



**DUC THANH WOOD  
PROCESSING JSC**

[www.goducthanh.com](http://www.goducthanh.com)

Symbol: GDT

ANNUAL REPORT  
BÁO CÁO THƯỜNG NIÊN

**2024**



**“Innovate today, lead the way tomorrow”**





## CHAIRWOMAN'S MESSAGE



### Dear Shareholders, Partners, and Customers,

The year 2024 had once again proven to be a challenging one, contrary to our hopes. The global and domestic economic landscapes continue to face numerous obstacles. In such a scenario, as the head of the company and the one accountable to thousands of shareholders, I was compelled to make strategic decisions to ensure that nearly 600 employees have stable employment without layoffs, that the company maintains a healthy revenue stream while still generating profits, and that we fulfill all tax obligations, social insurance, and health insurance requirements. Additionally, we had to bring foreign currency into the country and, most importantly, ensure sufficient funds to pay dividends to our shareholders.

One of the decisions I made, which we now refer to as the "miraculous decision" upon reflection at the end of the year, was the consolidation of three factories into one. Specifically, we merged Factory 2 (in Go Vap) and Factory 5 (in Dong Nai) into Factory 3 in Binh Duong.

This decision was miraculous due to its correctness: it allowed us to save significantly on management costs, transportation costs between the three factories, operational costs, and personnel expenses, as the three separate management teams were streamlined into one. It was miraculous because combining three teams into one created a synergy that multiplied our strength many times over, not just threefold. It was miraculous in the sense that all discussions and decisions were made swiftly and with high consensus. It was miraculous because, alongside the cost savings, we were able to lease out the premises of the two remaining factories, creating an impressive "double benefit."

## CHAIRWOMAN'S MESSAGE

As a result, despite only an approximately 8% increase in revenue for the year 2024, our profit before tax surged by 66% compared to the same period last year.

Initially, when this direction was proposed, there were numerous concerns, differing opinions, and worries about potential loss of personnel due to the distance and possible loss of customers due to the changes. However, I persistently persuaded the team, presented contingency plans, and volunteered to lead the "miraculous campaign" to reassure everyone.

### Strategy of Streamlining and Optimization: Measuring by Value Addition

Throughout the process of closely monitoring factory operations with the goal of optimizing production activities, we strived to minimize costs in every possible way—from management, transportation, and personnel to machinery, equipment, and energy. We also sought to unleash the potential of our hundreds of employees through initiatives for innovation and improvement, as well as productivity-based rewards. The results exceeded our expectations: salaries and bonuses increased rapidly, creating a virtuous cycle where increased productivity led to higher rewards, which in turn motivated further improvements. This dynamic led to remarkable breakthroughs at Duc Thanh Wood Processing JSC throughout 2024.

### Journey Through Challenges

Concurrently, during my hands-on involvement at the factory, I delved into understanding the specific causes of difficulties and bottlenecks faced by the production team. I worked to resolve these issues immediately and used them as practical lessons to teach the team "how to handle situations." This sparked a movement of innovation arising from these problem-solving experiences, spreading across all areas and departments, contributing to labor savings and increased productivity. Consequently, a shower of bonuses was awarded, recognizing the efforts and ingenuity of our employees while stimulating further innovative ideas.

In addition, we revamped old production processes, reorganized the factory layout for better flow and easier movement and transportation, and restructured the leadership team for greater efficiency. We also brought in experts to consult on LEAN methodologies and instructed the team to apply 5S and Kaizen principles in production. The results were astonishing: the team understood, adapted, and truly united, always ready to help each other across different groups and workshops, moving away from the previous "every man for himself" mentality. They deeply internalized the saying: "We are all in the same boat. It can only sail steadily and quickly to its destination if all parts of the boat are in good condition and work in harmony."

Thanks to this, the company gradually reaped good results, not only meeting the initial goal of "survival" but also achieving tangible successes such as a 30% increase in productivity compared to before and a more than 60% increase in c for the entire company. You can find more details in the management's report.

Furthermore, I directed the acceleration of projects aimed at sustainable development, such as the installation of solar energy systems, green transformation, and digital transformation, to keep pace with global development needs.

It can be said that 2024 marks a significant milestone in the over 30-year development journey of Duc Thanh Wood Processing JSC.

### Looking Ahead to 2025 – Ready to Break Through!

As we step into 2025, the global economic outlook remains uncertain. The Russia-Ukraine conflict shows no signs of abating, political instability in South Korea, unpredictable tax policies due to President Trump's unforeseen actions, natural disasters in various places, and most recently, the earthquake in Myanmar—all contribute to a seemingly more deadlock economic picture. Clearly, the general situation has not improved at all.

In this context, unable to influence the global situation, we must steadfastly focus on controlling our company's labor productivity, continuing to save costs, optimizing personnel, and always listening to the market's pulse to timely adapt, adjust strategies, and seize any opportunities that arise. Simultaneously, the company will maintain, nurture, and strengthen existing relationships with customers, suppliers, and employees.

Moreover, we will continue to promote the optimization of processes through the Enterprise Resource Planning (ERP) system, utilize Artificial Intelligence (AI), and embrace digital transformation in management to enhance efficiency, optimize costs, and ensure transparency in business operations. We also emphasize sustainable development and community responsibility by continuing to invest in renewable energy projects like solar power and applying green production standards to protect the environment.

The most crucial priority for us in the current context is: "Whatever we do, we must absolutely secure orders to maintain factory operations, absolutely ensure profitable business, have funds to pay salaries fully and on time, and have funds to pay dividends to shareholders—those who must be acknowledged and respected for their trust and investment in our business operations."

To achieve the excellent results we have today, it is not only due to the correct strategy or the relentless efforts of the Board of Directors but also the direct contributions of all employees and the management team of Go Duc Thanh Company. It is also thanks to the trust, support, encouragement, and valuable feedback from all shareholders, partners, and customers.

I extend my deepest gratitude to every member of the large GDT family and hope to continue receiving your love and trust.

Sincerely,

ON BEHALF OF BOARD OF DIRECTORS

LE HAI LIEU



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

143 Company overview  
145 Mission vision and Development orientation  
147 Development milestones  
149 Quality policy and Organization chart

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

Language  
VIETNAM

Language  
ENGLISH

G D T

## COMPANY OVERVIEW

### GENERAL INFORMATION

**Transaction name:** Duc Thanh Wood Processing  
Joint Stock Company (GDT)  
**Business Registration:** 0301449014  
**Date of establishment:** May 19<sup>th</sup>, 1991  
**Business lines:** Specialize in manufacturing kitchenware, household utensils, indoor furniture and toys made of plan - tation wood.  
**Number of employees:** Nearly 1.000 people - 5 factories.



### HEAD OFFICE & FACTORY 2

Total area : **Around 8.000 m<sup>2</sup>**  
Address : 221/4 Phan Huy Ich, Ward 14, Go Vap Dist., HCMC  
Tel : (028) 3589 4287 • Fax: (028) 3589 4288

143 | Annual report 2024



### FACTORY 3

Total area : **Around 40.000 m<sup>2</sup>**  
Capacity : **10.000 m<sup>3</sup>** (finished wood/year)  
Address : Tan Hoi, Tan Hiep Ward, Tan Uyen Dist.  
Tel : (0274) 363 1492



### FACTORY 4

Total area : **14.000 m<sup>2</sup>**  
Address : Khanh Binh Ward, Tan Uyen Dist., Binh Duong province  
Tel : (0274) 363 9728



### FACTORY 5

Total area : **12.000 m<sup>2</sup>**  
Capacity : **2.040 m<sup>3</sup>** (finished wood/year)  
Address : 49A Doan Van Cu str., Vam Hamlet, Thien Tan Ward, Vinh Cuu Dist., Dong Nai Province



### FACTORY 6

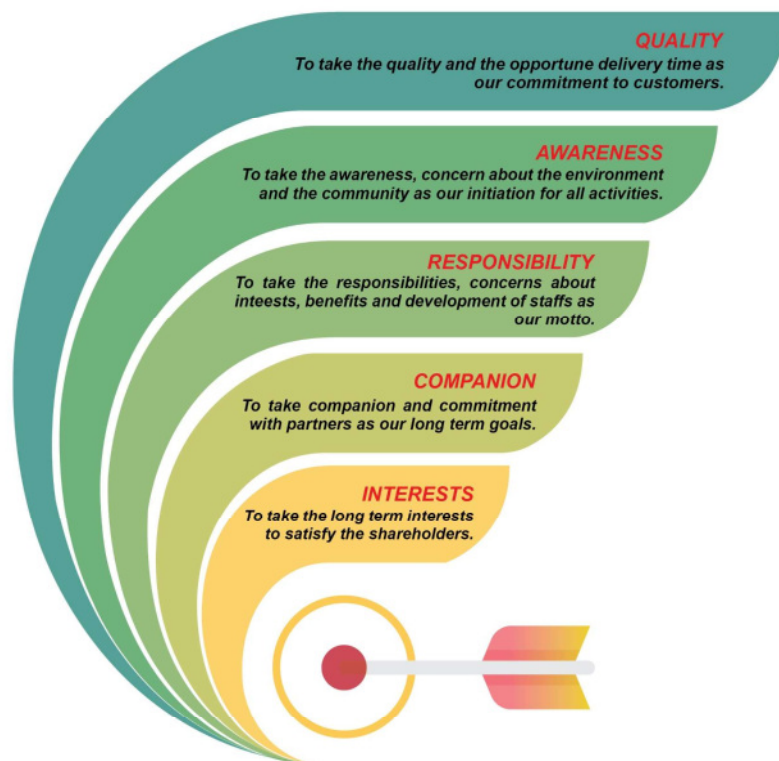
Total area : **40.000 m<sup>2</sup>**  
Address : Tan Hiep Ward, Tan Uyen Dist, Binh Duong Province.



## MISSION AND VISION

### MISSION - VISION

Duc Thanh always provides high quality products and services; raises the image and maintains our position as the leading manufacturer of kitchenware, housewares and wooden toys in Vietnam.



MISSION - VISION

## DEVELOPMENT ORIENTATION

Main objective: GDT uses and maximizes its available potentials, to bring peace of mind to customers and investors through medium and long-term development strategies:



**SINCE 1991**  
**DUC THANH**  
DUC THANH WOOD PROCESSING  
JOINT STOCK COMPANY



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

143 Company overview  
145 Mission vision and Development orientation  
147 Development milestones  
149 Quality policy and Organization chart

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

Language  
VIETNAM

Language  
ENGLISH

**G D T**



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

143 Company overview  
145 Mission vision and Development orientation  
147 Development milestones  
149 Quality policy and Organization chart

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

Language  
VIETNAM

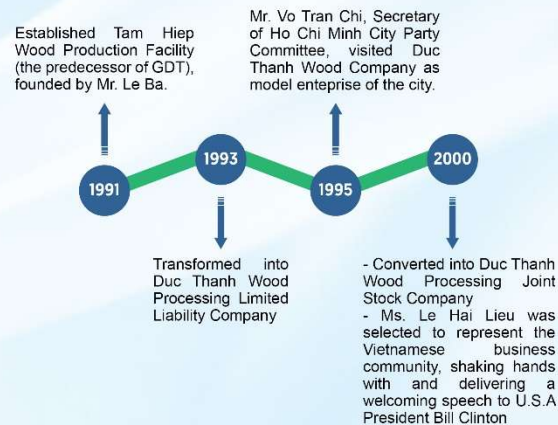
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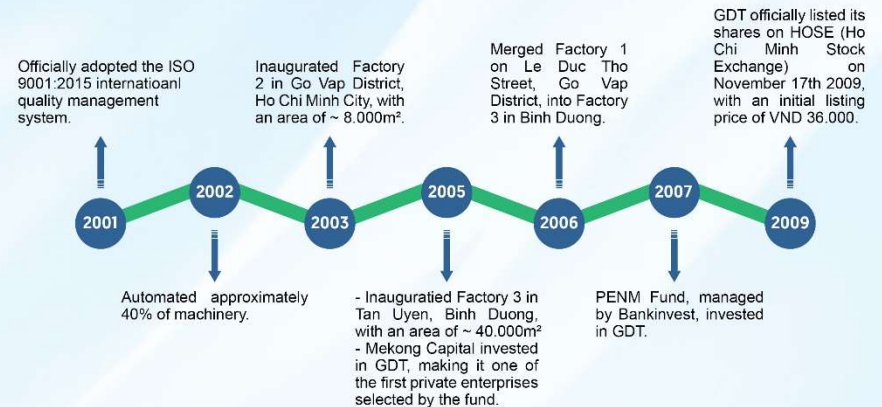
## HISTORY OF FOUNDATION AND DEVELOPMENT

### KEY MILESTONES IN THE FORMATION AND DEVELOPMENT OF DUC THANH WOOD PROCESSING JOINT STOCK COMPANY (GDT):

#### 1. Establishment and initial stage (1991 - 2000)



#### 2. Scale Expansion and Capital Growth Phase (2001 - 2010)



#### 3. Strong Development Phase (2011 - 2020)



#### 4. Position Consolidation and Sustainability phase (2021 - present)





## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

143 Company overview  
145 Mission vision and Development orientation  
147 Development milestones  
149 Quality policy and Organization chart

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

Language  
VIETNAM

Language  
ENGLISH

G D T

## QUALITY POLICY & COMPANY ORGANIZATION CHART



### DUC THANH WOOD PROCESSING JSC.



### QUALITY POLICY

**"Improve management is to improve quality Keep the prestige is to keep customers"**

GDT has developed sustainably because two factors of "prestige" and "quality" are always committed at the highest level. This has created the company's success.



### THE COMPANY ALWAYS:

Strictly follow the production process, labor safety, quality control of materials, variety of models to meet customers' demands.

Apply, maintain and improve the quality management system in accordance with ISO 9001: 2015 and regularly innovate quality management to increase efficiency at work.

Train staffs the necessary knowledge and skills based on job requirements in order to bring satisfaction to customers. This is the decisive factor to bring stability and success to the company.

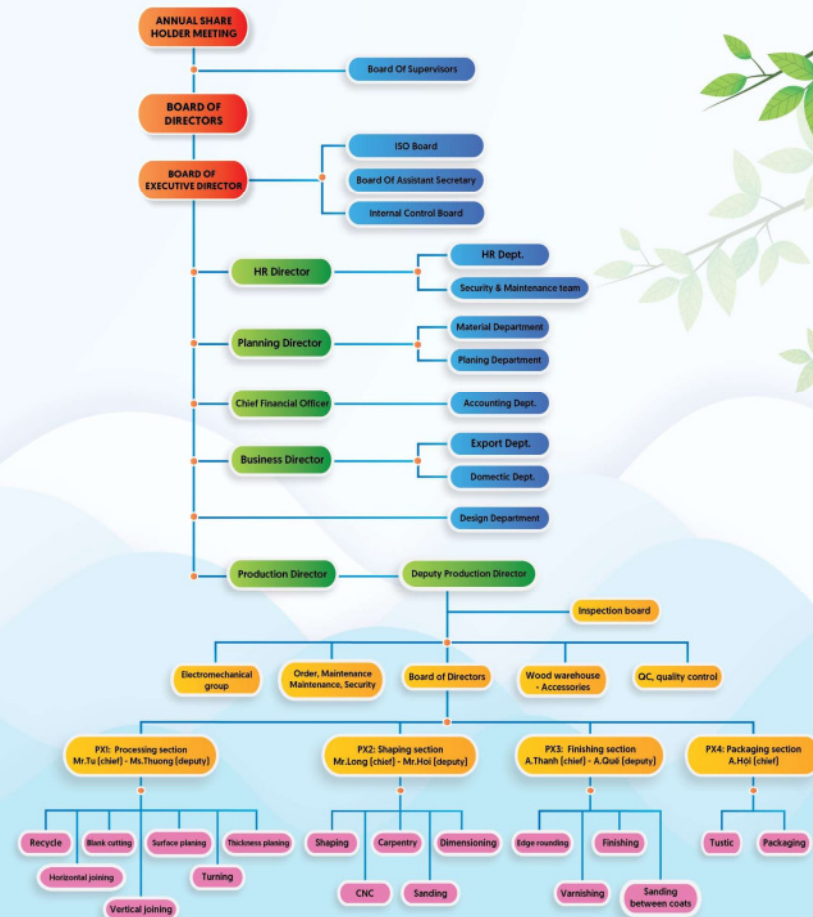
Regularly update quality standards, BSCI, C-TPAT... to ensure that products and production process are always reached safety product certificate and complied with Vietnamese and international standards.

After achieving the certification of BSCI and C-TPAT, the company gradually regained orders from traditional customers. In addition, GDT has had many fastidious customers such as Costco, Walmart ...

In 2023, Duc Thanh Wood Company achieved FSC-Coc Certification. This is an important certificate to help increase Duc Thanh's competitive position in the International market.

In August 2024, Duc Thanh Wood JSC achieved ISO 14001:2015 certification, demonstrating full compliance with environmental management standards issued by the International Organization for Standardization (ISO).

## ORGANIZATION CHART DUC THANH WOOD COMPANY





## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

#### SUMMARY OF MAIN INDICATORS

- 151 Summary of main indicators
- 153 Revenue structure
- 155 Business locations
- 157 Household and kitchen appliances
- 159 Wooden toys
- 161 Shareholder structure
- 163 The operational risks

#### REPORTS

#### AUDITED FINANCIAL STATEMENTS

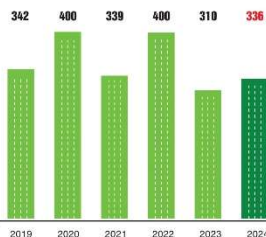
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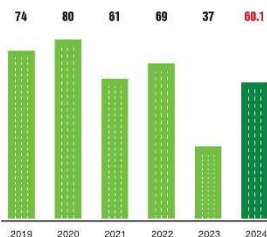
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### SUMMARY OF MAIN INDICATORS

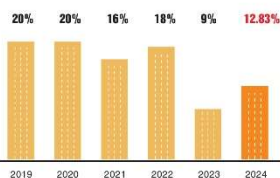
#### REVENUE (VND Billion)



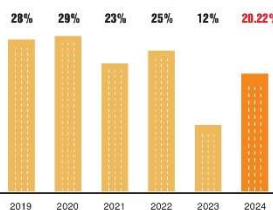
#### NET PROFIT (VND Billion)



#### ROA (Return of assets)

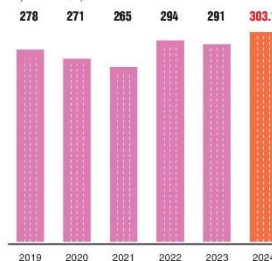


#### ROE (Return of equity)

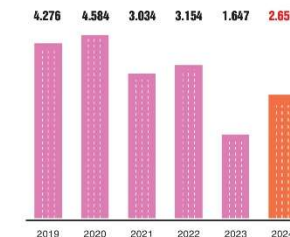


ITEMTS	2019	2020	2020	2021	2022	2024
Revenue (VND Billion)	342	400	339	400	311	336
Net profit (VND Billion)	74	80	61	69	36	60.1
ROA (Return of assets)	20%	20%	16%	18%	9%	12.83%
ROE (Return of equity)	28%	29%	23%	25%	12%	20.22%

#### OWNERS' EQUITY (VND Billion)



#### ESP (VND)



ITEMTS	2019	2020	2021	2022	2023	2024
OWNERS' EQUITY (VND Billion)	278	271	265	294	291	303.1
EPS (VND)	4,276	4,584	3,034	3,154	1,647	2,658
P/E	6.9	8.9	20.9	11.2	14.1	10.2



## REVENUE STRUCTURE

- GDT's core values are Stability, Efficiency and Sustainability.

Unit: 1,000 VND

Income statement	2019	2020	2021	2022	2023	2024
Net revenue	341,845,934	400,404,825	338,629,383	399,762,675	310,996,257	<b>335,522,762</b>
Cost of goods sold	229,849,409	275,640,723	237,385,556	266,593,722	220,756,327	<b>205,095,030</b>
Gross profit	111,996,525	124,764,102	101,243,827	133,168,953	90,239,930	<b>130,427,731</b>
Operating profit	92,353,036	99,577,405	76,530,086	88,122,403	45,431,039	<b>75,632,901</b>
Profit before taxes	92,749,151	100,085,227	76,340,558	86,956,913	46,036,532	<b>75,996,257</b>
Taxes and other payables to the State budget	18,528,305	20,108,254	15,554,554	17,686,687	9,344,201	<b>15,908,312</b>
Profit after tax	74,220,846	79,976,973	60,786,014	69,270,226	36,692,331	<b>60,087,945</b>
Profit margin	32.8%	31.2%	29.9%	33.3%	29%	<b>38.9%</b>

Balance sheet	2019	2020	2021	2022	2023	2024
Total Assets	387,379,665	398,861,534	380,965,040	406,005,991	416,080,893	<b>527,485,060</b>
Chartered Capital	171,369,680	171,369,680	179,803,580	197,471,710	218,725,920	<b>238,835,570</b>
Average outstanding shares	17,011,883	16,925,350	19,437,036	21,301,282	21,168,396	<b>21,478,882</b>
Owners' equity	278,324,845	270,534,369	265,392,890	294,350,658	291,366,770	<b>303,084,889</b>

Other items	2019	2020	2021	2022	2023	2024
<b>Asset structure</b>						
Current assets / Total assets	87.86%	74.26%	59.98%	72.68%	58.26%	<b>37.69%</b>
Non-current assets / Total assets	12.14%	25.74%	40.02%	27.32%	41.74%	<b>62.31%</b>
<b>Capital structure</b>						
Liabilities / Total assets	28.5%	32.17%	30.34%	27.50%	29.97%	<b>42.54%</b>
Owners' equity / Total assets	71.85%	67.83%	69.66%	72.50%	70.03%	<b>57.46%</b>

Profitability ratio	2019	2020	2021	2022	2023	2024
Return of assets (ROA)	20.30%	20.34%	15.59%	17.60%	8.90%	<b>12.83%</b>
Return of equity (ROE)	27.64%	29.14%	22.68%	24.75%	12.59%	<b>20.22%</b>
Net Profit after tax Chartered capital	43.31%	46.67%	33.81%	35.08%	16.78%	<b>25.16%</b>
Net margin	21.71%	19.97%	17.95%	17.33%	11.80%	<b>17.91%</b>
Earnings per share (EPS)	4.28	4.58	3.03	3.15	1.64	<b>2.658</b>
Book value per share	15.60	12.51	11.72	12.23	10.91	<b>12.23</b>
Dividend	50%	40%	40%	40%	20%	<b>20%</b>
P/E	6.9	8.9	20.9	11.2	14.2	<b>10.2</b>

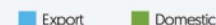
## REVENUE STRUCTURE 2024

"Supplying customers across all continents in export markets while simultaneously developing the domestic market is a strategy to mitigate business risks."

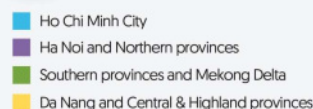
### 01 BY COMMODITY GROUP



### 02 BY MARKET



### 03 BY DOMESTIC MARKET



### 04 BY DOMESTIC MARKET





## BUSINESS LOCATIONS

### DOMESTIC MARKET

- Sales distribution system in the domestic market is mainly divided into 5 areas: **The North, The Central, The Southeast, The Southwest, Ho Chi Minh City.**

- Supermarket system: **Co-opmart., Big C & Go, AEON, Lotte mart, King-Food, Emart.**

- Chains of "Mom & Kid" shop system: Kids plaza, Con Cung, Bibomart. Besides, Winwintoys are approaching foreign customers at International Airports such as **TAN SON NHAT, DA NANG, HUE, CAM RANH.**

**5 AREAS**

**1.334** POINTS OF SALE

**1** SHOWROOM

**914** RETAILERS

**260** BUSINESS CENTER, SUPERMARKET

ONLINE CHANNELS: **WINWINSHOP.COM.VN - LAZADA.VN - SHOPPEE.VN - SENDO.VN**



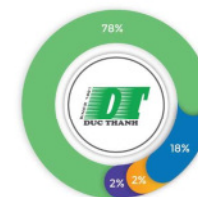
### EXPORT MARKET

**30+** 1991-2023

**4** CONTINENTS **50** COUNTRIES



The overseas distribution systems focus on areas such as:



**1** ASIA  
**2** EUROPE  
**3** AMERICA  
**4** AUSTRALIA

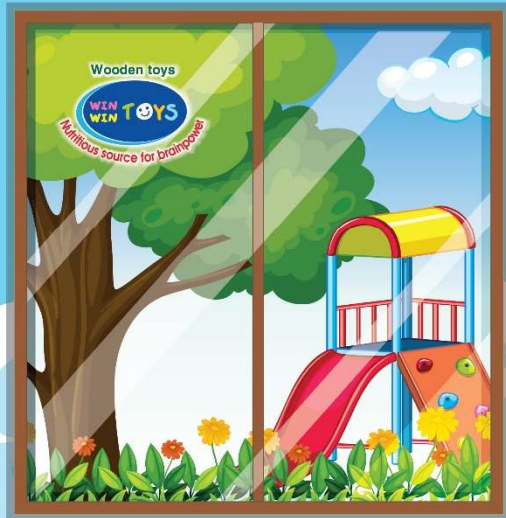


Germany

Japan

Hong Kong

Viet Nam



- \* *Learning by playing*
- \* *Intelligence and creativity*
- \* *Imagination stimulus, creative thinking.*



CHILDREN'S PARADISE







Gổ Đức Thành

**DUC THANH'S PRODUCTS**  
*Home Paradise*



## SHAREHOLDER STRUCTURE

### 1. STOCK INFORMATION

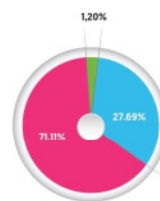
- Listed on : HOSE
- Listing date : November 17th, 2009
- Stock code : GDT
- Par value per share : 10.000 VND/shares

### 2. SHARE STRUCTURE

Charter capital	:	238.835.570.000	VND
Total number of shares	:	23.883.557	shares
Number of outstanding shares	:	23.596.947	shares
Treasury shares	:	286.610	shares
Number of freely transferable shares	:	23.596.947	shares
Number of restricted shares	:	286.610	shares

### 3. SHAREHOLDER STRUCTURE BY SHARE OWNERSHIP RATIO

Organization	Total of shares	Rate (%)
Major shareholders (*)	6.612.671	27.69%
Minority shareholders	16.984.276	71.11%
Treasury stock	286.610	1.20%
<b>Total</b>	<b>23.883.557</b>	<b>100%</b>



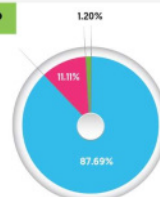
(\*) Major shareholder is a shareholder owning 5% or more of charter capital.

Major shareholders (blue), Minority shareholders (pink), Treasury stock (green)

Source: Shareholder structure as per the list finalized on March 19, 2024, issued by the Vietnam Securities Depository and Clearing Corporation (VSDC).

### 4. SHAREHOLDER STRUCTURE BY DOMESTIC AND FOREIGN OWNERSHIP

Type of Shares	Number of Shareholders	Number of Shares	Rate (%)
1. Treasury Shares	1	286.610	1.20
2. Domestic Shareholders	1.868	20.942.603	87.69
• Organizations	17	95.646	0.40
• Individuals	1.853	20.846.957	87.29
3. Foreign Shareholders	78	2.654.344	11.11
• Organizations	22	2.084.608	8.73
• Individuals	56	569.736	2.39
<b>Total</b>	<b>1.946</b>	<b>23.883.557</b>	<b>100%</b>



Treasury Shares (green), Domestic Shareholders (blue), Foreign Shareholders (pink)

Maximum foreign ownership ratio: 50%.

### 5. CHANGES IN OWNER'S INVESTMENT CAPITAL

In 2024, the Company increased its charter capital from VND 217.3 billion to VND 238.8 billion after issuing shares to pay the final dividend for 2023 at a rate of 10%.

### 6. TREASURY STOCK TRANSACTIONS

GDT purchased 26.800 treasury shares from former employees in accordance with the 2021 ESOP regulations.

### 7. OTHER SECURITIES

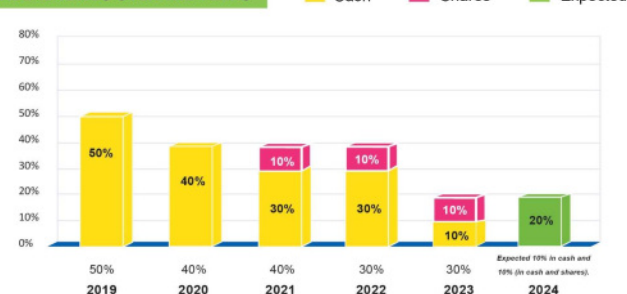
None

### 8. DIVIDEND RATES OVER THE YEARS

For 2024, the expected dividend rate is 20%, to be paid in cash and shares.

The Company has already made an advance dividend payment of 10% in cash. The remaining dividend will be decided at the General Meeting of Shareholders.

#### DIVIDEND RATES OVER THE YEARS





## THE OPERATIONAL RISKS

### OPERATIONAL RISKS IN 2024

#### 1. MACROECONOMIC RISKS

- The global and domestic economic landscape is experiencing rapid, complex, and unpredictable fluctuations, marked by high instability across economic, political, social, and security domains. These factors have far-reaching global consequences and significantly impact business operations.
- Most economies worldwide are recording lower-than-expected growth rates. Although inflation has eased, it remains persistently high, prompting major economies to maintain tight monetary policies and high interest rates.
- Global political instability persists, with ongoing military conflicts such as the Russia-Ukraine war, the Israel-Hamas war, and political crises in Europe and South Korea.
- Climate Change Risks: The increasing frequency and severity of extreme weather events - such as storms, floods, droughts, and wildfires - pose significant economic and environmental threats.
- International investment is projected to decline from now until 2030 due to the long-term effects of the COVID-19 pandemic and ongoing global conflicts and economic competition.
- Non-traditional security threats are becoming increasingly diverse and complex.
- The Red Sea trade route, a vital connection between Asia and Europe via the Suez Canal and the Mediterranean Sea, is being rerouted due to security concerns over the Gaza conflict. These diversions are driving up transportation costs.
- Frequent supply chain disruptions and rising prices of raw materials and shipping costs are exacerbated by the enforcement of Decree 168 on administrative violations in road transport, creating significant challenges for businesses.

##### Mitigation Measures

- Monitor global and domestic market trends closely to ensure timely and effective responses.
- Leverage technology to improve productivity, reduce operational costs, and utilize data analytics for trend forecasting and supply chain optimization.
- Prioritize sustainable solutions by adopting environmentally friendly and energy-efficient practices to mitigate the effects of climate change. Increase investments in renewable energy and emission-reduction technologies.

#### 2. EXCHANGE RATE AND INTEREST RATE RISKS

- Inflation is expected to remain persistent over the coming years. Exchange rates serve as a crucial tool for inflation control, and the State Bank of Vietnam is expected to use this instrument to regulate and stabilize macroeconomic indicators.

- For Gỗ Đức Thành, exports constitute a significant portion of business operations. Exchange rate fluctuations can impact order volumes, revenue, imported raw materials, production costs, financial performance, and overall business outcomes.
- Additionally, the use of loans and financial instruments introduces challenges in managing interest rate risks, especially in a prolonged inflationary environment.

##### Mitigation Measures

- Optimize currency allocation between VND and foreign currencies.
- Continuously monitor financial markets to implement timely risk mitigation measures in response to interest rate volatility.
- Analyze exchange rate movements to align procurement and financial planning with currency fluctuations. Maintain close collaboration with customers to mitigate adverse effects from exchange rate volatility.

#### 3. HUMAN RESOURCE RISKS

- The shortage of high-quality labor remains a key challenge for businesses.
- Post-Tet workforce turnover trends may lead to temporary labor shortages.
- Increasing customer demand for higher product quality necessitates a skilled workforce, but there are currently no formal vocational training programs for the wood industry.
- At Gỗ Đức Thành, with nearly 1,000 employees from various regions, managing workforce stability remains a priority.

##### Mitigation Measures

- Create an inclusive and supportive work environment with comprehensive employee welfare policies.
- Provide 24/7 accident insurance for all employees and implement an Employee Stock Ownership Plan (ESOP) to enhance job security and align employee incentives with company performance.
- Emphasize skills training and career development, including regular skill assessments and promotions.
- Enhance quality control systems by updating production processes and monitoring each manufacturing stage.
- Implement large-scale recruitment plans and employ temporary workers as needed.
- Optimize production workflows to maximize efficiency and minimize labor wastage.
- Establish daily productivity targets with performance - based incentives to motivate employees.

#### 4. RAW MATERIAL RISKS

- Raw material costs account for a significant portion of production expenses, making market price fluctuations a critical factor affecting overall product costs.
- Stringent legal regulations on the extraction and use of natural wood resources present additional challenges.
- Some suppliers fail to meet quality commitments, potentially affecting the final product quality.

##### Mitigation Measures

- Implement strategic inventory management to adapt to price fluctuations.
- Closely monitor production schedules to ensure timely material supply.
- Evaluate and manage supplier performance, developing diversified procurement strategies.
- Expand supplier networks to reduce dependence on single sources.
- Continue using plantation wood and reclaimed rubberwood to ensure sustainable sourcing.
- Conduct regular supplier assessments based on performance and compliance.

#### 5. ENVIRONMENTAL RISKS

- The increasing frequency of extreme weather events such as storms, floods, droughts, and wildfires presents growing economic and environmental challenges.
- Fluctuations in humidity levels can impact product quality, causing issues such as mold growth.
- Air, water, and soil pollution remain major concerns, affecting public health and ecosystems.

##### Mitigation Measures

- Commit to sustainability by using only plantation timber and maintaining strict waste treatment processes in production.
- Invest in advanced wastewater treatment systems at company facilities.
- Install dust collection and air filtration systems to improve workplace safety and reduce emissions.
- Recycle all wood waste into biomass pellets for environmentally friendly fuel use.
- Maintain compliance with global sustainability standards such as:
  - BSCI (Business Social Compliance Initiative) certification
  - ISO 14001:2015 environmental management certification

- Collaborate with GreenYellow Group to install solar energy systems at the Binh Duong factory, enhancing cost efficiency and environmental sustainability.

- Hold FSC (Forest Stewardship Council) certification, reinforcing the company's commitment to sustainable forestry and legal timber sourcing.

#### 6. LEGAL RISKS

- Gỗ Đức Thành operates under Vietnamese legal frameworks, including:
  - The Enterprise Law
  - The Securities Law
  - The Corporate Income Tax Law
  - The Labor Law, and other regulatory policies.
- Frequent changes in government regulations pose significant compliance challenges, impacting strategic planning, business operations, and long-term growth objectives.

##### Mitigation Measures

- Continuously monitor and adapt to evolving legal requirements to maintain regulatory compliance and operational stability.

#### 7. OTHER RISKS

- Beyond the aforementioned risks, force majeure events such as pandemics, storms, and fires - though less frequent - can severely impact business continuity and cause substantial material and financial losses.

##### Mitigation Measures

- Strictly comply with fire prevention and disaster preparedness protocols, with regular fire drills at company facilities.
- Comprehensive insurance policies covering both assets and personnel to mitigate potential financial losses.
- Develop emergency response strategies for pandemics, natural disasters, and unforeseen disruptions.



# REPORTS

- BOARD OF DIRECTORS REPORT
- BOARD OF SUPERVISORS REPORT
- BOARD OF EXECUTIVES REPORT

BÁO CÁO THƯỜNG NIÊN 2024  
ANNUAL REPORT 2024





## BOARD OF DIRECTORS

### BOARD OF DIRECTORS



**Ms. LE HAI LIEU**  
Chairwoman



**Mr. LE HONG THANG**  
Vice Chairman cum  
General Director



**Ms. NGUYEN HA NGOC DIEP**  
Member cum Deputy  
General Director



**Mr. LE HONG THANH**  
Member



**Mr. NGUYEN HOANG NGAN**  
Independent Member



**Ms. TRUONG THI DIEU LE**  
Independent Member



**Mr. HOANG ANH TUAN**  
Independent Member

“ The Board of Directors for 2020 - 2024 term comprises 07 members, of which 02 are executive members and 05 are non-executive ones, who perform functions of supervising, consulting, helping and managing the company to fulfill tasks assigned by the Annual General Meeting of Shareholders. ”

## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

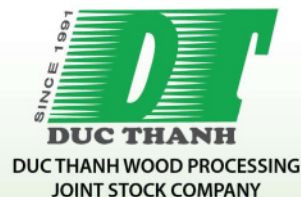
REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 Board of Executives report  
189 Sustainable development report  
197 Honors and Awards

AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH



## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 Board of Executives report  
189 Sustainable development report  
197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

## REPORT OF THE BOARD OF DIRECTORS ACTIVITIES IN 2024 AND ORIENTATIONS FOR 2025

Dear Shareholders,

In 2024, we once again witnessed the global economy facing numerous challenges and fluctuations, it has been truly exhausting. Inflation showed a downward trend but remained at high levels. Geopolitical conflicts, such as the war in Ukraine and instability in the Middle East, continued to negatively impact the global economy.

Against this backdrop, Duc Thanh Wood Processing Joint Stock Company (GDT) proactively implemented flexible response strategies. The Board of Directors (BOD) directed efforts toward optimizing production processes, improving product quality, and strengthening export markets. At the same time, we focused on maintaining a high-quality workforce and implementing effective cost-saving measures.

Thanks to the relentless efforts of all our staff and employees, GDT overcame many difficulties and achieved positive results in 2024. In this report, we summarize below what has been accomplished, the challenges that remain, and the direction for 2025.

No.	Member of BOD	Started day	Position	Amount of Shares holding	Rate	Position at other Organization
1	Ms. Le Hai Lieu	13/06/2020	Chairperson	5.359.148	22.44%	None
2	Mr. Le Hong Thang	13/06/2020	Vice Chairperson (non-executive)	636.176	2,66%	
3	Ms. Nguyen Ha Ngoc Diep	13/06/2020	Member	1.400.281	5,86%	
4	Mr. Le Hong Thanh	13/06/2020	Member (non-executive)	724.023	0,06%	
5	Ms. Truong Thi Dieu Le	13/06/2020	Independent member of BOD	10.314	0,04%	Co-CEO at Mekong Capital Consulting LLC
6	Mr. Hoang Anh Tuan	13/06/2020	Independent member of Board of Directors	1.331	0,01%	Director of Business Insight Vietnam Co., Ltd.
7	Mr. Nguyen Hoang Ngan	25/03/2023	Independent member of Board of Directors	0	0%	Member of Board of Directors of Binh Minh Plastic Joint Stock Company (BMP)

### II. ACTIVITIES OF THE BOARD OF DIRECTOR'S IN 2024

BOD had maintained the operations in accordance with the Company's Charter and Governance Regulations, performing its functions of supervision, consultation, support, and corporate governance, while fully completing the tasks assigned by the General Meeting of Shareholders (GMS).

The Company's BOD consists of 7 members, including 3 independent members. This structure ensures a balance among members with skills and experience in law, human resources, production, finance, marketing, securities, etc., as well as a balance between executive, non-executive, and independent members.

In 2024, the BOD held 4 in-person meetings in accordance with the prescribed procedures and 3 official online meetings. Minutes of the BOD meetings were fully documented with the signatures of participating BOD members, and 19 resolutions were approved.

In addition to the official meetings mentioned above, the BOD also regularly communicated to promptly address emerging issues. All meetings were attended by the Supervisory Board to ensure transparency and close supervision, reflecting a spirit of responsibility and collaboration in management.

In 2024, the BOD approved many important matters related to production and business activities, including:

- Presenting to the General Meeting of Shareholders (GMS) for approval the production and business plan for 2024.

- Approving the policy of borrowing from banks to ensure financial resources for business operations.
- Implementing the dividend payment for 2023 in two installments:
  - o 1st phase: 10% in cash (executed in January 2024).
  - o 2nd phase: 10% in shares (executed in November 2024).
- Approving the advanced payment of 10% for the first phase of 2024 in cash in December 2024.
- Restructuring the company and streamlining the production apparatus by:
  - o Rearranging premises and machinery;
  - o Redesigning the factory layout;
  - o Improving production processes to increase labor productivity;
  - o Reducing costs, increasing profits, and enhancing operational efficiency.

- Replacing all roofing sheets and accelerating the installation of the solar energy system at the Binh Duong factory. It was completed and put into operation in early Q2. This is a significant milestone, helping GDT to save production costs while enhancing its competitive advantage in the global context, emphasizing sustainable and environmentally friendly development criteria.

### III. BOARD OF DIRECTOR'S ASSESSMENT OF THE COMPANY'S ACTIVITIES

#### 1. Business Activities

In 2024, although annual revenue did not meet the plan, it still grew compared to the same period last year. Notably, the profit margin reached a very good level:

- Revenue increased by 8% compared to the same period in 2023, although it only achieved 92% of the plan.
- Profit before tax (PBT) increased by 66% compared to the same period.
- Profit after tax (PAT) increased by 65% compared to the same period.

#### 2. Environmental and Social Responsibility

GDT is always deeply aware of its responsibility to protect the environment. Over the past period, the company has implemented many measures to comply with environmental regulations while improving working conditions for employees, such as:

- Investing in modern production lines to ensure labor safety and meet environmental standards.
- Achieving ISO 14001 certification and BSCI certification for the Binh Duong factory.
- Building a wastewater treatment system in compliance with environmental regulations.
- Enhancing waste management, implementing thorough sorting before handing over to process.
- Completing outstanding issues, including:
  - o The fire prevention system and wastewater treatment at the factory.
  - o Installing the solar energy system.
  - o Implementing ERP software, digitizing management processes, and applying AI to production activities to improve productivity and operational efficiency.

Improving the educational level and skills of management staff and production employees. These efforts affirm the company's commitment to sustainable development, optimizing production activities, and enhancing responsibility to the community.

### IV. BOARD OF DIRECTOR'S ASSESSMENT OF THE BOM'S ACTIVITIES

Through the monitoring process, the BOD evaluates that the Board of Management (BOM) has performed its duties prudently, meeting the practical requirements of business activities and effectively implementing production plans and schemes. However, there were still delays in executing some BOD resolutions and untimely responses to market fluctuations.



## BOARD OF DIRECTORS' REPORT

In 2024, the BOM achieved notable results, including:

- Providing comprehensive and detailed financial and business reports, offering a solid foundation for the BOD to make appropriate strategic directions.
  - Compiling data and preparing comprehensive reports that reflect multiple aspects of operations, thereby adjusting implementation plans according to reality and BOD requirements.
  - Supporting the supervisory work of the Supervisory Board and BOD, ensuring transparency and convenience in the management process.
  - Timely and fully implementing the information disclosure regime as prescribed, preserving shareholders' invested capital and maintaining high profitability.
- Improving the lives of employees and the working environment, building a green and clean workspace, creating a strong bond between employees and the enterprise.
- Applying technology in management, putting ERP and AI software into operation to enhance management capacity and increase competitiveness in the global market.
  - Optimizing the production apparatus, clearing excess inventory, streamlining personnel, reducing operating costs, thereby improving operational efficiency and labor productivity.
  - Renovating the factory in Binh Duong to create a scientific workspace, contributing to increased productivity and improved income for workers.

With the support of the BOD, the BOM has implemented most of the resolutions and strategic goals set by the General Meeting of Shareholders (GMS) and the BOD. The company has focused on its core business areas, optimized available resources, and proactively responded to market fluctuations. The results achieved in 2024 are a testament to the EB's efforts in a challenging economic context.

### V. CORPORATE GOVERNANCE

#### 1. Board of Directors meetings

No.	Member of Board of Directors	Starting Date	Position	Number of meetings and attendance ballots	Rate	Reason of not attending
1	Ms. Le Hai Lieu	13/06/2020	Chairperson	7/7	100%	
2	Mr. Le Hong Thang	13/06/2020	Vice Chairperson	7/7	100%	
3	Ms. Nguyen Ha Ngoc Diep	13/06/2020	Member	7/7	100%	
4	Mr. Le Hong Thanh	13/06/2020	Member (Non-executive)	7/7	100%	
5	Ms. Truong Thi Dieu Le	13/06/2020	Independent Member	7/7	100%	
6	Mr. Hoang Anh Tuan	13/06/2020	Independent Member	7/7	100%	
7	Mr. Nguyen Hoang Ngan	25/03/2023	Independent Member	5/7	71%	Personal Reason

In 2024, the Board of Directors agreed on 19 resolutions. The contents of the Resolutions and Decisions of the Board of Directors are specifically stated below:

No.	No. Of Resolution	Date	Approved Resolution list
1	04-24/QĐ-ĐT	03/01/2024	Board of Directors' decision to pay interim dividend for the first period of 2023 in cash, rate of 10%.
2	26-24/QĐ-ĐT	26/02/2024	Decision of the Board of Directors to finalize the list of shareholders to attend the Annual General Meeting of Shareholders to summarize the 2023 financial year
3	36-24/QĐ-ĐT	25/03/2024	BOD' decision to extend the time to hold the Annual General Meeting of Shareholders to summarize the 2023 financial year
4	02-24/NQ-ĐT	29/03/2024	Resolution of the Board of Directors on borrowing VND 45 billion from the for Investment and Development of Vietnam Joint Stock Commercial Bank - Ho Chi Minh City Branch
5	46-24/QĐ-ĐT	08/04/2024	Board of Directors' decision to pay interim dividend for the first period of 2023 in cash, rate of 10%
6	03-24/QĐ-ĐT	25/04/2024	Resolution of the Board of Directors on purchasing a factory and borrowing VND 90 billion from the Investment and Development of Vietnam Joint Stock Commercial Bank - Ho Chi Minh City Branch
7	05-24/QĐ-ĐT	20/05/2024	Resolution of the Board of Directors on receiving the transfer of land use and assets attached to land of Factory 6
8	09-24/QĐ-ĐT	13/07/2024	Approval of the free transfer of 50% of ESOP shares in 2021; Approval of the selection of an audited firm for the 2024 fiscal year; Approval of the loan of Duc Thanh Wood Processing Joint Stock Company with credit limit granted by Shinhan Bank - North Saigon Branch
9	103-24/QĐ-ĐT	29/07/2024	Dismissed the position of General Director of Duc Thanh Wood Processing Joint Stock Company due to: Applying Point b, Clause 5, Article 162 of the Enterprise Law 2020, the General Director of the Company must not be a person having a family relationship with the business director (Chairperson of the Board of Directors)
10	110-24/NQ-ĐT	15/08/2024	Change of legal representative of Duc Thanh Wood Processing Joint Stock Company and branch of Duc Thanh Wood Processing Joint Stock Company
11	11-24/QĐ-ĐT	09/06/2024	Implementing the plan to issue shares to pay the final dividend of 2023 at a rate of 10% approved by the General Meeting of Shareholders
12	128-24/QĐ-ĐT	11/19/2024	Dismissal of Mr. Ha Phuoc Hiep from the position of Deputy Director of Factory 3 of Duc Thanh Wood Processing Joint Stock Company.
13	136-24/QĐ-ĐT	24/09/2024	Dismissal of Ms. Bui Phuong Thao from the position of Financial Director of Duc Thanh Wood Processing Joint Stock Company.
14	138-24/QĐ-ĐT	24/09/2024	Dismissal of Ms. Truong Thi Binh from the duty of the person in charge of administration
15	139-24/QĐ-ĐT	24/09/2024	Appoint Ms. Nguyen Thi Thanh Huyen, Deputy General Director, as the Person in charge of Corporate Governance.
16	12-24/NQ-ĐT	16/10/2024	The decision to implement the plan to issue shares to pay the final dividend of 2023 at a rate of 10% has been approved by the General Meeting of Shareholders.
17	164-24/QĐ-ĐT	19/10/2024	Dismissal of Ms. Huynh Thi Thuy Duong from the position of Secretary of the Board of Directors of Duc Thanh Wood Processing Joint Stock Company
18	13-24/NQ-ĐT	19/10/2024	Approval of interim cash dividend payment for 2024
19	15-24/NQ-ĐT	11/11/2024	Approving the cancellation of Board of Directors' decision No. 164-24/QĐ-ĐT dated October 19, 2024 on approving the dismissal of Ms. Huynh Thi Thuy Duong from the position of Secretary of the Board of Directors of Duc Thanh Wood Processing Joint Stock Company.

## INDEX

141 Chairwoman's message

### DUÇ THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 Board of Executives report  
189 Sustainable development report  
197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

**G D T**

## 2. Remuneration of the Board of Directors and the Supervisory Board in 2024

- Remuneration of the Board of Directors and the Supervisory Board in 2024 (for 10 people) is paid at the rate of 0.5% of total revenue in 2024 (VND 335.522.634.667), equivalent to VND 1.678.000.000.

- Bonus for pre-tax profit growth (PBT) in 2024: 10% of the actual PBT increase in 2024 compared to the actual PBT in 2023 is:

$(79.357.256.723 \text{ đ} - 45.747.229.056 \text{ đ}) \times 10\% = \text{VND } 3.361.002.766$ .

- Bonus for exceeding the plan: 25% on the increase in Profit After Tax compared to the plan Profit After Tax (including factory rental profit) is VND 60 billion/Plan is VND 60 billion, therefore, no bonus is incurred.

## 3. Transactions with related parties:

In 2024, the Company had made transactions with a total value of VND 35,713,376,811, mainly including the involves dividend distribution and the trading of goods and products.

## 4. Assessment of the implementation of corporate governance regulations

Participating in the stock market since 2009, GDT has always maintained the work of updating regulations issued by the State Securities Commission and seriously implemented them in corporate governance.

## VI. PLANS AND ORIENTATIONS FOR 2025

In 2025, the world economic and political context continues to evolve in a complex manner, with difficulties and challenges. Many major economies, including our important partners, are slowing down their growth, even falling into recession. Trade and military conflicts such as the Russia-Ukraine war, the Israel-Hamas conflict, North Korea-South Korea tensions, the US-China tensions, etc. have not shown signs of cooling down, creating unpredictable fluctuations in the business environment.

In this situation, the Board of Directors determined that it is necessary to continue to direct with caution, closely following key tasks and implementing the Resolutions of the General Meeting of Shareholders. In addition, it is necessary to focus on the following main tasks:

### 1. Improving financial management capacity

Strengthening forecasting, ensuring financial safety and efficiency, optimizing cash flow to maintain stability and sustainable development.

### 2. Improving production efficiency

Continuing to improve processes, increase labor productivity and invest in new machinery systems to improve production capacity.

### 3. Restructuring human resources

Implementing reasonable staff streamlining, recruiting and developing core staff, attracting talent.

## 4. Inventory management

Promoting inventory handling, optimizing production space.

## 5. Product innovation and development

Launching many new products to meet diverse market needs, taking care of existing customers, finding intermediary partners and new customers.

## 6. Taking care of workers' lives

Improving income and welfare for employees, creating development motivation.

## 7. Optimizing assets

Finding partners to lease factories to increase profits.

We look forward to receiving your constructive comments.

Respectfully,

On Behalf of the Board of  
Directors  
Chairperson

LE HAI LIEU



## INDEPENDENT BOARD MEMBER EVALUATION REPORT

### EVALUATION OF THE ACTIVITIES OF THE BOARD OF DIRECTORS ( BOD) OF DUC THANH WOOD PROCESSING JOINT STOCK COMPANY IN 2024

#### 1. Organizational structure:

During the 2020–2025 term, the Board of Directors (BoD) consists of a total of seven members, including three independent members. This structure complies with the requirements regarding the number and percentage of independent members as stipulated by regulations.

**Independent Board Members include:** Nguyen Hoang Ngan  
Truong Thi Dieu Le  
Hoang Anh Tuan

#### 2. Activities of the Board of Directors (BoD):

- In 2024, the Board of Directors (BoD) fulfilled its scheduled regular meetings as planned. Additionally, extraordinary meetings were convened as needed to make timely decisions, adjust policies, and provide direction to address matters within the BoD's authority. All meetings were conducted on schedule, with comprehensive documentation preparation, adhering to the Company's Charter and current legal regulations.
- The Board of Directors (BoD) members actively and fully participated in the Board of Directors (BoD) meetings. In rare cases of absence, prior notice was always provided, accompanied by valid authorization for voting.
- The discussions in meetings, including topics such as business strategy, market expansion, investment, compliance control, and the development of effective management systems, were always actively and seriously discussed by the Board of Directors (BoD) members. Their goal was to make sound decisions that would maximize benefits for the company and its shareholders.
- The Board of Directors (BoD) consistently reviewed and assessed business performance, investments, and financial management during meetings.
- Decisions made by the Board of Directors (BoD) during meetings were always approved based on the majority principle, with meeting minutes thoroughly documented and signed by attending members.

#### 3. Management and monitoring results:

- The Board of Directors (BoD) effectively fulfilled its role in implementing the plans, policies, and strategic directions approved by the General Meeting of Shareholders (GMS).
- The Board of Directors (BoD) complied with corporate governance regulations, organizing regular and extraordinary meetings to provide guidance and make decisions aligned with the company's actual circumstances.
- The Board of Directors (BoD) effectively carried out its role of supervising and directing the Executive Board in implementing the resolutions approved by the General Meeting of Shareholders and the Board of Directors (BoD). This ensured compliance with legal regulations while safeguarding the interests of the company and its shareholders.
- In addition to overseeing and managing the Executive Board's operations, the Board of Directors (BoD) closely collaborated with the Executive Board to seek solutions for addressing challenges in production and business activities during 2024.

#### 4. Conclusion:

Overall Assessment: In 2024, the Board of Directors (BoD) performed its governance duties with honesty, responsibility, and transparency, adhering to the regulations applicable to public companies. The Board of Directors (BoD) fully completed its role in representing shareholders and closely supervising the company's executive activities. Additionally, the Board of Directors (BoD) provided reasonable strategic directions and timely guidance to optimize resource utilization, aiming to achieve the highest possible targets set by the General Meeting of Shareholders (GMS). Simultaneously, the Board of Directors (BoD) ensured compliance with legal regulations and the Company's Charter.

Independent Members  
of the BOD

*meul*

Trương Thị Diệu Lê

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

- 167 Board of Directors
- 169 Board of Directors report
- 175 Independent Board Member's Evaluation Report
- 177 Board of Supervisors report
- 181 Board of Executives
- 183 Board of Executives report
- 189 Sustainable development report
- 197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH



## BOARD OF SUPERVISORS

Ms. TRUONG THI BINH  
Head

Year of birth: 1971  
Qualification: Bachelor of Foreign Languages, Bachelor of Accounting  
2018 - present: Head of the Board of Supervisors of Duc Thanh Wood Company  
2016 - 2018: Sales Director of Duc Thanh Wood Company  
2011 - 2016: Export Sales Manager of Duc Thanh Wood Company  
2009 - 2011: Deputy Manager of Export Department of Duc Thanh Wood Company  
1996 - 2009: Export Sales Executive of Duc Thanh Wood Company

Mr. TRAN NGOC HUNG  
Member

Year of birth: 1979  
Qualification: Master of Finance, CPA  
2022 - present: Chief Accountant of Binh Dien Fertilizer Joint Stock Company  
2014 - 2022: Deputy Head of Finance and Accounting Department cum Corporate Governance Officer of Binh Dien Fertilizer Joint Stock Company  
2007 - 2014: Viet Capital Securities Joint Stock Company  
2005 - 2007: Mercedes-Benz Vietnam Joint Venture Company  
2004 - 2005: UhlSystem VN Co., Ltd  
2001 - 2004: CP Group

Ms. BUI TUONG ANH  
Member

Year of birth: 1976  
Qualification: ACCA  
2020 - present: Chief Financial Officer – Pizza 4PS Corporation  
2018 - 2020: Chief Financial Officer – Red Wok JSC.  
2010 - 2018: Chief Executive Officer – Somewhere Land JSC  
2008 - 2010: Chief Executive Officer – Mekong Ventures Ltd  
2004 - 2008: Head of Financial Advisory Department – Mekong Capital Ltd.  
1999 - 2004: Audit team leader – Ernst & Young Vietnam



The Supervisory Board for the 2020–2024 term consists of three members, with the Head of the Board working full-time at the company. This arrangement ensures that the Supervisory Board's activities remain objective, transparent, and well-regulated



## INDEX

141 Chairwoman's message

## DUC THANH OVERVIEW

## SUMMARY OF MAIN INDICATORS

## REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 Board of Executives report  
189 Sustainable development report  
197 Honors and Awards

## AUDITED FINANCIAL STATEMENTS

Language  
VIET NAMLanguage  
ENGLISHREPORT OF THE SUPERVISORY BOARD  
SUMMARY OF ACTIVITIES IN 2024 AND PLAN FOR 2025

- Based on the Enterprise Law and current legal documents.
- Based on the Company Charter, the Regulations of the Supervisory Board (BOS) and the system of documents including internal regulations and rules of Duc Thanh Wood Processing Joint Stock Company.
- Based on the Resolution of the General Meeting of Shareholders summarizing the year 2023 and proposing the Resolution for 2024.
- Based on the 2024 financial report of Duc Thanh Wood Processing Joint Stock Company audited by A&C Auditing and Consulting Company Limited.

## I. SUPERVISORY BOARD STRUCTURE

No.	Members	Position	Starting date	Holdings (shares)	Rate (%)	Meetings attending
1	Truong Thi Binh	Head	13/06/2020	37.854	0.16	4/4
2	Tran Ngoc Hung	Members	13/06/2020	15.425	0.06	4/4
3	Bui Tuong Anh	Members	13/06/2020	3.993	0.02	4/4

## II. ACTIVITIES OF THE BOARD OF SUPERVISION IN 2024

- Participate in meetings of the Board of Directors (BOD). In 2024, the Board of Supervisors (BOS) fully attended 4 in-person meetings and 3 online meetings.
- At the same time, 04 separate meetings of the BOS were also organized to inspect, supervise and summarize the implementation of the Resolutions of the General Meeting of Shareholders (GMS) and the BOD of the Company on a quarterly basis and to deploy the work plan of the BOS for the next quarter.
- Monitor the compliance with the law and the Company's charter by the BOD and the Board of Management (BOM)
- Monitor the implementation of the Resolutions approved by the Annual General Meeting of Shareholders.
- Propose the selection of an independent auditing company to audit the annual financial statements. Including the 6-month audited financial statements and the financial statements at the end of the fiscal year.
- Check the reasonableness, legality and honesty in the management and operation of all activities of the Company as well as in accounting, statistics and financial reporting.

## III. RESULTS OF SUPERVISION INSPECTION BY THE BOS IN 2024

## 1. Monitoring the implementation of the Resolution of the 2023 Annual GMS:

The BOD and the BOM have implemented efficiently the reports approved by the 2023 Annual GMS such as: selecting an auditing company, distributing profits; paying dividends, paying remuneration, amending and supplementing the charter, issuing private shares to suppliers and closely related parties... Investment, borrowing, lending, and asset trading activities are approved in accordance with the Company's internal regulations and procedures. Specific information is as follows:

- Revenue in 2024 reached ~336 billion VND, an increasing of 8% over the same period, reaching 92% of the plan.

- Profit before tax reached 75.9 billion VND, an increasing of 66% over the same period, reaching 101% of the annual plan.

- After-tax profit reached 60 billion VND, an increasing of 65% over the same period, reaching 100% of the annual plan.

**Dividends:**

- The Company has paid dividends in cash and shares for the year 2023 in accordance with the Resolution approved by the GMS

- And has paid the first dividend in cash for 2024 at 10%. Remuneration and bonus for the BOD and the BOS in 2023

- The Company has paid full remuneration and bonus for the BOD and the BOS in 2023 in accordance with the Resolution approved by the General Meeting of Shareholders. Specifically.

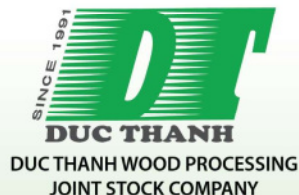
**Remuneration:**

\* Paid at a rate of 0.5% of the total revenue (VND 310.996.257.968 x 0.5% = VND 1.555.000.000).

There is no bonus because the actual profit before tax (PBT) and profit after tax (PAT) in 2023 did not meet the plan.

\* A bonus of VND 1,000,000,000 (in words: One billion dong), equivalent to approximately 3% of the profit after tax in 2023, is proposed for the Board of Directors, the Supervisory Board, and the Executive Board.





## INDEX

141 Chairwoman's message

### DUK THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

- 167 Board of Directors
- 169 Board of Directors report
- 175 Independent Board Member's Evaluation Report
- 177 Board of Supervisors report
- 181 Board of Executives
- 183 Board of Executives report
- 189 Sustainable development report
- 197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

#### 2. Supervision of financial performance

Based on the quarterly, 6-month and annual financial reports of the Company and the audit results of the independent auditor A & C, the BOS found that the financial statements were presented honestly and reasonably according to Vietnamese accounting standards and clearly reflected the business and financial situation of the General Director, without detecting any errors and risks or fraud in the financial statements.

- The 2024 financial statements were presented according to the prescribed reporting form, in accordance with Vietnamese accounting standards and current regulations

#### 3. Supervision of the activities of the BOD and the BOM

The BOD held 04 regular official meetings of the BOD, with the participation of the Board of Management, the BOS and heads of departments, 5 official online meetings and many other discussions to resolve arising work during the implementing process. The activities of the BOD and the Board of Management comply with the Company's Charter and current legal regulations, in order to ensure the legitimate interests of the Company and Shareholders

In 2024, the BOD issued 19 Resolutions, the Resolutions passed at the meeting all reflected the company's business orientation and solutions, in line with the market context and current legal regulations. The BOD has performed its assigned tasks well.

- Through monitoring, the BOS found that there were no major errors in the current management process system, the company's operations always complied with legal regulations, the Company's Charter, the Governance Regulations as well as internal regulations. There are no cases violated the law, administrative violations or lack of transparency of members of the BOD, the BOM and management staffs have been detected.

In 2024, the Company purchased an additional factory 6 with a leasing contract in Tan Uyen city, Binh Duong province. This is an asset with high value, because it has created an immediate and very good source of income.

- In addition, the BOS noted that in 2024, in the context of the continuing economic difficulties, the BOD and the BOM had always worked closely to find all measures to reduce expenses, actively and effectively increase income from leasing some factories. The Chairperson of the BOD also directly managed the production unit, helping to achieve outstanding productivity and arrange the personnel structure of the office unit, as well as improving the income of workers.

- Upgrading the factory continuously, aiming for a green and efficient production model: The BOM has implemented the renovation and upgrading of the main production factory, ensuring the criteria of green - clean - optimizing the area. The current factory not only operates more efficiently but is also airy, modern, tidy, improving the quality of the working environment for workers.

#### 4. Independent auditor's professional assessment

Prepare for the economic recovery period: The company has flexibly adapted to the new context, always focusing on being proactive to seize growth opportunities when the economy improves. A series of strategic restructuring projects have been implemented to improve efficiency and optimizing costs, including:

- Lean project: Restructuring, rearranging factories accord to a modern model, eliminating waste.
- Solar energy project: Promoting the use of renewable energy to reduce operating costs and improve sustainability.
- Updating and effectively applying technology applications such as AI into daily work to optimize productivity and work efficiency.

#### 5. Assessment of the expertise of independent auditing firm

- The GMS selected A&C Auditing and Consulting Company Limited to audit the 2024 financial statements. A&C had conducted the audit in accordance with current accounting standards and regimes.

In the auditor's opinion, "GDT's financial statements had honestly and reasonably reflected, in all material aspects, the financial situation of the Company at December 31st, 2024, as well as the business performance and cash flow situation for the fiscal year ending on the same day, in accordance with Vietnamese accounting standards, Vietnamese corporate accounting regime and legal regulations related to the preparation and presentation of consolidated financial statements".

- The BOS examined and appraised the Semi-annual Financial Statements and the Annual Financial Statements and found that: The 2024 Financial Statements were prepared on the basis of selecting appropriate accounting policies and applying them consistently, making reasonable and prudent assessments and estimates, and complying with regulations, standards and Vietnamese accounting regimes.

The BOS agreed with the figures shown in the Company's 2024 Financial Statements and the report had been audited by A&C Auditing Company.

#### 6. Assessment of compliance with the reports of the BOD and the BOM

- The BOD operational report honestly and reasonably reflected the activities and directions of the Company's operations, the BOD's Resolutions in accordance with the law and the Company's charter.

- The BOM's operational report has accurately reflected the business performance results of the Company's business performance, in accordance with and in compliance with the law, the Company's charter, the Resolutions of the GMS and the BOM's Resolutions. As well as strictly complying with the operating procedures according to the requirements of the internal management system.

#### IV. COOPERATION BETWEEN THE BOS, THE BOD, AND THE BOM

The BOS fully participated in all meetings of the GMS and the BOD, promptly grasped the directions and Resolutions of the BOD to promote the supervision of implementation, promptly prevented risks and immediately reported to the BOD.

- The BOS had been provided with all required documents, records, data, and contents and had participated in contributing opinions at meetings of the BOD and the BOM.

The BOS found that the members of the BOD and the BOM always support and create favorable conditions for the BOS to complete the tasks. The opinions and proposals of the BOS have always been acknowledged, responded to fully and promptly by the BOD and the BOM, and have directed and implemented solutions and improvements as best as possible.

#### V. CONCLUSIONS AND RECOMMENDATIONS OF THE BOS

In general, in 2024, GDT had been operated in accordance with the Enterprises Law, the Law on Securities, the Company's Charter, and the Resolutions of the GMS. The BOS had not received any complaints from shareholders.

Recommendations from the BOS, as follows:

1. The current economic situation is still very difficult, so it is necessary to continue reviewing and saving costs.
2. Enhance technical innovation continuously, invest in machinery and equipment, especially automatic machinery (CNC), increase productivity, and improve product quality even better.
3. Review, develop, revise, supplement and update internal governance regulations, and further improve ERP software continuously.
4. Closely monitor fluctuations in the financial market to maintain the effective use of the Company's capital.
5. Strengthen monitoring of fluctuations in prices of input materials, consider purchasing stock of frequently used raw materials to stabilize selling prices, ensure revenue and profit according to the plan, and be ready to take the lead of competitive advantages when the difficult period of the economy ends.

#### VI. WORK PLAN OF THE BOARD OF SUPERVISION IN 2025

The BOS will focus on implementing the following main contents:

1. Appraising the Financial Report, the implementation of the 2025 production and business plan and promptly urging if not achieved.
2. Controlling the situation of profit distribution and dividend payment in 2024 & 2025.

3. Working on periodic reports of the BKS responsibly
4. Reviewing the quality content and progress of the ERP system implementation.
5. Supervising the implementation of the 2025 plan according to the Resolution of the GMS.
6. Checking the compliance with regulations of the BOD, BOM, and key staffs in the process of operating the company.
7. Checking the compliance with state regulations on financial and accounting management. Reviewing the preparation of audit reports and public disclosure of financial statements in accordance with the current laws.
8. Inspecting the management of capital preservation, review the signing and implementation of economic contracts, the implementation of investment projects, salary regulations and other regulations and rules in accordance with the provisions of law and the company's charter.
9. Maintaining close coordination in operations with the BOD, the BOM and departments in the company. Committing to always aiming at the business goals of GDT and the benefit of Shareholders, will provide more support within the scope, obligations and responsibilities of each member of the BOS, promote their roles effectively, helping the company to control possible risks better.

We believe that with the experience, determination, and strategic steps of the BOD and the BOM of Duc Thanh Wood Company, the company will not only overcome the difficult period but also set a solid foundation for long-term development in the future to successfully complete the plan set for 2025.

The above is the Report of the BOS, respectfully submits to the GMS for approval.

We wish the GMS great success, wish you good health, and prosperity!

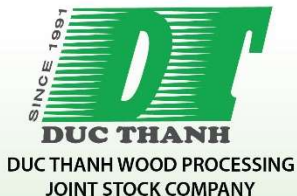
Respectfully,

Hochiminh city, March 20th 2025  
ON BEHALF OF SUPERVISORY BOARD  
Head of Supervisory Board

TRUONG THI BINH

## BOARD OF EXECUTIVES

## BOARD OF EXECUTIVES



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

- 167 Board of Directors
- 169 Board of Directors report
- 175 Independent Board Member's Evaluation Report
- 177 Board of Supervisors report
- 181 **Board of Executives**
- 183 Board of Executives report
- 189 Sustainable development report
- 197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

### Ms. NGUYEN HA NGOC DIEP Deputy General

Year of birth: 1975

Qualification: Master of International Accounting, Swinburne University of Technology.

Ms. Diep has a lot of experience in finance, accounting... Before being appointed Deputy General Director, Ms. Diep has successfully fulfilled her role as Chief Financial officer and Head of Board of Supervisors. She has suggested many innovations, improvements to make control process closer, more effective and help the BOD feel more secure in financial activities.

**2019 - now:** Deputy General Director of Duc Thanh Wood Company

**2018 - 2019:** CFO of Duc Thanh Wood Company

**2016 - 2017:** Head of Board of Supervisors of Duc Thanh Wood Company

**2010 - 2016:** Accountant of warehouse and asset management at DKSH Vietnam

- Chief Accountant at Sy Viet Company (DKSH Group)

**2004 - 2009:** Chief Accountant of Tourism Management Department, Youth volunteers public services Company

**1997 - 2003:** General Director Assistant Of Duc Thanh Wood Company

Number of shares: 1.280.983; percentage: 5.86%

### Ms. NGUYEN THI THANH HUYEN Deputy General

Year of birth: 1974

Qualification: Bachelor of Accounting, HCMC University of Commerce.

Working at Duc Thanh since 1995, Ms. Huyen has a lot of experience in various jobs and always fulfilled assigned tasks. She has contributed to the development and improvement of management process in order to standardize company's activities, especially in training and improving ability of staffs and workforce. In addition, she has many suggestions to ensure a stable human resources to meet the company's growth rate

**2019 - now:** Deputy General Director of Duc Thanh Wood Company

**November 2012 - 2021:** Human Resources Director of Duc Thanh Wood Company

**2003 - October 2012:** HR Manager of Duc Thanh Wood Company

**1997 - 2003:** Domestic sales staff cum Accountant of Duc Thanh Wood Company

**1995 - 1997:** Domestic sales staff of Duc Thanh Wood Company

Number of shares: 49.914; percentage: 0.23%

### Ms. BUI PHUONG THAO Chief Financial Officer (CFO)

Year of birth: 1979

Qualification: Bachelor of Economics, University of Economics HCMC

**9/2024 - now:** Chief Accountant of Duc Thanh Wood Company

**2021 - 8/2024:** Chief Financial Officer (CFO) cum Chief Accountant of Duc Thanh Wood Company

**2011 - 2021:** Chief Accountant of Duc Thanh Wood Company

**2009 - 2011:** Deputy Accounting Manager of Duc Thanh Wood Company

**2006 - 2009:** Accountant of Duc Thanh Wood Company

**2001 - 2006:** Accountant of Minh Giang Manufacturing & Trading Co., Ltd

Number of shares: 9.075; percentage: 0.04%

### Mr. NGUYEN ĐỨC TINH Planning Director

Year of birth: 1970

Qualification: Bachelor of Business Administration, Ho Chi Minh Open University

**2019 - now:** Planning Director

**2000 - 2019:** Planning Manager of Duc Thanh Wood Company

**1993 - 1999:** Purchasing, Import and Export Manager of Duc Thanh Wood Company

**1991 - 1992:** Wood drying Technician of Tam Hiep Wood Processing

Workshop, formerly Duc Thanh Wood Company Number of shares: 48.959; percentage: 0.22%

### Mr. PHAM MINH DUY Deputy Director of Factory 3

Year of Birth: 1982

Qualification: Bachelor of Business Administration, Lac Hong University, Dong Nai

**2023 - Present:** Deputy Director of Binh Duong Factory, Duc Thanh Wood Company

**2017 - 2022:** Quality Management Department Head at Wanek Furniture Company

**2014 - 2016:** Planning Department at Roachdal Spear Company

**2006 - 2013:** Planning Department at Dong Hoa Wood Processing Joint Stock Company





## BOARD OF EXECUTIVE REPORT EXECUTIVE SUMMARY IN 2024 AND PLANNING FOR 2025

Dear Shareholders,

The year 2024 has been a challenging one for the global economy in general and Vietnam in particular due to ongoing instability. The conflict between Ukraine and Russia, tensions between Hamas and Israel, and political crises in France and Germany—two key members of the European Union—along with the Red Sea crisis and political turmoil in South Korea..., have all caused disruptions in financial markets and global commodity prices.

The world economy has fallen into a state of high inflation, leading to reduced consumer demand, with Europe being significantly affected. Meanwhile, Asia has faced currency depreciation against the USD, strongly impacting trade transactions conducted in US dollars. These are two major markets contributing significantly to Đức Thành's revenue structure, painting a challenging economic picture.

Facing such obstacles and challenges, after analyzing all aspects to find a solution, Chairwoman of the Board, Lê Hải Liễu, recognized that external factors related to customers could not be controlled.

Therefore, the only solution was to focus on internal factors. The question arose: Would reducing prices increase revenue when customers still had excessive stock in their warehouses? Such a move would inadvertently lead to a double impact - both reduced revenue due to lower demand and additional revenue loss due to price reductions.

Thus, at the beginning of 2024, the company made a difficult decision to consolidate all production from Factory 5 in Đồng Nai into Factory 3 in Bình Dương to cut costs and enhance management efficiency for better control over productivity and quality. Responding to Chairwoman Lê Hải Liễu's rallying call, "Serving production to increase productivity is the top priority," all departments worked together seamlessly. The Materials Department and warehouse ensured timely supply of raw materials, the Sales Department closely coordinated with production to identify and resolve product issues, and the entire indirect workforce stood ready to support production when needed. Under the leadership of Ms. Liễu, everyone rowed the boat together with determination, working tirelessly to achieve remarkable success.

At the end of 2024, we proudly report the following results:

- Total company revenue reached VND 335.5 billion, 8% increase compared to the previous year, achieving 92% of the annual target.
- Pre-tax profit reached VND 75.9 billion, 66% increase, completing 101% of the annual target.
- Post-tax profit reached VND 60 billion, 65% increase, meeting 100% of the annual target.

These achievements resulted from the relentless efforts of the Board of Directors, the Executive Management, and all employees, especially the production team under the close guidance of the Chairwoman. Key factors contributing to success include:

- Detailed planning for each department and daily task monitoring to ensure execution.
- Production process optimization to eliminate unnecessary steps and increase efficiency.
- Close collaboration between the Sales and Production teams to align product functionality with market requirements.
- Investment in machinery and equipment to reduce labor costs and increase productivity.
- Streamlining management and production operations, consolidating factories into Bình Dương.

Thanks to these collective efforts, although our business results did not fully meet the planned targets in the broader market context, we successfully achieved our profit goals — both before and after tax. With a year-on-year growth of 66% in pre-tax profit and a pre-tax profit margin of 23%, compared to the industry average of around 10%, these figures speak volumes about the dedication and performance of our entire team over the past year.

Through this, we would like to express our heartfelt gratitude to Ms. Lê Hải Liễu for her close and dedicated involvement in the production operations. We also sincerely thank the leadership team and all staff members of Đức Thành for their hard work, perseverance, and willingness to embrace challenges during the company's restructuring phases and throughout the most difficult times.

### 1. COMPANY ACHIEVEMENTS IN 2024:

- Streamlining management operations: Successfully consolidated furniture production from Đồng Nai to Bình Dương, upgrading the paint production line to enhance efficiency.
- Significant improvements in productivity due to enhanced planning and production coordination.
- Leasing unused factory spaces to generate additional revenue.
- Expanding production capacity: Acquired a new Factory 6, contributing to rental income.
- Maintaining industry certifications: Successfully renewed BSCI, ISO 9001, and ISO 14001 certifications, reinforcing Đức Thành's sustainable development and competitive advantage.
- Recognition and Awards in 2024:
  - Green Business Award from the Ho Chi Minh City People's Committee and HUBA (August 28, 2024).
  - Outstanding Enterprise Award from the Ho Chi Minh City People's Committee (October 10, 2024).
  - Multiple certificates of appreciation for contributions to community development from the Department of Agriculture and Rural Development, the City People's Committee, the Ho Chi Minh City Sponsoring Association for Poor Patients, and the Bình Dương Wood Processing Association.

### 2. EXPORT AND DOMESTIC MARKET PERFORMANCE:

- Exports: Total revenue reached VND 283 billion, 5% increase, achieving 86% of the target. The wood industry still faced weak demand, with only selective customer orders showing improvement. However, Đức Thành seized urgent and complex orders, strengthening customer trust.
- Domestic Market: Total revenue was VND 20.2 billion, 81% of the previous year's performance. Economic difficulties and global crises affected local purchasing power, prompting Đức Thành to review and realign product strategies.

### 3. PRODUCTION & FINANCIAL PERFORMANCE:

2024 is a pivotal year for the comprehensive reform of the production sector and has achieved proud results, productivity has increased significantly. The total saved labor costs are a testament to the tireless efforts of the entire production sector, of the Board of Directors Lê Hải Liễu for always following and accompanying the brothers. Due to the provisions of the Securities Law, listed companies, the CEO and the Board of Directors cannot be related persons. Therefore, Mr. Thang, the younger brother of Ms. Liễu, had to resign from the position of CEO. The company has been operating almost without a CEO in the past year.

And through this, we also do not forget to thank the LEAN Production Management Consulting Team that has accompanied Duc Thanh Wood throughout the past time.



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 **Board of Executives report**  
189 Sustainable development report  
197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

G D T

## BOARD OF EXECUTIVES REPORT (Continued)

### 4. FINANCIAL SITUATION

#### 4.1 Financial indicators:

No.	Indicator	Unit	2020	2021	2022	2023	2024
1	<b>PAYMENT CAPACITY</b>						
	Current Ratio (Current assets/ Short-term liabilities)	time	2,39	2,05	2,74	2,37	1,71
	Quick Ratio (Cash, receivable + short-term investment)/ (short-term debt)	time	1,73	1,13	1,78	1,49	1,11
2	<b>CAPITAL STRUCTURE</b>						
	Debt-to-Total Assets Ratio	%	32%	30%	28%	29%	43%
	Debt-to-Equity Ratio	%	47%	44%	38%	40%	77%
3	<b>ASSET UTILIZATION EFFICIENCY</b>						
	Inventory Turnover (Cost of Goods Sold / Inventory)	time	3,5	2,9	2,8	2,3	2,4
	Accounts Receivable Turnover (Revenue / Accounts Receivable)	time	11,6	9,9	4,6	2,8	3,9
	Accounts Payable Turnover (Purchase Amount / Average Payables)	time	2,2	2,1	2,4	1,9	1,1
	Net Revenue / Total Assets	time	1,0	0,9	1,0	0,7	0,6

#### 4.2 Liquidity Ratios:

- The short-term payment ratio and quick payment ratio were 1,71 and 1,11 respectively, slightly decreased compared to the same period due to the company's initiative to reduce inventory reserves. These ratios are both greater than 1, indicating that the company still has sufficient ability to pay off debts due in the future.

#### 4.3 Debt Structure:

- The debt to total assets ratio and the debt to equity ratio in 2024 are 43% and 77%, respectively, which have increased due to the company's investment in acquiring an additional plant. However, these ratios remain within the safe thresholds below 45% and 80%, respectively indicating that the company's financial position remains strong.

#### 4.4 Asset Efficiency:

- The inventory turnover ratio remained stable at 2.4 times. The company continues to implement an effective inventory policy, which helps maintain stable production costs and enhances its competitiveness in gaining market share.

- The accounts receivable turnover ratio in 2024 reached 3.9 times, an increase compared to previous years, reflecting high efficiency in debt collection.

- The accounts payable turnover ratio stood at 1.1 times, decreased compared to previous years due to a decline in orders; the company reduced inventory purchases, resulting in lower accounts payable.

- Net revenue/Total assets stood at 0.6 times, slightly down from the previous year due to a drop in revenue. The company continues to maximize the efficiency of its asset investments.

### 5. HUMAN RESOURCES:

In 2024, GDT faced significant challenges due to a shortage of key management positions in the production workshop, compounded by the merger of Factory 5 into Factory 3, which impacted the skilled workforce. The overall difficult situation and reduced production orders also affected workers' income. The company allocated substantial funds to support workers' income, helping stabilize their livelihoods. Since the beginning of 2024, order prospects have improved, and production activities have become more vibrant. To attract labor, in addition to maintaining existing welfare policies, the company implemented performance-based salary and bonus policies.

With a strategy to rejuvenate both leadership and staff, streamline headcount, and enhance quality and income, GDT established an Improvement Committee to regularly encourage and promote innovative initiatives. These efforts aim to improve workers' skills, increase labor productivity, and enhance product quality.

### 6. MARKETING ACTIVITIES:

In 2024, GDT streamlined the Marketing Department's personnel to adapt to market conditions while maintaining activities across e-commerce channels, supermarkets, and traditional markets. To expand its market presence and promote its brand, GDT actively participated in several international trade fairs, particularly expanding its presence in Asia, such as in Hong Kong and China, to seek new customers and conduct market research.

### 7. INVESTOR RELATIONS:

Transparency and honesty in providing investors with business updates, financial reports, dividend announcements, and other information through platforms like the website, email, and messaging are hallmarks of GDT's culture. Despite a decline in GDT's stock price in 2024 due to broader domestic and international stock market trends, shareholders continued to place full confidence in the company's leadership and management. In addition to web publications, GDT organized friendly meetings with strategic shareholders and consistently provided timely and accurate updates on its operations. Some shareholders demonstrated their trust by supporting the company through purchases of GDT's wood products.

### 2025 DEVELOPMENT PLAN

Entering 2025, GDT is well aware of the challenges posed by significant fluctuations in the global economic and political landscape, as well as their considerable impact on the Vietnamese economy and the wood processing industry. However, GDT remains committed to its strategic goal of growth, maintaining flexibility, and responding swiftly to market changes. The company aims to lead emerging trends and create new opportunities in its business model, markets, and customer segments.

### 1. EXPORT MARKET:

Although the export business environment remains challenging, early-year signals have shown positive signs. Therefore, GDT will continue to closely engage with major clients to stay ahead of the curve, while also

maintaining support for existing customers through pricing policies and enhanced customer service. The company will also focus on research and development of new products to meet the increasingly diverse demands of the export market. In particular, special attention will be given to developing the furniture product segment.

### 2. DOMESTIC MARKET:

GDT is committed to maintaining stability in the domestic market and seizing every business opportunity to expand its market share as soon as the market recovers by:

- Improving its operational systems to enhance flexibility and reduce costs,
- Accelerating product development and expanding its distribution network, with a particular focus on developing online sales channels in line with current trends,
- Strengthening customer service and gaining deeper insights into customer needs in order to deliver and continuously improve service quality.

### 3. PRODUCTION:

- Plan the factory management team in the direction of specialization and self-management through organizing professional training courses.
- Continue the policy of investing in modern machinery and equipment to reduce labor and increase productivity.
- Review and adjust product production processes, invest in technology to reduce costs and increase productivity.
- Strictly control product quality inspection processes to build a reputable commercial signal.
- Increase the use of discarded raw materials between product groups to save costs.

### 4. CORPORATE MANAGEMENT:

- Reorganize human resources after the merger of factories to maximize work efficiency.
- Develop attractive compensation and reward policies to attract top talent.
- Seek high-quality personnel to fill middle and senior management positions.
- Continue to strengthen training efforts for the current workforce and to develop a strong succession team.
- Adjust procurement and raw material inventory activities in each phase to flexibly respond to market changes and reduce inventory costs. This is also a strategic goal for this year.
- Continuously and promptly communicate with shareholders, and build engagement initiatives to connect with shareholders and enhance brand image visibility.



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 **Board of Executives report**  
189 Sustainable development report  
197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH



## BOARD OF EXECUTIVES REPORT (Continued)

### 5. TECHNOLOGY:

Cooperating with GreenYellow to install a rooftop solar energy system for the Binh Duong factory. This is considered a major milestone, as this collaboration is expected to help GDT save about 25% on electricity costs while also creating a competitive advantage for the company at a time when the world is increasingly focused on GREEN factors.

### III. FINANCIAL PLAN 2025

UNIT: BILLION VND

Indicator	2024 Actual (Billion VND)	2025 Target (Billion VND)	Growth (%)
1. Total Revenue	335.636	362.000	108%
Export Revenue	283.823	304.275	107%
Domestic Revenue	20.226	21.000	104%
Other Revenue	31.587	36.725	116%
2. Total cost	264.790	285.600	108%
3. Pre-tax profit of consolidate	70.846	76.400	108%
4. Post-tax profit of consolidate	54.894	61.000	111%
5. Pre-tax profit of Parent company	75.996	81.800	108%
6. Post-tax profit of Parent company	60.088	65.000	108%

On behalf of GDT's leadership, we would like to express our sincere thanks to our shareholders for supporting and trusting GDT over the past year and look forward to continuing to receive your active support in the future.

Thank you very much and best regards!

**The Executive Board has signed**

## SUSTAINABLE DEVELOPMENT REPORT

### SUSTAINABLE DEVELOPMENT REPORT 2024

During the development stage of over 34 years, GDT always determines that the economic growth goals must be intimately associated with sustainable development strategies, which based on the principle of ensuring the interests among related parties, protecting the environment and keeping moving toward the community and society's prosperity.

#### I. SUSTAINABLE MANAGEMENT MODEL

Duc Thanh's sustainable governance foundation based on the principle of harmonious combination among some factors:

1. Must be enough management subjects: Shareholders, Board of Supervisors, Board of Directors, Board of Executives.
2. Strictly comply with all regulations of Vietnam Law for listed companies.

##### Board of Directors

Carrying out the full legal functions of rights and duties showed in regulation, including:

- Giving instruction for carrying out the company's aims related to sustainable development.
- Approving goals and action plans from Board of Executives.
- Giving decision in General meeting of Shareholders to timely adjust the production and business activities according to each different stage of market fluctuation.

##### Board of Executives

- Building and submitting to the Board of Directors the strategic goals and action plans for sustainable development.
- Disseminating and sharing action plans for all employees at all levels in the Company.
- Managing and proceeding goal plans to transfer to valued results.

##### Functional departments

- Deploying and implementing the sustainable development plans according to the Board of executives' direction
- Implementing the specific daily tasks related to the goals of the Board of executives.

#### II. SUSTAINABLE RELATIONSHIP WITH RELATED PARTIES

Related parties are subjects who are able to effect on the activities of GDT or influenced by GDT's production and business activities. Therefore, the relationship with related parties is determined below.

##### 1. GDT with Shareholders, Investors

- Ensure that all information on production and business activities provided to investors must be public, transparent and timely sent via email, phone, fax, etc...Fully comply the information disclosure procedures according to the Ministry of Finance's regulations.
- Ensure effectively used investment capital, stabilize and increase the value of business and value of shares on the stock market. Equal treatment, ensuring equal rights and investment opportunities for all investors.
- In 2024, GDT shareholders are expected to receive a dividend of 20%. In 2023, 20% distribution was made (10% in cash and 10% in shares).

189 | Annual report 2024



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

- 167 Board of Directors
- 169 Board of Directors report
- 175 Independent Board Member's Evaluation Report
- 177 Board of Supervisors report
- 181 Board of Executives
- 183 Board of Executives report
- 189 Sustainable development report
- 197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH







## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 Board of Executives report  
189 Sustainable development report  
197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

**G D T**

## 2. GDT with Customers who are Consumers, Distributors and Agents

- Diversify choices for customers with flexible price policy, list of over 1,000 varieties of global quality products and ever-improving sales service.
- The policy of "the only one quality" for both domestic and foreign markets with transparency in product information, which creates the prestige and brand value of GDT over the past 34 years.

• Periodically measure the customer satisfaction, combined with Women's Unions at all levels, TV and radio stations celebrate seminars about the importance of clean cutting boards, safe wooden toys for consumers' health. Organize networking and exchange sessions with customers in the distribution channel who are agents, supermarket systems, and sales location.

## 3. GDT with suppliers

• Build business relationship with suppliers on the principle of fairness, integrity, and mutual benefit. Building a transparent cooperation mechanism for mutual development, not accepting for personal interests to affect the overall operation of the Company.

• Build agreements in cooperation contracts between the two parties to use them as the basis for building a long-term and responsible relationship with each other.

• Select Supplier with a fair basis based on goods quality, price, delivery time and cooperation process. Do not abuse the Company's brand to suppress and make unreasonable claim for suppliers. Moreover, do not cooperate with subject that implicate or pay commission, gratuities, in-kind items, gifts for GDT's staff.

## 4. GDT with Community and society

• Strictly comply with regulations on environmental protection, fire safety (Fire Fighting and Prevention) and working environment safety at the factories. Regularly coordinate with mass organizations, associations and local authorities to disseminate and raise awareness for consumers about using cutting boards and wooden toys to ensure the good health for family.

• Carrying out production and business with the responsibility of environmental protection, safety and social security with high quality products, safe for consumers' health and eco-friendly.

• Organizing sharing activities, supporting disadvantaged situations, the poor, sponsoring charitable gift-giving programs, and building and renovating toilets for schools in various locations.

• Annually maintaining the "Le Ba" scholarship fund to support the Company's employees whose children are still in high school, obedient and have good academic achievement.

## 5. GDT with the Government, functional organs.

• Strictly abide by the laws, implement and support the policy of the state. Voluntarily performing social responsibility and contributing to the state budget.

• Strictly implement periodical reports in accordance with the law in production and business activities of the company such as environmental protection, fire prevention, transparency in product selling prices. Comply with Government regulations on promotional and advertising programs.

• Participate in wood industry organizations and associations such as: HAWA, BIFA, DOWA...

• Actively contribute human power and material resources to the social-economic development of the local area and the city as well as create jobs for workers.



## 6. GDT with Press and Media

• Build and maintain good relationships with media agencies. Disclosure of information publicly, transparently, accurately and in a timely manner with the press agency on the mass media helps the press to have accurate information about the Company's operation situation.

• Implement press releases, regularly update important news and events on the Company's website.

• Give information about the company in English on the website for potential foreign customers and partners to know about the Company's production, business development activities and strategies in order to increase investment opportunities.

## 7. GDT with Employees

• Ensure income, welfare and occupational safety for all employees in the company. Create a civilized, non-discriminatory working environment. Everyone has an equal opportunity to be recognized for their dedication and contribution to the development of the Company.

• Workers are regularly trained, improve their ability and skills to develop themselves.

• Organize weekly meetings with the head of the Company to summarize the work plans and exchanges, issues and implement policies related to the company's production and business activities.

• Organize cultural activities, skills contests, sports, travel and year-end party for all employees. Establishing trade unions, football clubs, badminton, yoga so that everyone has more opportunities to relax after work or on holidays.

## III. ENVIRONMENTAL MANAGEMENT IN GDT

Duc Thanh Wood Company always strictly complies with the regulations of current laws and applies standards ISO 9001:2015, ISO 14001, BSCI, C-TPAT. Additionally, in environmental management at the company, the factory's waste sources are under supervised to achieve permissible level before being discharged into the environment.

## 1. Energy consumption

a. Electric energy:

No	Factory	Electricity consumption (Kw.h/year)
1	Factory 2 (Go Vap Dist., HCM City)	58.210
2	Factory 3 (Binh Duong province)	2.940.000
	<b>Total</b>	<b>2.2.998.410</b>

b. Saving energy through energy efficiency initiatives:

- Invest in modern machinery, save energy and increase productivity.
- Turn off unnecessary lights and electrical equipment when they're not in use.
- Regularly check the arrangement and use of electrical equipment, maintain electrical equipment and the company's electrical network, take advantage of natural light and cool air.
- Strengthen the implementation of 5S to solve waste in the production process, create a safe, convenient, clean, tidy working environment and remove unnecessary things to increase work efficiency, save time.
- Regularly check, maintain the machinery and equipment in order to use efficiently and save energy.
- Build a safe and fresh working environment.



## 2. Water supply and consumption

a. Water supply and water consumption:  
Most of water used at the Company is used for domestic purposes (sanitation, ornamental plants, Fire Fighting and Prevention...) The total amount of used water is calculated according to the total monthly water bill of Trung An Water Supply Company at Go Vap Dist.

The Company's wastewater includes domestic wastewater and production wastewater:

- Production wastewater is mainly from the process of spraying varnish on wooden surfaces and cleaning factory. This type of wastewater is collected and put into the treatment system.

- Domestic wastewater from the employees is not harmful to the environment, so it is collected to a biological treatment system, then it will go through a chemical disinfection tank (Javen)

- Regularly appeal to employees to use water sparingly. The company also keeps track of monthly water usage statistics, turns on/off reminders, and uses them for the right purposes and efficiently.

b. Percentage and total amount of recycled and reused water:  
Wastewater is discharged into the general drain after treatment, not reused.

## 3. Report on environmental monitoring and environmental protection

Every year, the Company prepares a periodical environmental monitoring plan and a periodical report on environmental protection in accordance with current regulations (Decree No. 40/2019/ND-CP and Circular No. 25/2019/TT - BTNMT and send to Ministry of Natural Resources & Environment as well as HCMC and Binh Duong Department of Natural Resources and Environment.

## 4. Wastewater control

To ensure the waste does not affect on the surrounding environment, the company has carried out periodic environmental monitoring twice a year, according to the commitment of environmental impact assessment approved by the Ministry of Natural Resources and Environment in Decision No. 1378/QĐ-BTNMT on 05/8/2010. The table of wastewater analysis results below.

## 5. Solid waste control

Domestic waste: generated from the office area, production area, toilet area. They will be collected and carried to the functional organs (Environment Company) for processing.

Normal industrial solid waste: Wood chips, shavings, sawdust, damaged or unused production tools will be gather in a separate area before carried to functional organs for processing according to the law.

Hazardous waste: chemical containers (paints, varnishes), cloths with chemical attached spot, damaged fluorescent bulbs are gathered before inviting the functional organs to collect and process.

## 6. Safety - health - environment in the factory

### Safety

- In 2024, there is no case of theft or disturbance in the factory. No incidents of fire, explosion, chemical spill, food poisoning...causing unsafe situation affecting on production activities.

- Equip and repair emergency rescue equipment, keep them in ready state when an incident suddenly occurs.

- Exercise on emergency situation/ ensure the response to emergency situations.

### Health

- No occupational accidents that require to hospitalize over 2 days.

- Support and take care of employees with serious illnesses.

- Organize annual health examination, check occupational diseases for employees in the company, intensive cancer screening for employees.

### Environment

- Clearing bushes inside and outside factories.

- Sort and treat waste according to regulations.

- Implement the periodic measurement and inspection of wastewater and exhaust gas sources.

- Controlling the factory's sewage system. Do not let leakage affect on the environment.

- During the year, there were no incidents of violations which breaks the environmental regulations



Annual health check-up images of the company's staff and employees

## 7. Policies related to employees

Number of employees by sex:	
57%	43%
360 persons	275 persons
<b>Total:</b>	<b>635 persons</b>

### Number of workers by educational level

• Master	: 1 persons
• University	: 38 persons
• College	: 12 persons
• Intermediate	: 14 persons
• Others	: 570 persons
<b>Total</b>	<b>: 635 persons</b>

### Number of employees by age

• Over 50	: 175 persons
• From 30-50	: 349 persons
• Under 30	: 111 persons
<b>Total</b>	<b>: 635 persons</b>

### Average salary of employees over the years

No	Year	Salary/month (VND)
1	2019	6.700.000
2	2020	7.000.000
3	2021	7.200.000
4	2022	7.500.000
5	2023	7.800.000
6	2024	8.700.000

### a. Policies and welfare for employees

The company always strictly abides by the law on policies about labor, salary, bonus, social insurance and health insurance. The Company has never owed social insurance, health insurance, unemployment insurance, and trade union so far. In 2024 specifically, the company expanded its office space at NM3 to provide a professional, convenient, and safe working environment for its employees.



Besides the labor policy about salary and social welfare, the spiritual life care activities for employees are always focused such as: Gift giving (on March 8<sup>th</sup>, June 1<sup>st</sup>, October 20<sup>th</sup>) to support employees in difficult circumstances, organize sports and art tournaments, write articles about the company... to create unity within the Company.

### b. Participating in social insurance, health insurance, unemployment insurance

Year	Social insurance (VND)	Health insurance (VND)	Unemployment insurance (VND)
2022	14.801.340.550	2.637.831.600	728.772.000
2023	11.282.499.705	2.294.652.815	885.666.820
2024	9.083.454.980	1.602.962.644	712.427.842

### c. Maternity leave in 2024

- Total number of employees on maternity leave: 12 people, with total benefits amounting to 431.520.000 VND
- Total number of employees who have completed their leave: 2 people
- Total number of employees who returned to work in 2023 after maternity leave: 3 people
- Total number of employees currently on maternity and unpaid leave: 7 people

### d. Education and training

- The average training hours for workers is 750 hours per person per year.
- The average training hours for staff is 350 hours per person per year.

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

- 167 Board of Directors
- 169 Board of Directors report
- 175 Independent Board Member's Evaluation Report
- 177 Board of Supervisors report
- 181 Board of Executives
- 183 Board of Executives report
- 189 Sustainable development report
- 197 Honors and Awards

### AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH



## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

### REPORTS

167 Board of Directors  
169 Board of Directors report  
175 Independent Board Member's Evaluation Report  
177 Board of Supervisors report  
181 Board of Executives  
183 Board of Executives report  
189 Sustainable development report  
197 Honors and Awards

AUDITED FINANCIAL STATEMENTS

Language  
VIET NAM

Language  
ENGLISH

G D T

### c. Education and training

- Average training hours for workers is 750 hours/person/year.
- Average training hours for staff is 350 hours/person/year.
- Regularly organize thematic talks on various topics such as: reproductive health, improving professional skills for departments...

### IV. SOCIAL ACTIVITIES

In 2023, the company carried out numerous charitable activities, providing support to remote and under-privileged areas to help them overcome difficulties. These practical activities brought joy to the communities and provided additional funding to improve the lives of families.



GDT gave gifts and used clothes as part of the program "Bringing Spring to Children and People in the Highlands" in Lam Dong



Ms. Le Hai Lieu received a bouquet of flowers as a token of appreciation from the Association for the Support of Poor Patients in Ho Chi Minh City



GDT implemented the "Toys from the Heart" project for children at Children's Hospital 2 and Children's Hospital in Ho Chi Minh City.



GDT at the Le Ba Scholarship Fund Award Ceremony for the children of the company's staff and workers

**DUC THANH  
WOOD**



Mrs. Le Hai Lieu, representative of Gỗ Đức Thành, the sponsor, is cutting the ribbon at the inauguration ceremony of the Nhan Ai 1 Bridge in Ben Tre



## ACHIEVEMENTS OF THE COMPANY

### ACHIEVEMENTS OF THE COMPANY (THE RECENT 7 YEARS)

#### 2018

1. Awarded the title "Outstanding Enterprise of Ho Chi Minh City 2018", presented by the People's Committee of Ho Chi Minh City in collaboration with the Ho Chi Minh City Business Association.

2. Received the "Top 100 Best Products and Services for Families and Children" Award (5th Edition - 2018), presented by Labour and Social Affairs Newspaper, Dan Sinh Newspaper, in cooperation with Family & Children Magazine.

3. Honored with the "Golden Enterprise for Family" plaque by the Ministry of Labour, Invalids and Social Affairs, in recognition of GDT's achievement of being selected among the "Top 100 Best Products and Services for Families and Children" in 2013, 2015, and 2018 — an award jointly organized by Dan Sinh Newspaper and Family & Children Magazine.

#### 2019

1. Top 3 listed companies having the best investor relations activities in 2019 (IR Awards) voted by securities companies and investment funds.

2. Typical Products and Services of the year 2019 for children's toys from plantation wood Winwintoy voted by the HCMC Business Association.

#### 2020

1. GDT was awarded a Certificate of Commendation by the Vietnam Fatherland Front Committee of Go Vap District for actively patting in COVID-19 prevention and control efforts.

2. GDT was honored in the Top 100 Outstanding Enterprises of Ho Chi Minh City 2020. This award was jointly presented by the Ho Chi Minh City Business Association (HUBA).

1. Received the "Vietnam Golden Star Award 2021", presented by the Vietnam Young Entrepreneurs Association.

2. Awarded the "Top 100 Best Products for Families and Children 2022", presented by Labour and Social Affairs Newspaper, Dan Sinh Newspaper, and Family & Children Magazine.

3. Honored with the title "Outstanding Enterprise of Ho Chi Minh City 2022", awarded by the People's Committee of Ho Chi Minh City in collaboration with the Ho Chi Minh City Business Association (HUBA).

4. GDT was recognized among the Top 72 Outstanding Enterprises with Audited Financial Reports in Binh Duong Province, an award presented by the People's Committee of Binh Duong Province.

5. GDT received a Certificate of Merit from the People's Committee of Ho Chi Minh City for outstanding achievements in the emulation movement "Enterprises and Entrepreneurs Accompanying the City in Innovation and Development" during the 2017–2022 period.

#### 2022

1. Received the "Outstanding Products and Services of Ho Chi Minh City 2021" award, presented by the Ho Chi Minh City Business Association (HUBA).

2. Awarded the title "Top 100 Best Products and Services for Families and Children" (7th Edition - 2021), as voted by consumers and readers of the Labour and Social Affairs Newspaper

#### 2021

2020 (tiếp theo)  
and the People's Committee of Ho Chi Minh City on October 7, 2020. This marks the fifth time GDT has received this prestigious recognition.

#### 2023

1. Awarded the title "Green Enterprise 2023" by the People's Committee of Ho Chi Minh City in collaboration with the Ho Chi Minh City Business Association (HUBA) on September 13, 2023.

2. GDT was honored among the Top 81 Outstanding Enterprises of Binh Duong Province, an award presented by the People's Committee of Binh Duong Province on October 13, 2023.

#### 2024

1. The enterprise has made significant contributions to the social work of the Ho Chi Minh City Association for the Support of Poor Patients — under the Ho Chi Minh City People's Committee.

2. Received the Certification for the use of the Binh Duong collective trademark by the Binh Duong Wood Association (BIFA).

3. Awarded the Green Enterprise Certification by the Ho Chi Minh City People's Committee.

4. BIFA expressed gratitude to the employees of Duc Thanh Wood Company for participating in the program "Supporting the beloved people of Northern Vietnam," aiding A Lu commune, Bat Xat district, Lao Cai province, affected by Typhoon No. 03.

5. Recognized for active contributions to the activities of the Ho Chi Minh City Business Association and social charity work from 2004 to 2024, awarded by the Chairman of the Ho Chi Minh City People's Committee.

6. Received the title of Outstanding Ho Chi Minh City Enterprise in 2024, awarded by the Chairman of the Ho Chi Minh City People's Committee.

7. Acknowledged for significant contributions to the development of the Agriculture and Rural Development sector in 2024, commended by the Director of the Binh Duong Department of Agriculture and Rural Development.

### TYPICAL AWARDS



#### DOANH NGHIỆP XANH

Achieved the title of "Green Business of the Year 2024," conferred by the Ho Chi Minh City People's Committee in collaboration with the Ho Chi Minh City Business Association (HUBA) on August 28, 2024.



#### TOP 10

The ASEAN Strong Brand Award 2022 presented by the Asian Industrial Information Association (AIPA).



#### TOP 81

Duc Thanh Wood Company was honored in the list of Top 81 exemplary businesses in Binh Duong province. This award was presented by the Binh Duong Provincial People's Committee on October 13, 2023.



#### TOP 100

The best product for families and children in 2022, as voted by consumers and readers of Labor and Social Newspaper.



## CONTENTS COMBINED FINANCIAL STATEMENTS

	Page
1. Contents	1
2. Statement of the Board of Executives	2 - 4
3. Independent Auditor's Report	5
4. Combined Balance Sheet as of 31 December 2024	6 - 9
5. Combined Income Statement for the fiscal year ended 31 December 2024	10
6. Combined Cash Flow Statement for the fiscal year ended 31 December 2024	11 - 12
7. Notes to the Combined Financial Statements for the fiscal year ended 31 December 2024	13 - 38
8. Appendix	39

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## STATEMENT OF THE BOARD OF EXECUTIVES

The Board of Executives of Duc Thanh Wood Processing Joint Stock Company (hereinafter referred to as "the Company") presents this statement together with the Combined Financial Statements for the fiscal year ended 31 December 2024.

**Business highlights**

Duc Thanh Wood Processing Joint Stock Company has been operating in accordance with the Business Registration Certificate No. 0301449014, which was registered for the first time on 08 August 2000 and amended for the 33<sup>rd</sup> time on 10 January 2025, granted by Ho Chi Minh City Department of Planning and Investment.

The Company's stocks were officially listed in the Ho Chi Minh City Stock Exchange (HOSE) under stock code of GDT in line with the Decision No. 136/QĐ-SGDHCM dated 03 November 2009 of HOSE.

**Head office**

- Address : No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City.  
 - Tel. : +84 (028) 3589 4287  
 - Fax : +84 (028) 3589 4288

**The Company has the following affiliates:**

Affiliates	Address
Branch of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 835, Map No. 7, Tan Hoi Quarter, Tan Hiep Ward, Tan Uyen City, Binh Duong Province
Branch of Duc Thanh Wood Processing Joint Stock Company - Duc Thanh Store	No. 216 Ly Tu Trong Street, Ben Thanh Ward, District 1, Ho Chi Minh City
Branch 4 of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 813, Map No. 41, Khanh Binh 51 Street, Binh Chinh Quarter, Khanh Binh Ward, Tan Uyen City, Binh Duong Province

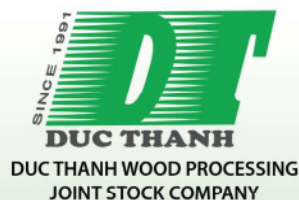
The Company's business activities are wood production, broomstick, flag handle, laminated board, wooden furniture, children's wooden toy production (neither wood processing, nor trade in toys that are harmful for personality education, children's health or social order, security).

**Board of Management, Supervisory Board and Board of Executives**

Members of the Board of Management, the Board of Supervisors and the Board of Executives of the Company during the year and as of the date of this statement include:

**The Board of Management**

Full name	Position	Appointing/re-appointing date
Ms. Le Hai Lieu	Chairwoman	Re-appointed on 13 June 2020
Mr. Le Hong Thang	Vice Chairman	Re-appointed on 13 June 2020
Mr. Le Hong Thanh	Member	Re-appointed on 13 June 2020
Ms. Truong Thi Dieu Le	Member	Re-appointed on 13 June 2020
Ms. Nguyen Ha Ngoc Diep	Member	Re-appointed on 13 June 2020
Mr. Hoang Anh Tuan	Member	Appointed on 13 June 2020
Mr. Nguyen Hoang Ngan	Member	Appointed on 25 March 2023



## INDEX

141 Chairwoman's message

## DUC THANH OVERVIEW

## SUMMARY OF MAIN INDICATORS

## REPORTS

## AUDITED FINANCIAL STATEMENTS

## • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

## • Consolidated Financial Statements

Language  
VIET NAMLanguage  
ENGLISH

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

#### STATEMENT OF THE BOARD OF EXECUTIVES (cont.)

#### The Supervisory Board

Full name	Position	Re-appointing date
Ms. Truong Thi Binh	Chief of the Board	13 June 2020
Ms. Bui Tuong Anh	Member	13 June 2020
Mr. Tran Ngoc Hung	Member	13 June 2020

#### The Board of Executives

Full name	Position	Appointing/re-appointing/resigning date
Mr. Le Hong Thang	General Director	Resigned on 29 July 2024
Ms. Nguyen Ha Ngoc Diep	Deputy General Director	Appointed on 16 January 2019
Ms. Nguyen Thi Thanh Huyen	Deputy General Director	Appointed on 07 August 2021
	Governance Manager	Appointed on 24 September 2024

#### Legal Representative

The legal representative of the Company during the year and as of the date of this statement is as follows:

Full name	Position	Appointing/resigning date
Mr. Le Hong Thang	General Director	Resigned on 15 August 2024
Ms. Le Hai Lieu	Chairwoman	Appointed on 15 August 2024

Ms. Le Hai Lieu authorized Ms. Nguyen Ha Ngoc Diep – Deputy General Director to sign on the Combined Financial Statements for the fiscal year ended 31 December 2024 according to the Power of Attorney No. 132-24/ĐT-UQ dated 30 August 2024.

#### Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Company's Combined Financial Statements for the fiscal year ended 31 December 2024.

#### Responsibilities of the Board of Executives

The Board of Executives of the Company is responsible for the preparation of the Combined Financial Statements to give a true and fair view of the financial position, the financial performance and the cash flows of the Company during the year. In order to prepare these Combined Financial Statements, the Board of Executives must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Company are followed or not, and all the material differences from these standards are disclosed and explained in the Combined Financial Statements;
- prepare the Combined Financial Statements of the Company on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Combined Financial Statements.

The Board of Executives hereby ensures that all the proper accounting books of the Company have been fully recorded and can fairly reflect the financial position of the Company at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Executives is also responsible for managing the Company's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Executives hereby commits to the compliance with the aforementioned requirements in preparation of the Combined Financial Statements.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

#### STATEMENT OF THE BOARD OF EXECUTIVES (cont.)

#### Approval of the Combined Financial Statements

The Board of Executives hereby approves the accompanying Combined Financial Statements, which give a true and fair view of the financial position as of 31 December 2024 of the Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements.

For and on behalf of the Board of Executives,

Nguyen Ha Ngoc Diep  
Deputy General Director

Date: 29 March 2025





## INDEX

141 Chairwoman's message

### DU C THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- 199 Statement of the Board of Executives
- 203 Independent Auditor's report and Combined Balance Sheet
- 208 Combined Income Statement
- 209 Combined Cash Flow Statement
- 211 Notes to the Combined Financial Statements
- Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

**G D T**

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No. 1.0818/25/TC-AC

## INDEPENDENT AUDITOR'S REPORT

To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF EXECUTIVES  
DU C THANH WOOD PROCESSING JOINT STOCK COMPANY

We have audited the accompanying Combined Financial Statements of Duc Thanh Wood Processing Joint Stock Company (hereinafter referred to as "the Company"), which were prepared on 29 March 2025 (from page 06 to page 39), including the Combined Balance Sheet as of 31 December 2024, the Combined Income Statement, the Combined Cash Flow Statement for the fiscal year then ended and the Notes to the Combined Financial Statements.

### Responsibility of the Board of Executives

The Company's Board of Executives is responsible for the preparation, true and fair presentation of the Combined Financial Statements in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements; and responsible for the internal control as the Company's Board of Executives determines necessary to enable the preparation and presentation of the Combined Financial Statements to be free from material misstatement due to fraud or error.

### Responsibility of Auditors

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

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

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

### Opinion of Auditors

In our opinion, the Combined Financial Statements give a true and fair view, in all material respects, of the financial position as of 31 December 2024 of Duc Thanh Wood Processing Joint Stock Company, its financial performance and its cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Combined Financial Statements.

For and on behalf of  
A&C Auditing and Consulting Co., Ltd.

**CÔNG TY**  
**TRÁCH NHIỆM HỮU HẠN**  
**KIỂM TOÁN VÀ TƯ VẤN**  
**A&C**

**Ho Van Tung**  
Partner  
Audit Practice Registration Certificate No. 0092-2023-008-1  
Authorized Signatory

Ho Chi Minh City, 29 March 2025

**Phan Cao Huyen**  
Auditor  
Audit Practice Registration Certificate No. 3523-2021-008-1

A&C Auditing and Consulting Co., Ltd. trading as Baker Tilly A&C is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities

203 | Annual report 2024

## DU C THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

## COMBINED BALANCE SHEET

As of 31 December 2024

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>198.812.365.907</b>	<b>242.426.204.747</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>5.054.914.179</b>	<b>22.722.321.742</b>
1. Cash	111		5.054.914.179	8.022.321.742
2. Cash equivalents	112		-	14.700.000.000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>51.555.000.000</b>	<b>68.855.000.000</b>
1. Held-to-maturity investments	123	V.2a	51.555.000.000	68.855.000.000
<b>III. Short-term receivables</b>	<b>130</b>		<b>67.984.650.338</b>	<b>64.663.891.888</b>
1. Short-term trade receivables	131	V.3	26.364.791.925	29.503.361.394
2. Short-term prepayments to suppliers	132	V.4	2.290.869.719	2.564.919.206
3. Receivables for short-term loans	135	V.5	33.000.000.000	22.400.000.000
4. Other short-term receivables	136	V.6	6.836.576.948	10.195.611.288
5. Allowance for short-term doubtful debts	137	V.7	(507.588.254)	-
<b>IV. Inventories</b>	<b>140</b>	<b>V.8</b>	<b>67.207.889.434</b>	<b>77.615.085.336</b>
1. Inventories	141		67.207.889.434	77.615.085.336
2. Allowance for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>7.009.911.956</b>	<b>8.569.905.781</b>
1. Short-term prepaid expenses	151	V.9a	764.828.881	1.468.852.455
2. Deductible VAT	152		6.245.083.075	7.101.053.326
3. Taxes and other receivables from the State	153		-	-

This statement should be read in conjunction with the Notes to the Combined Financial Statements

www.goducthanh.com | 204

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report  
and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
<b>B- NON-CURRENT ASSETS</b>	<b>200</b>		<b>328.672.693.957</b>	<b>173.654.688.416</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>-</b>	<b>150.000.000</b>
1. Other long-term receivables	216		-	150.000.000
7. Allowance for long-term doubtful debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>54.303.536.438</b>	<b>102.397.139.349</b>
1. Tangible fixed assets	221	V.10	43.211.991.511	49.704.190.890
- Historical cost	222		120.205.564.763	124.793.172.844
- Accumulated depreciation	223		(76.993.573.252)	(75.088.981.954)
2. Intangible fixed assets	227	V.11	11.091.544.927	52.692.948.459
- Initial cost	228		16.747.464.013	62.247.464.013
- Accumulated amortization	229		(5.655.919.086)	(9.554.515.554)
<b>III. Investment property</b>	<b>230</b>	<b>V.12</b>	<b>206.337.990.980</b>	<b>-</b>
- Historical costs	231		218.626.000.000	-
- Accumulated depreciation	232		(12.288.009.020)	-
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>63.000.000.000</b>	<b>63.000.000.000</b>
1. Investments in subsidiaries	251	V.2b	63.000.000.000	63.000.000.000
<b>V. Other non-current assets</b>	<b>260</b>		<b>5.031.166.539</b>	<b>8.107.549.067</b>
1. Long-term prepaid expenses	261	V.9b	4.457.981.584	7.534.364.112
2. Deferred income tax assets	262	V.13	573.184.955	573.184.955
<b>TOTAL ASSETS</b>	<b>270</b>		<b>527.485.059.864</b>	<b>416.080.893.163</b>

This statement should be read in conjunction with the Notes to the Combined Financial Statements

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
<b>C- LIABILITIES</b>	<b>300</b>		<b>224.400.171.335</b>	<b>124.714.122.920</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>141.533.158.450</b>	<b>122.068.015.871</b>
1. Short-term trade payables	311	V.14	15.109.334.283	10.700.233.108
2. Short-term advances from customers	312	V.15	9.889.416.776	8.316.355.821
3. Taxes and other obligations to the State Budget	313	V.16	6.573.041.673	3.716.408.055
4. Payables to employees	314	V.17	20.972.076.129	14.507.472.133
5. Short-term accrued expenses	315	V.18	3.473.612.415	2.181.812.726
6. Short-term unearned revenue	318	V.19a	2.055.169.050	-
7. Other short-term payables	319	V.20a,c	3.852.685.838	8.177.968.572
8. Short-term borrowings and financial leases	320	V.21a,c	76.325.768.604	71.390.665.000
9. Bonus and welfare funds	322	V.22	3.282.053.682	3.077.100.456
<b>II. Non-current liabilities</b>	<b>330</b>		<b>82.867.012.884</b>	<b>2.646.107.049</b>
1. Long-term unearned revenue	336	V.19b	2.894.849.926	-
2. Other long-term payables	337	V.20b,c	3.786.723.001	702.682.091
3. Long-term borrowings and financial leases	338	V.21b,c	74.205.700.000	-
4. Provisions for long-term payables	342	V.23	1.979.739.958	1.943.424.958

This statement should be read in conjunction with the Notes to the Combined Financial Statements



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report  
and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>303.084.888.529</b>	<b>291.366.770.243</b>
I. Owner's equity	410		303.084.888.529	291.366.770.243
1. Owner's capital	411	V.24	238.835.570.000	218.725.920.000
- Ordinary shares carrying voting rights	411a		238.835.570.000	218.725.920.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.24	9.096.117.006	9.117.717.006
3. Treasury stocks	415	V.24	(3.261.350.000)	(4.332.350.000)
4. Investment and development fund	418	V.24	1.001.210.514	1.001.210.514
5. Retained earnings	421	V.24	57.413.341.009	66.854.272.723
- Retained earnings accumulated to the end of the previous period	421a		23.926.740.723	66.854.272.723
- Retained earnings of the current period	421b		33.486.600.286	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>527.485.059.863</b>	<b>416.080.893.163</b>

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director

This statement should be read in conjunction with the Notes to the Combined Financial Statements

207 | Annual report 2024

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### COMBINED INCOME STATEMENT

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and provisions of services	01	VI.1	336.675.738.281	313.867.666.225
2. Revenue deductions	02	VI.2	1.152.976.614	2.871.408.257
3. Net revenue	10		335.522.761.667	310.996.257.968
4. Cost of sales	11	VI.3	205.095.030.253	220.756.327.042
5. Gross profit	20		130.427.731.414	90.239.930.926
6. Financial income	21	VI.4	9.150.286.350	10.387.526.365
7. Financial expenses	22	VI.5	10.207.517.787	10.321.811.088
In which: Loan interest expenses	23		6.011.840.256	3.177.875.378
8. Selling expenses	25	VI.6	16.960.212.427	17.249.650.459
9. General and administration expenses	26	VI.7	36.777.386.615	27.624.956.562
10. Net operating profit	30		75.632.900.935	45.431.039.182
11. Other income	31	VI.8	788.138.299	324.947.447
12. Other expenses	32	VI.9	424.782.512	8.757.573
13. Other profit	40		363.355.787	316.189.874
14. Total accounting profit before tax	50		75.996.256.722	45.747.229.056
15. Current income tax	51	VI.15	15.908.312.212	9.344.201.283
16. Deferred income tax	52	VI.13	-	-
17. Profit after tax	60		60.087.944.510	36.403.027.773
18. Basic earnings per share	70	VI.10		
19. Diluted earnings per share	71	VI.10		

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director

This statement should be read in conjunction with the Notes to the Combined Financial Statements

www.goducthanh.com | 208

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

## COMBINED CASH FLOW STATEMENT (Indirect method) For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		75.996.256.723	45.747.229.056
2. Adjustments				
- Depreciation/Amortization of fixed assets and investment properties	02	V.10, V.11	12.027.274.356	7.936.966.122
- Provisions and allowances	03	V.7, V.23	543.903.254	(974.801.709)
- Exchange gain/ (loss) due to revaluation of monetary items in foreign currencies	04	VI.4	(230.301.066)	(87.891.065)
- Gain/ (loss) from investing activities	05	VI.4, VI.8	(5.274.549.365)	(7.555.704.432)
- Interest expenses	06	VI.5	6.011.840.256	3.177.875.378
- Others	07		-	-
3. Operating profit before changes of working capital	08		89.074.424.158	48.243.673.350
- Increase/ (decrease) of receivables	09		6.165.511.865	8.633.854.036
- Increase/ (decrease) of inventories	10		10.407.195.903	19.401.720.841
- Increase/ (decrease) of payables	11		14.110.333.861	(18.151.803.324)
- Increase/ (decrease) of prepaid expenses	12		3.780.406.102	(1.557.610.855)
- Increase/ (decrease) of trading securities	13		-	-
- Interests paid	14	VI.5	(6.011.840.256)	(3.177.875.378)
- Corporate income tax paid	15	V.16	(14.161.834.908)	(16.474.503.808)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.22	(2.799.443.999)	(2.437.222.250)
Net cash flows from operating activities	20		100.564.752.726	34.480.232.612
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other non-current assets	21	V.10, V.12, VII	(165.112.320.423)	(11.003.389.115)
2. Proceeds from disposals of fixed assets and other non-current assets	22	V.10, VI.8	763.636.364	2.594.501.866
3. Cash outflow for lending, buying debt instruments of other entities	23	V.2a, V.6	(215.286.486.250)	(143.955.000.000)
4. Cash recovered from lending, selling debt instruments of other entities	24	V.2a, V.6	221.986.486.250	109.300.000.000
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.6, VI.4	5.404.233.481	7.724.028.170
Net cash flows from investing activities	30		(152.244.450.578)	(35.339.859.079)

This statement should be read in conjunction with the Notes to the Combined Financial Statements

209 | Annual report 2024

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year end 31 December 2024  
Combined Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions from owners	31	V.24	-	6.208.400.000
2. Repayment for capital contributions and re-purchases of stocks already issued	32	V.24	(268.000.000)	(1.339.000.000)
3. Proceeds from borrowings	33	V.21	268.180.267.775	162.633.997.307
4. Repayment for loan principal	34	V.21	(189.039.464.171)	(121.114.232.307)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.20, V.24	(45.060.181.550)	(42.433.857.699)
Net cash flows from financing activities	40		33.812.622.054	3.953.307.301
Net cash flows during the year	50		(17.867.075.798)	3.095.680.834
Beginning cash and cash equivalents	60	V.1	22.722.321.742	19.510.897.861
Effects of fluctuations in foreign exchange rates	61		199.668.235	115.743.047
Ending cash and cash equivalents	70	V.1	5.054.914.179	22.722.321.742

Nguyễn Quốc Hiệp  
Preparer

Bùi Phương Thảo  
Chief Accountant

Ho Chi Minh City, 29 March 2025  
CÔNG TY CỔ PHẦN CHẾ BIẾN GỖ ĐỨC THÀNH  
Deputy General Director

This statement should be read in conjunction with the Notes to the Combined Financial Statements

www.goducthanh.com | 210



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- 199 Statement of the Board of Executives
- 203 Independent Auditor's report and Combined Balance Sheet
- 208 Combined Income Statement
- 209 Combined Cash Flow Statement
- 211 Notes to the Combined Financial Statements
- Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

## NOTES TO THE COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

### I. GENERAL INFORMATION

- Ownership form**  
Duc Thanh Wood Processing Joint Stock Company (hereinafter referred to as "the Company") is a joint stock company.
- Operating field**  
The operating field of the Company is industrial manufacturing.
- Principal business activities**  
The principal business activities of the Company are wood production, broomstick, flag handle, laminated board, wooden furniture, children's wooden toy production.
- Normal operating cycle**  
The normal operating cycle of the Company is within 12 months.
- Structure of the Company**  
*Subsidiary*  
The Company only invests in its subsidiary which is Duc Tam Wood Manufacturing and Exporting Company Limited located at No. 49A, Doan Van Cu Street, Vam Hamlet, Thien Tan Commune, Vinh Cuu District, Dong Nai Province. The principal business activity of this subsidiary is to wholesale sawn timber (from legal timber sources) (only operating when satisfying all business conditions according to legal requirements). As of the balance sheet date, the Company's capital contribution rate at this subsidiary is 100%, equivalent to the voting rate and ownership rate.

*The Company has the following affiliates:*

Affiliates	Address
Branch of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 835, Map No. 7, Tan Hoi Quarter, Tan Hiep Ward, Tan Uyen City, Binh Duong Province
Branch of Duc Thanh Wood Processing Joint Stock Company - Duc Thanh Store	No. 216 Ly Tu Trong Street, Ben Thanh Ward, District 1, Ho Chi Minh City
Branch 4 of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 813, Map No. 41, Khanh Binh 51 Street, Binh Chinh Quarter, Khanh Binh Ward, Tan Uyen City, Binh Duong Province

- Statement of information comparability on the Financial Statements**  
The corresponding figures in the previous year can be comparable with figures in the current year.
- Headcount**  
As of the balance sheet date, the Company's headcount is 634 (headcount at the beginning of the year: 1,035).

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements 211 Annual report 2024

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024  
Notes to the Combined Financial Statements (cont.)

### II. FISCAL YEAR AND ACCOUNTING CURRENCY

- Fiscal year**  
The fiscal year of the Company is from 01 January to 31 December annually.
- Accounting currency unit**  
The accounting currency unit is Vietnamese Dong (VND) because the transactions of the Company are primarily made in VND.

### III. ACCOUNTING STANDARDS AND SYSTEM

- Accounting System**  
The Company applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued in accordance with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 and other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Combined Financial Statements.
- Statement of the compliance with the Accounting Standards and System**  
The Board of Executives ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016 as well as other Circulars guiding the implementation of Vietnamese Accounting Standards of the Ministry of Finance in the preparation and presentation of the Combined Financial Statements.

### IV. ACCOUNTING POLICIES

- Accounting convention**  
All the Financial Statements are prepared on the accrual basis (except for the information related to cash flows).  
  
The Company's affiliates have their own accounting sections but cannot do the accounts recording independently. The Combined Financial Statements of the whole company are prepared on the basis of the combination of the Financial Statements of the Company's affiliates. Revenue and balances between affiliates are excluded when the Combined Financial Statements are prepared.
- Foreign currency transactions**  
Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements www.goducthanh.com 212

## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

REPORTS

AUDITED FINANCIAL STATEMENTS

• Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

• Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Company and the bank.
- For capital contribution made or received: the buying rate ruling as at the date of capital contribution of the bank where the Company opens its account to receive capital contributed from investors.
- For receivables: the buying rate ruling as at the time of transactions of the commercial bank where the Company designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transactions of the commercial bank where the Company supposes to make payment.
- For acquisition of assets or immediate payments in foreign currency (not included into payables): the buying rate of the commercial bank where the Company makes payments.

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Company opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) – Tan Binh Branch, where the Company frequently conducts transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) – Tan Binh Branch, where the Company frequently conducts transactions.

#### 3. Cash and cash equivalents

Cash includes cash on hand and demand deposits in banks. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

#### 4. Financial investments

##### Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Company intends and is able to hold to maturity. Held-to-maturity investments of the Company include held-to-maturity term deposits and bonds for the purpose of receiving periodical interest.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. 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. Interest incurred prior to the Company's acquisition of held-to-maturity investments is deducted to the costs at the acquisition time.

When there is reliable evidence proving that a part or the whole investment cannot be recovered and the loss is reliably measured, the loss is recognized as financial expenses during the year and directly deducted into the investment costs.

##### Loans

Loans are measured at costs less allowance for doubtful debts. Allowance for doubtful debts of loans is made on the basis of estimated losses.

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements 213 Annual report 2024

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

#### 5. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according to the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Company and customers who are independent to the Company.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of the ages of debts after offsetting against liabilities (if any) or estimated loss as follows:

- As for overdue debts:
  - 30% of the value of debts overdue between 6 months and less than 1 year.
  - 50% of the value of debts overdue between 1 year and less than 2 years.
  - 70% of the value of debts overdue between 2 years and less than 3 years.
  - 100% of the value of debts overdue more than 3 years.
- As for doubtful debts: Allowance is made on the basis of the estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

#### 6. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: Costs comprise costs of main materials, labor and other directly relevant expenses.
- For finished goods: Costs comprise costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Allowance for devaluation of inventories is recognized when their costs are higher than their net realizable values. Increases/(decreases) in the obligatory allowance for devaluation of inventories as of the balance sheet date are recorded into costs of sales.

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements www.goducthanh.com 214



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report  
and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

#### 7. Prepaid expenses

Prepaid expenses comprise actual expenses incurred and relevant to financial performance in several accounting periods. Prepaid expenses of the Company mainly include expenses of tools, land rental and repair expenses. These prepaid expenses are allocated over the prepayment period or period in which corresponding benefits are realized.

##### Tools

Expenses of tools are allocated into business results during the year in accordance with the straight-line method for the maximum period of 3 years.

##### Land rental

Prepaid land rental reflects the rental prepaid for the land being used by the Company at My Phuoc 3 Industrial Park and is allocated into costs in accordance with the straight-line method over the lease term (i.e. 44 years).

##### Repair expenses

Expenses of fixed asset repairs incurred once with high value are allocated into costs in accordance with the straight-line method in 3 years.

#### 8. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Company to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

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.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied is as follows:

Fixed assets	Years
Buildings and structures	03 - 28
Machinery and equipment	03 - 25
Vehicles	05 - 15
Office equipment	03 - 10

#### 9. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Company to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

The Company's intangible fixed assets include:

##### Land use right

The land use right leased before the effective date of the Law on Land 2003 that the Company has paid rental for the entire lease term or prepaid rental for many years and the remaining prepaid lease period is at least 5 years and has been granted the land use right certificate by competent authority. Land use right is amortized in accordance with the straight-line method over the lease term (i.e. 50 years). If the land use right is permanent, it is not amortized.

##### Computer software

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Company until the date the software is put into use. Computer software is amortized in accordance with the straight-line method for the maximum period of 5 years.

#### 10. Investment properties

Investment property is property which is a building or part of a building, infrastructure held by the owner or by the lessee to earn rentals. Investment properties are measured at their historical costs less accumulated depreciation. Historical cost includes all the expenses paid by the Company or the fair value of other considerations given to acquire the assets up to the date of its acquisition or construction.

Expenses related to investment property arising subsequent to initial recognition should be added to the historical cost of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposals is included in the income or the expenses during the year.

The transfer from owner-occupied property or inventories into investment property shall be made when, and only when, there is a change in use evidenced by the end of owner-occupation and the commencement of an operating lease to another party or the end of construction. The transfer from investment property to owner-occupied property or inventories shall be made when, and only when, there is a change in use evidenced by the commencement of owner-occupation or the commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the historical cost or carrying value of investment property at the date of transfer.

Investment property is depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of the investment property are as follows:

Fixed assets	Years
Land use right	28 - 32
House	10 - 28

#### 11. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- 199 Statement of the Board of Executives
- 203 Independent Auditor's report and Combined Balance Sheet
- 208 Combined Income Statement
- 209 Combined Cash Flow Statement
- 211 Notes to the Combined Financial Statements
- Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

#### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024  
Notes to the Combined Financial Statements (cont.)

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Company.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Combined Balance Sheet on the basis of their remaining term as of the balance sheet date.

#### 12. Provisions for payables

Provisions are recorded when the Company has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

The Company's provisions for payables only include severance allowances.

The Company has to pay for severance allowances to the employees who have worked regularly for the Company for 12 months or more for the period in which employees do not pay for unemployment insurance when they terminate the labor contracts. Provisions for severance allowances are appropriated at the rate equal to  $\frac{1}{2}$  of the average salary plus the salary allowances (if any) in the most recent 6 consecutive months to the date of preparing the Financial Statements for each working year.

Increases/(decreases) of provisions for severance allowances are appropriated at the balance sheet date and recorded in general and administration expenses.

#### 13. Owner's equity Owner's capital

The contributed capital is recorded according to the actual amounts invested by shareholders.

##### Share premiums

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

##### Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in share premiums.

#### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
COMBINED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024  
Notes to the Combined Financial Statements (cont.)

#### 14. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Company as well as legal regulations and approved by vote of the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval by vote of the General Meeting of Shareholders and decision on dividend payment of the Board of Management.

#### 15. Recognition of revenue and income

##### Revenue from sales of merchandise, finished goods

Revenue from sales of merchandise, finished goods shall be recognized when all of the following conditions are satisfied:

- The Company transfers most of risks and benefits incident to the ownership of merchandise or products to customers.
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandise, products sold.
- The amount of revenue can be measured reliably. When the contracts stipulate that buyers have the right to return products, merchandise purchased under specific conditions, the revenue is recorded only when those specific conditions are no longer exist and buyers retains no right to return products, merchandise (except for the case that such returns are in exchange for other goods or services).
- The Company received or shall probably receive the economic benefits associated with sale transactions.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

##### Interest

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

#### 16. Revenue deductions

Revenue deductions include trade discounts, sales allowances, sales returns incurred in the same period of providing products, merchandise, services, in which revenues are derecognized.

In case of products, merchandise, services provided in the previous years but trade discounts, sales allowances, sales returns incurred in the current year, revenue is derecognized as follows:

- If sales allowances, trade discounts, sales returns incur prior to the release of the Combined Financial Statements, revenues are derecognized on the Combined Financial Statements of the current year.
- If sales allowances, trade discounts, sales returns incur after the release of the Combined Financial Statements, revenue is derecognized on the Combined Financial Statements of the following year.

#### 17. Borrowing costs

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.



## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report  
and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

#### 18. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

#### 19. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

##### Current income tax

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

##### Deferred income tax

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Company shall offset deferred tax assets and deferred tax liabilities if:

- The Company has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
  - Of the same subject to corporate income tax; or
  - The Company has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

#### 20. Related parties

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

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

#### 21. Segment reporting

A business segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Combined Financial Statements of the Company.

### V. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED BALANCE SHEET

#### 1. Cash and cash equivalents

	Ending balance	Beginning balance
Cash on hand	58.994.690	71.051.688
Demand deposits in banks	4.995.919.489	7.951.270.055
Cash equivalents	-	14.700.000.000
<b>Total</b>	<b>5.054.914.179</b>	<b>22.722.321.742</b>

#### 2. Financial investments

The Company's financial investments include held-to-maturity investments and investments in other entities. The Company's financial investments are as follows:

##### 2a. Held-to-maturity investments

The deposits, of which the term is from more than 3 months to 12 months, are used to secure the Company's loan from Shinhan Bank Vietnam Limited – Northern Saigon Branch (see Note No. V.21a)

##### 2b. Investment in other entities

The Company only invested in Duc Tam Wood Manufacturing and Exporting Company Limited (a subsidiary). As of the balance sheet date, the Company invested an amount of VND 63.000.000.000 in Duc Tam Wood Manufacturing and Exporting Company Limited, equivalent to 100% of charter capital.

##### Fair value

The Company has not measured the fair value of investments because there is no specified guidance on measurement of fair value.

## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

#### Operations of the subsidiary

The subsidiary has ceased its production, narrowed its operation scope. Its principal business activity is leasing workshop.

#### Transactions with the subsidiary

Transactions between the Company and Duc Tam Wood Manufacturing and Exporting Company Limited are as follows:

	Current year	Previous year
Sales of merchandise	41.037.344	45.106.032
Revenue from consultancy services	-	5.520.960.000
Other income	2.831.970	-
Borrowing	6.680.000.000	-
Purchase of fixed assets	138.563.636	-
Purchase of merchandise	14.187.528.860	-
Payables for processing fees on the Company's behalf	3.530	-

#### 3. Short-term trade receivables

	Ending balance	Beginning balance
<i>Receivables from related parties</i>	<b>484.594.317</b>	<b>1.520.872.615</b>
Duc Tam Wood Manufacturing and Exporting Company Limited	-	423.951.728
Tri Duc Thanh Company Limited	484.594.317	948.429.367
Pizza 4Ps Corporation	-	148.491.520
<i>Receivables from other customers</i>	<b>25.880.197.608</b>	<b>27.982.488.779</b>
Asung Co., Ltd.	9.899.165.690	7.607.930.557
May Viet Company Limited	1.691.960.842	5.956.731.984
Triace Limited	6.332.119.032	3.902.696.666
Other customers	7.956.952.044	10.515.129.572
<b>Total</b>	<b>26.364.791.925</b>	<b>29.503.361.394</b>

#### 4. Short-term prepayments to suppliers

	Ending balance	Beginning balance
Phu Vinh Huy Construction Co., Ltd.	-	1.633.700.000
BYS Joint Stock Company	584.630.000	287.500.000
Sapus Company Limited	-	276.677.470
Tong Jou Chemical Industrial (Vietnam) Co., Ltd.	632.760.238	-
Other suppliers	1.073.479.481	367.041.736
<b>Total</b>	<b>2.290.869.719</b>	<b>2.564.919.206</b>

#### 5. Receivables for short-term loans

	Ending balance	Beginning balance
<i>Loans given to related parties</i>	-	<b>22.400.000.000</b>
Ms. Le Hai Lieu	-	5.000.000.000
Ms. Huynh Thi Thanh	-	9.400.000.000
Pizza 4Ps Corporation	-	8.000.000.000
<i>Loans given to other organizations, individuals</i>	<b>33.000.000.000</b>	-
Ms. Nguyen Thi Huong	5.000.000.000	-
Ms. Ho Thi Huong	5.500.000.000	-
Ms. Dang Thi Ngan	16.000.000.000	-
Mr. Bui Xuan Truong	6.500.000.000	-
<b>Total</b>	<b>33.000.000.000</b>	<b>22.400.000.000</b>

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

#### 6. Other short-term receivables

			Ending balance		Beginning balance	
			Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>			2.477.075.983	-	6.195.464.304	-
Duc Tam Wood	Manufacturing and	Exporting Company				
Limited – other receivables			2.222.591.983	-	5.899.007.701	-
Ms. Huynh Thi Thanh	-	Advances	254.484.000	-	54.484.000	-
Pizza 4Ps Corporation	-	Interest on loan given to be received		-	241.972.603	-
<i>Receivables from other organizations and individuals</i>			4.359.500.965	-	4.000.146.984	-
Advances			1.412.564.050	-	815.597.709	-
Bank deposit interest to be received			529.405.889	-	1.332.433.986	-
Short-term deposit			150.000.000	-	-	-
Interest on loan given			289.315.068	-	-	-
Other short-term receivables			1.978.215.958	-	1.852.115.289	-
<b>Total</b>			<b>6.836.576.948</b>	-	<b>10.195.611.288</b>	-

#### 7. Doubtful debts

		Ending balance			Beginning balance	
	Overdue period	Original amount	Recoverable amount	Overdue period	Original amount	Recoverable amount
May Viet Company Limited	Less than 1 year	1.691.960.842	1.184.372.588		-	-
<b>Total</b>		<b>1.691.960.842</b>	<b>1.184.372.588</b>			

Changes in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	-	-
Allowance	507.588.254	-
<b>Ending balance</b>	<b>507.588.254</b>	-

#### 8. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	35.335.203.303	-	40.304.512.642	-
Tools	892.184.639	-	879.077.117	-
Work-in-process	9.803.696.806	-	12.025.570.415	-
Finished goods	21.176.196.686	-	24.137.902.224	-
Merchandise	608.000	-	254.210.555	-
Goods on consignment	-	-	13.812.384	-
Total	67.207.889.434	-	77.615.085.336	-

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

#### 9. Prepaid expenses

##### 9a. Short-term prepaid expenses

	Ending balance	Beginning balance
Tools	45.329.168	-
Repair expenses	76.454.565	19.400.375
Other short-term prepaid expenses	643.045.148	1.449.452.080
<b>Total</b>	<b>764.828.881</b>	<b>1.468.852.455</b>

##### 9b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	587.201.493	102.355.477
Land rental	1.154.986.856	1.189.916.013
Repair expenses	2.222.421.289	1.082.067.049
Other long-term prepaid expenses	493.371.946	5.160.025.573
<b>Total</b>	<b>4.457.981.584</b>	<b>7.534.364.112</b>

#### 10. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Total
<b>Historical costs</b>					
Beginning balance	64.264.257.512	43.489.004.246	12.681.614.748	4.358.296.338	124.793.172.844
Acquisition during the year	52.913.000.000	2.086.072.273	6.410.225.000	-	61.409.297.273
Transfer to investment property	(64.126.000.000)	-	-	-	(64.126.000.000)
Liquidation, disposal	-	(305.000.000)	(1.535.505.354)	(30.400.000)	(1.870.905.354)
<b>Ending balance</b>	<b>53.051.257.512</b>	<b>45.270.076.519</b>	<b>17.556.334.394</b>	<b>4.327.896.338</b>	<b>120.205.564.763</b>
<b>In which:</b>					
Assets fully depreciated but still in use	3.080.626.312	25.583.377.902	5.249.127.572	2.137.748.722	36.050.880.508
Assets waiting for liquidation	-	-	-	-	-
<b>Depreciation</b>					
Beginning balance	31.841.794.859	32.721.886.720	7.549.453.322	2.975.847.053	75.088.981.954
Depreciation during the year	4.861.710.675	2.163.015.030	1.029.923.643	259.060.260	8.313.709.608
Transfer to investment property	(4.675.847.804)	-	-	-	(4.675.847.804)
Liquidation, disposal	-	(305.000.000)	(1.397.870.506)	(30.400.000)	(1.733.270.506)
<b>Ending balance</b>	<b>32.027.657.730</b>	<b>34.579.901.750</b>	<b>7.181.506.459</b>	<b>3.204.507.313</b>	<b>76.993.573.252</b>
<b>Carrying values</b>					
Beginning balance	32.422.462.653	10.767.117.526	5.132.161.426	1.382.449.285	49.704.190.890
<b>Ending balance</b>	<b>20.119.985.322</b>	<b>10.690.174.769</b>	<b>10.374.827.935</b>	<b>1.123.389.025</b>	<b>43.211.991.511</b>
<b>In which:</b>					
Assets temporarily not in use	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

#### 11. Intangible fixed assets

	Land use right	Computer software	Total
<b>Initial costs</b>			
Beginning balance	60.417.549.433	1.829.914.580	62.247.464.013
Acquisition during the year	109.000.000.000	-	109.000.000.000
Transfer to investment property	(154.500.000.000)	-	(154.500.000.000)
<b>Ending balance</b>	<b>14.917.549.433</b>	<b>1.829.914.580</b>	<b>16.747.464.013</b>
<b>In which:</b>			
Assets fully amortized but still in use	-	275.564.580	275.564.580
<b>Amortization</b>			
Beginning balance	9.219.090.958	335.424.596	9.554.515.554
Amortization during the year	3.609.900.708	103.664.040	3.713.564.748
Transfer to investment property	(7.612.161.216)	-	(7.612.161.216)
<b>Ending balance</b>	<b>5.216.830.450</b>	<b>439.088.636</b>	<b>5.655.919.086</b>
<b>Carrying values</b>			
Beginning balance	51.198.458.475	1.494.489.984	52.692.948.459
<b>Ending balance</b>	<b>9.700.718.983</b>	<b>1.390.825.944</b>	<b>11.091.544.927</b>
<b>In which:</b>			
Assets temporarily not in use	-	-	-
Assets waiting for liquidation	-	-	-

Some intangible fixed assets, i.e. land use rights, of which the carrying values are VND 6.434.146.707 (Beginning balance: VND 46.638.815.342), have been mortgaged to secure the loan from Vietcombank – Tan Binh Branch (see Note No. V.21).

#### 12. Investment property for lease

	Land use right	Houses	Total
<b>Historical costs</b>			
Beginning balance	-	-	-
Transfer from tangible fixed assets and intangible fixed assets	154.500.000.000	64.126.000.000	218.626.000.000
<b>Ending balance</b>	<b>154.500.000.000</b>	<b>64.126.000.000</b>	<b>218.626.000.000</b>
<b>In which:</b>			
Assets fully depreciated but still leasing	-	-	-
<b>Depreciation</b>			
Beginning balance	-	-	-
Transfer from tangible fixed assets and intangible fixed assets	7.612.161.212	4.675.847.800	12.288.009.012
<b>Ending balance</b>	<b>7.612.161.212</b>	<b>4.675.847.800</b>	<b>12.288.009.012</b>
<b>Carrying values</b>			
Beginning balance	-	-	-
<b>Ending balance</b>	<b>146.887.838.788</b>	<b>59.450.152.200</b>	<b>206.337.990.988</b>

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements

## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

Some investment property for lease, of which the carrying values are VND 184.861.726.302, have been mortgaged to secure the loan from Vietcombank – Tan Binh Branch (see Note No. V.21).

List of investment properties as at the balance sheet date is as follows:

	Historical costs	Accumulated depreciation	Carrying values
Land use right and assets attached to workshop 4	59.626.000.000	7.612.161.212	52.013.838.788
Land use right and assets attached to workshop 6	159.000.000.000	4.675.847.800	154.324.152.200
<b>Total</b>	<b>218.626.000.000</b>	<b>12.288.009.012</b>	<b>206.337.990.988</b>

### 13. Deferred income tax assets

Deferred income tax assets are related to temporarily deductible differences.

The corporate income tax rate used for determining deferred income tax assets is 20%.

### 14. Short-term trade payables

	Ending balance	Beginning balance
<i>Payables to related parties</i>	<i>39.471.656</i>	<i>7.025.613.978</i>
Duc Tam Wood Manufacturing and Exporting Company Limited	38.361.211	7.016.884.713
Tri Phuoc Thanh Company Limited	-	6.674.300
Saigon Pure Water Limited Liability Company	1.110.445	2.054.965
<i>Payables to other suppliers</i>	<i>15.069.862.627</i>	<i>3.674.619.130</i>
Thanh Hung Wood Company Limited	1.320.809.957	-
Ms. Cham Kim Loan – Payables for land	4.000.000.000	-
Hoang Cam Tu Trading Service Company Limited	1.829.843.476	-
Other suppliers	7.919.209.194	3.674.619.130
<b>Total</b>	<b>15.109.334.283</b>	<b>10.700.233.108</b>

The Company has no overdue trade payables.

### 15. Short-term advances from customers

	Ending balance	Beginning balance
Cuong Quoc Phat Co., Ltd.	977.120.240	1.126.664.160
May Viet Company Limited	-	1.278.546.864
Smathers & Branson	715.648.511	1.643.309.259
Hunet Corporation	676.310.162	613.885.891
Other customers	7.520.337.863	3.653.949.647
<b>Total</b>	<b>9.889.416.776</b>	<b>8.316.355.821</b>

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

### 16. Taxes and other obligations to the State Budget

	Beginning balance	Amount payable during the year	Amount paid during the year	Ending balance
VAT on local sales	-	-	-	-
Corporate income tax	3.422.615.390	15.908.312.212	(14.161.834.908)	5.169.092.694
Personal income tax	293.792.665	2.877.864.532	(1.767.708.218)	1.403.948.979
Other taxes	-	13.002.095	(13.002.095)	-
Fees, legal fees, and other duties	-	235.975.848	(235.975.848)	-
<b>Total</b>	<b>3.716.408.055</b>	<b>19.035.154.687</b>	<b>(16.178.521.069)</b>	<b>6.573.041.673</b>

#### Value added tax (VAT)

The Company has paid VAT in accordance with the deduction method. The tax rates applied are as follows:

- Exports	0%
- Local sales	05% or 10%
- Others	10%

During the year, the Company is entitled to the VAT rate of 8% for some goods and services according to the Decrees No. 94/2023/ND-CP dated 28 December 2023 and No. 72/2024/ND-CP dated 30 June 2024 of the Government.

#### Corporate income tax

The Company has to pay corporate income tax on taxable income at the rate of 20%.

Estimated corporate income tax payable during the year is as follows:

	Current year	Previous year
Total accounting profit before tax	75.996.256.723	45.747.229.056
Increases/(decreases) of accounting profit to determine profit subject to corporate income tax:		
- Increases	3.550.871.452	1.346.214.354
- Decreases	(315.145.799)	(139.686.995)
Income subject to tax	79.231.982.376	46.953.756.415
Corporate income tax rate	20%	20%
<i>Corporate income tax payable at common tax rate</i>	<i>15.846.396.475</i>	<i>9.390.751.283</i>
<i>Corporate income tax exempted, reduced – Expenses for female employees</i>	<i>(41.800.000)</i>	<i>(46.550.000)</i>
<i>Adjustments of corporate income tax of the previous years</i>	<i>103.715.737</i>	-
<b>Corporate income tax to be paid</b>	<b>15.908.312.212</b>	<b>9.344.201.283</b>

Determination of corporate income tax liability of the Company is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Combined Financial Statements can be changed upon the inspection of tax authorities

#### Other taxes

The Company has declared and paid these taxes in line with the prevailing regulations.



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report  
and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

17. **Payables to employees**  
This item reflects salary and bonus payable to employees.

	Ending balance	Beginning balance
Annual leave payable	2.087.929.000	1.325.462.000
Other short-term accrued expenses	1.385.683.415	856.350.726
<b>Total</b>	<b>3.473.612.415</b>	<b>2.181.812.726</b>

19. **Unearned revenues**

19a. **Short-term unearned revenues**

This item reflects prepayments for leasing workshop and office, of which the remaining term is less than 12 months.

19b. **Long-term unearned revenues**

This item reflects prepayments for leasing workshop and office, of which the remaining term is more than 12 months.

20. **Other payables**

20a. **Other short-term payables**

	Ending balance	Beginning balance
<i>Payables to related party</i>	-	6.456.415.718
Duc Tam Wood Manufacturing and Exporting Company Limited - Payables for borrowing	-	6.456.415.718
<i>Payables to other organizations and individuals</i>	3.852.685.838	1.721.552.854
Trade Union's expenditure, social insurance premiums	1.236.845.580	702.211.334
Dividends payable	32.155.750	16.508.300
Receipt of short-term deposits	940.142.091	-
Other short-term payables	1.643.542.418	1.002.833.220
<b>Total</b>	<b>3.852.685.838</b>	<b>8.177.968.572</b>

20b. **Other long-term payables**

This item reflects the receipt of deposit for leasing workshop.

20c. **Overdue debts**

The Company has no other overdue payables.

21. **Borrowings**

21a. **Short-term borrowings**

	Ending balance	Beginning balance
Short-term loans from banks	67.505.768.604	71.390.665.000
Vietcombank - Tan Binh Branch (i)	9.287.873.350	44.990.665.000
Shinhan Bank Vietnam Limited - Northern Saigon Branch (ii)	26.116.692.537	26.400.000.000
BIDV - Ho Chi Minh City Branch (iii)	32.101.202.517	-
Current portions of long-term loans (see Note No. V.21b)	8.820.000.000	-
<b>Total</b>	<b>76.325.768.604</b>	<b>71.390.665.000</b>

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

(i) The loan from Vietcombank - Tan Binh Branch with the loan limit of VND 70.000.000.000 is to supplement the working capital. The loan term is 6 months. This loan is secured by the Company's land use right and ownership of houses and other land-attached assets located at Land Lot No. 813, Map No. 41, Khanh Binh Ward, Tan Uyen City, Binh Duong Province (see Notes No. V.10 and V.11).

(ii) The loan from Shinhan Bank Vietnam Limited - Northern Saigon Branch with the loan limit of USD 3.000.000 is to supplement the working capital. The loan term is 12 months. This loan is secured by the savings deposit at the same bank (see Note No. V.2a).

(iii) The loan from BIDV - Ho Chi Minh City Branch with the loan limit of VND 45.000.000.000 is to supplement the working capital. The loan term is 12 months. This loan is secured by the land use right and ownership of houses and other land-attached assets owned by Ms. Le Hai Lieu, Land Lot No. 1333-15, the Map No. 06, My Hung - H7 Quarter, Area A TT- ĐTMNSG, Tan Phong Ward, District 7, Ho Chi Minh City.

The Company is solvent over short-term loans.

Details of increases/(decreases) of short-term loans during the year are as follows:

	Beginning balance	Increase during the year	Transfer from long-term borrowings	Amount repaid during the year	Ending balance
Short-term loans from banks	71.390.665.000	182.180.267.775	-	(185.065.164.171)	67.505.768.604
Current portions of long-term loans	-	-	11.794.300.000	(2.974.300.000)	8.820.000.000
<b>Total</b>	<b>71.390.665.000</b>	<b>182.180.267.775</b>	<b>11.794.300.000</b>	<b>(189.039.464.171)</b>	<b>76.325.768.604</b>

21b. **Long-term borrowings**

The loan from BIDV - Ho Chi Minh City Branch is to pay for receipt of transferred land and workshop transfer at Tan Hiep Ward, Tan Uyen City, Binh Duong Province to serve lease business. The maximum loan term is 120 months, starting from the day following the first disbursement date. The fixed interest rate of 6%/year is applied for the first 2 years, starting from the first disbursement date. After that, the interest rate changes at the market interest rates. This loan is secured by the land use rights and assets attached to the land under the Real Estate Mortgage Contract No. 02/2024/7801028/HĐBĐ dated 14 May 2024 (see Notes V.10 and V.11).

The Company is solvent over long-term loans.

Payment schedule of long-term borrowings is as follows:

	Ending balance	Beginning balance
Less than 1 year	8.820.000.000	-
More than 1 year to 5 years	35.280.000.000	-
More than 5 years	38.925.700.000	-
<b>Total</b>	<b>83.025.700.000</b>	<b>-</b>

Details of increase/(decrease) of long-term borrowings are as follows:

	Current year	Previous year
Beginning balance	-	-
Increase	86.000.000.000	-
Transfer to short-term loans	(11.794.300.000)	-
<b>Ending balance</b>	<b>74.205.700.000</b>	<b>-</b>

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

#### 21c. Overdue loans

The Company has no overdue loans.

#### 22. Bonus and welfare funds

	Current year	Previous year
Beginning balance	3,077,100.456	3,694,171.317
Increase due to appropriation from profit	3,004,397.226	1,820,151.389
Disbursement	(2,799,443.999)	(2,437,222.250)
Ending balance	3,282,053.682	3,077,100.456

#### 23. Provisions for long-term payables

Provisions for long-term payables are in relation to severance allowance. Details are as follows:

	Current year	Previous year
Beginning balance	1,943,424.958	2,918,226.667
Additional Provision/Disbursement	269,500.000	(734,469.000)
Reversal	(233,185.000)	(240,332.709)
Ending balance	1,979,739.958	1,943,424.958

#### 24. Owner's equity

##### 24a. Statement of changes in owner's equity

Information on the fluctuation in owner's equity is presented in the attached Appendix.

##### 24b. Details of capital contribution of the owners

	Ending balance	Beginning balance
Ms. Ha Thi Hue	8,009,210.000	58,639,390.000
Ms. Nguyen Ha Ngoc Diep	14,090,810.000	14,090,810.000
Ms. Le Hai Lieu	53,210,640.000	3,808,490.000
Other shareholders	166,391,010.000	146,124,330.000
Treasury shares	(2,866,100.000)	(3,937,100.000)
Total	238,835,570.000	218,725,920.000

##### Charter capital increase

Implementing the Resolution No. 01-24/NQ-DHĐCĐ GĐT dated 18 May 2024 of 2023 General Meeting of Shareholders regarding the share issuance plan to make the final dividend payment of 2023 at the rate of 10% to shareholders, the Board of Management approved the Minutes No. 01-24/BBH-ĐGDĐCĐ GĐT on additional issuance of 2,147,888 shares for the final dividend payment of 2023 at the rate of 10%.

On 06 September 2024, the Company implemented the Resolution No. 11-24/NQ-ĐT of the Board of Management regarding the share issuance plan to make the final dividend payment of 2023 at the rate of 10%. The number of shares expected to be issued is 2,145,208 shares.

On 22 November 2024, according to the Resolution No. 12-24/NQ-ĐT dated 16 October 2024 of the Board of Management, the Company submitted the Report No. 188-24/BC-ĐT on share sales offering results to the State Securities Commission of Vietnam regarding the increase in the Company's charter capital from VND 217,386,920,000 to VND 238,835,570,000 by mean of issuance of voting shares.

On 10 January 2025, the Company received the 33<sup>rd</sup> amended Business Registration Certificate, granted by Ho Chi Minh City Department of Planning and Investment regarding the increase in the charter capital up to VND 238,835,570,000.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

##### Charter capital decrease

The Resolution No. 01-24/NQ-DHĐCĐ GĐT dated 18 May 2024 of 2023 General Meeting of Shareholders approved the statement on the number of shares redeemed from resigned employees according to the regulations on issuing shares under Employee Stock Ownership Plan (ESOP) in 2023. Accordingly, the number of shares redeemed from employees is 133,900 shares.

On 27 August 2024, the Company received the 32<sup>nd</sup> amended Business Registration Certificate regarding the decrease in the charter capital from VND 218,725,920,000 down to VND 217,386,920,000.

#### 24c. Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	23,883,557	21,872,592
Number of shares sold to the public	23,883,557	21,872,592
- Common shares	23,883,557	21,872,592
- Preferred shares	-	-
Number of shares repurchased	(286,610)	(393,710)
- Common shares	(286,610)	(393,710)
- Preferred shares	-	-
Number of outstanding shares	23,596,947	21,478,882
- Common shares	23,596,947	21,478,882
- Preferred shares	-	-

Face value of outstanding shares: VND 10,000.

According to the Resolution No. 04-25/NQ-DT dated 11 March 2025 of the Board of Management regarding the issuance of shares under the Employee Stock Option Program (ESOP shares in 2024), the Board of Management will implement the issuance plan approved by the General Meeting of Shareholders to supplement the Company's working capital for business activities. Details are as follows:

- Number of shares expected for issuance	1,073,944 shares
- Tentative issue size	VND 10,739,440,000
- Issuance rate	4.55%
- Issuing price	VND 10,000/share
- Issuance schedule	Quarter 2 of 2025

#### 24d. Profit distribution

During the year, the Company distributed the profit according to the Resolution No. 01-24/NQ-DHĐCĐ GĐT dated 18 May 2024 of 2023 Annual General Meeting of Shareholders as follows:

	Distributable amount	Amount distributed in previous year	Amount distributed in current year	Difference
• Dividend distribution to shareholders	42,957,764.000	-	42,927,764.000	30,232.000
- In cash	21,478,882.000	-	21,478,882.000	-
- In shares	21,478,882.000	-	21,448,882.000	30,232.000
• Appropriation for bonus and welfare fund	1,820,151.389	1,820,151.389	-	-

Additionally, the Company has paid the first dividend in advance for 2024 in cash to shareholders at the rate of 10%/face value, equivalent to an amount of VND 23,596,947,000, in accordance with the Resolution No. 13-24/NQ-ĐT dated 19 October 2024 of Board of Management.



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- 199 Statement of the Board of Executives
- 203 Independent Auditor's report and Combined Balance Sheet
- 208 Combined Income Statement
- 209 Combined Cash Flow Statement
- 211 Notes to the Combined Financial Statements
- Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

During the year, the Company also temporarily appropriated bonus and welfare funds of 2024 for an amount of VND 3.004.397.226.

#### 25. Off-combined balance sheet items

##### 25a. Foreign currencies

	Ending balance	Beginning balance
US Dollar (USD)	169.020,02	40.240,18
Euro (EUR)	-	37,51

##### 25b. Treated doubtful debts

The trade receivables of VND 532.000.000 from FDI Korea Vietnam Vinpot Group Venture Joint Stock Company have been written off due to being irrecoverable.

### VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED INCOME STATEMENT

#### 1. Revenue from sales of goods and provisions of services

##### 1a. Gross revenue

	Current year	Previous year
Revenue from sales of finished goods	307.522.662.837	271.788.870.505
Revenue from leasing investment property (i)	21.192.699.894	3.277.866.403
Other revenue	7.960.375.550	38.800.929.317
<b>Total</b>	<b>336.675.738.281</b>	<b>313.867.666.225</b>

##### (i) Income and expenses with regards to investment properties for lease are as follows:

	Current year	Previous year
Income from lease of investment properties	21.192.699.894	3.277.866.403
Expenses directly related to generation of income from leases	5.211.269.009	-
<b>Income from investment properties</b>	<b>15.981.430.885</b>	<b>3.277.866.403</b>

##### 1b. Revenue from sales of goods and provisions of services to related parties

Apart from sales of goods and provisions of services with subsidiary presented in Note No. V.2b, the Company has following sales of goods and provisions of services to other related parties:

	Current year	Previous year
<b>Tri Phuoc Thanh Company Limited</b>		
Sales of merchandise	246.994.000	-
<b>Tri Linh Services and Trading Company Limited</b>		
Sales of merchandise	2.650.000	-
<b>Pizza 4Ps Corporation</b>		
Sales of merchandise	44.563.500	-
<b>Saigon Pure Water Limited Liability Company</b>		
Sales of merchandise	60.000.000	-

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

#### 2. Revenue deductions

	Current year	Previous year
Trade discounts	571.341.478	1.426.848.480
Sales returns	581.635.136	1.444.402.703
Sales allowances	-	157.074
<b>Total</b>	<b>1.152.976.614</b>	<b>2.871.408.257</b>

#### 3. Costs of sales

	Current year	Previous year
Costs of finished goods sold	199.883.761.244	220.756.327.042
Costs of investment property lease	5.211.269.008	-
<b>Total</b>	<b>205.095.030.253</b>	<b>220.756.327.042</b>

#### 4. Financial income

	Current year	Previous year
Term deposit interest	2.254.482.350	2.339.964.744
Demand deposit interest	3.883.652	4.352.880
Bond interest	616.332.626	-
Interest on loans given	1.777.732.873	5.070.899.875
Exchange gain arising	4.246.738.858	2.817.484.402
Exchange gain due to the revaluation of monetary items in foreign currencies	230.301.066	87.891.065
Cash discount	20.814.925	66.933.399
<b>Total</b>	<b>9.150.286.350</b>	<b>10.387.526.365</b>

#### 5. Financial expenses

	Current year	Previous year
Loan interest expenses	6.011.840.256	3.177.875.378
Cash discount given to customers	2.119.546.452	5.795.543.305
Exchange loss arising	2.076.131.079	1.348.395.037
<b>Total</b>	<b>10.207.517.787</b>	<b>10.321.813.720</b>

#### 6. Selling expenses

	Current year	Previous year
Expenses for employees	6.252.020.720	6.324.526.285
Materials, packages	34.999.992	8.327.248
Depreciation/(amortization) of fixed assets	691.925.777	105.227.280
Expenses for office	423.012.235	-
Discount on sales	1.851.821.877	879.280.269
Transportation expenses	2.577.496.287	2.021.135.415
Expenses for exportation	2.083.867.694	3.272.674.436
Expenses for external services	2.116.954.541	3.083.264.829
Reversal of warranty expenses	-	(1.034.000)
Other expenses	928.113.304	1.556.248.697
<b>Total</b>	<b>16.960.212.427</b>	<b>17.249.650.459</b>

## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

#### 7. General and administration expenses

	Current year	Previous year
Expenses for employees	24.784.110.342	16.922.680.871
Office supplies	318.685.669	579.930.636
Office stationery	144.772.411	-
Depreciation/(amortization) of fixed assets	1.889.611.731	3.563.673.449
Taxes, fees and legal fees	16.700.595	28.317.463
Allowance for doubtful debts	507.588.254	-
Expenses for external services	4.238.158.772	2.399.885.501
Other expenses	4.877.758.841	3.878.681.961
<b>Total</b>	<b>36.777.386.615</b>	<b>27.624.956.562</b>

#### 8. Other income

	Current year	Previous year
Proceeds from liquidation and disposal of fixed assets	626.001.516	144.839.813
Other income	162.136.783	180.107.634
<b>Total</b>	<b>788.138.299</b>	<b>324.947.447</b>

#### 9. Other expenses

	Current year	Previous year
Tax collected in arrears and fine for late tax payment of previous years according to the Tax Inspection	370.831.506	-
Decision of tax authority	53.951.006	8.757.573
Other expenses	-	-
<b>Total</b>	<b>424.782.512</b>	<b>8.757.573</b>

#### 10. Earnings per share

Information on earnings per share is presented in the Consolidated Financial Statements.

#### 11. Operating costs by factors

	Current year	Previous year
Materials and supplies	89.334.558.039	163.944.636.580
Labor costs	115.255.274.092	99.520.841.018
Depreciation/(amortization) of fixed assets	12.027.274.356	7.936.966.122
Expenses for external services	24.087.093.591	20.816.420.670
Other expenses	6.515.401.141	5.847.397.962
<b>Total</b>	<b>247.219.601.219</b>	<b>298.066.262.352</b>

### VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE COMBINED CASH FLOW STATEMENT

As of the balance sheet date, the balances related to acquisition of fixed assets are as follows:

	Ending balance	Beginning balance
Advance for acquisition of fixed assets	747.066.000	1.633.700.000
Payables for acquisition of fixed assets	4.410.342.850	-

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements 233 Annual report 2024

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Combined Financial Statements (cont.)

### VIII. OTHER DISCLOSURES

#### 1. Operating leased assets

As at the balance sheet date, the total minimum rental to be collected in the future from irrevocable operating leases is as follows:

	Ending balance	Beginning balance
1 year or less	22.819.896.324	993.886.022
More than 1 year to 5 years	35.044.083.305	-
<b>Total</b>	<b>57.863.979.629</b>	<b>993.886.022</b>

#### 2. Transactions and balances with related parties

The Company's related parties include the key managers, their related individuals and other related parties.

#### 2a. Transactions and balances with the key managers and their related individuals

The Company's key managers include the Board of Management and the Board of Executives. The key managers' related individuals are their close family members.

##### Transactions with the key managers and their related individuals

The Company has no sales of goods and service provisions to the key managers and their related individuals. The Company only has the following transactions with the key managers and their related individuals:

	Current year	Previous year
<b>The Board of Management</b>		
Borrowing	-	-
Loan given	5.000.000.000	-
Interest on loan given	150.232.875	-
Dividend distribution	10.395.514.000	3.558.024.000

##### The Board of Supervisors

Dividend distribution	107.929.000	50.657.000
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##### The Board of Executives

Dividend distribution	104.819.000	121.053.000
-----------------------	-------------	-------------

##### The key managers' related individuals

Loan given	24.200.000.000	-
Interest on loan given	1.028.799.998	-
Dividend distribution	9.316.582.000	7.106.493.000
Transfer of capital investment	500.000.000	-

The prices of merchandise and services supplied to the key managers and their related individuals are mutually agreed prices.

##### Guarantee commitment

Ms. Le Hai Lieu used her land use right, ownership of houses and other land-attached assets to secure the Company's loan from BIDV - Ho Chi Minh City Branch (see Note No. V.21a).

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements www.goducthanh.com 234



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

#### Receivables from and payables to the key managers and their related individuals

Receivables from and payables to the key managers and their related individuals are presented in Notes No. V.5 and V.6.

#### Remuneration of the key managers and the Board of Supervisors

The remuneration of the key managers includes salary and compensation with the total amounts during the year as follows:

Full name	Position	Current year	Previous year
<b>Board of Management and Board of Executives</b>			
Ms. Le Hai Lieu	Chairwoman	-	-
Mr. Le Hong Thang	Vice Chairman cum General Director	912.000.000	1.714.862.000
Ms. Nguyen Ha Ngoc Diep	Member cum Deputy General Director	721.914.000	1.002.926.000
Mr. Le Hong Thanh	Member	-	50.000.000
Mr. Tran Xuan Nam	Member (resigned on 25 March 2023)	-	140.000.000
Ms. Truong Thi Dieu Le	Member	120.000.000	120.000.000
Mr. Hoang Anh Tuan	Member	280.000.000	280.000.000
Mr. Nguyen Hoang Ngan	Member	100.000.000	-
Ms. Nguyen Thi Thanh Huyen	Deputy General Director	508.930.000	718.277.000
Ms. Bui Phuong Thao	Chief Accountant	435.181.000	622.938.000
Ms. Truong Thi Binh	Head of the Supervisory Board	396.177.000	584.713.000
Mr. Tran Ngoc Hung	Supervisory Board Member	120.000.000	170.000.000
Ms. Bui Tuong Anh	Supervisory Board Member	70.000.000	100.000.000
<b>Total</b>		<b>2.752.202.000</b>	<b>5.503.716.000</b>

Ms. Le Hai Lieu did not receive working compensation during the year and gave all her compensation to support the employees in the Company.

#### 2b. Transactions and balances with other related parties

Other related parties of the Company include:

Other related parties	Relationship
Duc Tam Wood Manufacturing and Exporting Company Limited	Subsidiary
Binh Dien Fertilizer Joint Stock Company	The company having the same key manager (Mr. Tran Ngoc Hung is the Chief Accountant)
Saigon Pure Water Limited Liability Company	The company having related party members
Tri Phuoc Thanh Company Limited	The company having related party members
Tri Linh Services and Trading Company Limited	The company having related party members
Pizza 4Ps Corporation	The company having the same key manager (Mr. Bui Tuong Anh is the Chief Financial Officer)
Binh Minh Plastics Joint Stock Company	The company having the same key manager (Mr. Nguyen Hoang Ngan is a member of the Board of Management)
Business Insight Vietnam Company Limited	The company having the same key manager (Mr. Hoang Anh Tuan is the legal representative)

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements

235 Annual report 2024

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Combined Financial Statements (cont.)

#### Transactions with other related parties

Apart from transactions with subsidiary presented in Note No. V.2c as well as sales of goods and service provisions with other related parties which are not subsidiaries presented in Note No. VI.1b, the Company has other following transactions with other related parties:

	Current year	Previous year
<b>Tri Phuoc Thanh Company Limited</b>		
Commission discount	19.814.490	-
<b>Saigon Pure Water Limited Liability Company</b>		
Purchases of merchandise	22.636.610	-
<b>Pizza 4Ps Corporation</b>		
Interest on loan given	252.493.151	-

#### Receivables from and payables to other related parties

The receivables from and payables to other related parties are presented in Notes No. V.3, V.5, V.6 and V.14.

#### 3. Segment information

Principal business activities of the Company are to manufacture and trade wooden products, which have no differences in economic risks and benefits. The Company's products are both for local sales and export. However, there are no differences in economic risks and benefits in these markets.

#### 4. Subsequent events

Apart from the event presented in Note V.24, there are no material subsequent events which are required adjustments or disclosures in the Combined Financial Statements.

Ho Chi Minh City, 29 March 2025

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director

These Notes form an integral part of and should be read in conjunction with the Combined Financial Statements [www.goducthanh.com](http://www.goducthanh.com) 236



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

#### • Combined Financial Statements

199 Statement of the Board of Executives

203 Independent Auditor's report

and Combined Balance Sheet

208 Combined Income Statement

209 Combined Cash Flow Statement

211 Notes to the Combined Financial Statements

#### • Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH



## DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

### COMBINED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

### Appendix: Statement of changes in owner's equity

Unit: VND

	Owner's capital	Share premiums	Treasury shares	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	197.471.710.000	6.024.317.006	(4.216.600.000)	1.001.210.514	94.070.020.338	294.350.657.858
Share issuance for dividend distribution	19.362.460.000	-	-	-	(19.362.460.000)	-
Acquisition of treasury shares	-	-	(1.339.000.000)	-	-	(1.339.000.000)
Charter capital decrease due to redemption of shares of employees	(1.223.250.000)	-	1.223.250.000	-	-	-
Issuance of shares and collection in cash during the year	3.115.000.000	3.093.400.000	-	-	-	6.208.400.000
Profit in the previous year	-	-	-	-	36.403.027.773	36.403.027.773
Appropriation for funds in the previous year	-	-	-	-	(1.820.151.389)	(1.820.151.389)
Dividend distribution in the previous year	-	-	-	-	(42.436.163.999)	(42.436.163.999)
<b>Ending balance of the previous year</b>	<b>218.725.920.000</b>	<b>9.117.717.006</b>	<b>(4.332.350.000)</b>	<b>1.001.210.514</b>	<b>66.854.272.724</b>	<b>291.366.770.244</b>
Beginning balance of the current year	218.725.920.000	9.117.717.006	(4.332.350.000)	1.001.210.514	66.854.272.723	291.366.770.243
Share issuance for dividend distribution	21.448.650.000	-	-	-	(21.448.650.000)	-
Acquisition of treasury shares in the current year	-	-	(268.000.000)	-	-	(268.000.000)
Charter capital decrease due to redemption of shares of employees	(1.339.000.000)	(21.600.000)	1.339.000.000	-	-	(21.600.000)
Profit in the current year	-	-	-	-	60.087.944.510	60.087.944.510
Appropriation for funds in the current year	-	-	-	-	(3.004.397.225)	(3.004.397.225)
Dividend distribution in the current year	-	-	-	-	(45.075.829.000)	(45.075.829.000)
<b>Ending balance of the current year</b>	<b>238.835.570.000</b>	<b>9.096.117.006</b>	<b>(3.261.350.000)</b>	<b>1.001.210.514</b>	<b>57.413.341.007</b>	<b>303.084.888.527</b>

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director







## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

238 Statement of the Board of Executives  
242 Independent Auditor's report  
and Consolidated Balance Sheet  
247 Consolidated Income Statement  
248 Consolidated Cash Flow Statement  
250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

## DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

## CONTENTS CONSOLIDATED FINANCIAL STATEMENTS

	Page
1. Contents	1
2. Statement of the Board of Executives	2 - 4
3. Independent Auditor's Report	5
4. Consolidated Balance Sheet as of 31 December 2024	6 - 9
5. Consolidated Income Statement for the fiscal year ended 31 December 2024	10
6. Consolidated Cash Flow Statement for the fiscal year ended 31 December 2024	11 - 12
7. Notes to the Consolidated Financial Statements for the fiscal year ended 31 December 2024	13 - 38
8. Appendix	39 - 40

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## DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

### STATEMENT OF THE BOARD OF EXECUTIVES

The Board of Executives of Duc Thanh Wood Processing Joint Stock Company (hereinafter referred to as "the Company") presents this statement together with the Consolidated Financial Statements for the fiscal year ended 31 December 2024, including the Financial Statements of the Company and those of its subsidiaries (hereinafter collectively referred to as "the Group").

#### Business highlights

Duc Thanh Wood Processing Joint Stock Company has been operating in accordance with the Business Registration Certificate No. 0301449014, which was registered for the first time on 08 August 2000 and amended for the 33<sup>rd</sup> time on 10 January 2025, granted by Ho Chi Minh City Department of Planning and Investment.

The Company's stocks were officially listed in the Ho Chi Minh City Stock Exchange (HOSE) under stock code of GDT in line with the Decision No. 136/QĐ-SGDHCM dated 03 November 2009 of HOSE.

#### Head office

- Address : No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City.  
- Tel. : +84 (028) 3589 4287  
- Fax : +84 (028) 3589 4288

The Company has the following affiliates:

Affiliates	Address
Branch of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 835, Map No. 7, Tan Hoi Quarter, Tan Hiep Ward, Tan Uyen City, Binh Duong Province
Branch of Duc Thanh Wood Processing Joint Stock Company - Duc Thanh Store	No. 216 Ly Tu Trong Street, Ben Thanh Ward, District 1, Ho Chi Minh City
Branch 4 of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 813, Map No. 41, Khanh Binh 51 Street, Binh Chinh Quarter, Khanh Binh Ward, Tan Uyen City, Binh Duong Province

The Company's business activities are wood production, broomstick, flag handle, laminated board, wooden furniture, children's wooden toy production (neither wood processing, nor trade in toys that are harmful for personality education, children's health or social order, security).

#### Board of Management, Supervisory Board and Board of Executives

Members of the Board of Management, the Board of Supervisors and the Board of Executives of the Company during the year and as of the date of this statement include:

#### The Board of Management

Full name	Position	Appointing/re-appointing date
Ms. Le Hai Lieu	Chairwoman	Re-appointed on 13 June 2020
Mr. Le Hong Thang	Vice Chairman	Re-appointed on 13 June 2020
Mr. Le Hong Thanh	Member	Re-appointed on 13 June 2020
Ms. Truong Thi Dieu Le	Member	Re-appointed on 13 June 2020
Ms. Nguyen Ha Ngoc Diep	Member	Re-appointed on 13 June 2020
Mr. Hoang Anh Tuan	Member	Appointed on 13 June 2020
Mr. Nguyen Hoang Ngan	Member	Appointed on 25 March 2023

## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

REPORTS

AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

238 Statement of the Board of Executives  
242 Independent Auditor's report  
and Consolidated Balance Sheet  
247 Consolidated Income Statement  
248 Consolidated Cash Flow Statement  
250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY STATEMENT OF THE BOARD OF EXECUTIVES (cont.)

#### The Supervisory Board

Full name	Position	Re-appointing date
Ms. Truong Thi Binh	Chief of the Board	13 June 2020
Ms. Bui Tuong Anh	Member	13 June 2020
Mr. Tran Ngoc Hung	Member	13 June 2020

#### The Board of Executives

Full name	Position	Appointing/re-appointing/resigning date
Mr. Le Hong Thang	General Director	Resigned on 29 July 2024
Ms. Nguyen Ha Ngoc Diep	Deputy General Director	Appointed on 16 January 2019
Ms. Nguyen Thi Thanh Huyen	Deputy General Director	Appointed on 07 August 2021
	Governance Manager	Appointed on 24 September 2024

#### Legal Representative

The legal representative of the Company during the year and as of the date of this statement is as follows:

Full name	Position	Appointing/resigning date
Mr. Le Hong Thang	General Director	Resigned on 15 August 2024
Ms. Le Hai Lieu	Chairwoman	Appointed on 15 August 2024

Ms. Le Hai Lieu authorized Ms. Nguyen Ha Ngoc Diep – Deputy General Director to sign on the Consolidated Financial Statements for the fiscal year ended 31 December 2024 according to the Power of Attorney No. 132-24/DT-UQ dated 30 August 2024.

#### Auditors

A&C Auditing and Consulting Co., Ltd. has been appointed to perform the audit on the Group's Consolidated Financial Statements for the fiscal year ended 31 December 2024.

#### Responsibilities of the Board of Executives

The Board of Executives is responsible for the preparation of the Consolidated Financial Statements to give a true and fair view of the consolidated financial position, the consolidated financial performance and the consolidated cash flows of the Group during the year. In order to prepare these Consolidated Financial Statements, the Board of Executives must:

- select appropriate accounting policies and apply them consistently;
- make judgments and estimates reasonably and prudently;
- state clearly whether the accounting standards applied to the Group are followed or not, and all the material differences from these standards are disclosed and explained in the Consolidated Financial Statements;
- prepare the Consolidated Financial Statements of the Group on the going-concern basis, except for the cases that the going-concern assumption is considered inappropriate;
- design and implement effectively the internal control system to minimize the risks of material misstatements due to frauds or errors in the preparation and presentation of the Consolidated Financial Statements.

The Board of Executives hereby ensures that all the proper accounting books of the Group have been fully recorded and can fairly reflect the financial position of the Group at any time, and that all the accounting books have been prepared in compliance with the applicable Accounting System. The Board of Executives is also responsible for managing the Group's assets and consequently has taken appropriate measures to prevent and detect frauds and other irregularities.

The Board of Executives hereby commits to the compliance with the aforementioned requirements in preparation of the Consolidated Financial Statements.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY STATEMENT OF THE BOARD OF EXECUTIVES (cont.)

#### Approval of the Consolidated Financial Statements

The Board of Executives hereby approves the accompanying Consolidated Financial Statements, which give a true and fair view of the consolidated financial position as of 31 December 2024 of the Group, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of the Board of Executives,

Nguyen Ha Ngoc Diep  
Deputy General Director

Date: 29 March 2025





## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH



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No. 1.0819/25/TC-AC

## INDEPENDENT AUDITOR'S REPORT

To: THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE BOARD OF EXECUTIVES  
DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

We have audited the accompanying Consolidated Financial Statements of Duc Thanh Wood Processing Joint Stock Company (hereinafter referred to as "the Company") and its subsidiary (hereinafter collectively referred to as "the Group"), which were prepared on 29 March 2025 (from page 06 to page 40) including the Consolidated Balance Sheet as of 31 December 2024, the Consolidated Income Statement, the Consolidated Cash Flow Statement for the fiscal year then ended and the Notes to the Consolidated Financial Statements.

### Responsibility of the Board of Executives

The Company's Board of Executives is responsible for the preparation, true and fair presentation of the Consolidated Financial Statements of the Group in accordance with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements; and responsible for the internal control as the Board of Executives determines necessary to enable the preparation and presentation of the Consolidated Financial Statements to be free from material misstatement 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. Those standards require that we comply with ethical standards and requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements of the Group are free from material misstatement.

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

### Opinion of Auditors

In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the consolidated financial position as of 31 December 2024 of the Group, its consolidated financial performance and its consolidated cash flows for the fiscal year then ended, in conformity with the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System and relevant statutory requirements on the preparation and presentation of the Consolidated Financial Statements.

For and on behalf of  
A&C Auditing and Consulting Co., Ltd.



**Ho Van Tung**  
Partner  
Audit Practice Registration Certificate No. 0092-2023-008-1  
Authorized Signatory

Ho Chi Minh City, 29 March 2025

**Phan Cao Huyen**  
Auditor  
Audit Practice Registration Certificate No. 3523-2021-008-1

*[Signature]*

A&C Auditing and Consulting Co., Ltd. trading as Baker Tilly A&C is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities

## DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

## CONSOLIDATED BALANCE SHEET

As of 31 December 2024

Unit: VND

ITEMS	Code	Note	Ending balance	Beginning balance
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>230.246.849.340</b>	<b>271.943.803.007</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>5.169.758.218</b>	<b>22.885.155.092</b>
1. Cash	111		5.169.758.218	8.185.155.092
2. Cash equivalents	112		-	14.700.000.000
<b>II. Short-term financial investments</b>	<b>120</b>		<b>51.555.000.000</b>	<b>68.855.000.000</b>
3. Held-to-maturity investments	123	V.2	51.555.000.000	68.855.000.000
<b>III. Short-term receivables</b>	<b>130</b>		<b>92.566.596.214</b>	<b>78.955.266.197</b>
1. Short-term trade receivables	131	V.3	26.364.791.925	29.108.914.536
2. Short-term prepayments to suppliers	132	V.4	2.533.855.163	2.718.279.206
5. Receivables for short-term loans	135	V.5	33.000.000.000	22.400.000.000
6. Other short-term receivables	136	V.6a	31.175.537.380	24.728.072.455
7. Allowance for short-term doubtful debts	137	V.7	(507.588.254)	-
<b>IV. Inventories</b>	<b>140</b>		<b>73.223.354.674</b>	<b>91.952.967.897</b>
1. Inventories	141	V.8	73.223.354.674	91.952.967.897
Allowance for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>7.732.140.234</b>	<b>9.295.413.821</b>
1. Short-term prepaid expenses	151	V.9a	764.828.881	1.524.062.127
2. Deductible VAT	152		6.245.083.075	7.350.415.408
3. Taxes and other receivables from the State	153	V.16	722.228.278	420.936.286



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

238 Statement of the Board of Executives  
242 Independent Auditor's report  
and Consolidated Balance Sheet  
247 Consolidated Income Statement  
248 Consolidated Cash Flow Statement  
250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
<b>B- NON-CURRENT ASSETS</b>	<b>200</b>		<b>293.995.313.464</b>	<b>136.963.670.079</b>
I. Long-term receivables	210		-	150.000.000
6. Other long-term receivables	216	V.6b	-	150.000.000
II. Fixed assets	220		82.626.155.945	128.706.121.012
1. Tangible fixed assets	221	V.10	61.537.551.018	73.939.302.553
- Historical cost	222		172.887.493.792	178.201.268.237
- Accumulated depreciation	223		(111.349.942.774)	(104.261.965.684)
3. Intangible fixed assets	227	V.11	21.088.604.927	54.766.818.459
- Initial cost	228		26.821.334.013	64.321.334.013
- Accumulated amortization	229		(5.732.729.086)	(9.554.515.554)
III. Investment property	230	V.12	206.337.990.980	-
- Historical costs	231		218.626.000.000	-
- Accumulated depreciation	232		(12.288.009.020)	-
VI. Other non-current assets	260		5.031.166.539	8.107.549.067
1. Long-term prepaid expenses	261	V.9b	4.457.981.584	7.534.364.112
2. Deferred income tax assets	262	V.13	573.184.955	573.184.955
<b>TOTAL ASSETS</b>	<b>270</b>		<b>524.242.162.804</b>	<b>408.907.473.086</b>

This statement should be read in conjunction with the Notes to the Consolidated Financial Statements

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
<b>C- LIABILITIES</b>	<b>300</b>		<b>226.061.988.090</b>	<b>117.251.398.925</b>
I. Current liabilities	310		143.194.975.206	114.605.291.876
1. Short-term trade payables	311	V.14	15.599.326.761	6.518.615.586
2. Short-term advances from customers	312	V.15	10.856.831.651	8.653.854.087
3. Taxes and other obligations to the State Budget	313	V.16	6.592.626.687	3.716.408.055
4. Payables to employees	314	V.17	21.008.886.129	17.145.980.354
5. Short-term accrued expenses	315	V.18	3.473.612.415	2.181.812.726
8. Short-term unearned revenue	318	V.19a	2.055.169.050	-
9. Other short-term payables	319	V.20a,c	4.000.700.227	1.920.855.612
10. Short-term borrowings and financial leases	320	V.21a,c	76.325.768.604	71.390.665.000
12. Bonus and welfare funds	322	V.22	3.282.053.682	3.077.100.456
II. Non-current liabilities	330		82.867.012.884	2.646.107.049
6. Long-term unearned revenue	336	V.19b	2.894.849.926	-
7. Other long-term payables	337	V.20b,c	3.786.723.001	702.682.091
8. Long-term borrowings and financial leases	338	V.21b,c	74.205.700.000	-
12. Provisions for long-term payables	342	V.23	1.979.739.958	1.943.424.958

This statement should be read in conjunction with the Notes to the Consolidated Financial Statements [www.goducthanh.com](http://www.goducthanh.com) | 245



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024  
Consolidated Balance Sheet (cont.)

ITEMS	Code	Note	Ending balance	Beginning balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>298.180.174.714</b>	<b>291.656.074.161</b>
1. Owner's equity	410		298.180.174.714	291.656.074.161
1. Owner's capital	411	V.24	238.835.570.000	218.725.920.000
- Ordinary shares carrying voting rights	411a		238.835.570.000	218.725.920.000
- Preferred shares	411b		-	-
2. Share premiums	412	V.24	9.096.117.006	9.117.717.006
5. Treasury stocks	415	V.24	(3.261.350.000)	(4.332.350.000)
8. Investment and development fund	418	V.24	1.001.210.514	1.001.210.514
11. Retained earnings	421	V.24	52.508.627.194	67.143.576.641
- Retained earnings accumulated to the end of the previous period	421a		24.216.044.641	67.143.576.641
- Retained earnings of the current period	421b		28.292.582.553	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>524.242.162.804</b>	<b>408.907.473.086</b>

*Nguyen Quoc Hiep*  
Preparer

*Bui Phuong Thao*  
Chief Accountant

*Nguyen Ha Ngoc Diep*  
Deputy General Director



This statement should be read in conjunction with the Notes to the Consolidated Financial Statements

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

**CONSOLIDATED INCOME STATEMENT**  
For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Revenue from sales of goods and provisions of services	01	VI.1	336.789.909.965	313.867.666.225
2. Revenue deductions	02	VI.2	1.152.976.614	2.871.408.257
3. Net revenue	10		335.636.933.351	310.996.257.968
4. Cost of sales	11	VI.3	209.454.829.816	220.756.327.042
5. Gross profit	20		126.182.103.535	90.239.930.926
6. Financial income	21	VI.4	9.150.870.599	10.387.526.365
7. Financial expenses	22	VI.5	10.207.517.787	10.321.811.088
In which: Loan interest expenses	23		6.011.840.256	3.177.875.378
8. Gain or loss in joint ventures, associates	24		-	-
9. Selling expenses	25	VI.6	17.057.212.748	17.249.650.459
10. General and administration expenses	26	VI.7	37.783.335.132	27.624.956.562
11. Net operating profit	30		70.284.908.467	45.431.039.182
12. Other income	31	VI.8	986.309.952	614.251.365
13. Other expenses	32	VI.9	424.782.512	8.757.573
14. Other profit	40		561.527.440	605.493.792
15. Total accounting profit before tax	50		70.846.435.907	46.036.532.974
16. Current income tax	51	V.16	15.952.509.129	9.344.201.283
17. Deferred income tax	52		-	-
18. Profit after tax	60		54.893.926.778	36.692.331.691
19. Profit after tax of the Parent Company	61		54.893.926.778	36.692.331.691
20. Profit after tax of non-controlling shareholders	62		-	-
21. Basic earnings per share	70	VI.10	2.167	1.452
22. Diluted earnings per share	71	VI.10	2.167	1.452

*Nguyen Quoc Hiep*  
Preparer

*Bui Phuong Thao*  
Chief Accountant

*Nguyen Ha Ngoc Diep*  
Deputy General Director



This statement should be read in conjunction with the Notes to the Consolidated Financial Statements [www.goducthanh.com](http://www.goducthanh.com) | 247



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

## CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

For the fiscal year ended 31 December 2024

Unit: VND

ITEMS	Code	Note	Current year	Previous year
<b>I. Cash flows from operating activities</b>				
1. Profit before tax	01		70.846.435.907	46.036.532.974
2. Adjustments				
- Depreciation/Amortization of fixed assets and	02	V.10, 11, V12	18.013.636.512	9.663.059.842
- Provisions and allowances	03	V.7,23	543.903.254	(974.801.709)
- Exchange gain/(loss) due to revaluation of				
monetary items in foreign currencies	04	V1.4	(230.301.066)	(87.891.065)
- Gain/(loss) from investing activities	05	V1.4, V1.8	(5.479.017.266)	(7.555.704.432)
- Interest expenses	06	V1.5	6.011.840.256	3.177.875.378
- Others	07		-	-
3. Operating profit before				
changes of working capital	08		89.706.497.597	50.259.070.988
- Increase/(decrease) of receivables	09		(4.176.989.612)	25.903.988.249
- Increase/(decrease) of inventories	10		18.729.613.224	5.063.838.280
- Increase/(decrease) of payables	11		22.690.677.695	(25.614.527.319)
- Increase/(decrease) of prepaid expenses	12		3.835.615.774	(1.612.820.527)
- Increase/(decrease) of trading securities	13		-	-
- Interests paid	14	V1.5	(6.011.840.256)	(3.177.875.378)
- Corporate income tax paid	15		(14.161.834.908)	(16.474.503.808)
- Other cash inflows	16		-	-
- Other cash outflows	17	V.22	(2.799.444.000)	(2.437.222.250)
Net cash flows from operating activities	20		107.812.295.514	31.909.948.235
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets				
and other non-current assets	21	V.10, 11, VII	(172.612.320.423)	(8.270.271.388)
2. Proceeds from disposals of fixed assets				
and other non-current assets	22	V.10, VI.8	963.636.364	2.594.501.866
3. Cash outflow for lending, buying debt instruments				
of other entities	23		(252.973.054.586)	(143.955.000.000)
4. Cash recovered from lending, selling debt instruments				
of other entities	24		259.673.054.586	109.300.000.000
5. Investments in other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Interest earned, dividends and profits received	27	V.6a, VI.4	5.408.701.382	7.724.028.170
Net cash flows from investing activities	30		(159.539.982.677)	(32.606.741.352)

This statement should be read in conjunction with the Notes to the Consolidated Financial Statements

248 | Annual report 2024

**DUC THANH WOOD PROCESSING JOINT STOCK COMPANY**  
Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024  
Consolidated Cash Flow Statement (cont.)

ITEMS	Code	Note	Current year	Previous year
<b>III. Cash flows from financing activities</b>				
1. Proceeds from issuing stocks and capital contributions				
from owners	31	V.24	-	6.208.400.000
2. Repayment for capital contributions and re-purchases				
of stocks already issued	32	V.24	(268.000.000)	(1.339.000.000)
3. Proceeds from borrowings	33	V.21	268.180.267.775	162.633.997.307
4. Repayment for loan principal	34	V.21	(189.039.464.171)	(121.114.232.307)
5. Payments for financial leased assets	35		-	-
6. Dividends and profit paid to the owners	36	V.20,24	(45.060.181.550)	(42.433.857.699)
Net cash flows from financing activities	40		33.812.622.054	3.955.307.301
Net cash flows during the year	50		(17.915.065.109)	3.258.514.184
Beginning cash and cash equivalents	60	V.1	22.885.155.092	19.510.897.861
Effects of fluctuations in foreign exchange rates	61		199.668.235	115.743.047
Ending cash and cash equivalents	70	V.1	5.169.758.218	22.885.155.092

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director

This statement should be read in conjunction with the Notes to the Consolidated Financial Statements

www.goducthanh.com | 249



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

238	Statement of the Board of Executives
242	Independent Auditor's report and Consolidated Balance Sheet
247	Consolidated Income Statement
248	Consolidated Cash Flow Statement
250	Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

### I. GENERAL INFORMATION

- Ownership form**  
Duc Thanh Wood Processing Joint Stock Company (hereinafter referred to as "the Company") is a joint stock company.
- Operating field**  
The operating field of the Company is industrial manufacturing.
- Principal business activities**  
The principal business activities of the Company are wood production, broomstick, flag handle, laminated board, wooden furniture, children's wooden toy production.
- Normal operating cycle**  
The normal operating cycle of the Company is within 12 months.
- Structure of the Group**  
The Group includes the Parent Company and 1 subsidiary under the control of the Parent Company. The subsidiary is consolidated in these Consolidated Financial Statements.

#### Subsidiary

The Company only invests in its subsidiary which is Duc Tam Wood Manufacturing and Exporting Company Limited located at No. 49A, Doan Van Cu Street, Vam Hamlet, Thien Tan Commune, Vinh Cuu District, Dong Nai Province. The principal business activity of this subsidiary is to wholesale sawn timber (from legal timber sources) (only operating when satisfying all business conditions according to legal requirements). As of the balance sheet date, the Company's capital contribution rate at this subsidiary is 100%, equivalent to the voting rate and ownership rate.

#### The Group has the following affiliates:

Affiliates	Address
Branch of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 835, Map No. 7, Tan Hoi Quarter, Tan Hiep Ward, Tan Uyen City, Binh Duong Province
Branch of Duc Thanh Wood Processing Joint Stock Company - Duc Thanh Store	No. 216 Ly Tu Trong Street, Ben Thanh Ward, District 1, Ho Chi Minh City
Branch 4 of Duc Thanh Wood Processing Joint Stock Company	Land Lot No. 813, Map No. 41, Khanh Binh 51 Street, Binh Chinh Quarter, Khanh Binh Ward, Tan Uyen City, Binh Duong Province

- Statement of information comparability on the Consolidated Financial Statements**  
The corresponding figures in the previous year can be comparable with figures in the current year.
- Headcount**  
As of the balance sheet date, the Group's headcount is 636 (headcount at the beginning of the year: 1.181).

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 250 Annual report 2024

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

### II. FISCAL YEAR AND ACCOUNTING CURRENCY

- Fiscal year**  
The fiscal year of the Group is from 01 January to 31 December annually.
- Accounting currency unit**  
The accounting currency unit is Vietnamese Dong (VND) because the transactions of the Group are primarily made in VND.

### III. ACCOUNTING STANDARDS AND SYSTEM

- Accounting System**  
The Group applies the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014 guiding the Vietnamese Accounting System, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014 guiding preparation and presentation of the Consolidated Financial Statements as well as other Circulars guiding the implementation of the Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Financial Statements.
- Statement of the compliance with the Accounting Standards and System**  
The Board of Executives ensures to follow all the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System, which were issued together with the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 53/2016/TT-BTC dated 21 March 2016, the Circular No. 202/2014/TT-BTC dated 22 December 2014 as well as other Circulars guiding the implementation of the Accounting Standards of the Ministry of Finance in preparation and presentation of the Consolidated Financial Statements.

### IV. ACCOUNTING POLICIES

- Accounting convention**  
All the Consolidated Financial Statements are prepared on the accrual basis (except for the information related to cash flows).
- Consolidation bases**  
The Consolidated Financial Statements include the Financial Statements of the Parent Company and those of its subsidiary. A subsidiary is an enterprise that is controlled by the Parent Company. The control exists when the Parent Company has the power to directly or indirectly govern the financial and operating policies of the subsidiary to obtain economic benefits from its activities. In determining the control power, the potential voting right arising from options or debt and capital instruments that can be converted into common shares as of the balance sheet date should also be taken into consideration.

The financial performance of the subsidiary, which is acquired or disposed during the year, is included in the Consolidated Income Statement from the date of acquisition or disposal of investments in this subsidiary.

The Financial Statements of the Parent Company and those of the subsidiary used for consolidation are prepared in the same fiscal year and apply consistently accounting policies to the same types of transactions and events in similar circumstances. In the case that the accounting policy of a subsidiary is different from the accounting policy applied consistently in the Group, the Financial Statements of that subsidiary will be properly adjusted before being used for the preparation of the Consolidated Financial Statements.

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements www.goducthanh.com 251

## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

REPORTS

AUDITED FINANCIAL STATEMENTS

• Combined Financial Statements  
• Consolidated Financial Statements

238 Statement of the Board of Executives  
242 Independent Auditor's report  
and Consolidated Balance Sheet  
247 Consolidated Income Statement  
248 Consolidated Cash Flow Statement  
250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 22/14 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Intra-group balances in the Balance Sheet and intra-group transactions and unrealized profits resulting from these transactions must be completely eliminated. Unrealized losses resulting from intra-group transactions are also eliminated unless costs cannot be recovered.

Benefits of non-controlling shareholders reflect profit or loss and net assets of the subsidiary, which are not held by the Group and presented in a separate item of the Consolidated Income Statement and Consolidated Balance Sheet (classified under "Owner's equity"). Benefits of non-controlling shareholders include the values of their non-controlling benefits at the initial date of business combination and those arise within the ranges of changes in owner's equity from the date of business combination. The losses arising in the subsidiary are attributed equally to the ownership rate of non-controlling shareholders, even if such losses are higher than the interest owned by these shareholders in net assets of the subsidiary.

#### 3. Foreign currency transactions

Transactions in foreign currencies are converted at the actual exchange rates ruling as of the transaction dates. The ending balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Foreign exchange differences arisen from foreign currency transactions during the year shall be included into financial income or financial expenses. Foreign exchange differences due to the revaluation of ending balances of the monetary items in foreign currencies after offsetting their positive differences against negative differences shall be included into financial income or financial expenses.

The exchange rate used to convert foreign currency transactions is the actual exchange rate ruling as at the time of these transactions. The actual exchange rates applied to foreign currency transactions are as follows:

- For the foreign currency trading contract (including spot contract, forward contract, future contract, option contract, currency swap): the exchange rate stipulated in the contracts of trading foreign currency between the Group and the bank.
- For capital contribution made or received: the buying rate ruling as at the date of capital contribution of the bank where the Group opens its account to receive capital contributed from investors.
- For receivables: the buying rate ruling as at the time of transactions of the commercial bank where the Group designates the customers to make payments.
- For payables: the selling rate ruling as at the time of transactions of the commercial bank where the Group supposes to make payment.
- For acquisition of assets or immediate payments in foreign currency (not included into payables): the buying rate of the commercial bank where the Group makes payments.

The exchange rates used to re-evaluate the ending balances of monetary items in foreign currencies are determined according to the following principles:

- For foreign currency deposits: the buying rate of the bank where the Group opens its foreign currency account.
- For monetary items in foreign currencies classified as other assets: the buying rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) – Tan Binh Branch, where the Group frequently conducts transactions.
- For monetary items in foreign currencies classified as liabilities: the selling rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) – Tan Binh Branch, where the Group frequently conducts transactions.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 22/14 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 4. Cash and cash equivalents

Cash includes cash on hand and demand deposits in banks. Cash equivalents are short-term investments of which the due dates do not exceed 3 months from the dates of the investments that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value as of the balance sheet date.

#### 5. Financial investments

##### Held-to-maturity investments

Investments are classified as held-to-maturity investments that the Group intends and is able to hold to maturity. Held-to-maturity investments include held-to-maturity term deposits and bonds for the purpose of receiving periodical interest.

Held-to-maturity investments are initially recognized at cost including the purchase cost and other transaction costs. After initial recognition, these investments are recorded at recoverable value. 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. Interest incurred prior to the Group's acquisition of held-to-maturity investments is deducted to the costs at the acquisition time.

When there is reliable evidence proving that a part or the whole investment cannot be recovered and the loss is reliably measured, the loss is recognized as financial expenses during the year and directly deducted into the investment costs.

#### 6. Receivables

Receivables are recognized at the carrying amounts less allowances for doubtful debts.

The classification of receivables as trade receivables and other receivables is made according to the following principles:

- Trade receivables reflect receivables concerning the commercial nature arising from purchase and sale transactions between the Group and customers who are independent to the Group.
- Other receivables reflect receivables not concerning the commercial nature and irrelevant to purchase and sale transactions.

Allowance is made for each doubtful debt on the basis of estimated loss.

Increases/(decreases) in the obligatory allowance for doubtful debts as of the balance sheet date are recorded into general and administration expenses.

#### 7. Inventories

Inventories are recognized at the lower of cost or net realizable value.

Cost of inventories is determined as follows:

- For materials and merchandise: Costs comprise costs of purchases and other directly relevant costs incurred in bringing the inventories to their present location and conditions.
- Work-in-process: Costs comprise costs of main materials, labor and other directly relevant expenses.
- For finished goods: Costs comprise costs of materials, direct labor and directly relevant general manufacturing expenses allocated on the basis of normal operations.

Stock-out costs are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Net realizable value is the estimated selling price of inventories in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

Statement of the Board of Executives  
Independent Auditor's report  
and Consolidated Balance Sheet  
Consolidated Income Statement  
Consolidated Cash Flow Statement  
Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Allowance for devaluation of inventories is recognized when their costs are higher than their net realizable values. For services in progress, allowance is recognized for each type of services at their own specific prices. Increases/(decreases) in the obligatory allowance for devaluation of inventories as of the balance sheet date are recorded into costs of sales.

#### 8. Prepaid expenses

Prepaid expenses comprise actual expenses incurred and relevant to financial performance in several accounting periods. Prepaid expenses of the Group mainly include expenses of tools, land use right, land rental and repair expenses. These prepaid expenses are allocated over the prepayment period or period in which corresponding benefits are realized.

##### Tools

Expenses of tools are allocated into costs in accordance with the straight-line method for the maximum period of 3 years.

##### Land rental

Prepaid land rental reflects the rental prepaid for the land being used by the Group and is allocated over the term specified in the land lease contract.

##### Repair expenses

Expenses of fixed asset repairs incurred once with high value are allocated into costs in accordance with the straight-line method in 3 years.

#### 9. Tangible fixed assets

Tangible fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of tangible fixed assets include all the expenses paid by the Group to bring the asset to its working condition for its intended use. Other expenses arising subsequent to initial recognition are included into historical costs of fixed assets only if it can be clearly demonstrated that the expenditure has resulted in future economic benefits expected to be obtained from the use of these assets. Those which do not meet the above conditions will be recorded into operation costs during the year.

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.

Tangible fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years applied is as follows:

Fixed assets	Years
Buildings and structures	03 - 28
Machinery and equipment	03 - 25
Vehicles	05 - 15
Office equipment	03 - 10

#### 10. Intangible fixed assets

Intangible fixed assets are determined by their initial costs less accumulated amortization.

Initial costs of intangible fixed assets include all the costs paid by the Group to bring the asset to its working condition for its intended use. Other costs relevant to intangible fixed assets arising subsequent to initial recognition are included into operation costs during the period only if these costs are associated with a specific intangible fixed asset and result in future economic benefits expected to be obtained from the use of these assets.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

When an intangible fixed asset is sold or disposed, its initial costs and accumulated amortization are written off, then any gain or loss arising from such disposal is included in the income or the expenses during the year.

The Group's intangible fixed assets include:

##### Land use right

Land use right includes all the actual expenses paid by the Group directly related to the land being used such as expenses to obtain the land use right, expenses for house removal, land clearance and ground leveling, registration fees, etc.

The land use right of the Group is amortized as follows:

- Land use right granted by the State with collection of land use fees is amortized in accordance with the straight-line method over the land granted period (i.e. 50 years), if the land use right is permanent, it is not amortized.
- Land use right legally transferred is amortized in accordance with the straight-line method over the land granted period (i.e. 42 - 50 years), if the land use right is permanent, it is not amortized.

##### Computer software

Expenses attributable to computer software, which is not a part associated with the relevant hardware, will be capitalized. Costs of computer software include all the expenses paid by the Group until the date the software is put into use. Computer software is amortized in accordance with the straight-line method in 3 - 5 years.

#### 11. Investment properties

Investment property is property which is a building or part of a building, infrastructure held by the owner or by the lessee to earn rentals. Investment properties are measured at their historical costs less accumulated depreciation. Historical cost includes all the expenses paid by the Group or the fair value of other considerations given to acquire the assets up to the date of its acquisition or construction.

Expenses related to investment property arising subsequent to initial recognition should be added to the historical cost of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Group.

When the investment property is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain or loss arising from such disposals is included in the income or the expenses during the year.

The transfer from owner-occupied property or inventories into investment property shall be made when, and only when, there is a change in use evidenced by the end of owner-occupation and the commencement of an operating lease to another party or the end of construction. The transfer from investment property to owner-occupied property or inventories shall be made when, and only when, there is a change in use evidenced by the commencement of owner-occupation or the commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the historical cost or carrying value of investment property at the date of transfer.

Investment property is depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of the investment property are as follows:

Fixed assets	Years
Land use right	28 - 32
House	10 - 28

## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

REPORTS

AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 12. Business combination and goodwill

The business combination is accounted by applying acquisition method. The costs of business combination include the fair values as at the acquisition date of the exchanged assets, the incurred or assumed liabilities as well as the equity instruments issued by the Group in exchange for control of the acquiree, plus any cost directly attributable to the business combination. The acquired assets, the identifiable and contingent liabilities assumed from the business combination are recognized at their fair values as at the acquisition date.

If the business combination covers some accounting periods, the cost of business combination equals the total investment made at the date of obtaining the control of subsidiaries plus the amount of previous investments which are re-evaluated at fair value as at the date of obtaining the control of subsidiaries. The difference between the re-evaluated amount and the cost of investment shall be recorded in the financial performance provided that the Group does not have any significant influence on subsidiaries prior the date of obtaining the control and the investment in subsidiaries is presented in line with the cost method. In case where the Group has significant influence on the subsidiaries prior the date of obtaining the control the investment in subsidiaries is presented in line with the equity method, the difference between the re-evaluated amount and the cost of investment determined in line with the equity method shall be recorded in the financial performance; and the difference between the investment determined in line with the equity method and the cost of investment shall be directly recorded in "Retained earnings" of the Consolidated Balance Sheet.

The excess of the cost of business combination over the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date obtaining the control of subsidiaries is recognized as goodwill. If the ownership share of the Group in the net fair value of the assets, the identifiable and contingent liabilities of acquiree which are recognized at the date of obtaining the control of subsidiaries exceeds the cost of business combination, the difference will be included in the financial performance.

The benefit of non-controlling shareholders as at the date of business combination is initially measured on the basis of the ownership share of non-controlling shareholders in the fair values of the assets, the liabilities and the inherent liabilities recognized.

#### 13. Payables and accrued expenses

Payables and accrued expenses are recorded for the amounts payable in the future associated with the goods and services received. Accrued expenses are recorded based on reasonable estimates for the amounts payable.

The classification of payables as trade payables, accrued expenses and other payables is made on the basis of following principles:

- Trade payables reflect payables of commercial nature arising from the purchase of goods, services, or assets, of which the seller is an independent entity with the Group.
- Accrued expenses reflect expenses for goods, services received from suppliers or supplied to customers but have not been paid, invoiced or lack of accounting records and supporting documents; pay on leave payable to employees; and accrual of operation expenses.
- Other payables reflect payables of non-commercial nature and irrelevant to purchase, sales of goods or provisions of services.

The payables and accrued expenses are classified as short-term and long-term items in the Consolidated Balance Sheet on the basis of their remaining term as of the balance sheet date.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 14. Provisions for payables

Provisions are recorded when the Group has present obligations (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

If time causes material effects, the provisions will be determined by deducting the amount to be spent in future to settle the liability at the pre-tax discount rate that reflects the assessments of the time value of money and the specific risks from this liability in the current market. The increase in provisions due to the effect of time will be recognized as a financial expense.

The Group's provisions for payables only include severance allowances.

The Group has to pay for severance allowances to the employees who have worked regularly for the Group for 12 months or more for the period in which employees do not pay for unemployment insurance when they terminate the labor contracts. Provisions for severance allowances are appropriated at the rate equal to 1/2 of the average salary plus the salary allowances (if any) in the most recent 6 consecutive months to the date of preparing the Financial Statements for each working year.

Increases/decreases of provisions for severance allowances are appropriated at the balance sheet date and recorded in general and administration expenses.

#### 15. Owner's equity

##### Owner's capital

The contributed capital is recorded according to the actual amounts invested by the shareholders of the Parent Company.

##### Share premiums

Share premiums are recorded in accordance with the difference between the issuance price and face value upon the IPO, additional issue or the difference between the re-issuance price and carrying value of treasury shares and the equity component of convertible bonds upon maturity date. Expenses directly related to the additional issue of shares and the re-issuance of treasury shares are recorded as a decrease in share premiums.

##### Treasury shares

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is recorded as treasury shares and a corresponding decrease in owner's equity then is recognized. When this share capital is re-issued, the difference between the re-issuance price and carrying value of treasury shares is recorded in share premiums.

#### 16. Profit distribution

Profit after tax is distributed to the shareholders after appropriation for funds under the Charter of the Group as well as legal regulations and approved by the General Meeting of Shareholders.

The distribution of profits to the shareholders is made with consideration toward non-cash items in the retained earnings that may affect cash flows and payment of dividends such as profit due to revaluation of assets contributed as investment capital, profit due to revaluation of monetary items, financial instruments and other non-cash items.

Dividends are recorded as payables upon approval of the General Meeting of Shareholders and decision on dividend payment of the Board of Management.



## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

REPORTS

AUDITED FINANCIAL STATEMENTS

• Combined Financial Statements  
• Consolidated Financial Statements

238 Statement of the Board of Executives

242 Independent Auditor's report

and Consolidated Balance Sheet

247 Consolidated Income Statement

248 Consolidated Cash Flow Statement

250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 17. Recognition of revenue and income

##### *Revenue from sales of merchandise, finished goods*

Revenue from sales of merchandise, finished goods shall be recognized when all of the following conditions are satisfied:

- The Group transfers most of risks and benefits incident to the ownership of merchandise or products to customers.
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the merchandise, products sold.
- The amount of revenue can be measured reliably. When the contracts stipulate that buyers have the right to return products, merchandise purchased under specific conditions, the revenue is recorded only when those specific conditions are no longer exist and buyers retains no right to return products, merchandise (except for the case that such returns are in exchange for other goods or services).
- The Group received or shall probably receive the economic benefits associated with sale transactions.
- The cost incurred or to be incurred in respect of the sale transaction can be measured reliably.

##### *Interest*

Interest is recorded, based on the term and the actual interest rate applied in each particular period.

#### 18. Revenue deductions

Revenue deductions include trade discounts, sales allowances, sales returns incurred in the same period of providing products, merchandise, services, in which revenues are derecognized.

In case of products, merchandise, services provided in the previous years but trade discounts, sales allowances, sales returns incurred in the current year, revenue is derecognized as follows:

- If sales allowances, trade discounts, sales returns incur prior to the release of the Consolidated Financial Statements, revenues are derecognized on the Consolidated Financial Statements of the current year.
- If sales allowances, trade discounts, sales returns incur after the release of the Consolidated Financial Statements, revenue is derecognized on the Consolidated Financial Statements of the following year.

#### 19. Borrowing costs

Borrowing costs include loan interest and other costs incurred directly relevant to borrowings.

Borrowing costs are recorded as an expense when it is incurred. In case the borrowing costs are directly attributable to the construction or the production of an asset in progress, which takes a substantial period of time (over 12 months) to get ready for intended use or sales of the asset, these costs will be included in the cost of that asset. To the extent that the borrowings are especially for the purpose of construction of fixed assets and investment properties, the borrowing cost is eligible for capitalization even if construction period is under 12 months. Incomes arisen from provisional investments as loans are recognized as a decrease in the costs of relevant assets.

In the event that general borrowings are partly used for the acquisition, construction or production of an asset in progress, the costs eligible for capitalization will be determined by applying the capitalization rate to average accumulated expenditure on construction or production of that asset. The capitalization rate is computed at the weighted average interest rate of the borrowings not yet paid during the year, except for particular borrowings serving the purpose of obtaining a specific asset.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 20. Expenses

Expenses are those that result in outflows of the economic benefits and are recorded at the time of transactions or when incurrence of the transaction is reliable regardless of whether payment for expenses is made or not.

Expenses and their corresponding revenues are simultaneously recognized in accordance with matching principle. In the event that matching principle conflicts with prudence principle, expenses are recognized based on the nature and regulations of accounting standards in order to guarantee that transactions can be fairly and truly reflected.

#### 21. Corporate income tax

Corporate income tax includes current income tax and deferred income tax.

##### *Current income tax*

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

##### *Deferred income tax*

Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the Financial Statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Carrying values of deferred corporate income tax assets are considered as of the balance sheet date and will be reduced to the rate that ensures enough taxable income against which the benefits from part of or all of the deferred income tax can be used. Deferred corporate income tax assets, which have not been recorded before, are considered as of the balance sheet date and are recorded when there is certainly enough taxable income to use these unrecognized deferred corporate income tax assets.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rate to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the Income Statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity.

The Group shall offset deferred tax assets and deferred tax liabilities if:

- The Group has the legal right to offset current income tax assets against current income tax liabilities; and
- Deferred income tax assets and deferred income tax liabilities are relevant to corporate income tax which is under the management of one tax authority either:
  - Of the same subject to corporate income tax; or
  - The Group has intention to pay current income tax liabilities and current income tax assets on a net basis or recover tax assets and settle tax liability simultaneously in each future period to the extent that the majority of deferred income tax liabilities or deferred income tax assets are paid or recovered.



## DUC THANH WOOD PROCESSING JOINT STOCK COMPANY



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Consolidated Financial Statements (cont.)

#### 22. Related parties

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

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

#### 23. Segment reporting

A business segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of the Group that is engaged in manufacturing or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

The segment information is prepared and presented in conformity with the accounting policies applicable to the preparation and presentation of the Consolidated Financial Statements of the Group.

#### V. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED BALANCE SHEET

##### 1. Cash and cash equivalents

	Ending balance	Beginning balance
Cash on hand	59.079.836	77.004.119
Deposits in banks	5.110.678.382	8.108.150.974
Cash equivalents (deposits of which the principal maturity is from 3 months or less)	-	14.700.000.000
<b>Total</b>	<b>5.169.758.218</b>	<b>22.885.155.092</b>

##### 2. Held-to-maturity investments

The deposits, of which the term is from more than 3 months to 12 months, are used to secure the Group's loan from Shinhan Bank Vietnam Limited – Northern Saigon Branch (see Note No. V.21a).

##### 3. Short-term trade receivables

	Ending balance	Beginning balance
<i>Receivables from related parties</i>	<i>484.594.317</i>	<i>1.096.920.887</i>
Tri Duc Thanh Company Limited	484.594.317	948.429.367
Pizza 4Ps Corporation	-	148.491.520
<i>Receivables from other customers</i>	<i>25.880.197.608</i>	<i>28.011.993.649</i>
Asung Co., Ltd.	9.899.165.690	7.607.930.557
May Viet Company Limited	1.691.960.842	5.956.731.984
Triace Limited	6.332.119.032	3.902.696.666
Other customers	7.956.952.044	10.544.634.442
<b>Total</b>	<b>26.364.791.925</b>	<b>29.108.914.536</b>

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Consolidated Financial Statements (cont.)

#### 4. Short-term prepayments to suppliers

	Ending balance	Beginning balance
Sapus Company Limited	-	276.677.470
BYS Joint Stock Company	584.630.000	287.500.000
Phu Vinh Huy Construction Co., Ltd.	-	1.633.700.000
Tong Jou Chemical Industrial (Vietnam) Co., Ltd.	632.760.238	-
Mr. Hoang Van Van	174.444.444	-
Other suppliers	1.142.020.481	520.401.736
<b>Total</b>	<b>2.533.855.163</b>	<b>2.718.279.206</b>

#### 5. Receivables for short-term loans

	Ending balance	Beginning balance
<i>Loans given to related parties</i>	<i>-</i>	<i>22.400.000.000</i>
Ms. Le Hai Lieu	-	5.000.000.000
Ms. Huynh Thi Thanh	-	9.400.000.000
Pizza 4Ps Corporation	-	8.000.000.000
<i>Loans given to other organizations</i>	<i>33.000.000.000</i>	<i>-</i>
Ms. Nguyen Thi Huong	5.000.000.000	-
Ms. Ho Thi Huong	5.500.000.000	-
Ms. Dang Thi Ngan	16.000.000.000	-
Mr. Bui Xuan Truong	6.500.000.000	-
<b>Total</b>	<b>33.000.000.000</b>	<b>22.400.000.000</b>

#### 6. Other receivables

##### 6a. Other short-term receivables

	Ending balance		Beginning balance	
	Value	Allowance	Value	Allowance
<i>Receivables from related parties</i>	<i>254.484.000</i>	-	<i>296.456.603</i>	-
Ms. Huynh Thi Thanh - Advances	254.484.000	-	54.484.000	-
Pizza 4Ps Corporation – Interest on loan given to be received	-	-	241.972.603	-
<i>Receivables from other organizations and individuals</i>	<i>30.921.053.380</i>	-	<i>24.431.615.852</i>	-
Mr. Nguyen Cong Thanh - Borrowing and raw material	26.530.451.679	-	20.308.431.840	-
Advances	1.442.564.050	-	865.897.709	-
Deposit interest to be received	529.405.889	-	1.332.433.986	-
Interest on loan given	289.315.068	-	-	-
Short-term deposit	150.000.000	-	-	-
Other short-term receivables	1.979.316.694	-	1.924.852.317	-
<b>Total</b>	<b>31.175.537.380</b>	<b>-</b>	<b>24.728.072.455</b>	<b>-</b>

##### 6b. Other long-term receivables

The beginning balance is the deposit for premises lease of Duc Thanh Store.



## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements
- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 7. Doubtful debts

	Overdue period	Ending balance		Beginning balance	
		Original amount	Recoverable amount	Original amount	Recoverable amount
May Viet Company Limited	Less than 1 year	1.691.960.842	1.184.372.588	-	-
<b>Total</b>		<b>1.691.960.842</b>	<b>1.184.372.588</b>	<b>-</b>	<b>-</b>

Changes in allowances for doubtful debts are as follows:

	Current year	Previous year
Beginning balance	-	-
Allowance	507.588.254	-
<b>Ending balance</b>	<b>507.588.254</b>	<b>-</b>

#### 8. Inventories

	Ending balance		Beginning balance	
	Original costs	Allowance	Original costs	Allowance
Materials and supplies	36.461.988.028	-	43.785.006.297	-
Tools	892.184.639	-	879.077.117	-
Work-in-process	10.700.895.409	-	16.586.167.153	-
Finished goods	25.167.678.598	-	30.434.694.392	-
Merchandise	608.000	-	254.210.555	-
Goods on consignment	-	-	13.812.384	-
<b>Total</b>	<b>73.223.354.674</b>	<b>-</b>	<b>91.952.967.897</b>	<b>-</b>

#### 9. Prepaid expenses

##### 9a. Short-term prepaid expenses

	Ending balance	Beginning balance
Tools	45.329.168	-
Repair expenses	76.454.565	19.400.375
Other short-term prepaid expenses	643.045.148	1.504.661.752
<b>Total</b>	<b>764.828.881</b>	<b>1.524.062.127</b>

##### 9b. Long-term prepaid expenses

	Ending balance	Beginning balance
Tools	587.201.493	102.355.477
Land rental	1.154.986.856	1.189.916.013
Repair expenses	2.222.421.289	1.082.067.049
Other long-term prepaid expenses	493.371.946	5.160.025.573
<b>Total</b>	<b>4.457.981.584</b>	<b>7.534.364.112</b>

#### 10. Tangible fixed assets

Information on changes of tangible fixed assets is presented in the attached Appendix 01.

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 11. Intangible fixed assets

	Land use right	Computer software	Total
<b>Initial costs</b>			
Beginning balance	60.417.549.433	3.903.784.580	64.321.334.013
Acquisition during the year	109.000.000.000	8.000.000.000	117.000.000.000
Transfer to investment property	(154.500.000.000)	-	(154.500.000.000)
<b>Ending balance</b>	<b>14.917.549.433</b>	<b>11.903.784.580</b>	<b>26.821.334.013</b>

In which:

Assets fully amortized but still in use	-	275.564.580	275.564.580
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##### Amortization

Beginning balance	9.219.090.958	335.424.596	9.554.515.554
Amortization during the year	3.609.900.708	180.474.040	3.790.374.748
Transfer to investment property	(7.612.161.216)	-	(7.612.161.216)
<b>Ending balance</b>	<b>5.216.830.450</b>	<b>515.898.636</b>	<b>5.732.729.086</b>

##### Carrying values

Beginning balance	51.198.458.475	3.568.359.984	54.766.818.459
<b>Ending balance</b>	<b>9.700.718.983</b>	<b>11.387.885.944</b>	<b>21.088.604.927</b>

In which:

Assets temporarily not in use	-	-	-
Assets waiting for liquidation	-	-	-

Some intangible fixed assets, i.e. land use rights, of which the carrying values are VND 6,434,146,707 (Beginning balance: VND 46,638,815,342), have been mortgaged to secure the loan from Vietcombank – Tan Binh Branch (see Note No. V.21).

#### 12. Investment property for lease

	Land use right	Houses	Total
<b>Historical costs</b>			
Beginning balance	-	-	-
Transfer from tangible fixed assets and intangible fixed assets	154.500.000.000	64.126.000.000	218.626.000.000
<b>Ending balance</b>	<b>154.500.000.000</b>	<b>64.126.000.000</b>	<b>218.626.000.000</b>

In which:

Assets fully depreciated but still leasing	-	-	-
--	---	---	---

##### Depreciation

Beginning balance	-	-	-
Transfer from tangible fixed assets and intangible fixed assets	7.612.161.212	4.675.847.800	12.288.009.012
<b>Ending balance</b>	<b>7.612.161.212</b>	<b>4.675.847.800</b>	<b>12.288.009.012</b>

##### Carrying values

Beginning balance	-	-	-
<b>Ending balance</b>	<b>146.887.838.788</b>	<b>59.450.152.200</b>	<b>206.337.990.988</b>



**DUC THANH**  
**WOOD PROCESSING**  
**JOINT STOCK COMPANY**



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
**VIET NAM**

Language  
**ENGLISH**



### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Some investment property for lease, of which the carrying values are VND 184.861.726.302, have been mortgaged to secure the loan from Vietcombank – Tan Binh Branch (see Note No. V.21).

List of investment properties as at the balance sheet date is as follows:

	Historical costs	Accumulated depreciation	Carrying values
Land use right and assets attached to workshop 4	59.626.000.000	7.612.161.212	52.013.838.788
Land use right and assets attached to workshop 6	159.000.000.000	4.675.847.800	154.324.152.200
<b>Total</b>	<b>218.626.000.000</b>	<b>12.288.009.012</b>	<b>206.337.990.988</b>

### 13. Deferred income tax assets

Deferred income tax assets are related to temporarily deductible differences.

The corporate income tax rate used for determining deferred income tax assets is 20%.

### 14. Short-term trade payables

	Ending balance	Beginning balance
<i>Payables to related parties</i>	<i>1.110.445</i>	<i>8.729.263</i>
Tri Phuoc Thanh Company Limited	-	6.674.300
Saigon Pure Water Limited Liability Company	1.110.445	2.054.965
<i>Payables to other suppliers</i>	<i>15.598.216.316</i>	<i>6.509.886.321</i>
Thanh Hung Wood Company Limited	1.320.809.957	-
Ms. Cham Kim Loan – Payables for land	4.000.000.000	-
Hoang Cam Tu Trading Service Company Limited	1.829.843.476	-
Mr. Nguyen Cong Thanh	500.000.000	-
Quoc Te Tan Hong Phat Company Limited	-	801.502.900
Tam Long Craft Company Limited	-	325.760.400
Other suppliers	7.947.562.883	5.382.623.021
<b>Total</b>	<b>15.599.326.761</b>	<b>6.518.615.586</b>

The Group has no overdue trade payables.

### 15. Short-term advances from customers

	Ending balance	Beginning balance
Cuong Quoc Phat Co., Ltd.	977.120.240	1.126.664.160
Hunet Corporation	676.310.162	613.885.891
Viet Wicker One Member Limited Liability Company	700.000.000	-
Smathers & Branson	715.648.511	1.643.309.259
Other customers	7.787.752.738	5.269.994.777
<b>Total</b>	<b>10.856.831.651</b>	<b>8.653.854.087</b>

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

### 16. Taxes and other obligations to the State Budget

	Beginning balance		Increase during the year		Ending balance	
	Payables	Receivables	Amount payable	Amount paid	Payables	Receivables
VAT on local sales	-	-	351.638.698	(349.498.128)	2.140.570	-
Corporate income tax	3.422.615.390	420.936.286	15.952.509.129	(14.507.323.817)	5.169.092.694	722.228.278
Personal income tax	293.792.665	-	2.899.875.501	(1.772.274.743)	1.421.393.423	-
Land rental	-	-	6.143.571	(6.143.571)	-	-
Other taxes	-	-	16.002.095	(16.002.095)	-	-
Fees, legal fees, and other duties	-	-	235.975.848	(235.975.848)	-	-
<b>Total</b>	<b>3.716.408.055</b>	<b>420.936.286</b>	<b>19.462.144.842</b>	<b>(16.887.218.202)</b>	<b>6.592.626.687</b>	<b>722.228.278</b>

### Value added tax (VAT)

The Group has paid VAT in accordance with the deduction method. The tax rates applied are as follows:

- Exports	0%
- Toys	5%
- Others	10%

During the year, the Group is entitled to the VAT rate of 8% for some goods and services according to the Decrees No. 94/2023/ND-CP dated 28 December 2023 and No. 72/2024/ND-CP dated 30 June 2024 of the Government.

### Corporate income tax

The Group has to pay corporate income tax on taxable income at the rate of 20%.

Determination of corporate income tax liability of the Group is based on currently applicable regulations on tax. Nonetheless, these tax regulations may change from time to time and tax regulations applicable to variety of transactions can be interpreted differently. Hence, the tax amounts presented in the Consolidated Financial Statements can be changed upon the inspection of tax authorities.

### Other taxes

The Group has declared and paid these taxes in line with the prevailing regulations.

### 17. Payables to employees

This item reflects salary payable to employees.

### 18. Short-term accrued expenses

	Ending balance	Beginning balance
Annual leave payable	2.087.929.000	1.325.462.000
Other short-term accrued expenses	1.385.683.415	856.350.726
<b>Total</b>	<b>3.473.612.415</b>	<b>2.181.812.726</b>

### 19. Unearned revenues

#### 19a. Short-term unearned revenues

This item reflects prepayments for leasing workshop and office, of which the remaining term is less than 12 months.

#### 19b. Long-term unearned revenues

This item reflects prepayments for leasing workshop and office, of which the remaining term is more than 12 months.



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 20. Other payables

##### 20a. Other short-term payables

	Ending balance	Beginning balance
Trade Union's expenditure, social insurance premiums	1.346.472.787	867.045.146
Dividends payable	32.155.750	16.508.300
Receipt of short-term deposits	940.142.091	-
Other short-term payables	1.681.929.598	1.037.302.166
<b>Total</b>	<b>4.000.700.226</b>	<b>1.920.855.612</b>

##### 20b. Other long-term payables

This item reflects the receipt of deposit for leasing workshop.

##### 20c. Overdue debts

The Group has no other overdue payables.

#### 21. Borrowings

##### 21a. Short-term borrowings

	Ending balance	Beginning balance
Short-term loans from banks	67.505.768.604	71.390.665.000
Vietcombank – Tan Binh Branch (i)	9.287.873.550	44.990.665.000
Shinhan Bank Vietnam Limited – Northern Saigon Branch (ii)	26.116.692.537	26.400.000.000
BIDV – Ho Chi Minh City Branch (iii)	32.101.202.517	-
Current portions of long-term loans (see Note No. V.21b)	8.820.000.000	-
<b>Total</b>	<b>76.325.768.604</b>	<b>71.390.665.000</b>

(i) The loan from Vietcombank – Tan Binh Branch with the loan limit of VND 70.000.000.000 is to supplement the working capital. The loan term is 6 months. This loan is secured by the Group's land use right and ownership of houses and other land-attached assets located at Land Lot No. 813, Map No. 41, Khanh Binh Ward, Tan Uyen City, Binh Duong Province (see Notes No. V.11 and V.12).

(ii) The loan from Shinhan Bank Vietnam Limited – Northern Saigon Branch with the loan limit of USD 3.000.000 is to supplement the working capital. The loan term is 12 months. This loan is secured by the savings deposit at the same bank (see Note No. V.2a).

(iii) The loan from BIDV – Ho Chi Minh City Branch with the loan limit of VND 45.000.000.000 is to supplement the working capital. The loan term is 12 months. This loan is secured by the land use right and ownership of houses and other land-attached assets owned by Ms. Le Hai Lieu, Land Lot No. 1333-15, the Map No. 06, My Hung - H7 Quarter, Area A TT- ĐTMNSG, Tan Phong Ward, District 7, Ho Chi Minh City.

The Group is solvent over short-term loans.

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

Details of increases/(decreases) of short-term loans during the year are as follows:

	Beginning balance	Increase during the year	Transfer from long-term borrowings	Amount repaid during the year	Ending balance
Short-term loans from banks	71.390.665.000	182.180.267.775	-	(186.065.164.171)	67.505.768.604
Current portions of long-term loans	-	-	11.794.300.000	(2.974.300.000)	8.820.000.000
<b>Total</b>	<b>71.390.665.000</b>	<b>182.180.267.775</b>	<b>11.794.300.000</b>	<b>(189.039.464.171)</b>	<b>76.325.768.604</b>

##### 21b. Long-term borrowings

The loan from BIDV – Ho Chi Minh City Branch is to pay for receipt of transferred land and workshop transfer at Tan Hiep Ward, Tan Uyen City, Binh Duong Province to serve lease business. The maximum loan term is 120 months, starting from the day following the first disbursement date. The fixed interest rate of 6%/year is applied for the first 2 years, starting from the first disbursement date. After that, the interest rate changes at the market interest rates. This loan is secured by the land use rights and assets attached to the land under the Real Estate Mortgage Contract No. 02/2024/7801028/HĐBĐ dated 14 May 2024 (see Notes No. V.11 and V.12).

The Group is solvent over long-term loans.

Payment schedule of long-term borrowings is as follows:

	Ending balance	Beginning balance
Less than 1 year	8.820.000.000	-
More than 1 year to 5 years	35.280.000.000	-
More than 5 years	38.925.700.000	-
<b>Total</b>	<b>83.025.700.000</b>	<b>-</b>

Details of increase/(decrease) of long-term borrowings are as follows:

	Current year	Previous year
Beginning balance	-	-
Increase	86.000.000.000	-
Transfer to short-term loans	(11.794.300.000)	-
<b>Ending balance</b>	<b>74.205.700.000</b>	<b>-</b>

##### 21c. Overdue loans

The Group has no overdue loans.

#### 22. Bonus and welfare funds

	Current year	Previous year
Beginning balance	3.077.100.456	3.694.171.317
Increase due to appropriation from profit	3.004.397.226	1.820.151.389
Disbursement	(2.799.443.999)	(2.437.222.250)
<b>Ending balance</b>	<b>3.282.053.682</b>	<b>3.077.100.456</b>

## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

G D T

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 23. Provisions for long-term payables

Provisions for long-term payables are in relation to severance allowance. Details are as follows:

	Current year	Previous year
Beginning balance	1.943.424.958	2.918.226.667
Additional provision/Disbursement	269.500.000	(734.469.000)
Reversal	(233.185.000)	(240.332.709)
Ending balance	1.979.739.958	1.943.424.958

#### 24. Owner's equity

##### 24a. Statement of changes in owner's equity

Information on the changes in owner's equity is presented in the attached Appendix 02.

##### 24b. Details of owner's capital

	Ending balance	Beginning balance
Ms. Ha Thi Hue	8.009.210.000	58.639.390.000
Ms. Nguyen Ha Ngoc Diep	14.090.810.000	14.090.810.000
Ms. Le Hai Lieu	53.210.640.000	3.808.490.000
Other shareholders	166.391.010.000	146.124.330.000
Treasury shares	(2.866.100.000)	(3.937.100.000)
Total	238.835.570.000	218.725.920.000

##### Charter capital increase

Implementing the Resolution No. 01-24/NQ-DHĐCĐ GĐT dated 18 May 2024 of 2023 General Meeting of Shareholders regarding the share issuance plan to make the final dividend payment of 2023 at the rate of 10% to shareholders, the Board of Management approved the Minutes No. 01-24/BBH-DGDĐCĐ GDT on additional issuance of 2.147.888 shares for the final dividend payment of 2023 at the rate of 10%.

On 06 September 2024, the Parent Company implemented the Resolution No. 11-24/NQ-DT of the Board of Management regarding the share issuance plan to make the final dividend payment of 2023 at the rate of 10%. The number of shares expected to be issued is 2.145.208 shares.

On 22 November 2024, according to the Resolution No. 12-24/NQ-DT dated 16 October 2024 of the Board of Management, the Parent Company submitted the Report No. 188-24/BC-DT on share sales offering results to the State Securities Commission of Vietnam regarding the increase in the Parent Company's charter capital from VND 217.386.920.000 to VND 238.835.570.000 by mean of issuance of voting shares.

On 10 January 2025, the Parent Company received the 33<sup>rd</sup> amended Business Registration Certificate, granted by Ho Chi Minh City Department of Planning and Investment regarding the increase in the charter capital up to VND 238.835.570.000.

##### Charter capital decrease

The Resolution No. 01-24/NQ-DHĐCĐ GĐT dated 18 May 2024 of 2023 General Meeting of Shareholders approved the statement on the number of shares redeemed from resigned employees according to the regulations on issuing shares under Employee Stock Ownership Plan (ESOP) in 2023. Accordingly, the number of shares redeemed from employees is 133.900 shares.

On 27 August 2024, the Parent Company received the 32<sup>nd</sup> amended Business Registration Certificate regarding the decrease in the charter capital from VND 218.725.920.000 down to VND 217.386.920.000.

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 268 Annual report 2024

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

#### 24c. Shares

	Ending balance	Beginning balance
Number of shares registered to be issued	23.883.557	21.872.592
Number of shares sold to the public	23.883.557	21.872.592
- Common shares	23.883.557	21.872.592
- Preferred shares	-	-
Number of shares repurchased	(286.610)	(393.710)
- Common shares	(286.610)	(393.710)
- Preferred shares	-	-
Number of outstanding shares	23.596.947	21.478.882
- Common shares	23.596.947	21.478.882
- Preferred shares	-	-

Face value of outstanding shares: VND 10.000.

According to the Resolution No. 04-25/NQ-DT dated 11 March 2025 of the Board of Management regarding the issuance of shares under the Employee Stock Option Program (ESOP) shares in 2024), the Board of Management will implement the issuance plan approved by the General Meeting of Shareholders to supplement the Company's working capital for business activities. Details are as follows:

- Number of shares expected for issuance	1.073.944 shares
- Tentative issue size	VND 10.739.440.000
- Issuance rate	4,55%
- Issuing price	VND 10.000/share
- Issuance schedule	Quarter 2 of 2025

#### 24d. Profit distribution

During the year, the Parent Company distributed the profit according to the Resolution No. 01-24/NQ-DHĐCĐ GDT dated 18 May 2024 of 2023 Annual General Meeting of Shareholders as follows:

	Distributable amount	Amount distributed in previous year	Amount distributed in current year	Difference
• Dividend distribution to shareholders	42.957.764.000	-	42.927.764.000	30.232.000
- In cash	21.478.882.000	-	21.478.882.000	-
- In shares	21.478.882.000	-	21.448.650.000	30.232.000
• Appropriation for bonus and welfare fund	1.820.151.389	1.820.151.389	-	-

Additionally, the Parent Company has paid the first dividend in advance for 2024 in cash to shareholders at the rate of 10%/face value, equivalent to an amount of VND 23.596.947.000, in accordance with the Resolution No. 13-24/NQ-DT dated 19 October 2024 of Board of Management.

During the year, the Parent Company also temporarily appropriated bonus and welfare funds of 2024 for an amount of VND 3.004.397.226.

#### 25. Off-consolidated balance sheet items

##### 25a. Foreign currencies

As of the balance sheet date, the Group's cash includes USD 169.317,80 (Beginning balance: USD 51.295,25).

##### 25b. Treated doubtful debts

The trade receivables of VND 532.000.000 from FDI Korea Vietnam Vinpot Group Venture Joint Stock Company have been written off due to being irrecoverable.

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 269 www.goducthanh.com 269





## DUC THANH WOOD PROCESSING JOINT STOCK COMPANY



### INDEX

141 Chairwoman's message

#### DUC THANH OVERVIEW

#### SUMMARY OF MAIN INDICATORS

#### REPORTS

#### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

238 Statement of the Board of Executives  
242 Independent Auditor's report  
and Consolidated Balance Sheet  
247 Consolidated Income Statement  
248 Consolidated Cash Flow Statement  
250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH



#### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Consolidated Financial Statements (cont.)

#### VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

##### 1. Revenue from sales of goods and provisions of services

###### 1a. Gross revenue

	Current year	Previous year
Revenue from sales of finished goods	307.522.662.837	271.788.870.505
Revenue from leasing investment property (i)	21.192.699.894	3.277.866.403
Other revenue	8.074.547.234	38.800.929.317
<b>Total</b>	<b>336.789.909.965</b>	<b>313.867.666.225</b>

###### (i) Income and expenses with regards to investment properties for lease are as follows:

	Current year	Previous year
Income from lease of investment properties	21.192.699.894	3.277.866.403
Expenses directly related to generation of income from leases	5.211.269.009	-
<b>Income from investment properties</b>	<b>15.981.430.885</b>	<b>3.277.866.403</b>

##### 1b. Revenue from sales of goods and provisions of services to related parties

The Group has following sales of goods and provisions of services to related parties:

	Current year	Previous year
<b>Tri Phuoc Thanh Company Limited</b>		
Sales of merchandise	246.994.000	-
<b>Tri Linh Services and Trading Company Limited</b>		
Sales of merchandise	2.650.000	-
<b>Pizza 4Ps Corporation</b>		
Sales of merchandise	44.563.500	-
<b>Saigon Pure Water Limited Liability Company</b>		
Sales of merchandise	60.000.000	-
<b>2. Revenue deductions</b>		
	Current year	Previous year
Trade discounts	571.341.478	1.426.848.480
Sales returns	581.635.136	1.444.402.703
Sales allowances	-	157.074
<b>Total</b>	<b>1.152.976.614</b>	<b>2.871.408.257</b>

##### 3. Costs of sales

	Current year	Previous year
Costs of finished goods sold	204.243.560.807	220.756.327.042
Costs of investment property lease	5.211.269.009	-
<b>Total</b>	<b>209.454.829.816</b>	<b>220.756.327.042</b>

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 270 Annual report 2024

#### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Consolidated Financial Statements (cont.)

##### 4. Financial income

	Current year	Previous year
Term deposit interest	2.254.482.350	2.339.964.744
Demand deposit interest	4.467.901	4.352.880
Bond interest	616.332.626	-
Interest on loans given	1.777.732.873	5.070.899.875
Exchange gain arising	4.246.738.858	2.817.484.402
Exchange gain due to the revaluation of monetary items in foreign currencies	230.301.066	87.891.065
Cash discount	20.814.925	66.933.399
<b>Total</b>	<b>9.150.870.599</b>	<b>10.387.526.365</b>

##### 5. Financial expenses

	Current year	Previous year
Loan interest expenses	6.011.840.256	3.177.875.378
Cash discount given to customers	2.119.546.452	5.795.543.305
Exchange loss arising	2.076.131.079	1.348.392.405
<b>Total</b>	<b>10.207.517.787</b>	<b>10.321.811.088</b>

##### 6. Selling expenses

	Current year	Previous year
Expenses for employees	6.339.296.967	6.324.526.285
Materials, packages	34.999.992	8.327.248
Depreciation/(amortization) of fixed assets	691.925.777	105.227.280
Expenses for office	423.012.235	-
Discount on sales	1.851.821.877	879.280.269
Transportation expenses	2.582.420.361	2.021.135.415
Expenses for exportation	2.083.867.694	3.272.674.436
Expenses for external services	2.121.754.541	3.083.264.829
Reversal of warranty expenses	-	(1.034.000)
Other expenses	928.113.304	1.556.248.697
<b>Total</b>	<b>17.057.212.748</b>	<b>17.249.650.459</b>

##### 7. General and administration expenses

	Current year	Previous year
Expenses for employees	25.492.194.781	16.922.680.871
Office supplies	319.465.669	579.930.636
Office stationery	144.772.411	251.786.681
Depreciation/(amortization) of fixed assets	2.057.059.117	3.563.673.449
Taxes, fees and legal fees	39.338.141	28.317.463
Allowance for doubtful debts	507.588.254	-
Expenses for external services	4.333.012.981	2.399.885.501
Other expenses	4.889.903.778	3.878.681.961
<b>Total</b>	<b>37.783.335.132</b>	<b>27.624.956.562</b>

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements www.goducthanh.com 271

## INDEX

141 Chairwoman's message

### DUCTHANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

8. Other income	Current year	Previous year
Proceeds from liquidation and disposal of fixed assets	826.001.516	144.839.813
Proceeds from low-price acquisition	-	289.303.918
Other income	160.308.436	180.107.634
<b>Total</b>	<b>986.309.952</b>	<b>614.251.365</b>

9. Other expenses	Current year	Previous year
Tax collected in arrears and fine for late tax payment of previous years according to the Tax Inspection	370.831.506	-
Decision of tax authority	53.951.006	8.757.573
Other expenses	-	-
<b>Total</b>	<b>424.782.512</b>	<b>8.757.573</b>

#### 10. Earnings per share

##### 10a. Basic/diluted earnings per share

	Current year	Previous year
Accounting profit after corporate income tax	54.893.926.778	36.692.331.691
Appropriation for bonus and welfare funds	(3.004.397.226)	(1.820.151.389)
Profit used to calculate basic/diluted earnings per share	51.889.529.552	34.872.180.302
The average number of ordinary shares outstanding during the year	23.950.324	24.017.457
<b>Basic/diluted earnings per share</b>	<b>2.167</b>	<b>1.452</b>

##### 10b. Other information

According to the information on the issuance of shares presented in the Note No. V.24b, the number of shares issued for dividend distribution was 2,144,865 shares. The basic earnings per share of the previous year have been re-adjusted due to the impact of this event. This adjustment resulted in the decrease in the basic earnings per share for 2023 from VND 1,647 down to VND 1,452.

There is no transaction over the common share or potential common share from the balance sheet date until the date of these Consolidated Financial Statements.

#### 11. Operating costs by factors

	Current year	Previous year
Materials and supplies	91.071.440.190	163.944.636.580
Labor costs	117.966.436.875	99.520.841.018
Depreciation/(amortization) of fixed assets	18.013.636.512	7.936.966.122
Expenses for external services	25.193.436.382	20.816.420.670
Other expenses	6.636.836.067	5.847.397.962
<b>Total</b>	<b>258.881.786.026</b>	<b>298.066.262.352</b>

### VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CONSOLIDATED CASH FLOW STATEMENT

As of the balance sheet date, the balances related to acquisition of fixed assets are as follows:

	Ending balance	Beginning balance
Advance for acquisition of fixed assets	747.066.000	1.633.700.000
Payables for acquisition of fixed assets	4.910.342.850	-

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 272 Annual report 2024

### DUCTHANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

Notes to the Consolidated Financial Statements (cont.)

### VIII. OTHER DISCLOSURES

#### 1. Operating leased assets

As at the balance sheet date, the total minimum rental to be collected in the future from irrevocable operating leases is as follows:

	Ending balance	Beginning balance
1 year or less	22.819.896.324	993.886.022
More than 1 year to 5 years	35.044.083.305	-
<b>Total</b>	<b>57.863.979.629</b>	<b>993.886.022</b>

#### 2. Transactions and balances with related parties

The Group's related parties include the key managers, their related individuals and other related parties.

##### 2a. Transactions and balances with the key managers and their related individuals

The key managers include the Board of Management, the Board of Supervisors and the Board of Executives (the Board of Directors and the Chief Accountant) of the Parent Company. The key managers' related individuals are their close family members.

##### Transactions with the key managers and their related individuals

The Group has no sales of goods and service provisions to the key managers and their related individuals and only has the following transactions with the key managers and their related individuals:

	Current year	Previous year
<b>The Board of Management</b>		
Loan given	5.000.000.000	-
Interest on loan given	150.232.875	-
Dividend distribution	10.395.514.000	3.558.024.000

##### The Board of Supervisors

Dividend distribution	107.929.000	50.657.000
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##### The Board of Executives

Dividend distribution	104.819.000	121.053.000
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##### The key managers' related individuals

Loan given	24.200.000.000	-
Interest on loan given	1.028.799.998	-
Dividend distribution	9.316.582.000	7.106.493.000
Transfer of capital investment	500.000.000	-

The prices of merchandise and services supplied to the key managers and their related individuals are mutually agreed prices.

##### Guarantee commitment

Ms. Le Hai Lieu used her land use right, ownership of houses and other land-attached assets to secure the Group's loan from BIDV - Ho Chi Minh City Branch (see Note No. V.21a).

##### Receivables from and payables to the key managers and their related individuals

Receivables from and payables to the key managers and their related individuals are presented in Notes No. V.5 and V.6a.

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 273 www.goducthanh.com 273



## INDEX

141 Chairwoman's message

### DUC THANH OVERVIEW

### SUMMARY OF MAIN INDICATORS

### REPORTS

### AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

- 238 Statement of the Board of Executives
- 242 Independent Auditor's report and Consolidated Balance Sheet
- 247 Consolidated Income Statement
- 248 Consolidated Cash Flow Statement
- 250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 22/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Consolidated Financial Statements (cont.)

#### Remuneration of the key managers and the Board of Supervisors

The remuneration of the key managers includes salary and compensation with the total amounts during the year as follows:

Full name	Position	Current year	Previous year
<b>Board of Management and Board of Executives</b>			
Ms. Le Hai Lieu	Chairwoman	-	-
Mr. Le Hong Thang	Vice Chairman cum General Director	912.000.000	1.714.862.000
Mr. Le Hong Thanh	Member	-	50.000.000
Mr. Tran Xuan Nam	Member (resigned on 25 March 2023)	-	140.000.000
Ms. Truong Thi Dieu Le	Member (appointed on 25 March 2023)	120.000.000	120.000.000
Mr. Nguyen Hoang Ngan	Member cum Deputy General Director	721.914.000	1.002.926.000
Ms. Nguyen Ha Ngoc Diep	Member	280.000.000	280.000.000
Mr. Hoang Anh Tuan	Deputy General Director	508.930.000	718.277.000
Ms. Nguyen Thi Thanh Huyen	Head of the Supervisory Board	396.177.000	584.713.000
Ms. Truong Thi Binh	Supervisory Board Member	120.000.000	170.000.000
Mr. Tran Ngoc Hung	Supervisory Board Member	70.000.000	100.000.000
Ms. Bui Tuong Anh	Supervisory Board Member	2.752.202.000	4.880.778.000
<b>Total</b>			

Ms. Le Hai Lieu did not receive working compensation during the year and gave all her compensation to support the employees in the Group.

#### 2b. Transactions and balances with other related parties

Other related parties of the Group include:

Other related parties	Relationship
Duc Tam Wood Manufacturing and Exporting Company Limited	Subsidiary
Binh Dien Fertilizer Joint Stock Company	The company having the same key manager (Mr. Tran Ngoc Hung is the Chief Accountant)
Saigon Pure Water Limited Liability Company	The company having related party members
Tri Phuoc Thanh Company Limited	The company having related party members
Tri Linh Services and Trading Company Limited	The company having related party members
Pizza 4Ps Corporation	The company having the same key manager (Mr. Bui Tuong Anh is the Chief Financial Officer)
Binh Minh Plastics Joint Stock Company	The company having the same key manager (Mr. Nguyen Hoang Ngan is a member of the Board of Management)
Business Insight Vietnam Company Limited	The company having the same key manager (Mr. Hoang Anh Tuan is the legal representative)

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements 274 Annual report 2024

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 22/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City

#### CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2024

#### Notes to the Consolidated Financial Statements (cont.)

#### Transactions with other related parties

Apart from sales of goods and service provisions with related parties presented in Note No. VI.1b, the Group has other following transactions with other related parties:

	Current year	Previous year
<b>Tri Phuoc Thanh Company Limited</b>		
Commission discount	19.814.490	-
<b>Saigon Pure Water Limited Liability Company</b>		
Purchases of merchandise	22.636.610	-
<b>Pizza 4Ps Corporation</b>		
Interest on loan given	252.493.151	-

The prices of merchandise and services supplied to other related parties are mutually agreed prices. The purchases of merchandise and services from other related parties are done at the agreed prices.

#### Receivables from and payables to other related parties

The receivables from and payables to other related parties are presented in Notes No. V.3, V.5, V.6 and V.14.

The receivables from other related parties are unsecured and will be paid in cash. There are no allowances for doubtful debts made for the receivables from other related parties.

#### 3. Segment information

Principal business activities of the Group are to manufacture and trade wooden products, which have no differences in economic risks and benefits. The Group's products are both for local sales and export. However, there are no differences in economic risks and benefits in these markets.

#### 4. Subsequent events

Apart from the event presented in Note V.24, there are no material subsequent events which are required adjustments or disclosures in the Consolidated Financial Statements.

*Nguyen Quoc Hiep*  
Preparer

*Bui Phuong Thao*  
Chief Accountant

Ho Chi Minh City, 29 March 2025  
*Nguyen Ha Ngoc Diep*  
Deputy General Director

These Notes form an integral part of and should be read in conjunction with the Consolidated Financial Statements www.goducthanh.com 275



## INDEX

141 Chairwoman's message

DUC THANH OVERVIEW

SUMMARY OF MAIN INDICATORS

REPORTS

AUDITED FINANCIAL STATEMENTS

- Combined Financial Statements
- Consolidated Financial Statements

238 Statement of the Board of Executives  
242 Independent Auditor's report  
and Consolidated Balance Sheet  
247 Consolidated Income Statement  
248 Consolidated Cash Flow Statement  
250 Notes to the Consolidated Financial Statements

Language  
VIET NAM

Language  
ENGLISH

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

#### Appendix 01: Increase/decrease of tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Other tangible fixed assets	Total
Historical costs						
Beginning balance	84,786,249,768	69,839,145,565	15,602,897,482	6,576,641,951	1,396,333,471	178,201,268,237
Acquisition during the year	52,913,000,000	2,086,072,273	6,410,225,000	-	-	61,409,297,273
Transfer to investment property	(64,126,000,000)	(305,000,000)	(2,160,485,354)	(131,586,364)	-	(64,126,000,000)
Liquidation, disposal	-	-	-	-	-	(2,597,071,718)
Ending balance	73,573,249,768	71,620,217,838	19,852,637,128	6,445,055,587	1,396,333,471	172,887,493,792
In which:						
Assets fully depreciated but still in use	7,524,086,849	29,225,035,988	5,749,018,306	4,277,663,653	-	46,775,804,796
Assets waiting for liquidation	-	-	-	-	-	-
Depreciation						
Beginning balance	39,878,227,766	49,413,516,929	9,341,486,056	5,209,221,075	419,513,857	104,261,965,644
Depreciation during the year	7,050,986,003	5,431,629,348	1,287,623,643	274,514,807	198,507,963	14,223,261,764
Transfer to investment property	(4,675,847,804)	-	-	-	-	(4,675,847,804)
Liquidation, disposal	-	(305,000,000)	(2,022,850,506)	(131,586,364)	-	(2,459,436,870)
Ending balance	42,253,365,965	54,540,146,277	8,586,259,193	5,352,149,518	618,021,820	111,349,942,774
Carrying values						
Beginning balance	44,908,022,001	20,425,628,636	6,261,411,426	1,367,420,876	976,819,614	73,939,302,553
Ending balance	31,319,883,802	17,080,071,561	11,266,377,935	1,092,906,069	778,311,651	61,537,551,018
In which:						
Assets temporarily not in use	-	-	-	-	-	-
Assets waiting for liquidation	-	-	-	-	-	-

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director



39

### DUC THANH WOOD PROCESSING JOINT STOCK COMPANY

Address: No. 221/4 Phan Huy Ich Street, Ward 14, Go Vap District, Ho Chi Minh City  
CONSOLIDATED FINANCIAL STATEMENTS  
For the fiscal year ended 31 December 2024

#### Appendix 02: Statement of changes in owner's equity

	Owner's capital	Share premiums	Treasury shares	Investment and development fund	Retained earnings	Total
Beginning balance of the previous year	197,471,710,000	6,024,317,006	(4,216,600,000)	1,001,210,514	94,070,020,338	294,350,657,858
Share issuance for dividend distribution	19,362,460,000	-	-	-	(19,362,460,000)	-
Acquisition of treasury shares	-	-	(1,339,000,000)	-	-	(1,339,000,000)
Charter capital decrease due to redemption of shares of employees	(1,223,250,000)	-	1,223,250,000	-	-	-
Issuance of shares collected in cash during the year	3,115,000,000	3,093,400,000	-	-	36,692,331,691	6,208,400,000
Profit in the previous year	-	-	-	-	(1,820,151,389)	(1,820,151,389)
Appropriation for funds in the previous year	-	-	-	-	(42,436,163,999)	(42,436,163,999)
Dividend, profit distribution in the previous year	-	-	-	-	(45,075,829,000)	(45,075,829,000)
Ending balance of the previous year	218,725,920,000	9,117,717,006	(4,332,350,000)	1,001,210,514	67,143,576,641	291,656,074,161
Beginning balance of the current year	218,725,920,000	9,117,717,006	(4,332,350,000)	1,001,210,514	67,143,576,641	291,656,074,161
Share issuance for dividend distribution	21,448,650,000	-	-	-	(21,448,650,000)	-
Acquisition of treasury shares	-	-	(268,000,000)	-	-	(268,000,000)
Charter capital decrease due to redemption of shares of employees	(1,339,000,000)	(21,600,000)	1,339,000,000	-	-	(21,600,000)
Profit in the current year	-	-	-	-	54,893,926,778	54,893,926,778
Appropriation for funds in the current year	-	-	-	-	(3,004,397,226)	(3,004,397,226)
Dividend distribution in the current year	-	-	-	-	(45,075,829,000)	(45,075,829,000)
Ending balance of the current year	238,835,570,000	9,096,117,006	(3,261,350,000)	1,001,210,514	52,508,627,194	298,180,174,714

Nguyen Quoc Hiep  
Preparer

Bui Phuong Thao  
Chief Accountant

Nguyen Ha Ngoc Diep  
Deputy General Director



40