan for the 2025–2030 period.

### **2.4. Regarding financial activities**

From the second half of 2024, the Company's business results have significantly recovered, with a strong increase in the value of newly signed contracts and the number of projects requiring implementation. FECON conducted a private corporate bond issuance to restructure outstanding debt, contributing to strengthening cash flow for the Company's operations. The bond issuance successfully raised VND 120 billion, reflecting investors' confidence in FECON's reputation and development potential.



Debt collection in the construction sector continued to be an inherent bottleneck in 2024, as project developers and clients were directly affected by the economic downturn. The debt recovery process was aggressively carried out by the management during the past year with specific actions, such as: risk management in project selection, assigning specific leaders to be responsible for recovering certain debts, mobilizing external resources for debt collection, and setting aside provisions for bad debts. However, the results still heavily depended on the financial capacity and capital mobilization ability of clients in particular, the pace of market recovery, and the Government's efforts to improve mechanisms and policies related to real estate projects and investment activities in general.

Financial management improved in part due to efforts in collecting receivables from ongoing projects, with a performance rate exceeding 90% of the implemented output. However, there was no clear improvement in optimizing financial costs within the Company's cost structure, which significantly impacted business efficiency and construction profit margins. Corporate administrative expenses also need to be further optimized to meet the increasingly fierce price competition in the construction market. In 2024, investment projects began generating cash flow and profits for FECON, gradually helping reduce financial costs and laying the foundation for the deployment of subsequent projects.

### **3. Plans and Directions of the Board of Directors for 2025**

#### **3.1. Business and Investment Plan for 2025**

In 2025, the construction market is forecasted to gradually recover and develop strongly, aiming for many breakthrough opportunities. The BOD will urge and supervise the Executive Board in implementing the business and production plans for 2025 as presented in Section III.4 of this report, while also initiating key actions to implement the Company's business development strategy for the 2025–2030 period, as discussed at the 2025 Annual General Meeting of Shareholders.

#### **3.2. Operational Directions and Key Tasks for 2025**

##### *a. Complete the update of the Company's Strategy for the 2025–2030 period, Vision 2040*

Focusing on the completion of the 2025–2030 strategy and 2040 vision, with a new mindset and new actions, ready to enter the era of national resurgence.

In the first quarter of 2025, the BOD urged, supported, and provided feedback to the Board of Management to complete and announce the Company's development strategy for the 2025–2030 period, Vision 2040. Key strategic actions and priority projects were selected to begin immediate implementation from the second quarter of 2025 in order to promptly seize breakthrough opportunities in urban railways, high-speed rail, seaports, and large-scale industrial and energy projects.

##### *b. Enhancing Project Management Capability and Direct Construction Capacity*

Enhance project management capabilities by ensuring the completion of the competency development plan for the project management team (through new recruitment and development of the current team's capabilities).

Implement company-wide training programs to prepare resources for strategic projects in underground infrastructure and high-speed rail sectors; establish a TBM (Tunnel Boring Machine) operations manual; recruit and train engineers and workers to simultaneously mobilize construction teams for 3 urban railway projects and 1 national railway project.

Prepare project management staff and engineers to simultaneously manage 6 large-scale industrial and energy construction projects and 3 seaport, coastal industrial park, or logistics projects classified from Level 1 to Special Level.

Strengthen project construction capacity through planning management (maximizing the use of PMS), contract management, cost management, and implementation supervision via the PMO (Project Management Office).

Ensure project teams are involved from the bidding phase to promptly capture project information and provide technical consultations.

Improve the supply chain by enhancing the project management team's procurement and contract negotiation skills; emphasize supplier/subcontractor quality assessment starting from the bidding stage; proactively develop solutions for procurement challenges during project implementation. Step by step, develop a sustainable ecosystem for the Group's strategic sectors that remains robust and capable of meeting the highest demands of national key projects and major projects with strict requirements for quality and progress.

Promote digital transformation in project management (progress, output, costs) across the Group and major construction units; ensure real-time reporting.

Develop the Group's direct construction resources through investment in specialized and core machinery and equipment, while simultaneously developing the human resources for direct construction; strengthen the team for equipment management, repair, and maintenance in proportion to the increasing number of machines.

The total planned investment in machinery and equipment is estimated at VND 91 billion, with the plan as follows:

STT	Property Name	Company
1	Purchase used, SANY SR285R Drilling Rig, Drilling depth 94m, Diameter 2300mm or SANY SR360R, Drilling depth 100m, Diameter 2500mm.	FMS
2	Purchase used, SANY SR360R Drilling Rig. Drilling depth 100m, Diameter 2500mm.	



STT	Property Name	Company	
3	XCMG220E Piling Machine	FPL	
4	KOMATSU PC200-8 Excavator		
5	Steel Plates		
6	Air Compressor 670 FPL		
7	Diaphragm Wall Panel 600 x 15m		
8	D273 Casing Pipe		
9	D950 Stirring Wing Set, Smooth D273 Casing (Unit: meter)		
10	Casing Rotator ZRT160G		
11	Crawler Crane ZCC550V 50T		
12	CDM Drill Head 2x90 Kw		FCIC
13	CDM Drill Rod (Unit: meter)		
14	CDM D800 Drill Bit		
15	400KVA Generator		
16	SG30 Grouting Pump		
17	Mortar Mixing Plant 30m <sup>3</sup> /h		
18	Concrete Mixing Station 90 m <sup>3</sup> /h		
19	12m <sup>3</sup> Concrete Mixer Truck		
20	Bulldozer D41P-6		
21	Hamm 3410 Vibratory Roller		
22	PC200 Excavator	FCS	
23	SANY Rock Drill		
24	RAS construction Equipment	FRU	
25	Devices and materials for TBM support systems / Auxiliary devices for TBM		

### *c. Enhancing Business Development Capacity*

Developing a highly capable workforce to support the advancement of key strategic projects. Completing the recruitment plan for critical positions related to business development and bidding across core strategic areas.

Optimize bidding prices, strengthen project evaluation and screening. Clearly and effectively assign leaders in charge of project development and personnel involved in project development. Increase the assessment and summary of lessons learned after bidding and price quotations to optimize construction method costs compared to bidding documents.

Build legal capacity for the Underground Infrastructure sector; develop design (Engineering) capabilities; develop construction methods and organizational capacity for new industrial infrastructure projects (High-Speed Railway, Underground Infrastructure), heavy industry, and energy. Add required certifications and competencies for bidding and implementation activities.

Establish a strategic customer and partner network for new industrial infrastructure projects (High-Speed Railway, Underground Infrastructure), heavy industry, and energy. Form joint

ventures and partnerships with top Vietnamese EPC contractors and foreign EPC contractors to participate in bidding.

Conduct research and implement M&A of infrastructure construction enterprises to meet development goals in strategic sectors such as new technology infrastructure (High-Speed Railway/Urban Railway/Underground Structures).

Enhance the effectiveness of business development data management, ensuring 100% of subsidiaries comply with fully and accurately reporting business development data and gross profit margins.

Participate in scientific and professional associations to increase networking, develop joint ventures and collaborations, and seek cooperation opportunities, especially in emerging technology sectors.

*d. Enhancing Financial Management Efficiency*

Accelerate debt collection by: Recovering overdue and doubtful debts through diversified debt recovery measures; collecting debts from ongoing projects; speeding up the acceptance and approval process.

Control direct project costs by protecting cost plans in a timely manner and regularly updating project profit margins to allow prompt corrective actions.

Ensure the liquidity of the parent company by: Monitoring and optimizing working capital; expanding financial partners and increasing bank credit limits to meet short, medium, and long-term financial needs of subsidiaries and key construction projects in 2025; flexibly mobilizing capital from individuals and credit institutions.

Improve the capabilities of the Group's finance and accounting team.

Increase capital through the search for and cooperation with strategic partners to meet the development needs set forth in the Group's Strategy.

Enhance the Group's investment efficiency by: Establishing and effectively operating the Investment Committee; screening, evaluating, and selecting investment projects appropriate to the Group's resources; aggressively divesting from investment projects in the planned portfolio; improving the competency of the Group's Investment Division staff.

*e. Optimizing Operations and Enhancing Team Performance*

Review and determine organizational requirements for management-level staff (mid-level and above); update competency frameworks based on strategic goals, and decisively train or replace personnel who do not meet the requirements.



Develop leadership capacity among senior executives and key personnel; focus on recruiting key personnel to meet the Group's 2025 business and production needs.

Optimize Group operational governance through clear organizational design and operations based on profit-generating centers.

Optimize the governance document framework, enhance systemization, and strengthen linkages between the parent company's governance documents and those of subsidiaries. Complete and comprehensively implement project management and project risk management procedures. Promote digitization in project construction management, optimize PMS effectiveness, and ensure data is fully and timely updated.

Complete and optimize smart management reporting efficiency, improve data completeness, accuracy, and transparency; enforce regular reporting on data storage status and data provision requirements to serve the Group's management needs across departments/units.

Implement the "Paperless Office and Construction Site" project to build a smart and cost-efficient working environment.

Implement corporate culture and engagement programs, and leadership-by-example initiatives. Enforce programs to strengthen discipline and order throughout the system, aiming toward a high-performance work culture.

With the responsibilities entrusted by the General Meeting of Shareholders, the Board of Directors commits to accompanying the Company's Board of Management in implementing the above business objectives and action plans, based on optimizing resources to increase business opportunities, boost labor productivity, and ultimately ensure cash flow, increase profits, and achieve sustainable corporate development.

## V. CORPORATE GOVERNANCE

### 1. Board of Directors

#### 1.1. Members and structure of the Board of Directors

No	Full name	Title	Executive	Non-executive	Independent	Voting Shareholding Ratio (%)	Holding Other Securities Issued by the Company	Number of BOD/Management Positions in Other Companies
1	Mr. Pham Viet Khoa	Chairman	√			3,18	No	1
2	Mr. Tran Trong Thang	Permanent PCT	√			0,42	No	3
3	Mr. Satoyuki Yamane	Vice Chairman		√		0	No	1

No	Full name	Title	Executive	Non-executive	Independent	Voting Shareholding Ratio (%)	Holding Other Securities Issued by the Company	Number of BOD/Management Positions in Other Companies
4	Mr. Nguyen Van Thanh (*)	Member	√			0,16	No	3
5	Mr. Ha The Long (**)	Member			√	0,14	No	0
6	Mr. Nguyen Huu Thai Hoa	Member			√	0	No	0
7	Ms. Nguyen Thi Hien (**)	Member				0	No	0
8	Mr. Nguyen Tran Dang Phuoc	Member		√		0	No	1
9	Mr. Ha Cuu Long (*)	Member			√	0	No	0

(\*): Member of the Board of Directors appointed from April 26, 2024

(\*\*): Member of the Board of Directors dismissed from April 26, 2024

### 1.2. Subcommittees under the Board of Directors

The Standing Committee of the Board of Directors is a subcommittee under the BOD, consisting of the following members:

STT	Full name	Title
1	Pham Viet Khoa	Chairman of the Board of Directors
2	Tran Trong Thang	Standing Vice Chairman of the BOD
3	Mr. Satoyuki Yamane	Vice Chairman of the BOD
4	Nguyen Van Thanh	Member of the Board of Directors

The Standing Committee of the Board of Directors is an entity assigned by the Board to promptly resolve and approve certain matters within the BOD's authority to serve the Company's day-to-day oversight and management. It is accountable to the BOD for activities within its authorized scope and responsibilities. In 2024, the Standing Committee effectively performed its



duties, working closely with the Executive Board to promptly meet the requirements of the Company's business operations. Additionally, the Standing Committee actively participated with the Executive Board in developing large-scale construction and investment projects and intensifying efforts to recover overdue and difficult debts, delivering significant results for the Company.

### ***1.3. Activities of the Board of Directors***

In 2024, the BOD operated in full compliance with its functions and responsibilities as prescribed in the Company's Charter. The BOD held 4 regular meetings and additional extraordinary sessions to supervise the Executive Board in implementing resolutions of the General Meeting of Shareholders (GMS) and the BOD, and to issue policies on organizational structure, personnel, and other key matters, including:

#### **Quarter I/2024:**

- Approved the organization of the GEOTEC HANOI International Conference 2023
- Dismissed capital representative at FRU, Ý Yên High School, and terminated labor contract with Mr. Le Quang Hanh
  - Authorization of FECON's capital at Ý Yên High School
  - Changed capital representative of FECON JSC at FECON Raito JSC (FRU)
  - Approval to pay dividends in 2022 in cash
  - Approved the organization plan of the 2024 Annual General Meeting of Shareholders and the record date
- Change of representative of FECON Joint Stock Company's contributed capital at FECON Pile and Construction Joint Stock Company (FPL)
- Change of representative of FECON Joint Stock Company's contributed capital at FECON Infrastructure Construction Joint Stock Company (FCIC)
- Change of the representative of FECON Joint Stock Company's capital contribution at FECON Trung Chinh Myanmar Co., Ltd. (FTM)
- Change of representative of FECON Joint Stock Company's contributed capital at FECON Equipment Joint Stock Company (FMS)
- Change of representative of FECON Joint Stock Company's contributed capital at FECON South Joint Stock Company (FCS)
- Change of representative of FECON Joint Stock Company's contributed capital at FECON INVESTMENT JOINT STOCK COMPANY (FECON INVEST)
- Change of the representative of FECON's contributed capital at FECON Hai Dang Minerals Joint Stock Company (FECON Hai Dang)
- Change of representative of FECON Joint Stock Company's capital contribution at FECON Rainbow Foundation Construction Co., Ltd. (FCR)

**Quarter II/2024:**

- Nomination of candidates for election to the Board of Directors for the 2024-2029 term
- Established the Shareholder Eligibility Verification Committee at the 2024 Annual General Meeting of Shareholders
- Elected positions within the Board of Directors for the 2024-2029 term
- Establishment of the Standing Board of Directors
- Approved the policy to carry out contracts and transactions between the Company and related parties
- Assigned specific tasks to members of the Board of Directors responsible for professional areas and oversight of Company operations
- Addition of Standing Personnel of the Board of Directors
- Issued the Internal Audit Regulations of FECON Joint Stock Company

**Quarter III/2024:**

- Issued the Delegation of Authority for FECON Joint Stock Company
- Dismissed the position of General Director of FECON Joint Stock Company
- Appointed the Executive General Director of FECON Joint Stock Company
- Appointed Deputy General Director of FECON Joint Stock Company
- Reappointed Deputy General Director of FECON Joint Stock Company
- Reappointed Deputy General Director of FECON Joint Stock Company
- Reappointed Chief Financial Officer of FECON Joint Stock Company
- Re-appointment of the title of Chief Accountant of FECON Joint Stock Company
- Selection of auditing unit for the 2024 Financial Statements

**Quarter IV/2024:**

- Approved the plan to issue private corporate bonds in 2024 using shares owned by FECON and Guaranteeing Parties as collateral to fulfill bond obligations
- Registered the transaction of the bonds of FECON Joint Stock Company on the private corporate bond trading system of HNX
- Approved the adjustment plan for the remaining 2022 cash dividend payment

***1.4. Activities of Independent Members of the Board of Directors***

Independent BOD members have fully exercised their rights and performed their obligations in accordance with the Company's Charter, the Operating Regulations of the BOD, and the task assignment resolutions of each BOD member. With their professional expertise and experience in



the Company's core business sectors, they have made important contributions to both strategic direction and corporate governance activities. Specific contributions include:

- Enhancing transparency and efficiency of the BOD through supervision of coordination between the BOD and the Executive Board in implementing GMS and BOD Resolutions, monitoring information disclosure, supervising and controlling financial reporting, and overseeing related-party transactions, etc.,

- Actively contributing to the development of business strategies and mid-term planning, offering input on the Company's new organizational structure, and reviewing and amending key policies such as the Business Incentive Policy and Human Resources Policy

- Analyzing and assessing potential risks to propose timely mitigation strategies aimed at achieving higher and more standardized governance practices. At the same time, independent BOD members provided objective perspectives on business operations, helping improve risk control and management effectiveness.

- Carefully reviewing the Executive Board's operational plans and performance in governance and operations toward meeting established goals, and closely monitoring performance reporting. Especially in project investment activities, independent BOD members gave highly responsible input and participated in critique and evaluation of investment projects and proposals.

According to the assessment of the independent BOD members, the Board of Directors has properly fulfilled its rights and obligations in accordance with its authority and legal regulations. The BOD has ensured the Company's operations remain safe and efficient, in compliance with the Charter, the law, and internal regulations, while treating all shareholders equally and respecting the rights and interests of stakeholders.

#### 1.5. List of Board Members with Corporate Governance Training Certificates

The following BOD members have completed training and received Corporate Governance Training Certificates from the State Securities Commission of Vietnam: Mr. Pham Viet Khoa, Mr. Tran Trong Thang, Mr. Ha The Rong, Mr. Ha Cuu Long.

Other BOD members have also participated in corporate governance training programs and events organized by qualified institutions and have attended internal training courses related to management skills and Company operations.

## 2. Supervisory Board

### 2.1. Members and structure of the Supervisory Board

No.	Supervisory Board Member	Position	Start Date/no longer a member of the Supervisory Board	Qualifications	Shareholding Ratio with Voting Rights and Other Securities Issued by the Company
1	Nguyen Thi Lan Huong	Head of Department	26/04/2024 (*)	Bachelor	0%
2	Truong Van Binh	Member	26/04/2024 (*)	Bachelor	0%

3	Nguyen Tien Thanh	Member	26/04/2024 (*)	Master' Degree	0%
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(\*) On April 26, 2024, based on the results of the 2024 Annual General Meeting of Shareholders, the individuals listed above were elected as members of the Supervisory Board for the 2024–2029 term.

According to the minutes of the Supervisory Board meeting dated May 2, 2024, the members of the Supervisory Board unanimously elected Ms. Nguyễn Thị Lan Hương as Head of the Supervisory Board, and Mr. Trương Văn Bình and Mr. Nguyễn Tiến Thành as members of the Supervisory Board.

## 2.2. Activities of the Supervisory Board in 2024

### a. Scope of inspection and supervision

- Supervised the governance and management activities of the Board of Directors and Executive Board to ensure adherence to the Resolutions of the General Meeting of Shareholders and the Board of Directors; and

- Participated in auditing the financial statements and internal control at the parent company and its subsidiaries to ensure that business operations complied with legal regulations and the Group's policies;

### b. Activities of the Supervisory Board

- The Supervisory Board actively developed annual work plans, assigned tasks to its members, and ensured full compliance with assigned functions and duties; held meetings and elected the Head of the Supervisory Board when changes in membership occurred;

- Fully participated in meetings of the Board of Directors to stay promptly informed; and

- Held 04 regular quarterly meetings throughout the year with full member attendance, including:

Meeting Period	Number of Members Attending	Key Discussion Topics in Annual Meetings
Q1.2024	03/03	<ul style="list-style-type: none"> <li>Appraisal of standalone and consolidated financial statements for fiscal year 2023.</li> <li>Summary of the Supervisory Board's 2023 activities and formulation of the 2024 work plan.</li> </ul>
QII.2024	03/03	<ul style="list-style-type: none"> <li>Appraisal of standalone and consolidated financial statements for Q1.2024.</li> <li>Approval of the Supervisory Board's Report for the 2024 Annual General Meeting of Shareholders.</li> <li>Election of titles within the Supervisory Board.</li> <li>Review, inspection, and evaluation of the effectiveness of the internal control system and risk management of the Group.</li> </ul>



Meeting Period	Number of Members Attending	Key Discussion Topics in Annual Meetings
		<ul style="list-style-type: none"> <li>Discussion and agreement on the list of independent audit firms for 2024.</li> </ul>
QIII.2024	03/03	<ul style="list-style-type: none"> <li>Appraisal of standalone and consolidated financial statements for Q2.2024.</li> <li>Review, inspection, and evaluation of the effectiveness of the internal control system and risk management of the Group.</li> <li>Supervision of the implementation status of resolutions from the General Meeting of Shareholders by the end of Q3.2024.</li> </ul>
QIV.2024	03/03	<ul style="list-style-type: none"> <li>Appraisal of standalone and consolidated financial statements for Q3.2024.</li> <li>Review, inspection, and evaluation of the effectiveness of the internal control system and risk management of the Group.</li> <li>Supervision of the implementation status of resolutions from the General Meeting of Shareholders by the end of Q4.2024;</li> <li>Assessment of the ability to achieve 2024 goals, business and production plans, and strategic objectives of the Group.</li> </ul>

### 3. Transactions, Remuneration, and Benefits of the Board of Directors and Supervisory Board

3.1. Salaries, Bonuses, Remuneration, and Benefits of the Board of Directors, Supervisory Board, and Executive Board in 2024 are as follows:

No.	Full name	Title	Value (VND)
<b>I</b>	<b>Board of Directors</b>		
1	Mr. Pham Viet Khoa	Chairman of the Board of Directors	2.443.314.567
2	Mr. Tran Trong Thang	Standing Vice Chairman of the Board of Directors	1.433.674.640
3	Mr. Satoyuki Yamane	Vice Chairman of the Board of Directors	1.530.000.000
4	Mr. Nguyen Huu Thai Hoa	Independent Member of the Board of Directors	604.444.440
5	Mr. Ha The Lung	Independent Member of the Board of Directors	177.777.776
6	Mr. Nguyen Tran Dang Phuoc	Member of the Board of Directors	906.666.668
7	Ms. Nguyen Thi Hien	Member of the Board of Directors	198.399.999

No.	Full name	Title	Value (VND)
8	Mr. Nguyen Van Thanh	Member of the Board of Directors	562.902.377
9	Mr. Ha Cuu Long	Independent Member of the Board of Directors	426.666.664
<b>II Supervisory Board</b>			
1	Ms. Nguyen Thi Lan Huong	Head of Department	1.524.880.473
2	Mr. Truong Van Binh	Member	371.675.000
3	Mr. Nguyen Tien Thanh	Member	453.333.332
<b>III Executive Board</b>			
1	Mr. Nguyen Van Thanh	General Director	1.155.000.000
2	Mr. Nguyen Thanh Tung	CEO	1.839.027.694
3	Mr. Nguyen Quoc Bao	Deputy General Director	1.674.917.673
4	Mr. Tran Trung Hieu	Deputy General Director	545.230.770
5	Mr. Do Manh Cuong	Deputy General Director	1.827.068.077

### 3.2. Internal Share Transactions:

No.	Transaction Executor	Relationship with Insider	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reason for Increase/Decrease
			Number of shares (shares)	Rate (%)	Number of Shares (Shares)	Rate (%)	
1	Mr. Ha The Long	Insider	253.893	0,16	213.693	0,14	Share sale

### 3.3. Contracts or Transactions with Insiders

For transactions with related parties, including transactions with subsidiaries within the Company group, FECON complies with the provisions of the Law on Enterprises and the Company's Charter regarding internal approvals from the appropriate authority levels based on the value and type of transaction.

In 2024, the Company did not incur any transactions or contracts subject to the approval authority of the General Meeting of Shareholders (GMS). For transactions or contracts under the authority of the Board of Directors (BOD), the Company followed procedures in accordance with the BOD's policy outlined in Resolution No. 31A/2020/NQ-BOD.FECON dated May 12, 2020 (valid from May 12, 2020 until the end of the BOD's term on April 26, 2024) and Resolution No. 15/2024/NQ-BOD dated May 22, 2024 (effective from May 1, 2024), which approve the execution of contracts and transactions (including sales, purchases, loans, lending, and other contracts) with a value less than 35% of the Company's total assets as recorded in the financial statements at the time of signing or conducting the transaction, between the



Company and related parties in accordance with the Law on Enterprises, the Law on Securities, and the Company's Charter.

**3.4. Evaluation of Corporate Governance Compliance:**

In 2024, the Company fully complied with corporate governance regulations under the Law on Enterprises, the Law on Securities, relevant legal documents, and the Company's internal policies.

**VI. FINANCIAL STATEMENTS**

**1. Audit opinion**

According to the auditor's opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024, and its consolidated results of operations and consolidated cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises, and relevant legal regulations governing the preparation and presentation of consolidated financial statements.

**2. Audited Financial Statements**

The audited consolidated financial statements of the Company for the year 2024 are attached to this Annual Report.

The audited parent company financial statements for the year 2024 have been published at the following link: <https://fecon.com.vn/bao-cao-tai-chinh/>.

**Recipient:**

- Datto;
- Save: BOMA, TCKT, VT.

  
**FECON JOINT STOCK COMPANY**  
**CHAIRMAN OF THE BOARD OF**  
**DIRECTORS**



**FECON CORPORATION**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 31<sup>st</sup> December 2024**



**FECON CORPORATION**

15th Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune,  
Nam Tu Liem District, Hanoi City, Viet Nam

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## **FECON CORPORATION**

15th Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune, Nam Tu Liem District, Hanoi City, Viet Nam

### **STATEMENT OF THE EXECUTIVE BOARD**

The Executive Board of Fecon Corporation presents this report together with the Corporation's audited consolidated financial statements for the year ended 31<sup>st</sup> December 2024.

#### **THE CORPORATION**

FECON Corporation was established and operated under Business Registration Certificate No. 0103004661 firstly issued by Hanoi Department of Planning and Investment dated 18<sup>th</sup> June 2004, registered to change many times, the eighth change dated 17<sup>th</sup> November 2010 was about the change of company code into 0101502599 and the 20<sup>th</sup> change dated 6<sup>th</sup> May 2016 for change the name from "FECON Foundation Engineering and Underground Construction Joint Stock Company" to "FECON CORPORATION" and the 32<sup>nd</sup> change dated 14<sup>th</sup> January 2022 on increasing charter capital.

Charter capital of the Corporation according to the 32<sup>nd</sup> Business Registration Certificate dated 14<sup>th</sup> January 2022 is VND 1,574,390,050,000 (*In words: One thousand five hundred and seventy four billion, three hundred and ninety million, fifty thousand Vietnam dong*).

Foreign name: FECON CORPORATION; Abbreviation name: FECON CORP.

The Corporation's stock is currently listed on the HOSE Stock Exchange with stock code FCN.

Registered Address: 15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune, Nam Tu Liem District, Hanoi City, Viet Nam.

#### **BOARDS OF MANAGEMENT, SUPERVISORS AND GENERAL DIRECTORS**

Members of Boards of Management, Supervisors and Executive Board who held the Corporation during the year and at the date of this report are as follows:

##### **BOARD OF MANAGEMENT**

Mr. Pham Viet Khoa	Chairman (Reappointed from 26/4/2024)
Mr. Satoyuki Yamane	Vice Chairman (Reappointed from 26/4/2024)
Mr. Tran Trong Thang	Standing Vice Chairman (Reappointed from 26/4/2024)
Mr. Ha Cuu Long	Independent member (Appointed from 26/4/2024)
Mr. Ha The Long	Independent member (Dismissed from 26/4/2024)
Mr. Nguyen Huu Thai Hoa	Independent member (Reappointed from 26/4/2024)
Mr. Nguyen Tran Dang Phuoc	Member (Reappointed from 26/4/2024)
Mr. Nguyen Van Thanh	Member (Appointed from 26/4/2024)
Mrs. Nguyen Thi Nghien	Member (Dismissed from 26/4/2024)

##### **BOARD OF SUPERVISORS**

Ms. Nguyen Thi Lan Huong	Head of the Board (Reappointed from 26/4/2024)
Mr. Truong Van Binh	Member (Reappointed from 26/4/2024)
Mr. Nguyen Tien Thanh	Member (Reappointed from 26/4/2024)

##### **EXECUTIVE BOARD**

Mr. Nguyen Thanh Tung	Chief Executive Officer (Appointed from 05/7/2024)
	Deputy Chief Executive Officer (Before 05/7/2024)
Mr. Nguyen Van Thanh	Chief Executive Officer (Dismissed from 05/7/2024)
Mr. Nguyen Quoc Bao	Deputy Chief Executive Officer (Reappointed from 05/7/2024)
Mr. Do Manh Cuong	Deputy Chief Executive Officer (Reappointed from 05/7/2024)
Mr. Tran Trung Hieu	Deputy Chief Executive Officer (Appointed from 05/7/2024)



**FECON CORPORATION**

15th Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune, Nam Tu Liem District, Hanoi City, Viet Nam

**STATEMENT OF THE EXECUTIVE BOARD (CONTINUED)**

**SUBSEQUENT EVENTS**

According to the Executive Board, in all material respects, there have been no other significant events occurring after the Consolidated Balance sheet date, affecting the consolidated financial position and operation of the Corporation which would require adjustments to or disclosures to be made in the consolidated financial statements for the year ended 31<sup>st</sup> December 2024.

**AUDITORS**

The Corporation's consolidated financial statements for the year ended 31<sup>st</sup> December 2024 have been audited by CPA VIETNAM Auditing Company Limited - A Member Firm of INPACT.

**THE EXECUTIVE BOARD' RESPONSIBILITY**

The Corporation's Executive Board is responsible for preparing financial statements that fairly present the financial position of the Corporation as of December 31, 2024, as well as its results of consolidated operations and consolidated cash flows for the financial year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations on the preparation and presentation of financial statements. In preparing these financial statements, the Management Board is required to:

- Selecting suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the Consolidated Financial Statements;
- Design, execute and maintain an effective internal control related to the appropriate preparation and presentation of Consolidated Financial Statements so as to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatements caused by even frauds and errors;
- Prepare the Consolidated Financial Statements on the going concern basis unless it is inappropriate to presume that Corporation will continue its business.

The Executive Board is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and to ensure that the Consolidated Financial Statements comply with prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and relevant legal regulations relating to preparation and presentation of the Consolidated Financial Statements. The Executive Board is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps to prevent and detect frauds together with other irregularities.

The Executive Board confirms that the Corporation has complied with the above requirements in preparing the Consolidated Financial Statements.

On behalf of the Executive Board,



**Pham Viet Khoa**

**Chairman**

*Hanoi, March 31<sup>st</sup>, 2025*

**Head Office in Hanoi:**

8<sup>th</sup> floor, VG Building, No. 235 Nguyen Trai Str.,  
Thanh Xuan Dist., Hanoi, Vietnam

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No: 277/2025/BCKTHN-CPA VIETNAM-NV2

**INDEPENDENT AUDITORS' REPORT**

**To: Shareholders**  
**Boards of Management, Supervisors and General Directors**  
**FECON CORPORATION**

We have audited the accompanying Consolidated Financial Statements of FECON Corporation, prepared on 31<sup>st</sup> March 2025, presented from page 06 to page 57, including Consolidated Balance sheet as at 31<sup>st</sup> December 2024, Consolidated Income Statement and Consolidated Cash Flow Statement for the year then ended, and the Notes to the Consolidated Financial Statements.

**Responsibility of the Executive Board**

The Corporation's Board General of Directors is responsible for the true and fair preparation and presentation of these consolidated financial statements in compliance with Vietnamese Accounting Standards, Vietnamese Accounting System and the statutory requirements relevant to the preparation and presentation of the Consolidated financial statements, and for the internal control as the Executive Board determines is necessary to enable the preparation of Consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Responsibility of Auditors**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. These Standards require us to comply with the Standards and codes of ethics, to plan and perform the audit to obtain reasonable assurance as to whether the Corporation's Consolidated financial statements are free from any significant errors or not.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The audit procedures are selected based on the auditor's judgment, including the assessment of risks of material misstatement in the consolidated financial statements due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the Consolidated financial statements in order to design appropriate audit procedures to the actual situation, which is not intended to give an opinion on the effectiveness of the Corporation'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 Consolidated financial statements.

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



**Auditors' opinion**

In our opinion, the Consolidated financial statements, in all material respects, give a true and fair view of consolidated the financial position of the Corporation as at 31<sup>st</sup> December 2024 and the results of its consolidated operations and its consolidated cash flows for the year then ended, in accordance with the prevailing Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the Consolidated financial statements.



**Nguyen Thi Mai Hoa**  
**Deputy General Director**  
Certificate of registration of auditing practice  
No. 2326-2023-137-1

*Authorised paper No: 08/2025/UQ-CPA VIETNAM dated 02/01/2025 of Chairman*

*For and on behalf of*

**CPA VIETNAM AUDITING COMPANY LIMITED**

**A member firm of INPACT**

*Hanoi, March 31<sup>st</sup> 2025*

**Nguyen Thi Tien**  
**Auditor**  
Certificate of registration of auditing practice  
No. 5276-2021-137-1

1/2/25  
2/3/25

## CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> December 2024

ASSETS	CODE	NOTE	31/12/2024	01/01/2024
			VND	VND
<b>A - CURRENT ASSETS</b> (100=110+120+130+140+150)	<b>100</b>		<b>6,369,718,313,734</b>	<b>6,136,596,079,496</b>
<b>I. Cash and Cash Equivalents</b>	<b>110</b>	<b>5.1</b>	<b>472,986,710,028</b>	<b>701,731,891,550</b>
1. Cash	111		384,628,938,995	542,225,987,848
2. Cash Equivalents	112		88,357,771,033	159,505,903,702
<b>II. Short-term Financial Investments</b>	<b>120</b>	<b>5.2</b>	<b>28,079,802,760</b>	<b>24,655,423,033</b>
3. Held-to-Maturity Investments	123		28,079,802,760	24,655,423,033
<b>III. Short-term Receivables</b>	<b>130</b>		<b>4,076,944,199,950</b>	<b>3,632,110,730,533</b>
1. Short-term Trade Receivables	131	5.3	2,080,976,643,373	1,889,554,794,645
2. Short-term Advances to Suppliers	132	5.4	835,605,820,583	692,867,910,134
5. Short-term Loan Receivables	135	5.5	9,084,060,000	8,284,060,000
6. Other Short-term Receivables	136	5.6	1,154,130,266,630	1,044,034,676,390
7. Provision for doubtful debts	137		(4,099,989,747)	(3,878,109,747)
8. Shortage of assets awaiting resolution	139		1,247,399,111	1,247,399,111
<b>IV. Inventories</b>	<b>140</b>		<b>1,682,936,437,287</b>	<b>1,680,601,634,602</b>
1. Inventories	141	5.7	1,682,936,437,287	1,680,601,634,602
<b>V. Other Current Assets</b>	<b>150</b>		<b>108,771,163,709</b>	<b>97,496,399,778</b>
1. Short-term Prepaid Expenses	151	5.8	60,107,671,766	45,923,029,209
2. Value added tax is deducted	152		34,875,084,363	50,414,494,826
3. Taxes and Other Receivables from the State Budget	153	5.16	13,788,407,580	1,158,875,743
<b>B - NON-CURRENT ASSETS</b> (200=210+220+240+250+260)	<b>200</b>		<b>3,336,343,645,945</b>	<b>2,444,854,548,545</b>
<b>I. Long-term Receivables</b>	<b>210</b>		<b>121,193,461,871</b>	<b>120,155,328,362</b>
5. Long-term loan receivables	215	5.5	99,534,466,986	99,534,466,986
6. Other Long-term Receivables	216	5.6	21,658,994,885	20,620,861,376
<b>II. Fixed Assets</b>	<b>220</b>		<b>1,581,842,338,957</b>	<b>1,716,276,085,056</b>
1. Tangible Fixed Assets	221	5.9	1,373,431,636,979	1,543,790,736,883
- Historical Cost	222		2,094,419,806,566	2,178,786,544,887
- Accumulated Depreciation	223		(720,988,169,587)	(634,995,808,004)
2. Finance Leased Fixed Assets	224	5.10	186,557,446,801	147,226,189,085
- Historical Cost	225		228,700,164,137	196,098,527,379
- Accumulated Depreciation	226		(42,142,717,336)	(48,872,338,294)
3. Intangible Fixed Assets	227	5.11	21,853,255,177	25,259,159,088
- Historical Cost	228		60,096,304,749	58,030,438,542
- Accumulated Depreciation	229		(38,243,049,572)	(32,771,279,454)
<b>IV. Long-term Work-in-progress Assets</b>	<b>240</b>		<b>1,032,114,108,603</b>	<b>54,852,362,297</b>
1. Long-term work in progress	241	5.7	994,808,848,694	24,148,330,045
2. Construction in Progress	242	5.12	37,305,259,909	30,704,032,252
<b>V. Long-term Financial Investments</b>	<b>250</b>	<b>5.2</b>	<b>452,503,584,219</b>	<b>414,211,405,648</b>
2. Investment in the associated and joint-venture companies	252		368,242,618,772	329,176,403,201
3. Investments in equity of other entities	253		80,810,027,447	80,810,027,447
5. Held-to-Maturity Investments	255		3,450,938,000	4,224,975,000
<b>VI. Other Non-current Assets</b>	<b>260</b>		<b>148,690,152,295</b>	<b>139,359,367,182</b>
1. Long-term Prepaid Expenses	261	5.8	107,592,283,816	90,304,495,462
2. Deferred income tax assets	262		3,013,713,555	1,696,473,727
4. Goodwill	268	5.13	38,084,154,924	47,358,397,993
<b>TOTAL ASSETS (270 = 100+200)</b>	<b>270</b>		<b>9,706,061,959,679</b>	<b>8,581,450,628,041</b>



**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31<sup>st</sup> December 2024

RESOURCES	CODE	NOTE	31/12/2024	01/01/2024
			VND	VND
<b>C- LIABILITIES (300=310+330)</b>	<b>300</b>		<b>6,338,037,721,040</b>	<b>5,219,658,470,260</b>
<b>I. Current Liabilities</b>	<b>310</b>		<b>4,808,696,076,470</b>	<b>4,319,113,180,277</b>
1. Short-term Trade Payables	311	5.14	809,023,343,592	873,889,742,949
2. Short-term Advances from Customers	312	5.15	722,292,929,488	986,763,840,993
3. Taxes and Payables to the State Budget	313	5.16	361,017,162,630	58,362,689,189
4. Payables to Employees	314		39,297,988,998	35,342,030,144
5. Short-term Accrued Expenses	315	5.17	359,497,220,236	169,715,341,118
9. Other Short-term Payables	319	5.18	128,039,418,675	119,270,212,589
10. Short-term Borrowings and Finance Lease Liabilities	320	5.19	2,380,916,619,819	2,066,715,367,800
12. Bonus and welfare funds	322		8,611,393,032	9,053,955,495
<b>II. Long-term Liabilities</b>	<b>330</b>		<b>1,529,341,644,570</b>	<b>900,545,289,983</b>
1. Long-term trade payables	331	5.14	14,053,977,693	18,651,420,827
6. Long-term Unearned Revenue	336		4,601,779,566	2,972,316,086
8. Long-term Borrowings and Finance Lease Liabilities	338	5.19	1,510,667,103,323	878,921,553,070
11. Deferred income tax payables	341		18,783,988	-
<b>D- OWNERS' EQUITY (400 = 410+430)</b>	<b>400</b>		<b>3,368,024,238,639</b>	<b>3,361,792,157,781</b>
<b>I- Owners' Equity</b>	<b>410</b>	<b>5.20</b>	<b>3,368,024,238,639</b>	<b>3,361,792,157,781</b>
1. Contributed Capital	411		1,574,390,050,000	1,574,390,050,000
- Ordinary shares with voting rights	411a		1,574,390,050,000	1,574,390,050,000
2. Share Premium	412		517,556,564,217	517,556,564,217
3. Other capital	414		10,039,280,000	10,039,280,000
6. Exchange rate differences	417		-	8,387,459
7. Investment and development fund	418		348,553,075,419	347,341,874,996
9. Other equity funds	420		232,406,012	232,406,012
10. Undistributed Profit after Tax	421		56,538,789,870	51,175,948,576
- Undistributed profit after tax brought forward	421a		47,269,780,987	83,272,265,613
- Undistributed profit after tax for the current year	421b		9,269,008,883	(32,096,317,037)
13. Non controlled shareholders' benefit	429		860,714,073,121	861,047,646,521
<b>TOTAL RESOURCES (440 = 300+400)</b>	<b>440</b>		<b>9,706,061,959,679</b>	<b>8,581,450,628,041</b>

Hanoi, March 31<sup>st</sup>, 2025

Preparer

Chief Accountant

Chairman



**Tran Thu Trang**



**Pham Van Tung**



**Pham Viet Khoa**

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31<sup>st</sup> December 2024

ITEMS	CODE	NOTE	Year 2024	Year 2023
			VND	VND
1. Gross sales of goods and services	01	6.1	3,374,697,356,483	2,879,566,997,423
2. Revenue deductions	02		-	-
3. Net sales of goods and services (10 = 01-02)	10		3,374,697,356,483	2,879,566,997,423
4. Cost of goods sold	11	6.2	2,933,955,135,880	2,394,328,083,603
<b>5. Gross profit from sales of goods and services (20 = 10-11)</b>	<b>20</b>		<b>440,742,220,603</b>	<b>485,238,913,820</b>
6. Financial Income	21	6.3	85,714,482,521	23,388,527,153
7. Financial Expenses	22	6.4	232,156,139,621	287,326,724,280
<i>Including: Interest Expenses</i>	23		<i>214,558,628,900</i>	<i>259,892,439,574</i>
8. Gain/Loss in investing in the associated and joint-venture companies	24		4,274,215,571	-
9. Selling Expenses	25	6.5	25,909,538,516	20,805,481,640
10. General and Administrative Expenses	26	6.5	211,357,170,803	209,250,376,902
<b>11. Net profits from operating activities {30 = 20+(21-22)-(25+26)}</b>	<b>30</b>		<b>61,308,069,755</b>	<b>(8,755,141,849)</b>
12. Other Income	31	6.6	19,197,898,265	13,475,400,525
13. Other Expenses	32	6.6	21,447,228,712	22,894,967,219
<b>14. Other Profit (40 = 31-32)</b>	<b>40</b>	6.6	<b>(2,249,330,447)</b>	<b>(9,419,566,694)</b>
<b>15. Total Accounting Profit Before Tax (50 = 30+40+45)</b>	<b>50</b>		<b>59,058,739,308</b>	<b>(18,174,708,543)</b>
16. Current Corporate Income Tax Expense	51	6.7	30,286,630,827	23,818,270,837
17. Deferred Corporate Income Tax Expense	52		(1,298,455,841)	96,235,739
<b>18. Profit after Corporate Income Tax (60 = 50-51-52)</b>	<b>60</b>		<b>30,070,564,322</b>	<b>(42,089,215,119)</b>
19. Profit after tax of Parent's company shareholder	61		9,269,008,883	(32,096,317,037)
20. Profit after tax of minority shareholder without voting right	62		20,801,555,439	(9,992,898,082)
<b>21. Earnings per share</b>	<b>70</b>	<b>6.8</b>	<b>59</b>	<b>(221)</b>

Preparer



**Tran Thu Trang**

Chief Accountant



**Pham Van Tung**

Hanoi, March 31<sup>st</sup>, 2025

Chairman



**Pham Viet Khoa**



**CONSOLIDATED CASH FLOW STATEMENT**

*(Indirect method)*

For the year ended 31<sup>st</sup> December 2024

ITEMS	CODE NOTE	Year 2024	Year 2023
		VND	VND
<b>I. Cash Flows from Operating Activities</b>			
1. <i>Profit Before Tax</i>	01	59,058,739,308	(18,174,708,543)
2. <i>Adjustments for</i>			
- Depreciation of Fixed Assets and Investment Properties	02	168,033,461,924	169,067,561,375
- Provisions	03	221,880,000	-
- Unrealized Foreign Exchange Gains/Losses	04	569,082,240	5,131,969,605
- Gains/Losses from Investment Activities	05	(69,519,640,466)	(8,170,491,707)
- Interest Expenses	06	214,558,628,900	259,892,439,574
3. <i>Profit from Operating Activities Before Changes in Working Capital</i>	08	372,922,151,906	407,746,770,304
- Increase/Decrease in Receivables	09	(433,408,544,957)	(512,770,028,392)
- Increase/Decrease in Inventories	10	(2,334,802,685)	(14,703,624,530)
- Increase/Decrease in Payables	11	158,700,188,334	795,507,994,317
- Increase/Decrease in Prepaid Expenses	12	(31,472,430,911)	10,435,547,461
- Interest Paid	14	(204,698,075,239)	(239,396,450,825)
- Corporate Income Tax Paid	15	(27,365,792,458)	(29,826,991,226)
- Other Payments from Operating Activities	17	(3,370,945,253)	(6,595,008,897)
<i>Net Cash Flows from Operating Activities</i>	20	(171,028,251,263)	410,398,208,212
<b>II. Cash Flows from Investing Activities</b>			
1. Payments for Purchase and Construction of Fixed Assets and Other Long-term Assets	21	(1,016,903,576,268)	(127,443,696,377)
2. Proceeds from Disposal of Fixed Assets and Other Long-term Assets	22	80,464,913,338	16,775,517,173
3. Payments for Loans Granted and Purchase of Debt Instruments of Other Entities	23	(22,298,890,419)	(21,879,644,033)
4. Proceeds from Loan Recoveries and Sale of Debt Instruments of Other Entities	24	63,781,375,452	54,595,808,146
5. Investments in other entities	25	(3,100,000,000)	(213,591,770,744)
6. Proceeds from Capital Withdrawals from Other Entities	26	13,400,000,000	292,114,880,607
7. Interest Received, Dividends, and Profits Distributed	27	3,237,065,403	5,252,313,094
<i>Net Cash Flows from Investing Activities</i>	30	(881,419,112,494)	5,823,407,866

**CONSOLIDATED CASH FLOW STATEMENT (Continued)**  
*(Indirect method)*  
 For the year ended 31<sup>st</sup> December 2024

ITEMS	CODE	NOTE	Year 2024	Year 2023
			VND	VND
<b>III. Cash Flows from Financing Activities</b>				
1. Proceeds from issuance of shares and receipt of contributed capital	31		629,000,000	56,740,200,000
3. Proceeds from Borrowings	33		3,636,816,598,933	2,943,729,378,672
4. Payments of Principal on Borrowings	34		(2,742,096,622,137)	(2,772,268,469,181)
5. Payments of Principal on Finance Leases	35		(55,846,316,760)	(64,858,501,180)
6. Dividends and Profits Paid to Owners	36		(15,805,803,454)	(53,513,703,800)
<i>Net Cash Flows from Financing Activities</i>	40		<u>823,696,856,582</u>	<u>109,828,904,511</u>
<b>Net Cash Flows for the Year</b> (50 = 20+30+40)	50		<u>(228,750,507,175)</u>	<u>526,050,520,589</u>
Cash and Cash Equivalents at Beginning of Year	60	5.1	<u>701,731,891,550</u>	<u>174,638,758,149</u>
Effect of Exchange Rate Fluctuations on Cash and Cash Equivalents	61		5,325,653	1,042,612,812
<b>Cash and Cash Equivalents at End of Year</b> (70 = 50+60+61)	70	5.1	<u><u>472,986,710,028</u></u>	<u><u>701,731,891,550</u></u>

Preparer



**Tran Thu Trang**

Chief Accountant



**Pham Van Tung**

Hanoi, March 31<sup>st</sup>, 2025

Chairman



**Pham Viet Khoa**

31/TH/2025



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS**For the year ended 31<sup>st</sup> December 2024**1. CORPORATION INFORMATION****1.1. Structure of Ownership**

FECON Corporation was established and operated under Business Registration Certificate No. 0103004661 firstly issued by Hanoi Department of Planning and Investment dated 18<sup>th</sup> June 2004, registered to change many times, the eighth change dated 17<sup>th</sup> November 2010 was about the change of Corporation code into 0101502599 and the 20<sup>th</sup> change dated 6<sup>th</sup> May 2016 for change the name from "FECON Foundation Engineering and Underground Construction Joint Stock Company" to "FECON CORPORATION" and the 32<sup>nd</sup> change dated 14<sup>th</sup> January 2022 on increasing charter capital.

Charter capital of the Corporation according to the 32nd Business Registration Certificate dated 14<sup>th</sup> January 2022 is VND 1,574,390,050,000 (*In words: One thousand five hundred and seventy four billion, three hundred and ninety million, fifty thousand Vietnam dong*).

Foreign name: FECON CORPORATION; Abbreviation name: FECON CORP.

The Corporation's stock is currently listed on the HOSE Stock Exchange with stock code FCN.

Registered Address: 15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune, Nam Tu Liem District, Hanoi City, Viet Nam

The total number of the Corporation's employees as at 31<sup>st</sup> December 2024 is 1,373 employees (as at 31<sup>st</sup> December 2023: 1,115 employees)

**1.2. Operating industries and principal activities**

- Construction of foundation and underground structure for high building, industrial, transportation, irrigation structures;
- Construction of engineering infrastructure of Industrial and urban zones;
- Testing foundation bearing capacity by static load & Pile Dynamic analysis (PDA) method;
- Testing for integrity and homogeneity of pile, foundation and reinforcement concrete structures by ultra-sonic test (SONIC) and pile integrity test (PIT);
- Geological investigation, topographic survey, engineering hydrological and geological investigation;
- Performance of geotechnical experiments for survey and design service, quality management and monitoring of the foundation construction and underground works (not including construction design services);
- Business in car renting services;
- Testing and analysing technique.

The Corporation's main activities during the year: Construction of foundation and underground structure for high building, industrial, transportation, irrigation structures.

**1.3. Normal operating cycle**

The Corporation's normal operating cycle is 12 months.

**FECON CORPORATION**

15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha  
Urban Area, Pham Hung Road, Me Tri Commune,  
Nam Tu Liem District, Hanoi City, Viet Nam

**Form B 09 - DN/HN**

Issued under Circular No. 202/2014/TT-BTC  
December 22nd, 2014 of the Ministry of Finance

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**1.4. The Corporation structure**As at 31<sup>st</sup> December 2024, the Corporation has subsidiaries, associates as follows:

Name	Address	Major business lines	Capital contribution ratio	Voting Ratio	Benefit ratio
<b>Direct subsidiaries</b>					
FECON Machinery Supply JSC (including indirect ownership through FECON RAITO Underground Construction JSC)	Hoa Binh	Repair and Leasing of machinery and equipment	86.14%	99.93%	93.17%
FECON Piling and Construction Joint Stock Company	Hanoi	Construction of the foundation, including pile pressing	93.50%	93.50%	93.50%
FECON Trung Chinh Joint Stock Company – Myanmar	Myanmar	Works in the field of road construction	51.00%	51.00%	93.56%
FECON Infrastructure Construction Joint Stock Company	Hanoi	Construction and treatment of soft ground	99.56%	99.56%	99.56%
Y Yen High School	Nam Dinh	Education and training at the lower and upper secondary levels	72.90%	72.90%	72.90%
FECON Invest Corporation	Hanoi	Working in the field of project development and construction	90.52%	90.52%	90.52%
FECON RAITO Underground Construction Joint Stock Company JSC (previously known as FECON Underground Construction Joint Stock Company).	Hanoi	Construction and treatment of foundations for underground works	51.00%	51.00%	51.00%
FECON SOUTH Joint Stock Company	Ho Chi Minh	Construction of the building's foundation includes construction of piles, foundation treatment	99.99%	99.99%	99.99%
FECON Power Joint Stock Company (including indirect ownership through FECON Invest Corporation)	Hanoi	Construction investment consulting	14.29%	99.99%	91.87%
FECON Rainbow Foundation Construction Co Ltd	Myanmar	Geological survey, foundation treatment, pile construction and design services in Myanmar market	60%	60%	60%
FECON Hai Dang Mineral Joint Stock Company (including indirect ownership through FECON Invest Corporation)	Thanh Hoa	Mining and processing minerals	64%	99.999%	96.59%
ECOTECH Vietnam Energy investment Joint Stock Company (including indirect ownership through FECON Invest Corporation)	Hanoi	Power production	48.997%	99.997%	95.85%



**FECOR CORPORATION**

15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha  
Urban Area, Pham Hung Road, Me Tri Commune,  
Nam Tu Liem District, Hanoi City, Viet Nam

**Form B 09 - DN/HN**

Issued under Circular No. 202/2014/TT-BTC  
December 22nd, 2014 of the Ministry of Finance

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**1.4 The Corporation structure (Continued)**

Name	Address	Major business lines	Capital contribution ratio	Voting Ratio	Benefit ratio
<b>Indirect subsidiaries</b>					
FECOR Piling and Construction Joint Stock Company No. 1 (Indirectly owned through FECOR Piling and Construction Joint Stock Company)	Hanoi	Foundation construction and underground construction		98.89%	93.40%
FECOR Piling and Underground Structures Joint Stock Company (Indirectly owned through FECOR Piling and Construction Joint Stock Company)	Hanoi	Foundation construction, underground structures, including pile driving		98.89%	93.40%
Dong Khe Organic Agriculture Joint Stock Company (indirectly owned through FECOR Invest Corporation)	Hanoi	Growing vegetables, beans of various kinds, flowers, and ornamental plants		97.22%	88.01%
Quoc Vinh Soc Trang Wind Power Joint Stock Company (indirect ownership rate through ECOTECH Vietnam Energy Investment Joint Stock Company and FECOR Power Joint Stock Company)	Soc Trang	Wind power production at Quoc Vinh Soc Trang Wind Power Plant project		51.00%	47.85%
FECOR Hiep Hoa Joint Stock Company (indirectly owned through FECOR Invest Corporation)	Bac Giang	Real estate business		55.00%	49.79%
FECOR Pho Yen Joint Stock Company (indirectly owned through FECOR Invest Corporation)	Thai Nguyen	Real estate business		55.00%	49.79%
GF Homes Joint Stock Company (indirectly owned through FECOR Invest Corporation)	Dong Thap	Real estate business, land use rights		50.90%	46.08%
Raito - FECOR Innovation Geotechnical Engineering Joint Stock Company (indirectly owned through FECOR RAITO Underground Construction Joint Stock Company JSC)	Hanoi	Execution of foundation treatment for underground structures	0.02%	99.98%	51.00%
<b>Indirect associates</b>					
FECOR Hoa Yen Joint Stock Company	Bac Giang	Real estate business		36.00%	32.59%
FCC Infrastructure Investment JSC	Hanoi	Construction		24.20%	21.91%
FECOR Miltec Joint Stock Company	Long An	Design and construction of weak ground treatment		49.20%	48.98%
Omega Fortune Infra JSC (OFICO)	Hanoi	Management consulting activities		49.10%	45.11%
GF Land Bac Ninh Joint Stock Company	Bac Ninh	Real estate business		36.00%	32.59%

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**1.5. Statement of information comparability on the consolidated financial statements**

The Board of Directors ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22<sup>nd</sup> December 2014 and Circular No. 53/2016/TT-BTC on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC dated December 22<sup>nd</sup>, 2014 issued by the Ministry of Finance.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD****Fiscal year**

The Corporation's fiscal year applicable for the preparation of its financial statements starts on 1<sup>st</sup> January and ends on 31<sup>st</sup> December of solar year.

**Accounting currency**

The accompanying consolidated financial statements are presented in Vietnam Dong (VND).

**3. ACCOUNTING STANDARDS AND SYSTEM****Accounting System**

The Corporation applied to Vietnamese Accounting System promulgated under Circular No. 200/2014/TT-BTC dated 22<sup>nd</sup> December 2014 issued by the Ministry of Finance and Circular No. 53/2016/TT-BTC dated March 21<sup>st</sup>, 2016 amending and supplementing a number of articles of Circular 200/2014/TT-BTC dated December 22<sup>nd</sup>, 2014.

**Statements for the compliance with Accounting Standards and System**

The Executive Board ensures to follow all the requirements of the Vietnamese Accounting Standards and System, which were issued to guide the preparation and presentation of the Consolidated Financial Statements for the year ended 31<sup>st</sup> December, 2024.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Basis of preparation of the Consolidated financial statements**

The attached Consolidated financial statements are expressed in Vietnam Dong (VND), under the historical cost convention and in accordance with Vietnamese Accounting Standards, Vietnamese Accounting System and legal regulations relevant to the preparation and presentation of Consolidated financial statements.

The accompanying Consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdiction other than Vietnam.

Consolidated financial statements of the Corporation are prepared in accordance with Circular 202/2014/TT-BTC guiding the method of preparation and presentation of Consolidated financial statements, specifically:

The Consolidated financial statements include the Corporation's separate financial statements and the financial statements of companies controlled by the Corporation (subsidiaries) prepared up to December 31<sup>st</sup> of each year. This control is achieved when the Corporation has the power to govern the financial and operating policies of the investee companies so as to obtain benefits from their activities.

The results of subsidiaries acquired or sold during the year are included in the Consolidated Income Statement from the date of acquisition or until the date of sale of the investments in that Subsidiaries.

Where necessary, the financial statements of the Subsidiaries are adjusted so that the accounting policies applied at the Corporation and the Subsidiaries are the same.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024

All transactions and balances between companies within the same group are eliminated upon consolidation of the financial statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Basis of preparation of the Consolidated financial statements (Continued)**

Non-controlling interests include the amount of non-controlling interests at the date of the initial business combination and the non-controlling interest's share in changes in total equity as of the date of the business combination from the date of the business combination. Loss incurred at a Subsidiary must be distributed proportionally to the share of the non-controlling shareholder, even if such loss is greater than the non-controlling shareholder's share of the subsidiary's net assets.

The Consolidated financial statements for the year 2024 are consolidated on the basis of the Separate financial statements for 2024 of the parent company, FECON Corporation, the subsidiaries of Fecon Corporation are FECON Infrastructure Construction JSC , Y Yen High school, FECON Invest Corporation, FECON RAITO Underground Construction JSC, FECON SOUTH JSC, FECON Power JSC, Dong Khe Organic Agriculture Joint Stock Company, Fecon Rainbow Foundation Construction Co Ltd, FECON Haidang Mineral JSC, Fecon Machinery Supply JSC, Fecon Piling 1 JSC, Fecon Drilling & Basement Structure JSC, Fecon Hiep Hoa JSC, Fecon Pho Yen JSC, FECON Pile and Construction JSC, FECON Trung Chinh JSC - Myanmar, ECOTECH Vietnam Energy investment JSC, Quoc Vinh Soc Trang Wind Power JSC, GF Home JSC and Raito - FECON Innovation Geotechnical Engineering JSC.

**Accounting estimates**

The preparation of the Consolidated financial statements in conformity with Vietnamese Standards on Accounting, Vietnamese Enterprise Accounting System and other prevailing accounting regulations in Vietnam requires the Executive Board to make estimates and assumptions that affect the reported amounts of liabilities, assets and disclosures of contingent assets and liabilities at the date of the Consolidated financial statements and the reported amounts of revenues and expenses during the fiscal year. Actual results may differ from those estimates and assumptions.

**Cash and cash equivalents**

Cash comprises cash on hand, bank deposits

Cash equivalents comprise short-term deposits and highly liquid investments with an original maturity of less than 3 months that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

**Foreign exchange rates applied in accounting**Transactions in foreign currencies

Transactions in foreign currencies are exchanged at the rates ruling at the transaction date, foreign exchange differences arising from these transactions are recognized in the Consolidated Income Statement.

Revaluation of monetary items denominated in foreign currencies at the date of the consolidated financial statements

- (i) The items denominated in foreign currencies are classified as assets (cash, receivables, ...):  
Revaluation under the buying rate of the bank which the Corporation opens its account as at 31<sup>st</sup> December 2024.
- (ii) The items denominated in foreign currencies are classified as liabilities (payable, debts,...):  
Revaluation under the selling rate of the bank which the Corporation opens its account as at 31<sup>st</sup> December 2024.

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

The difference in exchange rates arising from the revaluation is transferred to the Exchange rate difference account - 413, the balance of this account will be transferred into the revenue or financial expenses at the time of the consolidated financial statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial investments**

*Held to maturity investments*

Held-to-maturity investments include term deposits with banks and held-to-maturity loans for the purpose of earning periodic interest and other held-to-maturity investments.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. Interest from these held-to-maturity investments after acquisition date is recognized in the profit or loss on the basis of the interest income to be received. Interests arising prior to the Corporation's acquisition of held-to-maturity investments are recorded as a decrease in the costs as at the acquisition time.

Held-to-maturity investments are stated at cost less allowance for bad debts.

Allowance for bad debts of held-to-maturity investments is made in conformity with current accounting regulations.

*Loans*

Loans are stated at cost less allowance for doubtful loans.

Allowance for doubtful loans is made in conformity with current accounting regulations.

*Investments in associates and other investments*

Investments in associates and joint ventures over which the Corporation has significant influence are stated at cost method in the financial statements.

Investments in joint ventures and associates are presented in the Consolidated Balance sheet using the equity method.

*Other investments:* are recorded at cost, including purchase price plus directly attributable acquisition costs. After the initial recognition, these investments are measured at cost less allowance for diminution in value of investments.

*Allowance for loss of investments*

Allowance for losses of investments in subsidiaries, contributions to joint ventures, investments in associates and investments in equity instruments of other entities is made when there is apparent evidence for impairment in value of the investments as at the Consolidated Balance sheet date.

**Receivables**

The receivables comprise the customer receivables and other receivables. Receivables are recognized at the carrying amounts less allowances for doubtful debts.

Allowance for doubtful debts is assessed and made for overdue receivables that are difficult to be collected, or the debtor is unable to pay due to dissolution, bankruptcy or similar difficulties.

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Inventories**

Inventories are stated at the historical cost. When historical cost is higher than net realizable value, inventories shall be stated at net realizable value. The historical cost of inventories comprises direct materials expenses, direct labour expenses and general production expenses based on normal levels of operating activity that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the normal course of business minus all estimated costs of completion and costs of marketing, selling and distribution.

The Corporation's allowance for impairment of inventories is made when there is reliable evidence of impairment of the net realizable value compared to the history cost of inventories.

**Tangible fixed assets and Depreciation**

Tangible fixed assets are stated at history cost less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Corporation to bring the asset to its working condition for its intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings, structures	10 - 50
Machinery and equipment	05 - 20
Motor vehicles	06 - 10
Office equipment	03 - 08
Others	03 - 10

When a tangible fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

**Intangible fixed assets and Amortization**

The total cost of Corporation's intangible assets is expressed at history cost less accumulated amortization.

Copyrights, patents, computer software and others are amortized on a straight-line basis over their estimated useful lives of 3 - 10 years.

**Finance leases as lessee**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership belonging to the lessee. All other leases are considered operating leases.

*Finance leases as lessee*

A finance lease is recognized as a finance lease asset or finance lease liability on the Consolidated Balance sheet based on the lower value of the fair value of the leased asset and the present minimum value of the lease liability at the initial time of the lease.

Payments for finance leases are divided into finance charges and principal payables. Financial expenses are calculated for each accounting period during the lease term at a fixed rate of interest on the remaining outstanding balance.

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Finance leases as lessee (Continued)**

Financial leased assets are depreciated in accordance with the straight-line method over their estimated useful lives like the Corporation-owned assets or over the leased term in case the leased term is shorter, in details:

	<u>Years</u>
Machinery and equipment	08 - 20
Motor vehicles	08 - 10

**Business cooperation contract (BCC)**

The Corporation as capital contributor

Cash and asset contributions under BCC are recognized as receivables in the financial statements.

Recognition of revenue and expenses according to BCC: One-time revenue recognition upon the expiration of the business cooperation term as prescribed in the contract.

**Prepaid expenses**

Prepaid expenses comprise actual expenses arising but relevant to financial performance in several accounting periods and the transfer of these expenses to operating expenses of subsequent accounting periods.

Prepaid expenses are stated at cost and are classified under short-term and long-term on the Consolidated Balance sheet based on time payment up front of each contract.

Prepaid expenses are amortized on a straight line basis over the lease term according to the useful time but no more than 3 years.

Land use right value at office building in Tower CEO, Lot HH2-1, Me Tri Ha New Urban Area, Pham Hung Road, Nam Tu Liem District, Hanoi in 48 year is amortized over 48 years.

**Construction in progress**

Construction in progress reflects the Properties in progress for production, leasing, administrative purposes, or for any other purposes are recognized at the historical cost. This cost includes relevant service fees, interest fees in accordance with the Corporation's accounting policies. Depreciation of these assets is the same as the other assets, commencing from these assets are ready for their intended use.

**Goodwill**

Goodwill arising in the event of a business combination that does not result in a Parent - Subsidiary relationship is amortized on a straight-line basis over 10 years.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Payables**

The account payables are monitored in details by payable terms, payable parties, original currency and other factors depending on the Corporation's management requirement.

The account payables include payables as trade payables, borrowings payable, intercompany payable and other payables which are determined almost certainly about the recorded value and term, which is not carried less than amount to be paid. They are classified as follows:

- Trade payables: includes commercial payables arising from the purchase of goods, services and assets between the Corporation and the seller (independent entity with the Corporation).
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

**Borrowings and financial leasing liabilities**

Borrowings and financial leasing liabilities include borrowings, financial leases, excluding borrowings in the form of bonds or preference shares with terms that the issuer is required to repurchase at a certain point in the future.

The Corporation monitors loan amounts and financial liabilities in details by each type and classifies them into short-term and long-term according to repayment term.

Expenses directly related to the loan are recognized to financial expenses, except for expenses incurred from a Consolidated loan for investment, construction or production in progress, which are capitalized according to Accounting Standard "Borrowing costs".

**Recognition and capitalization of Borrowing costs**

All other borrowing costs are recognised in the Consolidated Income Statement when incurring, except for the borrowing cost capitalized under Vietnamese Accounting Standards "Borrowing cost".

**Accrued expenses**

Accrued expenses are those already recorded in operating expenses in the year but not actually paid to ensure that when these expenses actually occur, they will not have a significant influence on operating expenses based on matching principle between income and expenses.

The Corporation recognizes Accrued expenses as follows:

- Interest expense accrued in advance: made in advance according to the loan contract
- Costs of labour, materials and fuel: advance according to the estimate dossier on the basis of completed work volume.
- For construction works when having volumes acceptance.

**Unrealized revenues**

Unearned revenue includes: the difference between the selling price and the sublease price of the financial leased asset amortized on a straight-line basis over the lease term.

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Owners' equity**

Capital is recorded according to the actual amounts invested by shareholders.

Share capital surplus is recorded as the difference greater/less between the actual issuance price and the par value of shares when issuing shares for the first time, issuing additional shares or reissuing treasury shares.

Profit after tax of the Corporation is used to pay dividends to shareholders after having the approval of the Shareholders at the Annual General Meeting and after allocations to the reserve fund under the Corporation's Charter.

Dividends are recorded as liabilities after the Resolution of the General Meeting of Shareholders.

**Revenue and other income**

The Corporation's revenue includes revenue from sales of goods, revenue from construction and installation, provision.

***Revenue from sale of goods***

Revenue from sale of goods shall be recognized when it satisfies all the five (5) conditions below:

- The Corporation has transferred to the buyer the significant risks and reward of ownership of the goods;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- Costs related to transactions can be determined.

***Revenue from services***

Revenue from services is recognized when the outcome of that transaction can be reliably determined. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in the year by reference to the percentage of completion of the transaction at the Consolidated Balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- Identify the completed work as at the Consolidated Balance sheet date; and
- Determine the costs incurred for the transaction as well as the cost to complete the transaction to provide that service.

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Revenue and other income*****Revenue of construction***

Revenues of construction are reliably recognized in the following cases:

- For construction contracts stipulating that the contractor is paid according to the planned schedule, the revenue and expenses related to the contract are recognized in equivalent proportion to the completed work determined by the Corporation as at the Consolidated Balance sheet date.
- For construction contracts stipulating that the contractor is paid according to the value of the volume performed, the revenue and expenses related to the contract are recognized in equivalent proportion to the completed work confirmed by the customer and reflected on the issued invoice.

Increases and decreases in construction volume, compensation and other revenues are recognized as revenue only when agreed with the customer.

Revenues of construction are not recognized in the following cases:

- Revenue is recognized in equivalent proportion to contract costs which is probable to be paid.
- The contract costs are recognized to expenses only when they actually incur.

The difference between the total accumulated revenue of the recognized construction contract and the accumulated amount recorded on the payment invoice according to the planned progress of the contract is recorded as a receivable or payable amount according to the planned progress of construction contracts.

***Revenue from interest income, dividends and profits received and other income:***

The revenue is recognized when the Corporation can obtain economic benefits from the above activities and when it is reliably measured.

**Cost of goods sold**

Cost of goods sold including of cost of products, goods and services, real estate sold in the period are recognized in accordance with revenue in the period.

For the cost of direct materials consumed exceeds normal levels, labour costs, fixed general administration expense which are not allocated to finished goods will be recognized in cost of sales (after minus the amount of compensation, if any) even if the goods have not been determined to be consumed.

**Financial expenses**

- Losses related to financial investment activities:

- Cost borrowing: Recorded monthly based on the loan principles, the interest rate and number of actual borrowing days.

- Foreign exchange loss: Recognized when there is a difference between the actual exchange rate and the bookkeeping rate and when there is a loss when revaluation of monetary items denominated in foreign currencies.

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Current corporate income tax expense and deferred corporate income tax expense**

Corporate income tax expenses (or corporate income tax income): is total current and deferred income tax expenses (or total current and deferred tax) in determining profit or loss of a year.

- Current income tax expenses: are corporate income tax payable calculated on taxable profit during the year and current corporate income tax rate. Current income tax is calculated on taxable income and applicable tax rate during the tax period.

Difference between taxable income and accounting profit is from adjustment of differences between accounting profit and taxable income in accordance with current tax policies.

- Deferred income tax expenses: is corporate income tax payable in the future arising from: recognising deferred income tax payable during the year; reversing deferred tax assets recognised in previous years/periods; not recognising deferred tax assets or deferred tax liabilities raising from transactions that directly recorded to equity.

The Corporation has an obligation to pay corporate income tax at the rate of 20% on taxable profits. The contractor tax rate on CIT for income received from foreign investment is 25%.

The determination of the Corporation's income tax is based on current tax regulations. However, these regulations change from time to time and the final determination of corporate income tax depends on the examination results of the competent tax authorities.

**Earnings per share**

Basic earnings per share is calculated by dividing net profit (loss) after tax for the year attributable to ordinary shareholders of the Corporation by the weighted average number of ordinary shares outstanding during the year.

**Related parties**

A party is considered a related party of the Corporation in case that party is able to control the Corporation or to cause material effects on the financial decisions as well as the operations of the Corporation. A party is also considered a related party of the Corporation in case that party is under the same control or is subject to the same material effects.

When considering the relationship of related parties, the nature of relationship is focused more than its legal form.

**Segment reporting**

A business segment is a distinguishable component of the Corporation that is engaged in manufacturing or providing products or related services (by business segment) or in providing products or services within a particular economic environment (geographical area) which is subject to risks and returns that are different from those of other segments. The Board of General Director believes that the main activity of the Corporation is construction and installation and mainly operates in a segment according to the geographical area of Vietnam. Therefore, the Corporation does not present segment reports.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5. SUPPLEMENTARY INFORMATION TO ITEMS DISCLOSED IN THE CONSOLIDATED BALANCE SHEET**

**5.1 Cash and cash equivalents**

	31/12/2024	01/01/2024
	VND	VND
Cash	28,359,392,700	38,458,858,700
Bank Deposits	356,269,546,295	503,767,129,148
Cash Equivalents	88,357,771,033	159,505,903,702
- Termly deposit under 3 months (*)	88,357,771,033	159,505,903,702
<b>Total</b>	<b>472,986,710,028</b>	<b>701,731,891,550</b>

(\*) Of which, deposits amounting to VND 13,000,000,000 were used as collateral for the Corporation's bank loans (Details in Note 5.19).

**5.2 Financial investments**

**a. Short-term financial investments**

	31/12/2024		01/01/2024	
	Historical cost	Book value	Historical cost	Book value
<b>Short-term</b>	<b>28,079,802,760</b>	<b>28,079,802,760</b>	<b>24,655,423,033</b>	<b>24,655,423,033</b>
Termly deposits	28,079,802,760	28,079,802,760	24,655,423,033	24,655,423,033
<b>Long-term</b>	<b>3,450,938,000</b>	<b>3,450,938,000</b>	<b>4,224,975,000</b>	<b>4,224,975,000</b>
Life insurance for employees	2,804,138,000	2,804,138,000	2,730,175,000	2,730,175,000
8-10-year bonds with Vietinbank	-	-	200,000,000	200,000,000
Termly Deposit	646,800,000	646,800,000	1,294,800,000	1,294,800,000
<b>Total</b>	<b>31,530,740,760</b>	<b>31,530,740,760</b>	<b>28,880,398,033</b>	<b>28,880,398,033</b>

(\*) Of which, deposits amounting to VND 18,150,000,000 were used as collateral for the Corporation's bank loans (Details in Note 5.19).

**FECON CORPORATION**

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.2 Financial investments (Continued)****b. Long-term financial investments**

	Rate		31/12/2024 (VND)		01/01/2024 (VND)	
	Ownership Ratio	Voting Ratio	Book value	Fair value	Book value	Fair value
<b>Investment in the associated and joint-venture companies</b>			<b>363,968,403,201</b>	<b>368,242,618,772</b>	<b>329,176,403,201</b>	<b>329,176,403,201</b>
FECON Hoa Yen Joint Stock Company	36.00%	36.00%	216,000,000,000	220,765,215,571	216,000,000,000	216,000,000,000
FCC Infrastructure Investment Joint Stock Company	24.20%	24.20%	102,400,000,000	102,400,000,000	102,400,000,000	102,400,000,000
FECON Miltec Joint Stock Company	49.20%	49.20%	10,285,403,201	10,285,403,201	10,285,403,201	10,285,403,201
Omega Fortune Infrastructure Joint Stock Company (OFICO)	49.10%	49.10%	491,000,000	-	491,000,000	491,000,000
GF Land Bac Ninh Joint Stock Company (i)	36.00%	36.00%	34,792,000,000	34,792,000,000	-	-
<b>Total</b>			<b>363,968,403,201</b>	<b>368,242,618,772</b>	<b>329,176,403,201</b>	<b>329,176,403,201</b>

	Rate		31/12/2024 (VND)			01/01/2024 (VND)		
	Ownership Ratio	Voting Ratio	Book value	Fair value	Provision	Book value	Fair value	Provision
<b>Other Long-term investment</b>			<b>80,810,027,447</b>		-	<b>80,810,027,447</b>		-
FECON Minerals Joint Stock Company			27,447	(i)	-	27,447	(i)	-
Petroleum Mechanical Executing And Assembly Joint Stock Company	1.94%	1.94%	7,000,000,000	(i)	-	7,000,000,000	(i)	-
Construction Equipment rental Joint Stock Company KANAMOTO FECON HASSYU	11.85%	11.85%	16,000,000,000	(i)	-	16,000,000,000	(i)	-
Cam Ranh House Joint Stock Company	10.00%	10.00%	20,000,000,000	(i)	-	20,000,000,000	(i)	-
Business cooperation and investment with individuals			37,810,000,000	(i)	-	37,810,000,000	(i)	-
<b>Total</b>			<b>80,810,027,447</b>		<b>-</b>	<b>80,810,027,447</b>		<b>-</b>

(i): The Corporation has not determined the fair value of the investments because the Vietnamese Accounting Standards and Vietnamese Accounting System hasn't got any guidance on how to determine fair values in valuation techniques. The fair value of this financial instrument may differ from the book value.

Transactions between the Corporation and its associated and joint-venture companies during the year are presented in Note 7.1.



**FECON CORPORATION**

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.3 Receivables from customers**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term receivables</b>	<b>2,080,976,643,373</b>	<b>1,889,554,794,645</b>
Hyundai E&C-GHELLA Joint Venture	188,685,369,183	55,984,618,439
Hateco Hai Phong International Container Port Company Limited	220,300,643,149	127,230,036,240
China Harbour Engineering Co., Ltd - Subcontractor for offshore construction of Thermal Power Plant project	46,110,225,023	73,894,316,083
Vietnam Machinery Installation Corporation - JSC	118,508,326,678	184,707,889,490
Electricity Trading Company - Vietnam Electricity Group	34,793,908,371	36,363,796,650
Others	1,472,578,170,969	1,411,374,137,743
<b>Total</b>	<b>2,080,976,643,373</b>	<b>1,889,554,794,645</b>

*In which:*

*Receivables from related parties are presented  
(Details in Note 7.1)*

63,834,757,041

27,144,205,389

**5.4 Advances to suppliers**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-terms</b>	<b>835,605,820,583</b>	<b>692,867,910,134</b>
Thong Thuan Company Limited	38,492,989,400	38,492,989,400
POWERCHINA Vietnam Co., Ltd.	23,638,325,874	23,638,325,874
Port Investment and Exploitation Joint Stock Company	25,000,000,000	25,000,000,000
Pho Yen City Land Fund Development Center	30,403,825,016	81,390,000,000
Green Lotus Mechanical and Construction Company Limited	181,324,544,895	186,624,544,895
Others	536,746,135,398	337,722,049,965
<b>Total</b>	<b>835,605,820,583</b>	<b>692,867,910,134</b>

*In which:*

*Advances to related parties are presented  
(Details in Note 7.1)*

71,371,000

71,371,000

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.5 Loan receivables**

	31/12/2024 (VND)		01/01/2024 (VND)	
	Book value	Provisions	Book value	Provisions
<b>Short-term</b>	<b>9,084,060,000</b>	<b>-</b>	<b>8,284,060,000</b>	<b>-</b>
Construction General Joint Stock Company 69	550,000,000	-	550,000,000	-
FECON Miltec Joint Stock Company	4,449,060,000	-	3,649,060,000	-
Others	4,085,000,000	-	4,085,000,000	-
<b>Long-term</b>	<b>99,534,466,986</b>	<b>-</b>	<b>99,534,466,986</b>	<b>-</b>
Mr. Le Anh Tung(i)	76,234,466,986	-	76,234,466,986	-
Omega Fortune Infrastructure Joint Stock Company (OFICO) (ii)	23,300,000,000	-	23,300,000,000	-
<b>Total</b>	<b>108,618,526,986</b>	<b>-</b>	<b>107,818,526,986</b>	<b>-</b>
<i>In which:</i>				
<i>Loan receivables of related parties are presented</i>	<i>27,749,060,000</i>	<i>-</i>	<i>27,749,060,000</i>	<i>-</i>
<i>(Details in Note 7.1)</i>				

(i) Loan contract No. 1205/2022/HDV/FCP-LAT dated 12/5/2022 between the lender FECON Power Joint Stock Company and the borrower Mr. Le Anh Tung; Loan amount VND 76,234,466,986; Loan purpose: The entire loan disbursement amount can only be used to fulfil the borrower's payment obligations towards Ecotech Vietnam under the contract of transferring capital contribution at Quoc Vinh Soc Trang Wind Power JSC between Ecotech Vietnam and Mr. Le Anh Tung. The time of debt payment is not later than October 28<sup>th</sup>, 2025.

(ii) According to the loan contract agreement that can be converted on May 15<sup>th</sup>, 2020 and Appendix 01/FCP/-Ofico/2022 dated 12<sup>nd</sup> May 2022 between Fecon Power Joint Stock Company and Omega Fortune Infrastructure Joint Stock Company, Fecon Power Joint Stock Company will lend Omega Fortune Infrastructure Joint Stock Company an amount of VND 23,300,000,000. The loan term is until 14<sup>th</sup> May 2025 or as decided by the lender. If the loan is repaid later than 14<sup>th</sup> May 2025, every VND 10,000 will be converted into 1 share of Fecon Power Joint Stock Company that is held by Omega Fortune Infrastructure Joint Stock Company.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.6 Other short-term and long-term receivables**

	31/12/2024 (VND)		01/01/2024 (VND)	
	Book value	Provision	Book value	Provision
<b>Short-term</b>	<b>1,154,130,266,630</b>	<b>-</b>	<b>1,044,034,676,390</b>	<b>-</b>
Vietcombank Financial Leasing Company Limited	51,770,830	-	263,230,149	-
Omega Fortune Infrastructure Joint Stock Company (OFICO)	10,794,602,735	-	8,458,219,174	-
Mr. Ha The Phuong (i)	50,900,000,000	-	50,900,000,000	-
Mr. Muon Van Chien (i)	142,945,000,000	-	177,900,000,000	-
Mr. Phung Tien Trung (i)	226,533,000,000	-	190,200,000,000	-
Mr. Le Anh Tung	21,872,821,325	-	12,796,199,201	-
Accrued interest receivable	1,303,322,888	-	369,826,027	-
Advance	664,114,775,760	-	571,497,039,462	-
Deposits	9,861,629,559	-	11,546,646,250	-
Others	25,753,343,533	-	20,103,516,127	-
<b>Long-term</b>	<b>21,658,994,885</b>	<b>-</b>	<b>20,620,861,376</b>	<b>-</b>
Others	5,393,796,446	-	8,387,095,239	-
Long-term deposits	16,265,198,439	-	12,233,766,137	-
<b>Total</b>	<b>1,175,789,261,515</b>	<b>-</b>	<b>1,064,655,537,766</b>	<b>-</b>

*In which*

*Other receivables of related parties are presented*

**380,284,046,140**

**- 377,729,229,598**

*(Details in Note 7.1)*

(i) This is related to the investment cooperation contracts between FECON Energy Joint Stock Company and individuals; Benefits from investment cooperation: Depending on the production and business operations, the operating results of the target company and dividends received from the target company (if any), the Parties will agree on the distribution of benefits from the investment cooperation and prepare a written agreement, a Contract Appendix.

**5.7 Inventories**

	31/12/2024 (VND)		01/01/2024 (VND)	
	Cost	Provision	Cost	Provision
<b>Short-term</b>	<b>1,682,936,437,287</b>	<b>-</b>	<b>1,680,601,634,602</b>	<b>-</b>
Raw materials	14,048,265,336	-	20,439,772,066	-
Instrument & tools	4,962,479,136	-	17,975,652,311	-
Cost for work in process	1,624,033,816,914	-	1,583,918,319,458	-
Finished products	6,570,141,035	-	16,161,932,496	-
Goods	33,321,734,866	-	42,105,958,271	-
<b>Long-term</b>	<b>994,808,848,694</b>	<b>-</b>	<b>24,148,330,045</b>	<b>-</b>
Cost for work in process	994,808,848,694	-	24,148,330,045	-
<b>Total</b>	<b>2,677,745,285,981</b>	<b>-</b>	<b>1,704,749,964,647</b>	<b>-</b>

(i) The Nam Thai Urban Area Project was approved for investment policy under Decision No. 794/QD-UBND dated April 15, 2022, and approved the investor under Decision No. 3372/QD-UBND dated December 30, 2022, of the Thai Nguyen Provincial People's Committee. Land use scale: 246,777 m<sup>2</sup>, the project commenced operations in 2024.

**FECON CORPORATION**

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.8 Prepaid expenses**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>60,107,671,766</b>	<b>45,923,029,209</b>
Instruments and tools	904,049,749	875,650,154
Insurance costs	766,443,850	776,534,999
Warehouse and office rental costs	364,981,152	282,992,868
Software purchase cost	1,570,915,977	1,312,537,514
Others	56,501,281,038	42,675,313,674
<b>Long-term</b>	<b>107,592,283,816</b>	<b>90,304,495,462</b>
Instruments and tools	23,309,203,482	11,856,561,373
Repair costs	1,996,714,800	2,271,313,754
Land rent and assets rent	48,116,567,458	49,794,782,553
Software costs	1,794,155,709	8,500,000
Insurance costs	2,605,671,159	862,452,203
Marketing and PR expenses	2,366,707,493	-
Others	27,403,263,715	25,510,885,579
<b>Total</b>	<b>167,699,955,582</b>	<b>136,227,524,671</b>



**FECON CORPORATION**

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.9 Tangible fixed assets***Unit: VND*

	<u>Buildings, structures</u>	<u>Machinery, equipment</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Other Fixed Assets</u>	<u>Total</u>
<b>HISTORICAL COST</b>						
As at 01/01/2024	138,055,785,168	1,669,030,622,834	194,471,575,868	10,181,534,204	167,047,026,813	2,178,786,544,887
<b>Increase</b>	<b>362,578,080</b>	<b>200,735,709,733</b>	<b>4,654,296,481</b>	<b>116,503,741</b>	<b>2,143,093,330</b>	<b>208,012,181,365</b>
Purchase	-	53,342,396,084	2,435,933,306	116,503,741	2,143,093,330	58,037,926,461
Acquisition of financial lease assets	-	97,305,372,168	1,722,732,000	-	-	99,028,104,168
Completion of construction investment	362,578,080	-	-	-	-	362,578,080
Increase due to consolidation	-	50,087,941,481	495,631,175	-	-	50,583,572,656
<b>Decrease</b>	<b>24,823,080</b>	<b>281,892,628,181</b>	<b>6,111,010,454</b>	<b>-</b>	<b>4,350,457,971</b>	<b>292,378,919,686</b>
Disposal	-	166,795,482,034	3,632,241,325	-	4,350,457,971	174,778,181,330
Transfer to financial leased assets	-	111,838,005,769	1,725,932,000	-	-	113,563,937,769
Decrease due to consolidation	24,823,080	3,259,140,378	752,837,129	-	-	4,036,800,587
<b>As at 31/12/2024</b>	<b>138,393,540,168</b>	<b>1,587,873,704,386</b>	<b>193,014,861,895</b>	<b>10,298,037,945</b>	<b>164,839,662,172</b>	<b>2,094,419,806,566</b>
<b>ACCUMULATED DEPRECIATION</b>						
As at 01/01/2024	39,702,673,512	489,367,743,915	51,172,576,054	3,595,649,063	51,157,165,460	634,995,808,004
<b>Increase</b>	<b>6,501,613,185</b>	<b>184,344,823,413</b>	<b>11,441,486,133</b>	<b>245,618,196</b>	<b>14,589,304,656</b>	<b>217,122,845,583</b>
Depreciation	6,501,613,185	98,141,513,314	10,245,265,626	245,618,196	14,589,304,656	129,723,314,977
Acquisition of financial lease assets	-	32,501,223,286	567,884,918	-	-	33,069,108,204
Increase due to consolidation	-	53,702,086,813	628,335,589	-	-	54,330,422,402
<b>Decrease</b>	<b>-</b>	<b>127,106,166,118</b>	<b>3,259,911,440</b>	<b>-</b>	<b>764,406,442</b>	<b>131,130,484,000</b>
Disposal	-	66,138,964,329	1,849,135,311	-	764,406,442	68,752,506,082
Transfer to financial leased assets	-	55,734,029,773	573,150,081	-	-	56,307,179,854
Decrease due to consolidation	-	5,233,172,016	837,626,048	-	-	6,070,798,064
<b>As at 31/12/2024</b>	<b>46,204,286,697</b>	<b>546,606,401,210</b>	<b>59,354,150,747</b>	<b>3,841,267,259</b>	<b>64,982,063,674</b>	<b>720,988,169,587</b>
<b>NET BOOK VALUE</b>						
At 01/01/2024	98,353,111,656	1,179,662,878,919	143,298,999,814	6,585,885,141	115,889,861,353	1,543,790,736,883
At 31/12/2024	92,189,253,471	1,041,267,303,176	133,660,711,148	6,456,770,686	99,857,598,498	1,373,431,636,979

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.9 Tangible fixed assets (Continued)**

Net book value of tangible fixed assets used to secure bank borrowings as at 31/12/2024 is VND 1,189,690,027,750 (As at 31/12/2023 is VND 1,281,625,898,075).

History cost of tangible fixed assets which are fully depreciated but still in use as at 31/12/2024 is VND 109,785,746,797 (As at 31/12/2023 is VND 108,282,554,138).

**5.10 Financial leased fixed assets**

*Unit: VND*

	<u>Machinery, equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
<b>HISTORICAL COST</b>			
As at 01/01/2024	188,305,847,120	7,792,680,259	196,098,527,379
Increase	129,910,757,877	1,702,895,457	131,613,653,334
Acquisition of financial leased assets	17,938,968,427	-	17,938,968,427
Finance lease for the year	111,971,789,450	1,702,895,457	113,674,684,907
Decrease	97,289,284,576	1,722,732,000	99,012,016,576
Acquisition of financial leased assets	97,289,284,576	1,722,732,000	99,012,016,576
As at 31/12/2024	<u>220,927,320,421</u>	<u>7,772,843,716</u>	<u>228,700,164,137</u>
<b>ACCUMULATED DEPRECIATION</b>			
As at 01/01/2024	47,282,904,796	1,589,433,498	48,872,338,294
Increase	25,484,626,711	854,860,535	26,339,487,246
Depreciation	25,484,626,711	854,860,535	26,339,487,246
Decrease	32,501,223,286	567,884,918	33,069,108,204
Acquisition of financial leased assets	32,501,223,286	567,884,918	33,069,108,204
As at 31/12/2024	<u>40,266,308,221</u>	<u>1,876,409,115</u>	<u>42,142,717,336</u>
<b>NET BOOK VALUE</b>			
At 01/01/2024	<u>141,022,942,324</u>	<u>6,203,246,761</u>	<u>147,226,189,085</u>
At 31/12/2024	<u>180,661,012,200</u>	<u>5,896,434,601</u>	<u>186,557,446,801</u>



**FECON CORPORATION**

15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune,  
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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.11 Intangible fixed assets***Unit: VND*

	<u>Mining rights</u>	<u>Copyright, patent</u>	<u>Software</u>	<u>Others</u>	<u>Total</u>
<b>HISTORICAL COST</b>					
As at 01/01/2024	27,015,257,544	241,800,000	29,848,263,741	925,117,257	58,030,438,542
Increase	-	-	591,590,909	1,474,275,298	2,065,866,207
Purchase	-	-	591,590,909	1,474,275,298	2,065,866,207
Decrease	-	-	-	-	-
As at 31/12/2024	<u>27,015,257,544</u>	<u>241,800,000</u>	<u>30,439,854,650</u>	<u>2,399,392,555</u>	<u>60,096,304,749</u>
<b>ACCUMULATED AMORTIZATION</b>					
As at 01/01/2024	9,592,977,481	143,589,452	22,400,762,204	633,950,317	32,771,279,454
Increase	1,655,573,556	30,225,000	3,636,242,676	149,728,886	5,471,770,118
Amortization	1,655,573,556	30,225,000	3,636,242,676	149,728,886	5,471,770,118
Decrease	-	-	-	-	-
As at 31/12/2024	<u>11,248,551,037</u>	<u>173,814,452</u>	<u>26,037,004,880</u>	<u>783,679,203</u>	<u>38,243,049,572</u>
<b>NET BOOK VALUE</b>					
At 01/01/2024	<u>17,422,280,063</u>	<u>98,210,548</u>	<u>7,447,501,537</u>	<u>291,166,940</u>	<u>25,259,159,088</u>
At 31/12/2024	<u>15,766,706,507</u>	<u>67,985,548</u>	<u>4,402,849,770</u>	<u>1,615,713,352</u>	<u>21,853,255,177</u>

Net book value of intangible fixed assets used to secure bank borrowings as at 31/12/2024 is VND 15,766,706,507 (As at 31/12/2023 is VND 17,422,280,063).

History cost of intangible fixed assets which are fully amortized but still in use as at 31/12/2024 is VND 1,727,062,709 (As at 31/12/2023 is VND 1,727,062,709).

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.12 Construction in progress**

	31/12/2024 (VND)		01/01/2024 (VND)	
	Book value	Recoverable value	Book value	Recoverable value
Cost of pear planting project in Thach An district, Cao Bang province	17,865,179,638	17,865,179,638	17,642,310,032	17,642,310,032
Fixed asset purchases	12,461,799,768	12,461,799,768	10,880,654,175	10,880,654,175
Others	6,978,280,503	6,978,280,503	2,181,068,045	2,181,068,045
<b>Total</b>	<b>37,305,259,909</b>	<b>37,305,259,909</b>	<b>30,704,032,252</b>	<b>30,704,032,252</b>

**5.13 Goodwill**

	Year 2024 VND	Year 2023 VND
Goodwill at the beginning of the year	47,358,397,993	54,857,982,746
Goodwill increased during the year	-	-
Goodwill allocated during the year	6,719,591,042	-
Goodwill decreased during the year	2,554,652,027	7,499,584,753
Goodwill at year-end	38,084,154,924	47,358,397,993

**5.14 Trade payables**

	31/12/2024 (VND)		01/01/2024 (VND)	
	Book value	Recoverable value	Book value	Recoverable value
<b>Short-term</b>	<b>809,023,343,592</b>	<b>809,023,343,592</b>	<b>873,889,742,949</b>	<b>873,889,742,949</b>
FECON Minerals Joint Stock Company	6,286,090,237	6,286,090,237	6,576,090,237	6,576,090,237
GEOHARBOUR Limited	37,377,697,470	37,377,697,470	37,130,479,705	37,130,479,705
Dung Tran Import Export Trading Company Limited	1,313,524,188	1,313,524,188	1,313,524,188	1,313,524,188
Others	764,046,031,697	764,046,031,697	828,869,648,819	828,869,648,819
<b>Long-term</b>	<b>14,053,977,693</b>	<b>14,053,977,693</b>	<b>18,651,420,827</b>	<b>18,651,420,827</b>
RAITO KOGYO CO., LTD	12,218,099,878	12,218,099,878	13,724,776,287	13,724,776,287
TOKYO CENTURY CORPORATION	1,835,877,815	1,835,877,815	4,682,938,445	4,682,938,445
Others	-	-	243,706,095	243,706,095
<b>Total</b>	<b>823,077,321,285</b>	<b>823,077,321,285</b>	<b>892,541,163,776</b>	<b>892,541,163,776</b>



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.15 Advances from customers**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-terms</b>	<b>722,292,929,488</b>	<b>986,763,840,993</b>
Xuan Phu Hai Investment and Construction Joint Stock Company	6,526,448,113	7,047,763,950
China Harbour Engineering Co., Ltd - Subcontractor for construction of offshore project of Vung Ang II Thermal Power Plant	-	5,249,855,522
Department of Security Investigation - Ministry of Public Security	-	260,813,264,662
CT2 Real Estate Investment Joint Stock Company	429,416,076,576	421,925,838,477
Quang Ninh Provincial Police	62,457,693,665	124,000,000,000
Others	223,892,711,134	167,727,118,382
<b>Total</b>	<b>722,292,929,488</b>	<b>986,763,840,993</b>

**5.16 Taxes and other payables from/receivables to the State budget**

*Unit: VND*

	01/01/2024	Incurred	Paid	31/12/2024
<b>Payables</b>	<b>58,362,689,189</b>	<b>943,772,166,035</b>	<b>641,117,692,594</b>	<b>361,017,162,630</b>
Value Added Tax (VAT)	18,934,049,198	39,946,431,644	41,447,452,060	17,433,028,782
Import and export tax	-	232,645,856	232,645,856	-
Corporate income tax	25,525,924,470	30,268,142,244	27,365,792,458	28,428,274,256
Personal income tax	4,372,132,927	23,509,537,694	22,572,704,182	5,308,966,439
Resource tax	2,829,504,515	3,978,000,000	6,807,504,515	-
Land tax, Land rental charges	-	836,292,852,207	532,293,352,974	303,999,499,233
Contractor tax and other taxes	1,281,521,026	3,116,436,518	3,709,296,168	688,661,376
Fee & charge & other payables	5,419,557,053	6,428,119,872	6,688,944,381	5,158,732,544
<b>Receivables</b>	<b>1,158,875,743</b>	<b>34,877,184,926</b>	<b>47,506,716,763</b>	<b>13,788,407,580</b>
Value Added Tax (VAT)	-	-	11,734,032,816	11,734,032,816
Import and export tax	68,771,597	33,813,877,682	34,167,788,603	422,682,518
Corporate income tax	108,616,754	18,488,583	-	90,128,171
Resource tax	-	-	623,125,585	623,125,585
Land tax, Land rental charges	69,349,763	432,144,994	362,795,231	-
Fee & charge & other payables	912,137,629	612,673,667	618,974,528	918,438,490

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.17 Accrued expenses**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>359,497,220,236</b>	<b>169,715,341,118</b>
Interests	16,853,005,013	20,495,988,749
Appropriation of costs of works	339,820,015,874	145,786,579,452
Others	2,824,199,349	3,432,772,917
<b>Total</b>	<b>359,497,220,236</b>	<b>169,715,341,118</b>

**5.18 Other payables**

	31/12/2024	01/01/2024
	VND	VND
<b>Short-term</b>	<b>128,039,418,675</b>	<b>119,270,212,589</b>
Trade union fees	4,504,034,181	4,168,721,376
Social insurance	925,812,554	1,947,622,526
Health Insurance	206,233,980	385,886,228
Unemployment insurance	106,859,305	186,265,493
Short-term deposits received	57,326,335	41,326,335
Others:	122,239,152,320	112,540,390,631
<i>Dividends payable (i)</i>	<i>67,530,524,500</i>	<i>81,470,902,954</i>
<i>Geoharbour Holding LTD., Co (ii)</i>	<i>9,955,679,021</i>	<i>9,955,679,021</i>
<i>Loan interest</i>	<i>13,562,666,164</i>	<i>59,128,767</i>
<i>Others</i>	<i>31,190,282,635</i>	<i>21,054,679,889</i>
<b>Total</b>	<b>128,039,418,675</b>	<b>119,270,212,589</b>

*In which:**Other Payables to related parties are presented  
(Details in Note 7.1)**13,562,666,164**59,128,767*

(i): Including the 2022 dividend that the parent company has not paid to shareholders in the amount of VND 62,980,157,100. According to Resolution No. 57/2024/NQ-HĐQT.FECON dated December 30, 2024 of the Board of Directors, the plan to pay the remaining 2022 dividend is expected in 2025.

(ii): Share transfer contract dated January 9<sup>th</sup>, 2018 between the transferor Geoharbour Holding Company Limited and the transferee FECON Corporation; Shares transferred: Shares of FECON Ground Treatment and Construction Joint Stock Company; Quantity: 5,070,857 shares; Transfer price: VND 47,095,000,000.



**FECON CORPORATION**

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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.19 Borrowings and financial lease liabilities***Unit: VND*

	31/12/2024		In the period		01/01/2024	
	Cost	Repayable amount	Addition	Deduction	Cost	Repayable amount
<b>Short-term</b>	<b>2,166,325,772,797</b>	<b>2,166,325,772,797</b>	<b>2,909,480,009,789</b>	<b>2,672,575,072,450</b>	<b>1,929,420,835,458</b>	<b>1,929,420,835,458</b>
Joint Stock Commercial Bank for Investment and Development of Vietnam (1)	542,682,573,925	542,682,573,925	557,652,343,343	713,137,798,218	698,168,028,800	698,168,028,800
Military Commercial Joint Stock Bank (2)	201,733,582,604	201,733,582,604	377,913,381,142	455,547,469,825	279,367,671,287	279,367,671,287
Ho Chi Minh City Development Joint Stock Commercial Bank - Hanoi Branch (3)	19,712,618,565	19,712,618,565	54,577,077,050	54,865,752,629	20,001,294,144	20,001,294,144
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thu Thiem Branch (4)	50,536,953,975	50,536,953,975	106,258,366,932	60,779,577,881	5,058,164,924	5,058,164,924
Tien Phong Commercial Joint Stock Bank (5)	131,962,276,944	131,962,276,944	264,673,603,488	382,399,665,764	249,688,339,220	249,688,339,220
Vietnam International Commercial Joint Stock Bank (6)	124,095,530,257	124,095,530,257	393,786,903,530	286,799,532,641	17,108,159,368	17,108,159,368
Vietnam Technological and Commercial Joint Stock Bank - Wholesale Banking Division (7)	1,778,620,111	1,778,620,111	38,437,020,716	44,224,899,577	7,566,498,972	7,566,498,972
United Overseas Bank (Vietnam) Limited - Hanoi Branch (8)	100,883,081,569	100,883,081,569	230,134,271,460	202,764,376,300	73,513,186,409	73,513,186,409
Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch (9)	224,897,571,215	224,897,571,215	229,069,932,080	79,064,496,592	74,892,135,727	74,892,135,727
Sumitomo Mitsui Banking Corporation - Hanoi Branch (10)	124,172,656,230	124,172,656,230	143,047,055,966	91,188,599,764	72,314,200,028	72,314,200,028
Vietnam Public Joint Stock Commercial Bank - Thai Binh Branch	-	-	-	25,000,000,000	25,000,000,000	25,000,000,000
Vietnam International Leasing Company (11)	11,000,000,000	11,000,000,000	22,000,000,000	11,000,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch (12)	163,445,564,846	163,445,564,846	258,450,876,831	95,005,311,985	-	-
Vietnam International Commercial Joint Stock Bank (13)	7,712,140,436	7,712,140,436	26,315,715,543	18,603,575,107	-	-
RAITO KOGYO CO., LTD (14)	82,026,450,000	82,026,450,000	88,677,750,000	98,076,300,000	91,425,000,000	91,425,000,000

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	31/12/2024		In the period		01/01/2024	
	Cost	Repayable amount	Addition	Deduction	Cost	Repayable amount
FeMa HoldCo Pte Limited (15)	18,292,495,600	18,292,495,600	-	-	18,292,495,600	18,292,495,600
FECON Hoa Yen Joint Stock Company (16)	195,090,000,000	195,090,000,000	-	2,650,000,000	197,740,000,000	197,740,000,000
Orient Commercial Joint Stock Bank - Ben Thanh Branch (17)	16,976,200,519	16,976,200,519	54,362,961,708	37,386,761,189	-	-
Others (18)	149,327,456,001	149,327,456,001	64,122,750,000	14,080,954,978	99,285,660,979	99,285,660,979
<b>Current Portion of Long-Term Debt</b>	<b>42,828,244,333</b>	<b>42,828,244,333</b>	<b>40,329,819,613</b>	<b>50,796,107,622</b>	<b>53,294,532,342</b>	<b>53,294,532,342</b>
Military Commercial Joint Stock Bank (19)	40,280,623,237	40,280,623,237	40,280,623,233	40,280,623,238	40,280,623,242	40,280,623,242
Tien Phong Commercial Joint Stock Bank (20)	2,547,621,096	2,547,621,096	49,196,380	10,515,484,384	13,013,909,100	13,013,909,100
<b>Current Portion of Long-Term Bonds</b>	<b>171,762,602,689</b>	<b>171,762,602,689</b>	<b>115,578,410,866</b>	<b>27,815,808,177</b>	<b>84,000,000,000</b>	<b>84,000,000,000</b>
Petrovietnam Securities Incorporated (Corporate bonds FCNH2325001) (21)	94,149,723,142	94,149,723,142	38,224,282,828	28,074,559,686	84,000,000,000	84,000,000,000
- Bond par value	95,200,000,000	95,200,000,000	42,000,000,000	30,800,000,000	84,000,000,000	84,000,000,000
- Bond issuance costs	(1,050,276,858)	(1,050,276,858)	(3,775,717,172)	(2,725,440,314)	-	-
Petrovietnam Securities Incorporated (Corporate bonds FCNH 2426001) (22)	77,612,879,547	77,612,879,547	77,354,128,038	(258,751,509)	-	-
- Bond par value	80,000,000,000	80,000,000,000	80,000,000,000	-	-	-
- Bond issuance costs	(2,387,120,453)	(2,387,120,453)	(2,645,871,962)	(258,751,509)	-	-



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For the year ended 31<sup>st</sup> December 2024

**5.19 Borrowings and financial lease liabilities (Continued)**

*Unit: VND*

	31/12/2024		In the period		01/01/2024	
	Cost	Repayable amount	Addition	Deduction	Cost	Repayable amount
<b>Long-term</b>	<b>1,395,354,188,743</b>	<b>1,395,354,188,743</b>	<b>736,039,328,897</b>	<b>160,153,587,727</b>	<b>819,468,447,573</b>	<b>819,468,447,573</b>
Military Commercial Joint Stock Bank (19)	664,630,283,481	664,630,283,481	-	40,280,623,233	704,910,906,714	704,910,906,714
Borrowing from Shanghai Harbour Brunei Company (23)	44,009,705,032	44,009,705,032	-	-	44,009,705,032	44,009,705,032
Tran Ngoc Duong (24)	12,000,000,000	12,000,000,000	-	-	12,000,000,000	12,000,000,000
Tien Phong Commercial Joint Stock Bank (20)	13,405,406,399	13,405,406,399	736,400,000	69,099,083	12,738,105,482	12,738,105,482
Joint Stock Commercial Bank for Investment and Development of Vietnam- Dong Do Branch (25)	622,034,740,051	622,034,740,051	618,674,747,079	756,000,000	4,115,992,972	4,115,992,972
Corporate bonds:						
Petrovietnam Securities Incorporated (Corporate bonds FCNH2325001) (21)	-	-	-	41,693,737,373	41,693,737,373	41,693,737,373
- Bond par value	-	-	-	42,000,000,000	42,000,000,000	42,000,000,000
- Bond issuance costs	-	-	-	(306,262,627)	(306,262,627)	(306,262,627)
Petrovietnam Securities Incorporated (Corporate bonds FCNH 2426001) (22)	39,274,053,780	39,274,053,780	116,628,181,818	77,354,128,038	-	-
- Bond par value	40,000,000,000	40,000,000,000	120,000,000,000	80,000,000,000	-	-
- Bond issuance costs	(725,946,220)	(725,946,220)	(3,371,818,182)	(2,645,871,962)	-	-
<b>Total</b>	<b>3,776,270,808,562</b>	<b>3,776,270,808,562</b>	<b>3,801,427,569,165</b>	<b>2,911,340,575,976</b>	<b>2,886,183,815,373</b>	<b>2,886,183,815,373</b>
<i>In which:</i>						
<i>Loans with related parties (Details in Note 7.1)</i>	<i>195,090,000,000</i>	<i>195,090,000,000</i>	<i>-</i>	<i>2,650,000,000</i>	<i>197,740,000,000</i>	<i>197,740,000,000</i>

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For the year ended 31<sup>st</sup> December 2024

**5.19 Borrowings and financial lease liabilities (Continued)***Unit: VND*

	31/12/2024		In the period		01/01/2024	
	Cost	Amount can be paid	Addition	Deduction	Cost	Amount can be paid
<b>Leasing</b>	<b>115,312,914,580</b>	<b>115,312,914,580</b>	<b>111,706,125,843</b>	<b>55,846,316,760</b>	<b>59,453,105,497</b>	<b>59,453,105,497</b>
Vietcombank Financial Leasing Company Limited	3,906,591,354	3,906,591,354	3,937,873,092	2,925,354,963	2,894,073,225	2,894,073,225
Industrial and Commercial Bank of Vietnam Leasing Company Limited	44,792,674,396	44,792,674,396	34,676,150,934	22,017,687,783	32,134,211,245	32,134,211,245
Vietnam International Leasing Company Limited	24,299,472,156	24,299,472,156	28,118,905,828	7,684,313,101	3,864,879,429	3,864,879,429
Chailease International Leasing Company Limited - Hanoi Branch	12,677,709,198	12,677,709,198	16,906,180,125	9,802,174,974	5,573,704,047	5,573,704,047
Industrial and Commercial Bank of Vietnam Leasing Company Limited - Ho Chi Minh City Branch	512,418,080	512,418,080	285,847,223	1,310,683,403	1,537,254,260	1,537,254,260
BIDV - Sumi Trust Financial Leasing Company Limited - Hanoi Branch	29,124,049,396	29,124,049,396	27,781,168,641	12,106,102,536	13,448,983,291	13,448,983,291
<b>Total</b>	<b>115,312,914,580</b>	<b>115,312,914,580</b>	<b>111,706,125,843</b>	<b>55,846,316,760</b>	<b>59,453,105,497</b>	<b>59,453,105,497</b>



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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**5.19 Borrowings and financial lease liabilities (Continued)***Unit: VND*

	For the fiscal year ended December 31, 2024			For the fiscal year ended December 31, 2023		
	Total Cost	Interest	Repayment of principle	Total Cost	Interest	Repayment of principle
Vietcombank Financial Leasing Company Limited	3,343,212,388	417,857,425	2,925,354,963	4,955,028,569	483,457,168	4,471,571,401
Industrial and Commercial Bank of Vietnam Leasing Company Limited	26,376,540,956	4,358,853,173	22,017,687,783	32,328,907,617	5,129,972,722	27,198,934,895
Chailease International Leasing Company Limited - Hanoi Branch	10,219,710,358	417,535,384	9,802,174,974	4,557,402,772	631,115,834	3,926,286,938
Vietnam International Leasing Company Limited	8,971,313,386	1,287,000,285	7,684,313,101	7,452,532,845	705,029,609	6,747,503,236
BIDV - Sumi Trust Financial Leasing Company Limited - Hanoi Branch	13,483,470,874	1,377,368,338	12,106,102,536	23,843,363,672	1,329,158,962	22,514,204,710
Industrial and Commercial Bank of Vietnam Leasing Company Limited - Ho Chi Minh City Branch	1,439,278,301	128,594,898	1,310,683,403	-	-	-
<b>Total</b>	<b>63,833,526,263</b>	<b>7,987,209,503</b>	<b>55,846,316,760</b>	<b>73,137,235,475</b>	<b>8,278,734,295</b>	<b>64,858,501,180</b>

**(1) Including the Contracts:**

- Loan under credit limit contract No. 01/2024/132625/HDDTHM dated November 20<sup>th</sup>, 2024 between Vietnam Joint Stock Commercial Bank for Investment and Development - Dong Do Branch and FECON Corporation. Credit limit is VND 1,200 billion, of which the loan limit, LC, payment guarantee is VND 500 billion, the guarantee limit (excluding payment guarantee) is VND 700 billion; Loan purpose: Supplementing working capital, guarantee, opening L/C; Limit period: from the date of signing this contract to November 15<sup>th</sup>, 2025. Security measures according to the Guarantee Contracts are agreed upon between the two parties; Interest rates are determined according to each specific credit contract.

- Credit limit contract No. 01/2024/12745542/HDTD dated October 22<sup>nd</sup>, 2024 between Vietnam Joint Stock Commercial Bank for Investment and Development - Dong Do Branch and FECON Pile and Construction Joint Stock Company. Credit limit is VND 70 billion, short-term loan limit, L/C, payment guarantee is VND 30 billion, guarantee limit (excluding payment guarantee) is VND 40 billion. Loan purpose: supplement working capital, guarantee, issue L/C. Limit granting period: from the date of signing the credit limit contract but not later than August 31<sup>st</sup>, 2025. Loan interest rate is determined according to each specific credit contract according to the Bank's interest rate regime in each period. Security measures: According to the mortgage/pledge/guarantee/deposit contracts or other contracts and agreements (collectively referred to as Security Contracts) entered into between the customer and the bank.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.19 Borrowings and financial lease liabilities (Continued)**

- Credit limit contract No. 01/2022/3993901/HDTD dated August 5<sup>th</sup>, 2022 with Vietnam Joint Stock Commercial Bank for Investment and Development - Dong Do Branch with a maximum regular credit limit of VND 200 billion. Purpose: Supplementing working capital, Guarantee, opening L/C. Loan term is 12 months from the date of opening the contract but not later than August 5<sup>th</sup>, 2023. Security measures: agreements on security measures are recorded and implemented according to the Collateral/Mortgage/Guarantee/Deposit Contracts signed before, on the same day, and after the date of this contract. Interest rates are determined for each specific contract according to the Bank's interest rate regime in each period.
- Credit limit contract No. 01/2024/6233431/HDTD dated August 8<sup>th</sup>, 2024 between the credit provider Vietnam Joint Stock Commercial Bank for Investment and Development and the credit recipient FECON Investment Joint Stock Company. Credit limit of VND 90 billion. Purpose: Supplementing working capital, guarantee, opening L/C to serve production and business. Limit granting period: maximum 12 months from the date of signing the contract. Loan term, guarantee, L/C, interest rate, fee are determined according to each specific credit contract. Security measures: Pledge/mortgage/guarantee/deposit contracts executed before and after the date of this contract whose scope of guarantee provisions of the guarantee contracts include this contract.

**(2) Includes the loans:**

- The loan is under the Credit Extension Contract No. 206448.24.002.966899.TD dated May 8<sup>th</sup>, 2024 between Military Commercial Joint Stock Bank - Transaction 1 Branch and Fecon Corporation. The credit limit is VND 800 billion, of which the loan limit is VND 300 billion, the overdraft limit is VND 4 billion, the non-payment guarantee limit is VND 500 billion, and the LC issuance limit (excluding export LCs) is VND 20 billion. Purpose: Supplementing working capital, issuing guarantees, LC for customers' construction activities. Term: from the date of signing this Contract to April 17<sup>th</sup>, 2025. Loan interest rates are regulated in detail for each disbursement. Collateral: According to the list of collateral in the Contract.
- Credit contract No. 136062.23.081.5575330.TD dated May 19<sup>th</sup>, 2023 between Military Commercial Joint Stock Bank and FECON Pile and Construction Joint Stock Company. Credit limit is VND 200 billion. Loan purpose: Supplementing working capital for construction and installation production and business. Credit term: from the date of signing the contract to May 12<sup>th</sup>, 2024. Extension appendix No. 136062.23.081.5575330.TD.PL10 dated May 13<sup>th</sup>, 2024 extends the credit term to July 12<sup>th</sup>, 2024; Loan limit is VND 100 billion, payment guarantee limit is VND 40 billion. Interest rate: Interest rate is determined for each debt receipt. Security measures: Details of loan security are specified in the security contract signed between the bank and the company or third party.
- Loan limit contract No. 224979.24.226.2831023.TD dated June 27<sup>th</sup>, 2024 between Military Commercial Joint Stock Bank - Phu Nhuan Branch and FECON SOUTH Joint Stock Company. Loan limit is VND 220 billion, of which: Loan limit is VND 120 billion, payment guarantee limit is VND 40 billion, bid guarantee limit, contract performance guarantee, advance guarantee, warranty guarantee, and settlement guarantee is VND 100 billion. Loan purpose: To supplement working capital for construction and installation activities of customers. Loan term: From the date of signing this contract to May 30<sup>th</sup>, 2025. Loan interest rate: Specified in each disbursement request and specific credit contract according to the Bank's interest rate regime in each period. Security measures: According to the list of collateral assets in this contract and amendments and supplements (if any), details of the security are specified in the security contract signed between MB and the guarantor.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.19 Borrowings and financial lease liabilities (Continued)**

(3) Credit limit contract No. 14867/24MB/HDTD dated June 28<sup>th</sup>, 2024 between Ho Chi Minh City Development Joint Stock Commercial Bank - Hanoi Branch and FECON Corporation; The credit limit of VND 100 billion includes the entire balance under the credit limit contract No. 10160/23MB/HDTD dated June 28<sup>th</sup>, 2023 and the attached contract appendices (if any). In which, the loan limit does not exceed VND 100 billion, the guarantee limit does not exceed VND 50 billion, and the letter of credit (LC) issuance limit does not exceed VND 100 billion; The validity period of the credit line is 36 months from the date of signing the Contract; The purpose of using the credit line is to supplement working capital/issue guarantees, issue domestic LCs for construction activities; The loan interest rate is specified in each debt acceptance contract/credit extension contract/guarantee contract. The collateral for the debt repayment obligation is the Debt Collection Right formed in the future and/or formed from the construction contract and the attached amendments and supplements (if any) between the credit grantee and the payer and other assets owned/used by FECON Corporation and/or the Third Party.

(4) Limit Contract No. 191/2024-HDCVHM/NHCT903-FECON SOUTH JSC dated August 2<sup>nd</sup>, 2024 between Vietnam Joint Stock Commercial Bank for Industry and Trade - Thu Thiem Branch and FECON SOUTH Joint Stock Company. Loan limit: VND 120 billion. Loan purpose: Supplementing working capital for the Borrower's construction and installation production and business activities. Loan term: Recorded on the debt receipt but not exceeding 6 months and the limit is maintained until the date the Borrower must pay all principal and interest. The limit maintenance period is from August 2<sup>nd</sup>, 2024 to July 31<sup>st</sup>, 2025. Loan interest rate: Specified in each disbursement request and specific credit contract according to the Bank's interest rate regime in each period. Security measures: are security contracts established before or at the same time as signing the loan contract that stipulates or leads to secured obligations including obligations arising from the loan contract.

**(5) Including the following loans:**

- Loan from Tien Phong Commercial Joint Stock Bank under Credit Limit Contract No. 130/2024/HDTD/TTKD BTL dated November 12<sup>th</sup>, 2024. Credit limit VND 140,000,000,000 (One hundred and forty billion VND); Term: 12 months. Interest rate: Floating, adjusted for each disbursement and specified in each debt receipt. Loan purpose: Supplementing working capital for production and business. Security measures: Deposit and other security measures; - Credit limit contract No. 143/2024/HDTD/TTKD BTL dated October 31<sup>st</sup>, 2024 between Tien Phong Commercial Joint Stock Bank - Bac Tu Liem Branch and FECON RAITO Underground Construction Joint Stock Company. The credit limit is VND 140 billion, of which the loan limit is VND 140 billion, the L/C limit is VND 140 billion and the guarantee limit is VND 140 billion. The loan interest rate is determined according to each disbursement and debt receipt contract. Loan purpose: Supplementing working capital for the construction of foundations and underground works of customers. Credit limit term: 12 months from the date of signing the credit contract. The term of the loans shall not exceed 08 months. The collateral for the mortgage contracts between the Company and the Bank; - Credit contract No. 17/2024/HDTD/HCM dated January 22<sup>nd</sup>, 2024 between Tien Phong Commercial Joint Stock Bank - Ho Chi Minh City Branch and FECON SOUTH Joint Stock Company. Loan limit: VND 100,000,000,000. Loan purpose: Supplementing working capital for construction activities, compensating for working capital costs, paying salaries to employees, and operating costs of customers. Loan term: 12 months from the date of signing the contract and the contract extension appendices (if any). Loan interest rate: Flexible interest rate: specifically stipulated in each debt acknowledgment document of the customer. Security measures: Deposit: according to the deposit regulations in this contract and other agreements between TPBank and the customer (if any). Other security measures: (i) Framework contract on mortgage of debt collection rights 36/2023/HDBD/HCM dated April 11<sup>th</sup>, 2023 between TPBank and the customer; (ii) Security contracts signed before, during and after the effective date of this contract; (iii) and documents amending, supplementing and replacing these security contracts.



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**5.19 Borrowings and financial lease liabilities (Continued)**

(6) Including the following loans:

- Credit contract No. 358352224 dated June 4<sup>th</sup>, 2024 between Vietnam International Commercial Joint Stock Bank (VIB) - Transaction Office Branch and FECON Corporation; The credit limit of VND 300 billion includes short-term loans and guarantee commitments; Purpose of credit extension: to supplement working capital for construction activities according to the business registration of the credit grantee; Duration of grant of limits: 12 months from the date of signing the contract; Interest rate: Floating is determined at the time of disbursement/interest rate adjustment; Collateral: Receivables from economic contracts for the construction of specific works/projects financed by VIB, maximum credit extension of VND 300 billion (Collateral 1), Credit Extension without collateral for Maximum Bid Guarantee Limit of VND 30 billion (Collateral 2), Granting credit without collateral for the maximum warranty guarantee limit of VND 10,000 million (Collateral 3);

- Credit contract No. 809898024 dated February 2<sup>nd</sup>, 2024 between Vietnam International Commercial Joint Stock Bank and FECON Pile and Construction Joint Stock Company. The credit limit is VND 100 billion, of which the loan limit is VND 100 billion. Loan purpose: Supplementing working capital for construction and installation activities of works. Credit term: 12 months from the date of signing the contract. Interest rate: Interest rate is determined for each debt. Security measures: Receivable rights from specific business contracts sponsored by VIB; Granting credit without collateral for Bid Security, Warranty Security; Guarantee of the parent company - FECON Corporation guarantees all obligations arising at the bank;

- Credit contract No. 1875760.24 dated March 28<sup>th</sup>, 2024 between Vietnam International Commercial Joint Stock Bank (VIB) - Ho Chi Minh City Branch and FECON SOUTH Joint Stock Company. Loan limit: VND 170 billion. Loan purpose: Supplementing working capital, issuing guarantees, issuing L/Cs to serve the business activities of foundation engineering, underground works, traffic works... according to the business registration of the credit recipient. Loan term: 12 months from the date of signing the contract. Interest rate: Specified in each disbursement request and specific credit contract according to the Bank's interest rate regime in each period. Security measures: Receivables that have been formed or will be formed in the future from Output Contracts sponsored by VIB, Payment guarantee of the parent company - FECON Corporation for all obligations of the Corporation arising at VIB. Credit granting without collateral for bid guarantee commitments and warranty guarantee commitments, up to VND 40 billion.

(7) Credit granting contract No. HSO20241754024/HDTD dated April 12<sup>th</sup>, 2024 between Vietnam Technological and Commercial Joint Stock Bank - TECHCOMBANK and FECON Pile and Construction Joint Stock Company. Credit limit of VND 100 billion. Discount limit validity period of 12 months (from April 12<sup>th</sup>, 2024 to April 12<sup>th</sup>, 2025). Loan purpose: Supplementing working capital for business operations. Collateral is specified in the Guarantee Contract. Interest rate is applied according to each Credit Document.

(8) Loan under Credit Contract UOB/HCMC/CASL/19202 dated January 3<sup>rd</sup>, 2020, the First Amendment to the Credit Contract No. UOB/HN/CASL/20227 dated 25/12/2020 and the Second Amendment to the Credit Contract No. UOB/HN/CASL/21215 dated 25/11/2021 between United Overseas Bank (Vietnam) Limited - Hanoi Branch and FECON Corporation. Trade finance loan limit of VND 200 billion; Purpose: Financing the import and purchase of domestic materials, goods and services; The maximum term is 6 months from the time of disbursement. Guarantee limit of VND 200 billion; Purpose: For the issuance of bid guarantees, contract performance guarantees, payment guarantees, advance guarantees, warranty guarantees; The maximum term of 03 years for all guarantees except payment guarantee is 01 year; Payment guarantee and advance guarantee are limited to 10% - 15% of the contract value or depending on the bank's decision; Collateral: Mortgage of the borrower's contracts financed by the bank will have to register a secured transaction (not applicable to the bid guarantee), for each contract financed by the bank, it must be specified through the borrower's account opened at the bank, Financing contracts must be confirmed by the bank.



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**5.19 Borrowings and financial lease liabilities (Continued)**

(9) According to the Loan Limit Contract No. 01/2024-HDCVHM/NHCT326-FECON dated July 4<sup>th</sup>, 2024 between Vietnam Joint Stock Commercial Bank for Industry and Trade - Thang Long Branch and FECON Corporation; Loan limit is VND 400 billion; Limit maintenance period is from July 4<sup>th</sup>, 2024 to May 1<sup>st</sup>, 2025; Purpose of use: Supplementing working capital for the borrower's production and business activities; Loan interest rates are specified on each debt receipt; Security measures: According to the guarantee commitments/guarantee contracts signed by the borrower and/or other organizations/individuals with the lender and/or other security measures.

(10) Credit limit contract No. HNI-24-5724-258 dated May 30<sup>th</sup>, 2024 between Sumitomo Mitsui Banking Corporation - Hanoi Branch and FECON RAITO Underground Construction Joint Stock Company. The credit limit is USD 5,000,000 or equivalent value. The loan interest rate is determined according to each disbursement and debt acceptance contract. Loan purpose: support working capital needs. Credit limit term: until May 30<sup>th</sup>, 2025. Security measures: guaranteed by the guarantor according to the form specified in Appendix 2 (Security documents).

(11) Loan contract No. 2024-00211-000 dated September 19<sup>th</sup>, 2024 between Vietnam International Leasing Company Limited (VILC) and FECON Corporation with the amount of VND 11 billion; Purpose: supplement working capital for direct management, operation and use of financial leased equipment; Term: 6 months from the date of disbursement under this Contract; Term and method of interest payment: interest payment term is 1 month, interest payment method is postpaid; Adjust interest rate every 3 interest calculation periods; Collateral: no collateral.

(12) Credit Agreement No. 11/24/CTD/FECON attached to Loan Agreement No. 11.1/24/CV/FECON dated February 20<sup>th</sup>, 2024 between Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch and FECON Corporation with a maximum amount of VND 290 billion, of which: short-term loan limit is VND 200 billion, guarantee limit is VND 90 billion; Term: until February 19<sup>th</sup>, 2025; Purpose: to finance legal, reasonable and valid credit needs for construction activities of the "PK6 - Construction of roads and infrastructure" Package under the "Investment in construction of Wharf No. 5, No. 6 Lach Huyen Port Area under Hai Phong Seaport" Project; Interest rate: determined at the time of disbursement according to each Debt Receipt; Collateral: Mortgage of assets is the Property Rights arising from the Office Lease Contract, Property Rights arising from the Construction Contract of the "PK6 - Construction of roads and infrastructure" Package, Mortgage of other assets is real estate, deposits owned by the Customer, etc...

(13) Credit limit contract No. BCLC-2861-01 dated July 5<sup>th</sup>, 2024 between Vietnam Prosperity Joint Stock Commercial Bank - VPBank and FECON Pile and Construction Joint Stock Company. Credit limit of VND 80 billion. Credit limit maintenance period: 12 months from the date of signing the contract. Loan purpose: Supplementing working capital, issuing guarantees and issuing L/Cs to serve the construction and installation activities of works and services related to construction and installation. Collateral: Future debt claims of customers and FECON Corporation (Parent Company).

(14) Loan contract dated July 14<sup>th</sup>, 2023 between Raito Kogyo Co., LTD and FECON RAITO Underground Construction Joint Stock Company. Loan amount: Loan interest rate is determined according to each specific contract. Loan purpose: Supplementing working capital to serve operations and purchase necessary equipment for construction contracts. Credit limit term: 12 months from the date of signing the contract.

(15) According to the loan agreement dated June 22<sup>nd</sup>, 2022 between the lender FeMa HoldCo Pte. Limited and the borrower Fecon Energy Joint Stock Company; Loan amount: USD 1,250,000 to prepare for a 500MW offshore wind power project in Vung Tau.



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**5.19 Borrowings and financial lease liabilities (Continued)**

**(16) Including contracts:**

- Loan contract No. 812/2022/HD/HY-FCP dated December 8<sup>th</sup>, 2022 between FECON Hoa Yen Joint Stock Company and FECON Energy Joint Stock Company; Maximum loan amount of VND 18 billion; Disbursement completion period: No later than December 10<sup>th</sup>, 2022; Loan purpose: Supplementing capital for production and business activities; Loan term: Maximum 06 months from the first disbursement date.
- Loan contract No. 23/2023/HD/HY-FCP dated February 23<sup>rd</sup>, 2023 between FECON Hoa Yen Joint Stock Company and FECON Energy Joint Stock Company; Maximum loan amount of VND 198 billion for a term of 6 months from the first disbursement date and automatically renewed if the parties do not have other agreements; loan interest rate of 5%/year. Loan purpose: Supplementing capital for production and business activities.

**(17)** Loan contract No. 0381/2023/HDTB-OCB-DN dated May 10<sup>th</sup>, 2024 between Orient Commercial Joint Stock Bank - Ben Thanh Branch and FECON SOUTH Joint Stock Company. Loan limit of VND 35 billion. Loan purpose: To supplement working capital for project construction: Luong Hoa Residential Area, Luong Hoa Commune, Ben Luc District, Long An Province. Loan term: From the date of signing the contract to November 15<sup>th</sup>, 2024. Loan interest rate: According to the agreement in the debt acknowledgment contract. Security measure: The right to claim debt formed in the future according to the project construction contract signed between FeconSouth Joint Stock Company and Prodezi Long An Joint Stock Company.

**(18) Including contracts:**

- Loan contracts for each time between Mr. Nguyen Tuan Anh and FECON Pile and Construction Joint Stock Company. Loan purpose: Supplementing short-term capital for production and business activities. Term: 06 months and revolving. The loan is unsecured;
- Loan contracts between individuals and Fecon Investment Joint Stock Company with a loan term of 12 months from the date the Borrower receives 100% of the loan value. Loan purpose: Supplementing capital for production and business activities. The loan is unsecured.

**(19)** According to loan contract No. 355.20.031.7109327.TD dated December 3<sup>rd</sup>, 2020 between the borrower Quoc Vinh Soc Trang Wind Power Company Limited and the lender Military Commercial Joint Stock Bank; Lending method: Long-term loan; Loan amount: VND 900 billion; Loan purpose: Financing payment of construction and equipment costs to implement the Quoc Vinh Soc Trang Wind Power Plant project - Phase I in Vinh Hai commune, Vinh Chau town, Soc Trang province; Loan term is 168 months (14 years); Maximum loan withdrawal period is 18 months from the first disbursement date but no later than December 31<sup>st</sup>, 2021; Floating interest rates are specified in debt acknowledgment documents; Security measures: Money - Savings card/Deposit contract - Valuable papers, Other assets, Personal property (Property rights and rights, revenues, profits arising from the Project, Debt claims arising from the Project's power purchase contract), Real estate (Construction works attached to land belonging to the Project, ...).



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For the year ended 31<sup>st</sup> December 2024

**5.19 Borrowings and financial lease liabilities (Continued)****(20) Including loans:**

- Car loan and mortgage contract No. 240/2024/HDTD/TXN dated December 4<sup>th</sup>, 2024 between Tien Phong Commercial Joint Stock Bank - Thanh Xuan Branch and FECON Pile and Construction Joint Stock Company; Loan amount: VND 736,400,000; Loan purpose: Loan to pay for car purchase; Loan term: 36 months; Loan interest rate is specified in each debt acknowledgment document; Collateral: Vinfat VF9 car with license plate 30L-834.30 of the Company;

- Loan contract No. 280/2019/GNN/PHG/01 dated June 17<sup>th</sup>, 2019. Loan amount is VND 3.9 billion. The purpose of the loan is to pay for the purchase of 2-SHAFT-AUGER pumps according to contract No. 12/2019/HD-KH.FCU signed on April 8<sup>th</sup>, 2019 between Fecon Underground Construction Joint Stock Company and Sung Won Heavy Machinery Co., Ltd. Loan term is 60 months from the first disbursement date. Flexible interest rate: applied at 11%/year for the first 3 months and adjusted periodically every 3 months plus a margin of 3.6%/year for the remaining period. The collateral is the asset formed from this loan contract; - Loan contract No. 64/2021/HDTD/PHG/01 dated March 12<sup>th</sup>, 2021 between the lender Tien Phong Commercial Joint Stock Bank and the credit recipient: FECON Underground Construction Joint Stock Company Loan amount: VND 130 billion; Loan purpose: medium-term loan for investment in equipment and auxiliary items and systems serving the contract No. 149A9/2020/HD-BCU.FECON for the item of supporting the operation of TBM drilling machines, package CP03 - tunnels and underground stations - Nhon - Hanoi urban railway project signed on September 3<sup>rd</sup>, 2020 by FECON Underground Construction Joint Stock Company and FECON Corporation. Loan method for each time. Loan term: 05 years from the first disbursement date. Loan interest rate: specified in each debt acknowledgment contract.

**(21) Bond purchase contract No. 0311/HDDM/FCN - NTVAN/FCNH2325001 dated November 3<sup>rd</sup>, 2023, 0911/HDDM/FCN - TTKCHI/FCNH2325001 dated November 9<sup>th</sup>, 2023, 0711/HDDM/FCN - TTHIEU/FCNH2325001 dated November 7<sup>th</sup>, 2023, 1811/HDDM/FCN - PSI/FCNH2325001 on November 18<sup>th</sup>, 2023, 0712/HDDM/FCN - NNDUNG/FCNH2325001 on December 7<sup>th</sup>, 2023, 1112/HDDM/FCN - NTTHANG/FCNH2325001 on December 11<sup>th</sup>, 2023, 1212/HDDM/FCN - NTTHANG/FCNH2325001 dated December 12<sup>th</sup>, 2023, 1412/HDDM/FCN - TTKCHI/FCNH2325001 dated December 14<sup>th</sup>, 2023, 1412A/HDDM/FCN - TTKCHI/FCNH2325001 dated December 14<sup>th</sup>, 2023, 1412B/HDDM/FCN - NATUAN/FCNH2325001 dated December 14<sup>th</sup>, 2023, 1512/HDDM/FCN - TNANH/FCNH2325001 dated December 15<sup>th</sup>, 2023, 1512A/HDDM/FCN - HTHYEN/FCNH2325001 dated December 15<sup>th</sup>, 2023, 2012/HDDM/FCN - LMQUANG/FCNH2325001 dated December 20<sup>th</sup>, 2023, 2112/HDDM/FCN - HBHUYEN/FCNH2325001 dated December 21<sup>st</sup>, 2023, 2112A/HDDM/FCN - HBHUYEN/FCNH2325001 dated December 21<sup>st</sup>, 2023, 2212/HDDM/FCN - NDLIEN/FCNH2325001 on December 22<sup>nd</sup>, 2023, 2612/HDDM/FCN - NATUAN/FCNH2325001 on December 26<sup>th</sup>, 2023, 2612A/HDDM/FCN - HBHUYEN/FCNH2325001 on December 26<sup>th</sup>, 2023, 2812/HDDM/FCN - QVBINH/FCNH2325001 dated December 28<sup>th</sup>, 2023, 2812A/HDDM/FCN - HBHUYEN/FCNH2325001 dated December 28<sup>th</sup>, 2023, 3112/HDDM/FCN - HBHUYEN/FCNH2325001 on June 30<sup>th</sup>, 2024, between Fecon Corporation (Group issuer) and Individuals (Investors); Bonds are issued to investors in the form of private offerings. The par value of each bond is VND 100,000,000. Number of bonds issued: 1,500 bonds with 18-month term; Interest calculation period is every 3 months; Security measures: Shares of Fecon Corporation, shares of the issuer at FECON SOUTH Joint Stock Company (FCS), Fecon Power Joint Stock Company (FCP), Fecon Raito Underground Construction Joint Stock Company (FRU), Fecon Invest Corporation (FCI).**



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.19 Borrowings and financial lease liabilities (Continued)**

(22) Bond purchase contract No. 20241021/HĐĐM/FCN-PSI/FCNH2426001 dated October 21<sup>st</sup>, 2024, 21102024/HĐĐM/FCN-JBSV/FCNH2426001 dated October 21<sup>st</sup>, 2024, 2110/HĐĐM/FCN-NGODUYHIEN/FCNH2426001 dated October 21<sup>st</sup>, 2024, 2110/HĐĐM/FCN-NGUYENTHANHHAI/FCNH2426001 dated October 21<sup>st</sup>, 2024, 2110/HĐĐM/FCN-NGUYENVIETHOANG/FCNH2426001 dated October 21<sup>st</sup>, 2024, 2110/HĐĐM/FCN-TAOVIETDUNG/FCNH2426001 dated October 21<sup>st</sup>, 2024, 2410/HĐĐM/FCN-TRINH THEPHUONG/FCNH2426001 dated October 24<sup>th</sup>, 2024 between FECON Joint Stock Company (Issuer) and Individuals, Securities Companies (Investors); Bonds are issued to investors in the form of private offering. The face value of each bond is VND 100,000,000. The number of bonds issued is 1,200 bonds with a term of 18 months; Interest is calculated every 3 months; Security measures: Shares of FECON Joint Stock Company (FCN), FECON Energy Joint Stock Company (FCP) and Shares of FECON RAITO Underground Construction Joint Stock Company (FRU).

(23) Loan to Shanghai Harbour Brunei Company Limited under Contract No. 01/HD/FCSH-SHBR dated June 1<sup>st</sup>, 2011 and Contract Appendix No. 01/HD/FCSH-SHBR dated May 2<sup>nd</sup>, 2012; maximum contract term of 72 months, loan interest rate of 0%. Loan purpose is to supplement capital for purchasing raw materials for production and business activities. The outstanding principal loan balance in original currency as of December 31<sup>st</sup>, 2024 is: USD 1,935,768.86.

(24) Loan contract No. 0810/2019/HD-KT.FECON dated May 11<sup>th</sup>, 2020 between Mr. Tran Ngoc Duong (as the lender) and FECON Joint Stock Company; The loan amount is 12 billion VND; Purpose of loan: Supplementing capital sources for production and business activities; the initial loan term is 24 months; extension period: 36 months; the method of paying interest on the 20th of every month by cash or bank transfer; Borrower's Commitment: The Borrower secures by all means, including all and all bank account balances, assets (including real estate and movable property) to which the Borrower is the legal owner, regardless of the present and future to repay the loan and/or money accounts that the borrower.

(25) Contract No. 01/2022/3993901/HDTD dated April 28<sup>th</sup>, 2022 between Fecon Pho Yen Joint Stock Company and Vietnam Joint Stock Commercial Bank for Investment and Development - Dong Do Branch. Credit amount: USD 188,849.78. Purpose: L/C payment according to contract 202201/FICI-BG dated January 20<sup>th</sup>, 2022 between FECON Infrastructure Joint Stock Company and Betterground Limited, the import object is 01 set of rock pile construction equipment mounted on crane type BC1 according to Bottom feed method, 21.35m long, manufactured in 2020. Loan term 60 months.



**FECON CORPORATION**

15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune,  
Nam Tu Liem District, Hanoi City, Viet Nam

**Form B 09 - DN/HN**

Issued under Circular No. 202/2014/TT-BTC  
December 22nd, 2014 of the Ministry of Finance

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.20 Owners' equity****a. Changes of owners' equity***Unit: VND*

	Share capital	Share premium	Other owner's capital	Exchange rate differences	Investment and Development fund	Other funds	Retained earnings	Non controlled shareholders' benefit	Total
As at 01/01/2023	1,574,390,050,000	517,556,564,217	10,039,280,000	-	337,163,604,401	263,830,171	207,271,473,900	836,639,630,181	3,483,324,432,870
Capital increase	-	-	-	-	-	-	-	56,740,200,000	56,740,200,000
Purchasing Subsidiarie	-	-	-	-	-	-	(23,954,553,795)	(23,005,817,212)	(46,960,371,007)
Loss in the previous year	-	-	-	-	-	-	(32,096,317,037)	(9,992,898,082)	(42,089,215,119)
Payment of dividends by cash	-	-	-	-	-	-	(78,719,502,500)	(424,940,000)	(79,144,442,500)
Appropriation to bonus and welfare fund at parent company	-	-	-	-	-	-	(6,026,727,475)	-	(6,026,727,475)
Change in ownership percentage of subsidiaries	-	-	-	-	(322,496,374)	(31,424,159)	(1,336,467,303)	1,691,387,836	1,000,000
Appropriation to development investment fund at subsidiaries	-	-	-	-	10,500,766,969	-	(10,500,766,969)	-	-
Appropriation to bonus and welfare fund at subsidiaries	-	-	-	-	-	-	(3,062,468,900)	(294,236,191)	(3,356,705,091)
Reward for Executive Board, the Board of Directors & Supervisory Board	-	-	-	-	-	-	(1,038,676,657)	(91,743,749)	(1,130,420,406)
Other increase	-	-	-	8,387,459	-	-	171,710,914	250,653,600	430,751,973
Other adjustment	-	-	-	-	-	-	468,244,398	(464,589,862)	3,654,536
As at 31/12/2023	1,574,390,050,000	517,556,564,217	10,039,280,000	8,387,459	347,341,874,996	232,406,012	51,175,948,576	861,047,646,521	3,361,792,157,781

**FECON CORPORATION**

15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha Urban Area, Pham Hung Road, Me Tri Commune,  
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Issued under Circular No. 202/2014/TT-BTC  
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**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.20 Owners' equity (Continued)**

	Share capital	Share premium	Other owner's capital	Exchange rate differences	Investment and Development fund	Other funds	Retained earnings	Non controlled shareholders' benefit	Total
As at 01/01/2024	1,574,390,050,000	517,556,564,217	10,039,280,000	8,387,459	347,341,874,996	232,406,012	51,175,948,576	861,047,646,521	3,361,792,157,781
Increase capital at subsidiaries	-	-	-	-	-	-	-	629,000,000	629,000,000
Divestment at Subsidiaries	-	-	-	-	-	-	52,192,266	(19,542,920,457)	(19,490,728,191)
Profit/loss in this period	-	-	-	-	-	-	9,269,008,883	20,801,555,439	30,070,564,322
Appropriation to Investment and Development fund at subsidiaries	-	-	-	-	1,211,200,423	-	(1,211,200,423)	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(1,269,562,370)	-	(1,269,562,370)
Payment of dividends by cash	-	-	-	-	-	-	-	(1,865,425,000)	(1,865,425,000)
Appropriation to bonus and welfare funds at Subsidiaries	-	-	-	-	-	-	(1,482,449,164)	(176,371,256)	(1,658,820,420)
Amortization of Goodwill	-	-	-	-	-	-	-	(220,701,459)	(220,701,459)
Another increase/decrease	-	-	-	(8,387,459)	-	-	4,852,102	41,289,333	37,753,976
As at 31/12/2024	1,574,390,050,000	517,556,564,217	10,039,280,000	-	348,553,075,419	232,406,012	56,538,789,870	860,714,073,121	3,368,024,238,639

(i): The Corporation distributes Profit after tax in period according to the Resolution of the General Meeting of Shareholders of the parent company and its subsidiaries.



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**5.20 Owners' equity (Continued)****b. Details of owners' equity**

	31/12/2024	01/01/2024
	VND	VND
Raito Kogyo Co.,Ltd	401,676,820,000	401,676,820,000
Red One Infrastructure Investment Fund	160,000,000,000	160,000,000,000
HD Fund Management Joint Stock Company	225,000,000,000	-
Others	787,713,230,000	1,012,713,230,000
<b>Total</b>	<b>1,574,390,050,000</b>	<b>1,574,390,050,000</b>

**c. Capital transactions with shareholders**

	Year 2024	Year 2023
	VND	VND
<b>Investment capital of the owner</b>		
Capital contributed at the beginning of the year	1,574,390,050,000	1,574,390,050,000
Capital increase in the year	-	-
Capital contributed at the end of the year	1,574,390,050,000	1,574,390,050,000

**d. Shares**

	31/12/2024	01/01/2024
	Shares	Shares
<b>Number of shares registered for issuance</b>	<b>157,439,005</b>	<b>157,439,005</b>
<b>Number of shares sold to the public</b>	<b>157,439,005</b>	<b>157,439,005</b>
Common shares	157,439,005	157,439,005
<b>Number of outstanding shares</b>	<b>157,439,005</b>	<b>157,439,005</b>
Common shares	157,439,005	157,439,005
The par value of outstanding share (VND/share)	10,000	10,000

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**6. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT****6.1 Revenue from sales of goods and provision of services**

	Year 2024 VND	Year 2023 VND
Revenue from sales of goods and finished products	141,827,156,500	540,663,546,066
Sale of constructions	2,980,370,627,045	2,060,618,496,534
Revenue from provision of services	66,433,275,735	120,171,567,624
Revenue from selling electricity	145,888,460,244	158,113,387,199
Revenue from real estate transfer	33,617,897,205	-
Others	6,559,939,754	-
<b>Total</b>	<b>3,374,697,356,483</b>	<b>2,879,566,997,423</b>
<i>In which:</i>		
<i>Revenue from related parties</i> <i>(Details in Note 7.1)</i>	<i>33,972,733,011</i>	<i>14,243,183,989</i>

**6.2 Cost of goods sold**

	Year 2024 VND	Year 2023 VND
Cost of goods sold and finished products	113,638,081,129	499,030,905,607
Cost of constructions	2,693,570,895,601	1,717,368,583,036
Cost of services	34,405,254,731	100,514,977,166
Cost of electricity sold	77,768,593,833	77,413,617,794
Cost of real estate transfer	13,605,270,654	-
Others	967,039,932	-
<b>Total</b>	<b>2,933,955,135,880</b>	<b>2,394,328,083,603</b>

**6.3 Financial income**

	Year 2024 VND	Year 2023 VND
Interest income, loan	15,715,429,511	15,973,664,823
Sales of investment	-	2,687,153
Unrealized exchange rate gains from year-end revaluation	10,245,596,193	734,638
Exchange rate losses incurred during the year	4,781,060,942	2,713,693,358
Dividends and distributed profits	-	3,610,000,000
Investment trust profit	54,378,000,000	-
Others	594,395,875	1,087,747,181
<b>Total</b>	<b>85,714,482,521</b>	<b>23,388,527,153</b>
<i>In which:</i>		
<i>Financial revenue with related parties</i> <i>(Details in Note 7.1)</i>	<i>2,336,383,561</i>	<i>1,161,808,219</i>



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**6.4 Financial expenses**

	Year 2024 VND	Year 2023 VND
Interest expenses	214,558,628,900	259,892,439,574
Loss from liquidation of financial investments	-	16,615,171,477
Payment discount and Interest expenses for deferred sales	174,399,263	162,238,822
Exchange rate losses from year-end revaluation	10,814,678,433	5,132,704,243
Exchange rate losses incurred during the year	2,318,751,183	1,527,680,554
Others	4,289,681,842	3,996,489,610
<b>Total</b>	<b>232,156,139,621</b>	<b>287,326,724,280</b>

*In which:*

*Financial expenses with related parties*

13,503,537,397

-

*(Details in Note 7.1)*

**6.5 Selling expenses and General and administrative expenses**

	Year 2024 VND	Year 2023 VND
<b>Selling expenses</b>	<b>25,909,538,516</b>	<b>20,805,481,640</b>
Employee expenses	16,452,391,830	14,227,665,904
Cost of materials, packaging	61,986,506	64,871,491
Depreciation expenses	182,263,175	129,724,285
Outsourcing expense	4,376,638,494	964,189,735
Other expenses in cash	4,836,258,511	5,419,030,225
<b>General administrative expenses</b>	<b>211,357,170,803</b>	<b>209,250,376,902</b>
Employee expenses	143,140,622,089	130,699,412,639
Material expenses	2,064,653,411	1,728,610,722
Office supplies expenses	6,470,121,308	5,236,118,660
Depreciation expenses	6,736,599,073	6,985,554,525
Taxes, fees and duties	3,595,674,667	3,634,276,141
Provision expenses	221,880,000	-
Outside purchasing services cost	29,890,366,653	41,166,188,551
Other expenses in cash	12,738,364,019	12,300,572,596
Goodwill amortization	6,498,889,583	7,499,643,068
<b>Total</b>	<b>237,266,709,319</b>	<b>230,055,858,542</b>

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**6.6 Other income/ Other expenses**

	Year 2024 VND	Year 2023 VND
<b>Other income</b>		
Collect and liquidate assets, supplies, tools and equipment	5,027,021,920	7,395,557,420
Collect compensation and fines for violations	13,055,192,661	144,190,835
- GE compensation for under-delivered contract output	10,423,800,000	-
- Other compensation and violation income	2,631,392,661	144,190,835
Income from excess bonus, completing the plan	557,868,405	421,297,946
Income from Geotech conference	-	4,996,752,965
Others	557,815,279	517,601,359
<b>Total</b>	<b>19,197,898,265</b>	<b>13,475,400,525</b>
<b>Other expenses</b>		
Book value of assets and liquidation costs	9,875,026,536	2,193,559,059
Book value of tools and liquidation costs	684,860,309	2,236,050,992
Penalty for breach of contract	4,450,568,271	6,523,565,024
Costs for shared use of transmission lines for Quoc Vinh Soc	-	248,174,384
Trang wind power plant	-	6,191,093,918
Cost of Geotech conference	-	3,266,438,232
Cost of tax penalty and administrative penalty	4,840,589,113	2,236,085,610
Others	1,596,184,483	2,236,085,610
<b>Total</b>	<b>21,447,228,712</b>	<b>22,894,967,219</b>
<b>Other profit (net)</b>	<b>(2,249,330,447)</b>	<b>(9,419,566,694)</b>

**6.7 Current corporate income tax expenses**

	Year 2024 VND	Year 2023 VND
Current corporate income tax expenses	30,286,630,827	23,818,270,837
<b>Total</b>	<b>30,286,630,827</b>	<b>23,818,270,837</b>



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**6.8 Basic earnings per share**

	Year 2024 VND	Year 2023 VND Represent
<b>Accounting profit after corporate income tax</b>	<b>30,070,564,322</b>	<b>(42,089,215,119)</b>
Non- controlling interest	20,801,555,439	(9,992,898,082)
<i>Increase adjustment</i>	-	-
<i>Decrease adjustment</i>	-	<i>(2,752,011,534)</i>
<i>Remuneration of the Board of General Directors, the Supervisors Board who do not directly manage, and bonuses for the Executive Board (i)</i>	-	<i>(2,752,011,534)</i>
<b>Gain or loss distributed common shareholders in holding company</b>	<b>9,269,008,883</b>	<b>(34,848,328,571)</b>
Average number of outstanding common shares during the period (shares)	157,439,005	157,439,005
<b>Basic earnings per share (VND/share)</b>	<b>59</b>	<b>(221)</b>

(i) As of the Reporting Date, the Company has not estimated the profit for the financial year ended December 31, 2024 to be allocated for the bonus and welfare fund. The final decision rests with the Company's General Meeting of Shareholders, and the net profit attributable to shareholders and basic earnings per share may change.

The basic earnings per share for 2023 have been restated because in 2024, the Company and its subsidiaries distributed the after-tax profit of 2023 to allocate funds for the bonus and welfare fund, with the specific changes as follows:

	Year 2023 VND (Presented)	Year 2023 VND (Re-stated)	Difference
<b>Profit after corporate income tax</b>	<b>(42,089,215,119)</b>	<b>(42,089,215,119)</b>	-
<i>Profit after tax of non-controlling shareholders</i>	<i>(9,992,898,082)</i>	<i>(9,992,898,082)</i>	-
<i>Increase</i>	-	-	-
<i>Decrease</i>	-	<i>(2,752,011,534)</i>	<i>(2,752,011,534)</i>
<i>Deduction from bonus and welfare fund at Subsidiary</i>	-	<i>(2,752,011,534)</i>	<i>(2,752,011,534)</i>
<b>Profits attributable to shareholders of the parent company owning common stock</b>	<b>(32,096,317,037)</b>	<b>(34,848,328,571)</b>	<i>(2,752,011,534)</i>
Average number of outstanding shares in the period (shares)	157,439,005	157,439,005	-
<b>Basic earnings per share (VND/share)</b>	<b>(204)</b>	<b>(221)</b>	<b>(17)</b>

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**6.9 Production and business expenses by factors**

	Year 2024 VND	Year 2023 VND
Raw materials expenses	1.306.164.740.494	1.324.181.325.456
Employee expenses	354.692.849.704	338.126.167.325
Depreciation expenses	161.534.572.341	161.567.918.307
Outside purchasing services cost	927.153.751.582	706.996.510.708
Other expenses in cash	1.075.962.190.908	46.614.867.618
Others	6.498.889.583	7.499.643.068
<b>Total</b>	<b>3.832.006.994.612</b>	<b>2.584.986.432.482</b>

**7. OTHER INFORMATION**

**7.1 Transactions and balances with related parties**

The list of related parties of the Corporation is as follows:

<u>Related Parties</u>	<u>Relationship</u>
RAITO KOGYO Joint Stock Company	Major Shareholder
Red One Infrastructure Investment Fund	Major Shareholder
HD Fund Management Joint Stock Company	Major Shareholder
FECON Hoa Yen Joint Stock Company	Indirect Associate
FCC Infrastructure Investment Joint Stock Company	Indirect Associate
FECON Miltec Joint Stock Company	Indirect Associate
Omega Fortune Infrastructure Joint Stock Company (OFICO)	Indirect Associate
GF Land Bac Ninh Joint Stock Company	Indirect Associate
Board of Directors, Executive Board, Supervisory Board Members, and Individuals Related to Key Management Personnel	Significant Influence

In the year, the Corporation has transactions with related parties as follows:

**Remuneration for Boards of Management, Supervisors and General Directors**

		Year 2024 VND	Year 2023 VND
Board of Directors, Supervisory Board, and Executive Board	Salary and remuneration	17,674,980,150	17,693,224,451
<b>Total</b>		<b>17,674,980,150</b>	<b>17,693,224,451</b>



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**7.1 Transactions and balances with related parties (Continued)***In which, details are as follows:***Salaries and Remuneration of the Board of Directors**

Full Name	Position	Year 2024 VND	Year 2023 VND
Pham Viet Khoa	Chairman (Reappointed from 26/4/2024)	2,443,314,567	2,148,804,504
Satoyuki Yamane	Vice Chairman (Reappointed from 26/4/2024)	1,530,000,000	1,350,000,000
Tran Trong Thang	Standing Vice Chairman (Reappointed from 26/4/2024)	1,433,674,640	1,230,471,916
Nguyen Huu Thai Hoa	Independent member (Reappointed from 26/4/2024)	604,444,440	533,333,328
Ha The Long	Independent member (Dismissed from 26/4/2024)	177,777,776	533,333,328
Nguyen Tran Dang Phuoc	Member (Reappointed from 26/4/2024)	906,666,668	800,000,000
Nguyen Thi Nghien	Member (Dismissed from 26/4/2024)	198,399,999	1,525,609,912
Ha Cuu Long	Independent member (Appointed from 26/4/2024)	426,666,664	-
Nguyen Van Thanh	Member (Appointed from 26/4/2024)	562,902,377	-

**Salaries and Remuneration of the Supervisory Board**

Full Name	Position	Year 2024 VND	Year 2023 VND
Nguyen Thi Lan Huong	Head of the Supervisory Board (Reappointed from 26/4/2024)	1,524,880,473	1,330,419,935
Nguyen Tien Thanh	Member (Reappointed from 26/4/2024)	453,333,332	288,461,997
Tran Cong Trang	Member	-	133,333,332
Truong Van Binh	Member (Reappointed from 26/4/2024)	371,675,000	551,248,110

**Salaries and Remuneration of the Executive Board**

Full Name	Position	Year 2024 VND	Year 2023 VND
Nguyen Thanh Tung	Chief Executive Officer (Appointed from 05/7/2024)	1,839,027,694	1,312,289,621
Nguyen Van Thanh	Chief Executive Officer (Dismissed from 05/7/2024)	1,155,000,000	2,046,901,231
Nguyen Quoc Bao	Deputy Chief Executive Officer (Reappointed from 05/7/2024)	1,674,917,673	1,701,754,825
Ta Cong Thanh Vinh	Deputy Chief Executive Officer (Dismissed on 20/10/2023)	-	758,885,707
Le Quang Hanh	Deputy Chief Executive Officer (Dismissed on 01/02/2023)	-	70,000,000
Tran Trung Hieu	Deputy Chief Executive Officer (Appointed from 05/7/2024)	545,230,770	-
Do Manh Cuong	Deputy Chief Executive Officer (Reappointed from 05/7/2024)	1,827,068,077	1,378,376,705

**FECON CORPORATION**

15<sup>th</sup> Floor CEO Tower, Plot HH2-1, Me Tri Ha  
Urban Area, Pham Hung Road, Me Tri Commune,  
Nam Tu Liem District, Hanoi City, Viet Nam

**Form B 09 - DN/HN**

Issued under Circular No. 202/2014/TT-BTC  
December 22nd, 2014 of the Ministry of Finance

**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**For the year ended 31<sup>st</sup> December 2024**7.1 Transactions and balances with related parties (Continued)****Related Party Balance**

<u>Related parties</u>	<u>Relationship</u>	<u>31/12/2024</u> <u>VND</u>	<u>01/01/2024</u> <u>VND</u>
<b>Receivables</b>		<b>63,834,757,041</b>	<b>27,144,205,389</b>
FECON Hoa Yen Joint Stock Company	Indirect Associate	52,073,190,360	15,382,638,708
FCC Infrastructure Investment Joint Stock Company	Indirect Associate	11,761,566,681	11,761,566,681
<b>Prepayment to seller</b>		<b>71,371,000</b>	<b>71,371,000</b>
FECON Miltec Joint Stock Company	Indirect Associate	71,371,000	71,371,000
<b>Other short-term receivables</b>		<b>380,284,046,140</b>	<b>377,729,229,598</b>
FCC Infrastructure Investment Joint Stock Company	Indirect Associate	9,202,205	9,202,205
Omega Fortune Infrastructure Joint Stock Company	Indirect Associate	10,794,602,735	9,620,027,393
FECON Hoa Yen Joint Stock Company	Indirect Associate	2,241,200	-
Mr. Muon Van Chien	Subsidiary Manager	142,945,000,000	177,900,000,000
Mr. Phung Tien Trung	Subsidiary Manager	226,533,000,000	190,200,000,000
<b>Loan receivables</b>		<b>27,749,060,000</b>	<b>27,749,060,000</b>
Omega Fortune Infrastructure Joint Stock Company (OFICO)	Indirect Associate	23,300,000,000	23,300,000,000
FECON Miltec Joint Stock Company	Indirect Associate	4,449,060,000	4,449,060,000
<b>Other Payables</b>		<b>13,562,666,164</b>	<b>59,128,767</b>
FECON Hoa Yen Joint Stock Company	Indirect Associate	13,562,666,164	59,128,767
<b>Short-term loans</b>		<b>195,090,000,000</b>	<b>197,740,000,000</b>
FECON Hoa Yen Joint Stock Company	Indirect Associate	195,090,000,000	197,740,000,000
<b>Transactions with related parties</b>			
<u>Related parties</u>	<u>Relationship</u>	<u>Year 2024</u> <u>VND</u>	<u>Year 2023</u> <u>VND</u>
<b>Selling goods</b>		<b>33,972,733,011</b>	<b>14,243,183,989</b>
FECON Hoa Yen Joint Stock Company	Indirect Associate	33,972,733,011	14,243,183,989
<b>Loan Interest Income</b>		<b>2,336,383,561</b>	<b>1,161,808,219</b>
Omega Fortune Infrastructure Joint Stock Company (OFICO)	Indirect Associate	2,336,383,561	1,161,808,219
<b>Loan Interest Expense</b>		<b>13,503,537,397</b>	<b>-</b>
FECON Hoa Yen Joint Stock Company	Indirect Associate	13,503,537,397	-
<b>Principal repayment</b>		<b>2,650,000,000</b>	<b>1,150,000,000</b>
FECON Hoa Yen Joint Stock Company	Indirect Associate	2,650,000,000	1,150,000,000



**NOTE TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31<sup>st</sup> December 2024

**7.2 Comparative figures**

Comparative figures are taken from the consolidated financial statements for the year ended 31<sup>st</sup> December 2023 which are audited by CPA VIETNAM Auditing Company Limited - A Member firm of INPACT.

*Hanoi, March 31<sup>st</sup>, 2025*

**Preparer**

**Chief Accountant**

**Chairman** ✓



**Tran Thu Trang**

**Pham Van Tung**

**Pham Viet Khoa**

