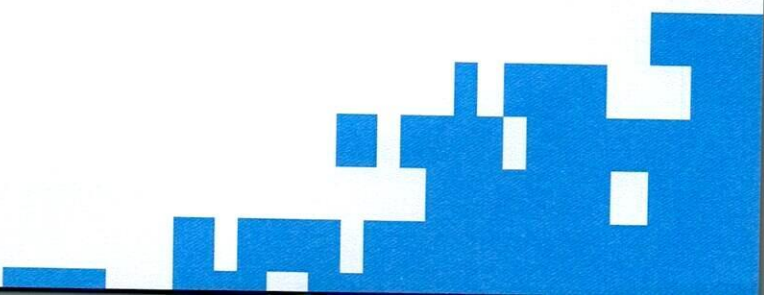




**DANANG AIRPORTS SERVICES
JOINT STOCK COMPANY**

AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2024



DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

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DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

MANAGEMENT'S REPORT

Management of Danang Airports Services Joint Stock Company (hereinafter referred to as "the Company") hereby presents its report and the audited financial statements of the Company for the financial year ended 31 December 2024.

MEMBERS OF THE BOARD OF DIRECTORS, THE SUPERVISORY COMMITTEE, AND MANAGEMENT

Members of the Board of Directors during the year and on the date of this report include:

| <u>Full name</u> | <u>Position</u> |
|-------------------------|---|
| Mr Dao Manh Kien | Chairperson (Reappointed on 25 June 2021) |
| Mr Nguyen Thanh Dong | Member (Reappointed on 28 June 2024) |
| Mr Tran Thanh Hai | Member (Reappointed on 25 June 2021) |
| Mr Tran Thanh Nghia | Member (Appointed on 28 June 2024) |
| Ms Nguyen Thi Thuy Linh | Member (Appointed on 25 June 2021) |
| Ms Le Thi Thuy Linh | Member (Resigned on 28 June 2024) |

Members of the Supervisory Committee during the year and on the date of this report include:

| <u>Full name</u> | <u>Position</u> |
|------------------|--------------------------------------|
| Mr Dinh Hong Son | Head (Reappointed on 25 June 2021) |
| Mr Nguyen Dung | Member (Reappointed on 25 June 2021) |
| Mr Le Giang Nam | Member (Appointed on 25 June 2021) |

Members of management during the year and on the date of this report include:

| <u>Full name</u> | <u>Position</u> |
|--------------------------|---|
| Mr Tran Thanh Nghia | General Director (Appointed on 28 June 2024) |
| Mr Nguyen Thanh Dong | General Director (Resigned on 25 June 2021) |
| Mr Tran Thanh Hai | Vice General Director (Reappointed on 01 November 2021) |
| Mr Pham Van Ha | Vice General Director (Reappointed on 01 November 2021) |
| Ms Nguyen Thi Minh Huyen | Chief Accountant (Reappointed on 01 November 2021) |

AUDITOR

The accompanying financial statements of the Company for the financial year ended 31 December 2024 were audited by RSM Vietnam Auditing & Consulting Company Limited, a member firm of RSM International.

RESPONSIBILITY OF MANAGEMENT

The Company's management is responsible for preparing the financial statements of each period which give a true and fair view of the financial position of the Company and the results of its operations and its cash flows. In preparing these financial statements, management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any departures that need to be disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

MANAGEMENT'S REPORT (CONTINUED)

- Design and implement the internal control system effectively for a fair preparation and presentation of the financial statements so as to mitigate error or fraud.

Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and ensure that the financial statements comply with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam. Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirms that the Company has complied with the above requirements in preparing these financial statements.

STATEMENT BY MANAGEMENT

In management's opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and its cash flows for the financial year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

For and on behalf of management,



Trần Thanh Nghĩa
General Director

Da Nang, 12 March 2025

RSM Vietnam3A Floor, L'Mak The Signature Building
147-147Bis Hai Ba Trung Street
Vo Thi Sau Ward, District 3
Ho Chi Minh City, VietnamT +8428 3827 5026
contact_hcm@rsm.com.vnwww.rsm.global/vietnam

No: 98/2025/KT-RSMHCM

INDEPENDENT AUDITOR'S REPORT

To: **Shareholders**
The Board of Directors
Management
DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Report on the financial statements

We have audited the accompanying financial statements of Danang Airports Services Joint Stock Company (hereinafter referred to as "the Company") prepared on 12 March 2025 as set out from page 05 to page 45, which comprise the statement of financial position as at 31 December 2024, and the income statement, and cash-flow statement for the financial year then ended, and the notes to the financial statements.

Management's Responsibility

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

Auditors' Responsibility

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

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

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

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Danang Airports Services Joint Stock Company as at 31 December 2024, and of the results of its financial performance and its cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards and Vietnamese Corporate Accounting System issued under Circular 200/2014/TT-BTC dated 22 December 2014 and Circular 53/2016/TT-BTC dated 21 March 2016 by Ministry of Finance and relevant legislation as to the preparation and presentation of financial statements.

pp **GENERAL DIRECTOR**



Trinh Thanh Thanh
Vice General Director

Audit Practice Registration Certificate:
2820-2025-026-1

Le Viet Ha
Auditor

Audit Practice Registration Certificate:
4732-2024-026-1

RSM Vietnam Auditing & Consulting Company Limited

Ho Chi Minh City, 12 March 2025

As disclosed in Note 2.1 to the financial statements, the accompanying financial statements are not intended to present the financial position, financial performance, and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

Expressed in VND

| ASSETS | Code | Notes | As at | |
|--|------------|-------|-----------------------|-----------------------|
| | | | 31 Dec. 2024 | 01 Jan. 2024 |
| A. CURRENT ASSETS | 100 | | 33,843,300,606 | 30,067,729,983 |
| I. Cash and cash equivalents | 110 | | 16,757,696,773 | 7,445,756,042 |
| 1. Cash | 111 | 4.1 | 16,757,696,773 | 7,445,756,042 |
| II. Current account receivables | 130 | | 9,049,348,509 | 13,852,610,421 |
| 1. Trade receivables | 131 | 4.2 | 10,680,666,443 | 13,249,847,590 |
| 2. Advances to suppliers | 132 | | 3,000,000 | 89,128,240 |
| 3. Other current receivables | 136 | 4.3 | 920,911,829 | 3,068,864,354 |
| 4. Provision for doubtful debts | 137 | 4.4 | (2,555,229,763) | (2,555,229,763) |
| III. Inventories | 140 | | 4,970,977,219 | 5,481,391,429 |
| 1. Inventories | 141 | 4.5 | 4,970,977,219 | 5,481,391,429 |
| IV. Other current assets | 150 | | 3,065,278,105 | 3,287,972,091 |
| 1. Current prepayments | 151 | 4.8 | 2,763,274,888 | 3,136,764,136 |
| 2. Value added tax deductible | 152 | | 241,411,738 | - |
| 3. Tax and other receivables from the state budget | 153 | 4.11 | 60,591,479 | 151,207,955 |
| B. NON-CURRENT ASSETS | 200 | | 38,057,222,124 | 41,302,800,627 |
| I. Non-current account receivables | 210 | | 112,820,000 | 112,820,000 |
| 1. Other non-current receivables | 216 | | 112,820,000 | 112,820,000 |
| II. Fixed assets | 220 | | 34,718,371,066 | 37,768,805,611 |
| 1. Tangible fixed assets | 221 | 4.6 | 34,169,505,064 | 37,182,606,269 |
| Cost | 222 | | 157,428,839,062 | 161,605,573,024 |
| Accumulated depreciation | 223 | | (123,259,333,998) | (124,422,966,755) |
| 2. Intangible fixed assets | 227 | 4.7 | 548,866,002 | 586,199,342 |
| Cost | 228 | | 953,083,100 | 953,083,100 |
| Accumulated amortisation | 229 | | (404,217,098) | (366,883,758) |
| III. Non-current assets in progress | 240 | | 20,000,000 | - |
| 1. Construction in progress | 242 | | 20,000,000 | - |
| IV. Other non-current assets | 260 | | 3,206,031,058 | 3,421,175,016 |
| 1. Non-current prepayments | 261 | 4.8 | 3,206,031,058 | 3,421,175,016 |
| TOTAL ASSETS (270 = 100 + 200) | 270 | | 71,900,522,730 | 71,370,530,610 |

(See the next page)

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2024

Expressed in VND

| RESOURCES | Code | Notes | As at 31 Dec. 2024 | As at 01 Jan. 2024 |
|---|------------|--------|-----------------------|-----------------------|
| C. LIABILITIES | 300 | | 37,494,249,270 | 40,821,137,036 |
| I. Current liabilities | 310 | | 31,606,713,135 | 35,273,150,901 |
| 1. Trade payables | 311 | 4.9 | 9,576,840,375 | 9,746,693,410 |
| 2. Advances from customers | 312 | 4.10 | 7,928,344,741 | 5,502,114,042 |
| 3. Taxes and amounts payable to the state budget | 313 | 4.11 | 538,506,906 | 572,282,845 |
| 4. Payables to employees | 314 | 4.12 | 3,603,812,026 | 5,809,887,598 |
| 5. Accrued expenses | 315 | | 53,352,351 | 264,692,000 |
| 6. Current unearned revenue | 318 | 4.13 | 4,935,541,745 | 2,751,490,988 |
| 7. Other current payables | 319 | 4.14 | 3,702,381,514 | 1,933,117,069 |
| 8. Current loans and obligations under finance leases | 320 | 4.15 | 1,038,760,000 | 8,494,194,873 |
| 9. Bonus and welfare fund | 322 | | 229,173,477 | 198,678,076 |
| II. Non-current liabilities | 330 | | 5,887,536,135 | 5,547,986,135 |
| 1. Other non-current payables | 337 | 4.14 | 3,640,000,000 | 3,640,000,000 |
| 2. Non-current loans and obligations under finance leases | 338 | 4.15 | 2,247,536,135 | 1,907,986,135 |
| D. OWNER'S EQUITY | 400 | | 34,406,273,460 | 30,549,393,574 |
| I. Equity | 410 | 4.16.1 | 34,406,273,460 | 30,549,393,574 |
| 1. Owner's contributed capital | 411 | | 42,676,830,000 | 42,676,830,000 |
| Ordinary shares carrying voting rights | 411a | | 42,676,830,000 | 42,676,830,000 |
| 2. Investment and development fund | 418 | | 803,208,113 | 803,208,113 |
| 3. Retained earnings | 421 | | (9,073,764,653) | (12,930,644,539) |
| Beginning accumulated retained earnings | 421a | | (12,930,644,539) | (15,774,950,704) |
| Retained earnings of the current year | 421b | | 3,856,879,886 | 2,844,306,165 |
| TOTAL RESOURCES (440 = 300 + 400) | 440 | | 71,900,522,730 | 71,370,530,610 |



Tran Thanh Nghia
General Director
Da Nang, 12 March 2025

(Handwritten signature)

Nguyen Thi Minh Huyen
Chief Accountant

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Pham Thi Thuong
Preparer

INCOME STATEMENT

For the financial year ended 31 December 2024

Expressed in VND

| ITEMS | Code | Notes | Year 2024 | Year 2023 |
|---|------|--------|-----------------|-----------------|
| 1. Revenue | 01 | 5.1 | 181,406,891,268 | 146,906,238,809 |
| 2. Deductions | 02 | 5.2 | 4,175,738,159 | 1,585,637,000 |
| 3. Net revenue | 10 | | 177,231,153,109 | 145,320,601,809 |
| 4. Cost of sales | 11 | 5.3 | 145,255,582,128 | 120,217,647,448 |
| 5. Gross profit | 20 | | 31,975,570,981 | 25,102,954,361 |
| 6. Finance income | 21 | | 311,867,535 | 64,491,677 |
| 7. Finance expense | 22 | 5.4 | 1,289,007,768 | 1,861,863,541 |
| <i>Of which, interest expense</i> | 23 | | 482,754,166 | 1,111,687,930 |
| 8. Selling expense | 25 | 5.5 | 7,609,198,406 | 7,057,748,811 |
| 9. General and administrative expense | 26 | 5.6 | 16,219,556,128 | 12,970,581,747 |
| 10. Operating profit/(loss) | 30 | | 7,169,676,214 | 3,277,251,939 |
| 11. Other income | 31 | 5.7 | 1,249,018,696 | 1,157,320,988 |
| 12. Other expense | 32 | 5.8 | 1,113,137,451 | 782,263,980 |
| 13. Net other income/(loss) | 40 | | 135,881,245 | 375,057,008 |
| 14. Accounting profit/(loss) before tax | 50 | | 7,305,557,459 | 3,652,308,947 |
| 16. Net profit/(loss) after tax | 60 | | 7,305,557,459 | 3,652,308,947 |
| 17. Basic earnings per share | 70 | 4.16.3 | 904 | 666 |
| 18. Diluted earnings per share | 71 | 4.16.4 | 904 | 666 |



Trần Thanh Nghĩa
General Director

Da Nang, 12 March 2025

Nguyễn Thị Minh Huyền
Chief Accountant

Phạm Thị Thuong
Preparer

CASH FLOW STATEMENT
(Indirect method)
For the financial year ended 31 December 2024

Expressed in VND

| ITEMS | Code | Notes | Year 2024 | Year 2023 |
|---|-----------|-------|-----------------------|-----------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| 1. Net profit /(loss) before taxes | 01 | | 7,305,557,459 | 3,652,308,947 |
| 2. Adjustment for: | | | | |
| Depreciation and amortisation | 02 | 5.9 | 6,882,159,818 | 8,909,325,627 |
| Foreign exchange gains/losses from revaluation of foreign currency monetary items | 04 | | 55,417,270 | (31,202,033) |
| Gains/losses from investment | 05 | | (613,241,807) | (553,188,618) |
| Interest expense | 06 | 5.4 | 482,754,166 | 1,111,687,930 |
| 3. Operating profit /(loss) before adjustments to working capital | 08 | | 14,112,646,906 | 13,088,931,853 |
| Increase or decrease in accounts receivable | 09 | | 4,597,554,761 | (4,969,222,123) |
| Increase or decrease in inventories | 10 | | 510,414,210 | (599,326,407) |
| Increase or decrease in accounts payable (excluding interest expense and CIT payable) | 11 | | 535,971,183 | 3,489,782,629 |
| Increase or decrease prepaid expenses | 12 | | 588,633,206 | (2,184,526,354) |
| Interest paid | 14 | | (517,618,815) | (1,124,672,838) |
| Other cash outflows from operating activities | 17 | | (161,567,000) | (406,525,000) |
| Net cash from operating activities | 20 | | 19,666,034,451 | 7,294,441,760 |

(See the next page)

CASH FLOW STATEMENT
(Indirect method)

For the financial year ended 31 December 2024

Expressed in VND

| ITEMS | Code | Notes | Year 2024 | Year 2023 |
|--|-----------|-------|------------------------|------------------------|
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| 1. Acquisition and construction of fixed assets and other long-term assets | 21 | | (3,851,725,273) | (2,324,432,827) |
| 2. Proceeds from disposals of fixed assets and other long-term assets | 22 | | 469,090,909 | 570,000,003 |
| 3. Interest and dividends received | 27 | | 144,150,898 | 6,487,274 |
| Net cash from investing activities | 30 | | (3,238,483,466) | (1,747,945,550) |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| 1. Proceeds from borrowings | 33 | 6.1 | 24,562,003,807 | 35,404,305,614 |
| 2. Repayment of borrowings | 34 | 6.2 | (31,677,888,680) | (38,222,699,133) |
| 3. Dividends paid | 36 | | - | (49,968,758) |
| Net cash from financing activities | 40 | | (7,115,884,873) | (2,868,362,277) |
| NET INCREASE/(DECREASE) IN CASH (50 = 20+30+40) | 50 | | 9,311,666,112 | 2,678,133,933 |
| Cash and cash equivalents at beginning of year | 60 | | 7,445,756,042 | 4,764,980,007 |
| Impact of exchange rate fluctuation | 61 | | 274,619 | 2,642,102 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (70 = 50+60+61) | 70 | 4.1 | 16,757,696,773 | 7,445,756,042 |



Tran Thanh Nghia
General Director
Da Nang, 12 March 2025

Nguyen Thi Minh Huyen
Chief Accountant

Pham Thi Thuong
Preparer

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

1.1. Structure of ownership

Danang Airports Services Joint Stock Company (hereinafter referred to as "the Company"), formerly known as Danang Airports Services Company, had been a state-owned enterprise. On 23 September 2005, Da Nang Airports Services Company was converted into a joint stock company under Decision No. 3547/QD-BGTVT dated 23 September 2005 by the Ministry of Transport. The Company is operating in accordance with the Business Registration Certificate No. 3203000950 dated 05 April 2006 granted by Da Nang City's Department of Planning and Investment and other amended certificates thereafter with the 15th version of the amended certificate dated 09 July 2024 to change the legal representative.

On 09 September 2009, the Company has been officially granted a license to register for securities trading on the UpCom market. The Company was formally licensed to trade securities on Hanoi Stock Exchange under Decision No. 350/QD-SGDHN dated 30 June 2014 by Hanoi City Securities Trading Centre, with stock ticker MAS. The Company commenced trading on 15 July 2014.

Shareholders and contributed capital as at 31 December 2024, are detailed as follows:

| Shareholders | Nation/ Nationality | As at 31 Dec. 2024 | | As at 01 Jan. 2024 | |
|----------------------|------------------------|-----------------------|----------------|-----------------------|----------------|
| | | Amount (VND) | Percent (%) | Amount (VND) | Percent (%) |
| Vietnam Airlines JSC | Vietnam | 15,412,650,000 | 36.11 | 15,412,650,000 | 36.11 |
| Mr Nguyen Thanh Dong | Vietnam | 3,707,500,000 | 8.69 | 100,000,000 | 0.23 |
| Other shareholders | | 23,556,680,000 | 55.20 | 27,164,180,000 | 63.66 |
| Total | | 42,676,830,000 | 100 | 42,676,830,000 | 100 |

The Company's registered head office is at Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam.

The number of employees as at 31 December 2024 was 442 (31 December 2023: 418).

1.2. Business field

- Airline catering production, trading and services;
- Automobile and motorcycle driver training.

1.3. Operating industry and principal activities

The Company is principally engaged in:

- Direct support services for air transport operations
Details: Commercial aviation engineering operation;
- Manufacture of prepared meals and dishes
Details: Manufacture and serve of catering on flights, industrial catering, packaged and instant food, various types of candies, bottled purified water;
- Other education not classified elsewhere
Details: Driver training for cars and motorcycles;

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

- Restaurants and mobile food services
Details: Food service (CP 642) and beverage service (CP 643);
- Other supporting activities related to transport
Details: Airline ticket agents, freight forwarders by air, water, and rail;
- Advertising
Details: Advertising service business;
- Retail sale of other new goods in specialized stores
Details: Retail of non-food goods (CPC 631+632). Implementation of retail distribution rights for duty-free goods, handicrafts, general merchandise, stationery.

1.4. Normal operating cycle

The Company's normal operating cycle is carried out for a period of 12 months.

1.5. Operating activities in the financial year impacting the financial statements

In 2024, the aviation industry's strong recovery, along with a significant rise in international tourist arrivals at Vietnam's airports, created favourable conditions for the Company's business activities. Additionally, new policies aimed at boosting the number of students enrolling in driver training courses significantly contributed to the increase in revenue from training services. These factors contributed to a 23% increase in revenue in 2024 compared to 2023, specifically:

- Revenue from providing airline catering and other related services increased by 16%;
- Revenue from sales at airports increased by 42%;
- Revenue from training services increased by 42%;
- Revenue from other services decreased by 30%.

Meanwhile, the cost of goods sold and services rendered in 2024 increased by only 21% due to a reduction in fixed costs, such as depreciation, as some assets have been fully depreciated.

1.6. The Company's structure

The Company's dependent units as at 31 December 2024 were as follows:

| <u>Name</u> | <u>Operating industry</u> | <u>Address</u> |
|---|---|--|
| Meal Production and Supply Enterprise | Processing and supplying meals | Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city |
| Phu Bai Branch of Danang Airports Services Joint Stock Company | Processing and supplying meals; commercial trading and services | Group 18, Phu Bai ward, Huong Thuy town, Thua Thien Hue province |
| Nha Trang Branch – Danang Airports Services Joint Stock Company | Processing and supplying meals | Cam Ranh Airport, Cam Nghia Ward, Cam Ranh City, Khanh Hoa Province |
| Commercial and Catering Service Enterprise | Commercial trading and services | Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city |

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

| <u>Name</u> | <u>Operating industry</u> | <u>Address</u> |
|---|---|---|
| Branch of Danang Airports Services Joint Stock Company – Vocational Training Center for Automotive and Motorcycles Masco (hereinafter referred to as “Danang Driving Center”) | Automobile and motorcycle driver training | 113 Nui Thanh, Hoa Cuong Bac ward, Hai Chau district, Da Nang city |
| Branch of Danang Airports Services Joint Stock Company – Vocational Training Center for Automotive – Motorcycles Masco Thua Thien Hue (hereinafter referred to as “Hue Driving Center”) | Automobile and motorcycle driver training | 73 Phan Dinh Phung, Vinh Ninh ward, Hue city, Thua Thien Hue province |

2. BASIS OF PREPARATION**2.1. Accounting standards, accounting system**

The accompanying financial statements, expressed in Vietnamese Dong (“VND”), are prepared under the historical cost convention, and in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System, and prevailing accounting regulations in Vietnam.

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

2.2. Forms of accounting records

The form of accounting records applied in the Company is the General Journal.

2.3. Financial year

The Company’s financial year is from 01 January to 31 December.

2.4. Reporting and functional currency

The Company maintains its accounting records in VND.

3. SIGNIFICANT ACCOUNTING POLICIES**3.1. Foreign currencies**

- The exchange rates applied in accounting are the actual exchange rates at the time of transaction occurrence at the commercial banks where the Company conducts its transactions;
- The exchange rate applicable to asset recognition and re-evaluation is the foreign currency-buying rate;
- The exchange rate applicable to liability recognition and re-evaluation is the foreign currency-selling rate;
- Exchange rates applicable to the other transactions are the foreign currency-selling rate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Transactions in foreign currencies are recorded, on initial recognition, in the reporting currency, by applying to the foreign currency amount the spot exchange rate between the reporting currency and the foreign currency at the date of the transaction. The exchange differences arising on the settlement of monetary items are recognised in profit or loss in the year in which they arise. At the end of the reporting year, monetary items excluding advances to suppliers, prepaid expenses, and unearned revenues, which are denominated in foreign currency, are reported using the closing rate and resultant exchange differences resulting from the reporting after offset are recognised in profit or loss in the year in which they arise.

3.2. Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that impact the carrying value of certain assets and liabilities, contingent assets as at 31 December 2024 and liabilities reported in the notes as well as revenues and expenses for the financial year ended 31 December 2024. Although these estimates are based on management's best knowledge of all relevant information available at the date when the financial statements are prepared, this does not prevent actual figures differing from estimates.

3.3. Cash

Cash comprise cash in hand and cash at bank.

3.4. Account receivables

Recognition method

Account receivables are stated at the carrying amounts of trade receivables and other receivables less provisions for doubtful debts.

Provisions for doubtful debts

As of the date of the financial statements, provisions for doubtful debts are recognised for past-due accounts receivable and for accounts receivable where circumstances indicate that they might be uncollectible or for uncollectible debts due to liquidation, bankruptcy, or similar difficulties.

The difference between the required balance and the existing balance of provisions for doubtful debts is recorded as a general and administrative expense in the income statement.

3.5. Inventories

Inventory measurement

Inventories are measured at the lower of cost and net realisable value.

The costs of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing inventories to their present location and condition. The cost of work in progress and finished goods includes materials, direct labour and attributable production overheads based on normal levels of activity.

The costs of purchase of inventories comprise the purchase price, non-reimbursable taxes and duties, and transport, handling, and other costs directly attributable to the acquisition of inventories. Trade discounts and sales rebates on substandard and obsolete goods purchased are deducted from the costs of purchase.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Method of accounting for inventories

Inventories are measured using the weighted average method and are recorded under the perpetual inventory method.

Provisions for decline in value of inventories

As of the date of the financial statements, provisions are recognised for obsolete, slow-moving, defective inventory, and for inventory stated at cost higher than net realisable value.

The difference between the required balance and the existing balance of the provisions for a decline in value of inventories is included in cost of sales in the income statement.

Inventories are written down to net realizable value item by item. For services being rendered, provision is made in respect of each service for which a separate selling price is charged.

Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

3.6. Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation.

Tangible fixed asset recognition

Tangible fixed assets are initially recognised at their cost. The cost of purchased tangible fixed assets comprises the purchase price and any directly attributable costs of bringing the assets to their present location and working condition for their intended use. Accessories added to fixed assets when purchased are recognised separately at their fair values and deducted from the historical cost of the respective tangible fixed assets.

The costs of tangible fixed assets constructed by contractors are the finalised costs of the construction, other directly related expenses, and the registration fee (if any).

Depreciation

The costs of fixed assets are depreciated on a straight-line method over their estimated useful lives.

The estimated useful lives are as follows:

| | |
|---------------------------|---------------|
| ▪ Buildings, structures | 04 – 25 years |
| ▪ Machinery and equipment | 03 – 10 years |
| ▪ Motor vehicles | 03 – 10 years |
| ▪ Office equipment | 04 – 10 years |

3.7. Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Intangible fixed asset recognition

The cost of an intangible fixed asset comprises the total amount of expense incurred by the Company to acquire an asset at the time the asset is put into operation for its intended use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Accounting principles for intangible fixed asset

Land use rights

Land use rights is presented as the value of the long-term land use rights at Da Nang International Airport. Indefinite land use rights are not amortised.

Computer software

Computer software is not an indispensable component of hardware and is recognised as an intangible asset and depreciated over its useful life.

3.8. Operating leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

3.9. Business cooperation contract (BCC)

The principles of recording capital contribution

The driving training centres in Da Nang and Hue operate through an investment partnership between the Company and individuals to jointly carry out training activities but do not form independent legal entities. The Company, as the recipient of the capital contribution, records the amount of capital contributions from individuals as other payable liabilities.

The principles of accounting and profit distribution

The Company is responsible for managing, operating, directing, and is directly recording all revenue and expenses incurred from the activities of the two training centres. According to the agreement, the remaining partners are only entitled to profit sharing at the end of the accounting year.

3.10. Prepayments

Prepayments are classified as current and non-current based on their original term. Prepayments mainly comprise costs of tools and supplies and land rentals, etc., which are amortised over the period for which they are paid or the period in which economic benefits are generated in relation to these expenses.

The following expenses are recognised as prepayments and amortised to the income statement:

- Prepaid land, premise and fixed asset rentals are amortised over the period of lease;
- Tools and supplies are amortised to the income statement over 12 to 36 months;
- Other prepayments: Based on the nature and amount of expenses, the Company selects the appropriate method and criteria for allocation over the period in which economic benefits are expected to be generated.

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.11. Liabilities

Liabilities are classified into trade payables, intra-company payables and other payables based on the following rules: Trade payables represent those arising from purchase and sale related transactions of goods, services or assets and the seller is independent of the buyer; the remaining payables are classified as other payables.

Liabilities are also classified according to the maturity date, the remaining term from the date of the financial statements, original currency, and each creditor.

Liabilities are recognised at no less than the payment obligation.

3.12. Accrued expenses

Accrued expenses represent expenses that will be paid in the future for goods or services received but not yet paid due to lack of invoices or accounting documents. These expenses are recognised as operating expenses of the reporting year.

3.13. Unearned revenues

Unearned revenues include advanced payments for one or more accounting periods for training services and other services being provided within the year.

Unearned revenues are periodically determined and transferred into revenues according to the time of-service delivery.

3.14. Owners' equity

The owners' contributed equity

The owners' contributed equity is recognised when contributed.

Dividends

Dividends are recognised as a liability at the date of declaring dividends.

Retained earnings

Net profit after income tax can be distributed to shareholders after the distribution is approved by the Annual General Meeting of Shareholders and reserves are created in accordance with the Company's Charter and legal regulations in Vietnam.

3.15. Revenue

Revenue from selling goods

Revenue from selling goods is measured at the fair value of the consideration received or receivable. In most cases, revenue is recognised when transferring the risks and rewards of ownership to the buyer.

Revenue involving the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of this transaction can be estimated reliably. When a transaction involving the rendering of services is attributable to several periods, each period's revenue is recognised by reference to the stage of completion at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.16. Deductions

Deductions include trade discounts, and sale returns.

Deductions arising in the reporting year from consumption of products, goods and services are recognised as decreases in revenue in that year; Deductions arising after the end of the reporting year but prior to issuing the financial statements for the reporting year are recognised as decreases in revenue of the reporting year; Deductions arising after the end of the reporting year and after issuing the financial statements for the reporting year are recognised as decreases in revenue of the next year.

3.17. Cost of sales

Cost of sales and services provided represents total costs of finished products, goods, services which are sold and rendered in the year in accordance with the matching principle. Abnormal amounts of production costs of inventories are recognised immediately in cost of sales.

3.18. Finance expense

Finance expenses represent all expenses incurred in the reporting year which mainly include interest expenses and losses from selling foreign currency and exchange rates.

3.19. Selling expense and general and administrative expense

Selling expenses represent expenses incurred during the process of selling products, goods and rendering services, which include payroll costs for sales employees', rental expenses, tools and supplies expenses, and other expenses incurred during the year.

General and administrative expenses represent common expenses, which include payroll costs for office employees' (salaries, wages, allowances, etc.), social insurance, health insurance, trade union fees and unemployment insurance, stationery expenses, tools and supplies expenses, utility services (electricity expenses, water expenses, phone, property insurance, fire and explosion insurance, etc.), sundry expenses (entertainment, business fee, etc.).

3.20. Taxation

Corporate income tax

Current corporate income tax expense

Current corporate income tax expense is determined on the basis of taxable income and the rate of corporate income tax (CIT) of the current year is determined as follows:

- For the training activities at the two driving training centres: the tax rate is 10% throughout the operational period according to point a, Clause 3, Article 19 of Circular No. 78/2014/TT-BTC dated 18 June 2014 by the Ministry of Finance, applicable to socialized units in the education and training sector;
- For the remaining activities of the Company, the tax rate is 20%.

Value added tax

The goods sold and services rendered by the Company are subject to value added tax at the following rates:

- Training services: Not subjected to value added tax;
- Sale of merchandise: 5% - 10%;
- Airports services: 10%;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In accordance with Decree 94/2023/ND-CP dated 28 December 2023 by the Government detailing the implementation of Resolution No. 110/2023/QH15 passed by the Standing Committee of the National Assembly dated 29 November 2023, the VAT rate of 8% is applicable to certain goods and services from 01 January 2024 to 30 June 2024 and in accordance with Decree 72/2024/ND-CP dated 30 June 2024 by the Government detailing the implementation of Resolution No. 142/2024/QH15 passed by the Standing Committee of the National Assembly dated 29 June 2024, the VAT rate of 8% is applicable to certain goods and services from 01 July 2024 to 31 December 2024.

Other taxes

Other taxes are applicable in accordance with the prevailing tax laws in Vietnam.

The tax reports of the Company will be inspected by the Tax Department. Application of the laws and regulations on tax to different transactions can be interpreted by many ways; therefore, the tax amounts presented in the financial statements can be amended in accordance with the Tax Department's final assessment for the Company.

3.21. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares bought back by the Company and held as treasury shares.

3.22. Diluted earnings per share

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after adjusted for bonus and welfare funds), by the weighted average number of ordinary shares outstanding during the year and total ordinary shares that would be issued on the conversion, excluding ordinary shares bought back by the Company and held as treasury shares.

3.23. Segment reporting

A segment is a distinguishable component of the Company that is engaged either in producing or providing related products or services (business segment), or in producing or providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3.24. Related parties

Related parties are individuals or entities that have the ability, directly or indirectly through one or more intermediaries, to control the Company or are controlled by, or are subject to common control with the Company. Associates, individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close family members or associates of such individuals are also considered to be related parties.

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3.25. Financial instruments

Initial recognition

Financial assets

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash and current deposits, trade and other receivables, loans, listed and unlisted financial instruments and derivative financial instruments.

Financial liabilities

At the date of initial recognition, financial liabilities are recognised at cost net of transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Company comprise trade payables and other payables, debts and borrowings and derivative financial instruments.

Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

4. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE STATEMENT OF FINANCIAL POSITION

4.1. Cash

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|--------------|---------------------------------------|---------------------------------------|
| Cash in hand | 784,612,612 | 1,537,358,713 |
| Cash at bank | 15,973,084,161 | 5,908,397,329 |
| Total | <u>16,757,696,773</u> | <u>7,445,756,042</u> |

4.2. Current trade receivables

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|--|---------------------------------------|---------------------------------------|
| Trade receivables from related parties - Refer to Note 8 | 1,115,549,864 | 1,175,274,864 |
| Trade receivables from customers: | | |
| VietJet Aviation Joint Stock Company | 2,093,391,982 | 3,180,055,465 |
| Indochina Airlines Joint Stock Company | 1,481,124,999 | 1,481,124,999 |
| Bamboo Airways Joint Stock Company | 1,402,356,274 | 1,353,494,933 |
| Other (*) | 4,588,243,324 | 6,059,897,329 |
| Total | <u>10,680,666,443</u> | <u>13,249,847,590</u> |

(*) As at 31 December 2024, any component of trade receivables from other customers was less than 10% of the total current trade receivables.

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.3. Current other receivables**

| | As at 31 Dec. 2024 | | As at 01 Jan. 2024 | |
|--|---------------------------|------------|---------------------------|------------|
| | VND | | VND | |
| | Amount | Provisions | Amount | Provisions |
| Advances | 172,886,885 | - | 1,160,364,890 | - |
| Deposits | 84,000,000 | - | 84,000,000 | - |
| Allocation of losses to investment cooperation parties | - | - | 1,246,796,349 | - |
| Others | 664,024,944 | - | 577,703,115 | - |
| Total | 920,911,829 | - | 3,068,864,354 | - |
| In which, other receivables from related parties | - | - | 307,850,301 | - |

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.6. Tangible fixed assets

| Items | Buildings, structures VND | Machinery and equipment VND | Motor vehicles VND | Office equipment VND | Total VND |
|----------------------------------|------------------------------|--------------------------------|-----------------------|-------------------------|------------------------|
| Cost: | | | | | |
| As at 01 Jan. 2024 | 55,616,101,576 | 33,500,231,422 | 71,209,968,699 | 1,279,271,327 | 161,605,573,024 |
| Purchase | - | 773,154,000 | 3,058,571,273 | - | 3,831,725,273 |
| Disposals | - | - | (8,008,459,235) | - | (8,008,459,235) |
| As at 31 Dec. 2024 | 55,616,101,576 | 34,273,385,422 | 66,260,080,737 | 1,279,271,327 | 157,428,839,062 |
| Accumulated depreciation: | | | | | |
| As at 01 Jan. 2024 | 31,905,019,931 | 28,397,146,750 | 62,856,227,293 | 1,264,572,781 | 124,422,966,755 |
| Depreciation | 2,383,254,492 | 1,438,137,571 | 3,016,409,219 | 7,025,196 | 6,844,826,478 |
| Disposals | - | - | (8,008,459,235) | - | (8,008,459,235) |
| As at 31 Dec. 2024 | 34,288,274,423 | 29,835,284,321 | 57,864,177,277 | 1,271,597,977 | 123,259,333,998 |
| Net book value: | | | | | |
| As at 01 Jan. 2024 | 23,711,081,645 | 5,103,084,672 | 8,353,741,406 | 14,698,546 | 37,182,606,269 |
| As at 31 Dec. 2024 | 21,327,827,153 | 4,438,101,101 | 8,395,903,460 | 7,673,350 | 34,169,505,064 |

The amount of year-end net book value of tangible fixed assets totalling VND 6,373,514,238 was pledged as loan security – Refer to Note 4.15.

The historical cost of tangible fixed assets fully depreciated but still in use totalled VND 71,738,622,341.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.7. Intangible fixed assets

| | Land use rights (*) VND | Software VND | Total VND |
|---------------------------|-------------------------------|---------------------------|---------------------------|
| Cost: | | | |
| As at 01 Jan. 2024 | 473,227,100 | 479,856,000 | 953,083,100 |
| Purchase | - | - | - |
| As at 31 Dec. 2024 | <u>473,227,100</u> | <u>479,856,000</u> | <u>953,083,100</u> |
| Accumulated amortisation: | | | |
| As at 01 Jan. 2024 | - | 366,883,758 | 366,883,758 |
| Amortisation | - | 37,333,340 | 37,333,340 |
| As at 31 Dec. 2024 | <u>-</u> | <u>404,217,098</u> | <u>404,217,098</u> |
| Net book value: | | | |
| As at 01 Jan. 2024 | 473,227,100 | 112,972,242 | 586,199,342 |
| As at 31 Dec. 2024 | <u>473,227,100</u> | <u>75,638,902</u> | <u>548,866,002</u> |

(*) Representing long-term land use rights at Da Nang International Airport for the Company's office and Da Nang Catering factory. These land use rights are pledged as loan security – Refer to Note 4.15.

The historical cost of intangible fixed assets fully amortised but still in use totalled VND 332,856,000.

4.8. Prepayments

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|--|------------------------------|------------------------------|
| Current: | | |
| Premises, land and assets rental | 2,186,651,513 | 2,058,458,098 |
| Tools and consumable expenditure | 231,376,613 | 242,049,362 |
| Other | 345,246,762 | 836,256,676 |
| Total | <u>2,763,274,888</u> | <u>3,136,764,136</u> |
| Non-current: | | |
| Tools and consumable expenditure | 1,041,982,711 | 1,319,030,537 |
| Training expenses for catering certificate | 465,531,012 | 428,544,436 |
| Repair expenses | 1,698,517,335 | 1,673,600,043 |
| Total | <u>3,206,031,058</u> | <u>3,421,175,016</u> |

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.9. Current trade payables

| | As at 31 Dec. 2024 | | As at 01 Jan. 2024 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | Amount | Payable amount | Amount | Payable amount |
| Trade payables to related parties – Refer to Note 8 | 60,497,213 | 60,497,213 | 98,295,965 | 98,295,965 |
| Trade payables: | | | | |
| Business household of Le Ngoc Thinh | 757,011,335 | 757,011,335 | 872,114,319 | 872,114,319 |
| Mr Le Tien Minh | 669,030,213 | 669,030,213 | 690,114,420 | 690,114,420 |
| Danang International Airport | 312,170,067 | 312,170,067 | 586,538,908 | 586,538,908 |
| Vietnamese Life Trading and Services Joint Stock Company - Danang Branch | 415,752,804 | 415,752,804 | 572,750,525 | 572,750,525 |
| Other suppliers (*) | 7,362,378,743 | 7,362,378,743 | 6,926,879,273 | 6,926,879,273 |
| Total | 9,576,840,375 | 9,576,840,375 | 9,746,693,410 | 9,746,693,410 |

(*) As at 31 December 2024, any component of payables to other suppliers was less than 10% of the total current trade payables.

4.10. Current advances from customers

| | As at | As at |
|---|----------------------|----------------------|
| | 31 Dec. 2024 | 01 Jan. 2024 |
| | VND | VND |
| Advances from related parties – Refer to Note 8 | 6,617,200,741 | 5,448,708,042 |
| Advances from learner driver at Danang Driving Center | 1,225,000,000 | 40,960,000 |
| Advances from learner driver at Hue Driving Center | 86,144,000 | 12,392,000 |
| Other customers | - | 54,000 |
| Total | 7,928,344,741 | 5,502,114,042 |

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.11. Tax and amounts receivable from/payable to the state budget

| | As at 31 Dec. 2024 VND | | Movements in the year VND | | As at 01 Jan. 2024 VND | |
|----------------------|---------------------------|--------------------|------------------------------|----------------------|---------------------------|--------------------|
| | Receivable | Payable | Payable | Paid | Receivable | Payable |
| Value added tax | - | 360,469,445 | 6,064,465,179 | 6,237,607,152 | - | 533,611,418 |
| Corporate income tax | 35,244,944 | - | - | - | 35,244,944 | - |
| Personal income tax | - | 178,037,461 | 731,065,073 | 591,699,039 | - | 38,671,427 |
| Land rental | 25,346,535 | - | 197,409,825 | 106,793,349 | 115,963,011 | - |
| Other taxes | - | - | 12,000,000 | 12,000,000 | - | - |
| Total | 60,591,479 | 538,506,906 | 7,004,940,077 | 6,948,099,540 | 151,207,955 | 572,282,845 |

4.12. Payables to employees

Representing the salary fund payables to employees as at 31 December 2024.

4.13. Current unearned revenue

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|--|------------------------------|------------------------------|
| Driver training at Danang Driving Center | 2,836,501,232 | 891,510,454 |
| Driver training at Hue Driving Center | 2,099,040,513 | 1,859,980,534 |
| Total | 4,935,541,745 | 2,751,490,988 |

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DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4.14. Other payables**

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|--|---------------------------------------|---------------------------------------|
| Current: | | |
| Profit payable to business cooperation contracts (*) | 1,732,168,492 | 345,507,192 |
| Trade union dues | 216,177,032 | 185,200,426 |
| Current deposits | 655,510,000 | 444,200,000 |
| Learner referral commission fee | 306,134,207 | 279,204,000 |
| Responsibility fee for the taxi driver | 219,845,533 | 219,845,533 |
| Amounts received by the Company on behalf | 19,568,800 | 73,845,802 |
| Other payables | 552,977,450 | 385,314,116 |
| Total | <u>3,702,381,514</u> | <u>1,933,117,069</u> |
| (*) In which, profit payables to related parties – Refer to Note 8 | 266,457,892 | 51,826,078 |
| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
| Non-current: | | |
| Capital contribution under business cooperation contracts of Danang Driving Center | 1,640,000,000 | 1,640,000,000 |
| Capital contribution under business cooperation contracts of Hue Driving Center | 2,000,000,000 | 2,000,000,000 |
| Total (**) | <u>3,640,000,000</u> | <u>3,640,000,000</u> |
| (**) In which, Capital contributed of related parties – Refer to Note 8 | 580,000,000 | 580,000,000 |

(See the next page)

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.15. Loans

| | As at 31 Dec. 2024 | | Movements in the year | | As at 01 Jan. 2024 | |
|---|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Amount | Payable amount | Increase | Decrease | Amount | Payable amount |
| | VND | | VND | | VND | |
| Current loans: | | | | | | |
| Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch | - | - | 22,447,003,807 | 30,941,198,680 | 8,494,194,873 | 8,494,194,873 |
| Current portion of long-term debt: | | | | | | |
| Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch | 636,000,000 | 636,000,000 | 636,000,000 | - | - | - |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam – Da Nang Branch | 402,760,000 | 402,760,000 | 402,760,000 | - | - | - |
| Subtotal | 1,038,760,000 | 1,038,760,000 | 23,485,763,807 | 30,941,198,680 | 8,494,194,873 | 8,494,194,873 |
| Non-current loans: | | | | | | |
| Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch | 635,986,135 | 635,986,135 | - | 1,272,000,000 | 1,907,986,135 | 1,907,986,135 |
| Joint Stock Commercial Bank for Foreign Trade of Vietnam – Da Nang Branch | 1,611,550,000 | 1,611,550,000 | 2,115,000,000 | 503,450,000 | - | - |
| Subtotal | 2,247,536,135 | 2,247,536,135 | 2,115,000,000 | 1,775,450,000 | 1,907,986,135 | 1,907,986,135 |
| Total | 3,286,296,135 | 3,286,296,135 | 25,600,763,807 | 32,716,648,680 | 10,402,181,008 | 10,402,181,008 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Details of the loans are as follows:

- Current loans from Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch:

| | |
|----------------|--|
| Credit line: | VND 20,000,000,000 |
| Loan term: | 12 months |
| Interest rate: | 5.8% p.a. |
| Purpose: | Supplemental working capital |
| Mortgage: | Long-term land use rights at Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city totalled VND 473,227,100 as at 31 December 2024 – Refer to Note 4.7. |

- Non-current loans from Vietnam Joint Stock Commercial Bank for Industry and Trade – Da Nang Branch:

| | |
|----------------|---|
| Credit line: | VND 1,976,000,000 |
| Loan term: | 36 months |
| Interest rate: | 9% p.a. |
| Purpose: | Procurement and investment in fixed assets |
| Mortgage: | The Company's motor vehicles with its net book value totalled VND 3,910,561,319 as at 31 December 2024 – Refer to Note 4.6. |

- Non-current loans from Joint Stock Commercial Bank for Foreign Trade of Vietnam – Da Nang Branch:

| | |
|----------------|---|
| Credit line: | VND 2,115,000,000 |
| Loan term: | 60 months |
| Interest rate: | 7.2%p.a |
| Purpose: | Procurement and investment in fixed assets |
| Mortgage: | The Company's motor vehicles with its net book value totalled VND 2,462,952,919 as at 31 December 2024 – Refer to Note 4.6. |

(See the next page)

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.16. Owners' equity

4.16.1. Changes in owners' equity

| | Items of owners' equity | | | Total VND |
|--|---------------------------------------|---|--------------------------|-----------------|
| | Owners' contributed capital VND | Investment and development fund VND | Retained earnings VND | |
| As at 01 Jan. 2023 | 42,676,830,000 | 803,208,113 | (15,774,950,704) | 27,705,087,409 |
| Previous year's profits | - | - | 3,652,308,947 | 3,652,308,947 |
| Distribution of profits to investment cooperation parties of Danang Driving Center | - | - | (274,824,661) | (274,824,661) |
| Distribution of profits to investment cooperation parties of Hue Driving Center | - | - | (484,800,045) | (484,800,045) |
| Distribution to bonus and welfare fund | - | - | (48,378,076) | (48,378,076) |
| As at 01 Jan. 2024 | 42,676,830,000 | 803,208,113 | (12,930,644,539) | 30,549,393,574 |
| Current year's profits | - | - | 7,305,557,459 | 7,305,557,459 |
| Distribution of profits to investment cooperation parties of Danang Driving Center | - | - | (1,583,560,978) | (1,583,560,978) |
| Distribution of profits to investment cooperation parties of Hue Driving Center | - | - | (1,673,054,194) | (1,673,054,194) |
| Distribution to bonus and welfare fund for profit under business cooperation contracts | - | - | (192,062,401) | (192,062,401) |
| As at 31 Dec. 2024 | 42,676,830,000 | 803,208,113 | (9,073,764,653) | 34,406,273,460 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.16.2. Shares

| | As at 31 Dec. 2024 | As at 01 Jan. 2024 |
|--|-------------------------------|-------------------------------|
| Number of ordinary shares registered for issue | 4,267,683 | 4,267,683 |
| Number of ordinary shares sold to public | 4,267,683 | 4,267,683 |
| Number of ordinary shares outstanding | 4,267,683 | 4,267,683 |

Par value per outstanding share: VND 10,000 per share.

4.16.3. Basic earnings per share

| | Year 2024 VND | Year 2023 VND |
|--|--------------------------|--------------------------|
| Profit after tax attributable to ordinary shareholders | 7,305,557,459 | 3,652,308,947 |
| Adjustments for the decreases profit after CIT: | | |
| + Distribution to bonus and welfare fund for profit under business cooperation contracts | (192,062,401) | (48,378,076) |
| + Decremental adjustments for profit under business cooperation contracts | (3,256,615,172) | (759,624,706) |
| Earnings for the purpose of calculating basic earnings per share | 3,856,879,886 | 2,844,306,165 |
| Weighted average number of ordinary shares outstanding during the year | 4,267,683 | 4,267,683 |
| Basic earnings per share | 904 | 666 |

The Bonus and welfare fund is deducted when calculating basic earnings per share, which is estimated based on the expected distribution rate of the profit after-tax in 2024 of Hue Driving Center.

4.16.4. Diluted earnings per share

| | Year 2024 VND | Year 2023 VND |
|--|--------------------------|--------------------------|
| Profit after tax attributable to ordinary shareholders | 7,305,557,459 | 3,652,308,947 |
| Adjustments for the decreases profit after CIT: | | |
| + Distribution to bonus and welfare fund for profit under business cooperation contracts | (192,062,401) | (48,378,076) |
| + Decremental adjustments for profit under business cooperation contracts | (3,256,615,172) | (759,624,706) |
| Earnings for the purpose of calculating diluted earnings per share | 3,856,879,886 | 2,844,306,165 |
| Number of ordinary shares for the purpose of calculating diluted earnings per share | 4,267,683 | 4,267,683 |
| Diluted earnings per share | 904 | 666 |

The Bonus and welfare fund is deducted when calculating basic earnings per share, which is estimated based on the expected distribution rate of the profit after-tax in 2024 of Hue Driving Center.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.16.5. Dividends

The resolution of the Annual General Meeting of Shareholders in 2024 No. 09/NQ-DHDCD-DVDN on 28 June 2024 approved the dividend payment plan for the year 2019 (the Annual General Meeting of Shareholders in 2020 had approved a ratio of 25% of charter capital). However, to alleviate difficulties in capital and cash flow and to ensure the shareholders' interest, the General Meeting of Shareholders has agreed that the Company will distribute this dividend to shareholders in 2025.

4.17. Off statement of financial position items

| | <u>As at 31 Dec. 2024</u> | <u>As at 01 Jan. 2024</u> |
|---------------------|-------------------------------|-------------------------------|
| Foreign currencies: | | |
| USD | 7,902.96 | 5,723.50 |

5. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE INCOME STATEMENT

5.1. Revenue from selling goods and rendering services

| | <u>Year 2024 VND</u> | <u>Year 2023 VND</u> |
|---|-------------------------------|-------------------------------|
| Revenue from sale of merchandise | 18,626,361,571 | 13,074,092,359 |
| Revenue from rendering training services | 44,381,528,243 | 31,195,071,902 |
| Revenue from rendering leasing services | 831,671,256 | 1,187,441,673 |
| Revenue from rendering catering services and related other services | 117,567,330,198 | 101,449,632,875 |
| Total | <u>181,406,891,268</u> | <u>146,906,238,809</u> |
| Of which the revenue from selling goods and rendering services to related parties – Refer to Note 8 | 71,338,973,659 | 60,684,677,654 |

The reason for the increase in revenue this year is disclosed in Note 1.5.

5.2. Deductions

| | <u>Year 2024 VND</u> | <u>Year 2023 VND</u> |
|-----------------|-----------------------------|-----------------------------|
| Trade discounts | 1,624,096,523 | 132,309,000 |
| Sales returns | 2,551,641,636 | 1,453,328,000 |
| Total | <u>4,175,738,159</u> | <u>1,585,637,000</u> |

Deductions this year have increased by over 163% compared to the previous year, primarily due to the rise in trade discounts offered to international airlines.

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5.3. Cost of sales and services rendered**

| | Year 2024 VND | Year 2023 VND |
|---|-------------------------------|-------------------------------|
| Cost of merchandise sold | 11,842,081,477 | 8,921,359,581 |
| Cost of training services rendered | 28,100,247,169 | 24,477,557,928 |
| Cost of catering services and other services rendered | 105,313,253,482 | 86,818,729,939 |
| Total | <u>145,255,582,128</u> | <u>120,217,647,448</u> |

The reason for the increase in the cost of goods sold and services rendered this year is disclosed in Note 1.5.

5.4. Finance expense

| | Year 2024 VND | Year 2023 VND |
|---|-----------------------------|-----------------------------|
| Payment discount for related parties – Refer to Note 8 | 750,000,000 | 750,000,004 |
| Interest expense | 482,754,166 | 1,111,687,930 |
| Foreign exchange losses from revaluation of foreign currency monetary items | 55,417,270 | - |
| Foreign exchange losses | 836,332 | 175,607 |
| Total | <u>1,289,007,768</u> | <u>1,861,863,541</u> |

5.5. Selling expense

| | Year 2024 VND | Year 2023 VND |
|----------------------------|-----------------------------|-----------------------------|
| Employee expense | 3,926,195,100 | 3,510,762,425 |
| Material and tools expense | 221,505,304 | 191,624,653 |
| Depreciation expense | 9,966,683 | 5,825,396 |
| Services expenses | 3,078,796,002 | 2,991,353,301 |
| Other selling expenses | 372,735,317 | 358,183,036 |
| Total | <u>7,609,198,406</u> | <u>7,057,748,811</u> |

5.6. General and administrative expense

| | Year 2024 VND | Year 2023 VND |
|----------------------------------|------------------------------|------------------------------|
| Administrative employee expenses | 11,141,886,135 | 9,628,362,544 |
| Office stationery expenses | 289,115,827 | 157,005,732 |
| Depreciation expense | 37,708,497 | 53,596,477 |
| Taxes, fees, and charges | 9,306,140 | 5,825,395 |
| Services expenses | 1,747,658,188 | 1,110,423,748 |
| Other expenses | 2,993,881,341 | 2,015,367,851 |
| Total | <u>16,219,556,128</u> | <u>12,970,581,747</u> |

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**5.7. Other income**

| | Year 2024 VND | Year 2023 VND |
|--|--------------------------------|--------------------------------|
| Rental income | 609,237,036 | 429,782,037 |
| Gains from disposal and sale of fixed assets | 469,090,909 | 546,701,344 |
| Other income | 170,690,751 | 180,837,607 |
| Total | <u>1,249,018,696</u> | <u>1,157,320,988</u> |

5.8. Other expense

| | Year 2024 VND | Year 2023 VND |
|---|--------------------------------|--------------------------------|
| Rental expenses for premises and driving practice areas | 622,720,000 | 429,851,430 |
| Other expenses | 490,417,451 | 352,412,550 |
| Total | <u>1,113,137,451</u> | <u>782,263,980</u> |

5.9. Production and business costs by element

| | Year 2024 VND | Year 2023 VND |
|----------------------|--------------------------------|--------------------------------|
| Purchase expense | 6,990,207,898 | 5,341,616,395 |
| Material expense | 54,497,737,363 | 43,393,553,557 |
| Employee expense | 57,670,471,032 | 49,363,453,558 |
| Depreciation expense | 6,882,159,818 | 8,909,325,627 |
| Service expense | 24,362,092,689 | 17,852,142,278 |
| Other expenses | 18,681,667,862 | 15,385,886,591 |
| Total | <u>169,084,336,662</u> | <u>140,245,978,006</u> |

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.10. Current corporate income tax expense

CIT expense calculated on the taxable income of the current year is determined as follows:

| | Year 2024 VND | Year 2023 VND |
|---|------------------|------------------|
| Accounting profit before tax for the year | 7,305,557,459 | 3,652,308,947 |
| Add: Incremental adjustments | 1,055,724,217 | 1,004,101,218 |
| <i>Non-deduction expenses under CIT law</i> | 1,021,057,784 | 995,852,594 |
| <i>Unrealized foreign exchange gains from the previous year on cash and receivables</i> | 34,666,433 | 8,248,624 |
| Less: Decremental adjustments | (299,747,310) | (34,666,433) |
| <i>Unrealized foreign exchange gains from the current year on cash and receivables</i> | (123,272,310) | (34,666,433) |
| <i>Previous year accrued expenses</i> | (176,475,000) | - |
| Taxable income | 8,061,534,366 | 4,621,743,732 |
| Less: Loss carried forward (*) | (8,061,534,366) | (4,621,743,732) |
| Total taxable income in the current period | - | - |
| Current CIT expense | - | - |
| Total current CIT expense in the year | - | - |

The adjustments for the increases (decreases) in the taxable income represent mainly non – tax – deductible items as regulated by CIT law.

(*) The Company is allowed to carry forward tax losses to the next year to offset against profits within five (5) years from the year in which the losses are incurred. Details of remaining estimated tax losses for carrying forward are as follows:

| <u>From year</u> | <u>Carry forward losses to year</u> | <u>Tax losses</u> | <u>Accumulated losses utilised as at 31 Dec. 2024</u> | <u>Remaining Losses as at 31 Dec. 2024</u> |
|------------------|-------------------------------------|-----------------------|---|--|
| 2020 | 2025 | 9,175,719,742 | 9,175,719,742 | - |
| 2021 | 2026 | 12,179,824,715 | 4,675,386,596 | 7,504,438,119 |
| Total | | 21,355,544,457 | 13,851,106,338 | 7,504,438,119 |

During the year, the Company had transactions with related parties, and the details of the interest expense deductible in the year according to Decree No. 132/2020/ND-CP are as follows:

| | Year 2024 VND | Year 2023 VND |
|--|------------------|------------------|
| Interest expense | 482,754,166 | 1,111,687,930 |
| Deposit interests, lending interests | (144,150,898) | (6,487,274) |
| Net interest expense | 338,603,268 | 1,105,200,656 |
| Operating profit | 7,169,676,214 | 3,652,308,947 |
| Depreciation expense | 6,882,159,818 | 8,909,325,627 |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | 14,390,439,300 | 13,291,778,222 |
| Interest expense deductible in accordance with Decree No. 132/2020/ND-CP | 482,754,166 | 1,111,687,930 |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**6. ADDITIONAL INFORMATION FOR ITEMS SHOWN IN THE CASH FLOW STATEMENT****6.1. Cash receipts from loans in the year**

| | Year 2024 VND | Year 2023 VND |
|---|--------------------------|--------------------------|
| Cash receipts from loans under normal contracts | 24,562,003,807 | 35,404,305,614 |

6.2. Cash repayments of principal amounts borrowed

| | Year 2024 VND | Year 2023 VND |
|--|--------------------------|--------------------------|
| Cash repayment of principal amounts under normal contracts | (31,677,888,680) | (38,222,699,133) |

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. SEGMENT REPORTING

For management purposes, the Company divided its activities on the basis of the following geographical major segments:

- Da Nang City;
- Khanh Hoa province;
- Thua Thien Hue province.

For the financial year ended 31 December 2024:

| | Da Nang | | Khanh Hoa | | Thue Thien Hue | | Eliminations | | Total | |
|---------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND |
| Revenue | | | | | | | | | | |
| External sales | 110,755,656,287 | 94,791,297,906 | 33,137,697,099 | 26,209,929,533 | 37,513,537,882 | 25,905,011,370 | - | - | 181,406,891,268 | 146,906,238,809 |
| Inter-segment sales | 2,246,302,787 | 1,423,865,661 | - | - | - | - | (2,246,302,787) | (1,423,865,661) | - | - |
| Total | 113,001,959,074 | 96,215,163,567 | 33,137,697,099 | 26,209,929,533 | 37,513,537,882 | 25,905,011,370 | (2,246,302,787) | (1,423,865,661) | 181,406,891,268 | 146,906,238,809 |
| Result | | | | | | | | | | |
| Segment result | 27,323,344,554 | 24,919,568,298 | (4,352,486,409) | (3,651,449,533) | 9,004,712,836 | 3,834,835,596 | - | - | 31,975,570,981 | 25,102,954,361 |
| Selling expense | (6,117,456,494) | (5,710,189,496) | - | - | (1,491,741,912) | (1,347,559,315) | - | - | (7,609,198,406) | (7,057,748,811) |
| G&A expense | (10,331,686,345) | (10,401,544,479) | (2,754,400,363) | - | (3,133,469,420) | (2,569,037,268) | - | - | (16,219,556,128) | (12,970,581,747) |
| Finance income | 308,125,365 | 73,306,795 | 915,005 | 317,368 | 174,185,497 | 262,585,276 | (171,358,332) | (271,717,762) | 311,867,535 | 64,491,677 |
| Finance expense | (372,604,504) | (812,437,520) | (1,076,107,371) | (1,227,740,041) | (11,654,225) | (93,403,742) | 171,358,332 | 271,717,762 | (1,289,007,768) | (1,861,863,541) |
| Other profit | (332,547,472) | 18,420,443 | (792,557) | 13,206,161 | 469,221,274 | 343,430,404 | - | - | 135,881,245 | 375,057,008 |
| Profit before tax | 10,477,175,104 | 8,087,124,041 | (8,182,871,695) | (4,865,666,045) | 5,011,254,050 | 430,850,951 | - | - | 7,305,557,459 | 3,652,308,947 |
| Income tax expense | - | - | - | - | - | - | - | - | - | - |
| Net profit | | | | | | | | | 7,305,557,459 | 3,652,308,947 |

(*) Eliminations:

- Internal revenue exclusions refer to the revenue generated from providing meals to Room C in Da Nang (the catering enterprise provides meals to the commercial enterprise serving Room C).
- Financial income and expense exclusions refer to the income and expenses from internal loan transactions between the Company Office and the Hue Driving Training Center.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Other information

| | Da Nang | | Khanh Hoa | | Thue Thien Hue | | Eliminations | | Total | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND |
| Segment assets | 65,826,769,461 | 70,860,927,506 | 23,462,213,084 | 25,196,016,562 | 13,221,872,817 | 13,252,724,886 | (30,610,332,632) | (37,939,138,344) | 71,900,522,730 | 71,370,530,610 |
| Segment liabilities | (31,420,496,001) | (40,311,533,932) | (23,462,213,084) | (25,196,016,562) | (13,221,872,817) | (13,252,724,886) | 30,610,332,632 | 37,939,138,344 | (37,494,249,270) | (40,821,137,036) |

| | Da Nang | | Khanh Hoa | | Thue Thien Hue | | Eliminations | | Total | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND | 31 Dec. 2024 VND | 01 Jan. 2024 VND |
| Fixed assets: | | | | | | | | | | |
| Historical cost | 51,520,136,285 | 57,066,863,338 | 77,749,550,507 | 76,920,417,416 | 29,112,235,370 | 28,571,375,370 | - | - | 158,381,922,162 | 162,558,656,124 |
| Accumulated depreciation | (43,141,975,043) | (48,386,300,209) | (56,774,922,422) | (53,732,929,250) | (23,746,653,631) | (22,670,621,054) | - | - | (123,663,551,096) | (124,789,850,513) |

| | Da Nang | | Khanh Hoa | | Thue Thien Hue | | Eliminations | | Total | |
|---------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND | Year 2024 VND | Year 2023 VND |
| Depreciation expense | (2,764,134,069) | (2,540,015,655) | (3,041,993,172) | (5,233,215,684) | (1,076,032,577) | (1,136,094,288) | - | - | (6,882,159,818) | (8,909,325,627) |
| Cost of purchasing assets | (2,481,732,182) | (1,534,432,827) | (829,133,091) | - | (540,860,000) | (790,000,000) | - | - | (3,851,725,273) | (2,324,432,827) |

Segment revenue is based on the client's geographical location. Assets and cost of purchasing assets in segment are presented according to geographical location of assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

In addition to the information of the business activities of the segments which are based on the operational structure of the Company, the figures below present information for the manufacturing secondary sector as follows:

- Aviation related activities (supply catering; trading; delivery services; cleaning service at the airport;...);
- Training related activities (driving license training for cars and motorbikes; car rental; practice ground rental;...).

For the financial year ended 31 December 2024:

| | <u>Aviation</u> | | <u>Training</u> | | <u>Eliminations</u> | | <u>Total</u> | |
|---------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | <u>Year 2024</u> <u>VND</u> | <u>Year 2023</u> <u>VND</u> | <u>Year 2024</u> <u>VND</u> | <u>Year 2023</u> <u>VND</u> | <u>Year 2024</u> <u>VND</u> | <u>Year 2023</u> <u>VND</u> | <u>Year 2024</u> <u>VND</u> | <u>Year 2023</u> <u>VND</u> |
| Revenue | | | | | | | | |
| External | 136,942,164,371 | 115,544,285,592 | 44,464,726,897 | 31,361,953,217 | - | - | 181,406,891,268 | 146,906,238,809 |
| Inter-segment | 2,246,302,787 | 1,423,865,661 | - | - | (2,246,302,787) | (1,423,865,661) | - | - |
| Total | <u>139,188,467,158</u> | <u>116,968,151,253</u> | <u>44,464,726,897</u> | <u>31,361,953,217</u> | <u>(2,246,302,787)</u> | <u>(1,423,865,661)</u> | <u>181,406,891,268</u> | <u>146,906,238,809</u> |
| Depreciation expense | (5,584,984,110) | (7,747,101,016) | (1,297,175,708) | (1,162,224,611) | - | - | (6,882,159,818) | (8,909,325,627) |
| Cost of purchasing assets | (2,799,005,273) | (844,432,827) | (1,052,720,000) | (1,480,000,000) | - | - | (3,851,725,273) | (2,324,432,827) |

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RELATED PARTIES

| <u>List of related parties</u> | <u>Relationship</u> |
|---|---|
| 1. Vietnam Airlines JSC ("Vietnam Airlines") | Significant influence shareholder |
| 2. Pacific Airlines Aviation Joint Stock Company | Vietnam Airlines's subsidiary |
| 3. Vietnam Airport Ground Services Company Limited | Vietnam Airlines's subsidiary |
| 4. Noi Bai Catering Services Joint Stock Company | Vietnam Airlines's subsidiary |
| 5. Branch of Vietnam Airlines Engineering Company Limited at Da Nang City | Branch of Vietnam Airlines's subsidiary |
| 6. Vietnam Airlines Caterers Ltd | Vietnam Airlines's subsidiary |
| 7. Board of Directors and management | Key management personnel |

At the end of the reporting year, the balances with related parties are as follows:

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|--|---------------------------------------|---------------------------------------|
| Trade receivables: | | |
| Vietnam Airport Ground Services Company Limited | 399,567,600 | 475,065,000 |
| Pacific Airlines Aviation Joint Stock Company | 533,401,264 | 523,041,264 |
| Vietnam Airlines Caterers Ltd | 15,127,000 | 125,307,000 |
| Vietnam Airlines JSC | 167,454,000 | 51,861,600 |
| Total – Refer to Note 4.2 | <u>1,115,549,864</u> | <u>1,175,274,864</u> |
| Trade payables – Refer to Note 4.9: | | |
| Noi Bai Catering Services Joint Stock Company | 60,497,213 | 98,295,965 |
| Advances from customers – Refer to Note 4.10: | | |
| Vietnam Airlines JSC | 6,617,200,741 | 5,448,708,042 |
| Other current payables on profit payables to investment cooperation parties: | | |
| Mr Nguyen Thanh Dong – Member of the Board of Directors | 243,048,644 | 51,826,078 |
| Mr Pham Van Ha – Vice General Director | 23,409,248 | - |
| Total – Refer to Note 4.14 | <u>266,457,892</u> | <u>51,826,078</u> |
| Other non-current payables on capital contribution under business cooperation contracts: | | |
| Mr Nguyen Thanh Dong – Member of the Board of Directors | 460,000,000 | 460,000,000 |
| Mr Pham Van Ha – Vice General Director | 120,000,000 | 120,000,000 |
| Total – Refer to Note 4.14 | <u>580,000,000</u> | <u>580,000,000</u> |

DANANG AIRPORTS SERVICES JOINT STOCK COMPANY

Address: Da Nang International Airport, Hoa Thuan Tay ward, Hai Chau district, Da Nang city, Vietnam

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

During the reporting year, the Company has had related party transactions as follows:

| | <u>Year 2024</u> <u>VND</u> | <u>Year 2023</u> <u>VND</u> |
|--|--------------------------------|--------------------------------|
| Sale of goods and rendering of services: | | |
| Vietnam Airlines JSC | 66,274,088,914 | 56,638,669,058 |
| Vietnam Airport Ground Services Company Limited | 4,599,982,500 | 3,333,539,500 |
| Noi Bai Catering Services Joint Stock Company | 157,914,815 | 374,262,324 |
| Branch of Vietnam Airlines Engineering Company Limited at Da Nang City | 160,464,281 | 145,405,594 |
| Vietnam Airlines Caterers Ltd | 114,430,556 | 115,373,905 |
| Pacific Airlines Aviation Joint Stock Company | 32,092,593 | 77,427,273 |
| Total – Refer to Note 5.1 | <u>71,338,973,659</u> | <u>60,684,677,654</u> |
| Purchase of goods: | | |
| Noi Bai Catering Services Joint Stock Company | 158,345,638 | 310,645,687 |
| Payment discount – Refer to Note 5.4: | | |
| Vietnam Airlines JSC | 750,000,000 | 750,000,004 |

(See the next page)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Salaries, remunerations and other benefits of the Board of Directors, Supervisory Committee and management are as follows:

| Name | Position | Year 2024 VND | | | Year 2023 VND | | |
|--------------------------|---|-------------------|----------------------|----------------------|-------------------|----------------------|----------------------|
| | | Remuneration | Income | Total | Remuneration | Income | Total |
| Mr Dao Manh Kien | Chairperson | 19,500,000 | - | 19,500,000 | 19,500,000 | - | 19,500,000 |
| Ms Le Thi Thuy Linh | Member of the BOD (Resigned on 28 June 2024) | 5,460,000 | 154,082,658 | 159,542,658 | 10,920,000 | 170,491,290 | 181,411,290 |
| Ms Nguyen Thi Thuy Linh | Member of the BOD (Appointed on 28 June 2024) | 10,920,000 | - | 10,920,000 | 10,920,000 | - | 10,920,000 |
| Mr Nguyen Thanh Dong | Member of the BOD/ General Director (Resigned on 28 June 2024) | 5,460,000 | 609,949,229 | 615,409,229 | 10,920,000 | 597,185,215 | 608,105,215 |
| Mr Tran Thanh Nghia | Member of the BOD/ General Director (Appointed on 28 June 2024) | 5,460,000 | 494,041,564 | 499,501,564 | - | - | - |
| Mr Tran Thanh Hai | Member of the BOD/ Vice General Director | 10,920,000 | 657,530,432 | 668,450,432 | 10,920,000 | 409,671,384 | 420,591,384 |
| Mr Pham Van Ha | Vice General Director | - | 657,530,432 | 657,530,432 | - | 409,671,384 | 409,671,384 |
| Ms Nguyen Thi Minh Huyen | Chief accountant | - | 595,659,888 | 595,659,888 | - | 361,747,017 | 361,747,017 |
| Mr Dinh Hong Son | Head of Supervisory Committee | - | 93,600,000 | 93,600,000 | - | 93,600,000 | 93,600,000 |
| Mr Nguyen Dung | Member of Supervisory Committee | 7,800,000 | 145,183,431 | 152,983,431 | 7,800,000 | 128,925,424 | 136,725,424 |
| Mr Le Giang Nam | Member of Supervisory Committee | 7,800,000 | 319,484,031 | 327,284,031 | 7,800,000 | 221,046,888 | 228,846,888 |
| Total | | 73,320,000 | 3,727,061,663 | 3,800,381,663 | 78,780,000 | 2,392,338,602 | 2,471,118,602 |



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. FINANCIAL INSTRUMENTS

In performing its operating, investing, and financing activities, the Company is exposed to the following financial risks:

- Credit risk: the possibility that a debtor will not repay all or a portion of a loan or will not repay in a timely manner and therefore will cause a loss to the Company.
- Liquidity risk: the risk that the Company may not have, or may not be able to raise, cash funds when needed and therefore encounter difficulty in meeting obligations associated with financial liabilities.
- Market risk: the risk that the value of a financial instrument will fluctuate in terms of fair value or future cash flows as a result of a fluctuation in market prices. Basically, the Company is exposed to three market risk components:
 - + Interest rate risk
 - + Currency risk

In order to effectively manage those risks, the Board of Directors has approved specific strategies for the management of financial risks, which are in line with corporate objectives. These strategies set up guidelines for the short- and long-term objectives and actions to be taken in order to manage the financial risks that the Company faces. The major guidelines are the following:

- Minimise interest rate, currency, and price risks for all kinds of transactions;
- All financial risk management activities are carried out and monitored at central level;
- All financial risk management activities are carried out on a prudent and consistent basis and following the best market practices.

The following table summarises the carrying amount of financial assets and financial liabilities recorded by category:

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|-------------------------------|---------------------------------------|---------------------------------------|
| Financial assets: | | |
| Cash | 16,757,696,773 | 7,445,756,042 |
| Trade & other receivables | 9,046,348,509 | 13,763,482,181 |
| Total | <u>25,804,045,282</u> | <u>21,209,238,223</u> |
| Financial liabilities: | | |
| Borrowings | 3,286,296,135 | 10,402,181,008 |
| Trade & other payables | 16,703,044,857 | 15,134,610,053 |
| Accruals | 53,352,351 | 264,692,000 |
| Total | <u>20,042,693,343</u> | <u>25,801,483,061</u> |

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Credit risk

The company's clients are primarily airlines. Therefore, the company manages credit risk by maintaining a policy of requiring deposits to execute contracts and demanding payment of debts within 30 days. There are no significant concentrations of credit risk. The maximum credit risk to which the Company is exposed is summarised in the following table:

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|---------------------------|---------------------------------------|---------------------------------------|
| Cash | 16,757,696,773 | 7,445,756,042 |
| Trade & other receivables | 9,046,348,509 | 13,763,482,181 |
| Total | <u>25,804,045,282</u> | <u>21,209,238,223</u> |

The Company does not hold collateral for any of its receivables. All the receivables that are past due at reporting date are impaired as appropriate. Note 4.4 provides an analysis of the allowance for doubtful receivables.

Liquidity risk

The Company manages liquidity risk on the basis of expected maturity dates.

The following tables analyse financial liabilities by remaining contractual maturity:

| | Borrowings VND | Trade & other payables VND | Total VND |
|---------------------------|-----------------------------|---|------------------------------|
| Less than 1 year | 1,038,760,000 | 13,116,397,208 | 14,155,157,208 |
| From 1 - 3 years | 1,441,506,135 | - | 1,441,506,135 |
| Over 5 years | 806,030,000 | 3,640,000,000 | 4,446,030,000 |
| As at 31 Dec. 2024 | <u>3,286,296,135</u> | <u>16,756,397,208</u> | <u>20,042,693,343</u> |

| | Borrowings VND | Trade & other payables VND | Total VND |
|---------------------------|------------------------------|---|------------------------------|
| Less than 1 year | 8,494,194,873 | 11,759,302,053 | 20,253,496,926 |
| From 1 - 3 years | 1,907,986,135 | - | 1,907,986,135 |
| Over 5 years | - | 3,640,000,000 | 3,640,000,000 |
| As at 01 Jan. 2024 | <u>10,402,181,008</u> | <u>15,399,302,053</u> | <u>25,801,483,061</u> |

At present, the Company expects to pay all liabilities at their contractual maturity. In order to meet such cash commitments, the Company expects the operating activity to generate sufficient cash inflows. In addition, the Company holds financial assets for which there is a liquid market and that are readily available to meet liquidity needs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Interest rate risk

The Company's exposure to interest rate risk mainly concerns floating-rate loans from banks. The following table analyses the breakdown of liabilities by type of interest rate:

| | As at 31 Dec. 2024 VND | As at 01 Jan. 2024 VND |
|------------------------|---------------------------------------|---------------------------------------|
| Financial Liabilities: | | |
| Floating rate | 3,286,296,135 | 10,402,181,008 |

In order to manage the interest rate risk, The Company has estimated the impact of interest expense on its operating results for each period, as well as analysed and forecast to choose the appropriate times to pay liabilities. Management believes that the Company's risk of unexpected interest rate fluctuations is low.

Foreign currency risk

The Company has operations internationally, so it is exposed to foreign currency risk as part of its normal business. The Company is exposed to USD risk due to its loans by foreign currency and catering transactions with international airlines such as STARLUX Airlines, Qatar Airways, Eznis Airways, etc...

In order to manage the foreign currency risk, the Company has implemented measures such as optimizing debt payment terms, selecting appropriate times to buy and pay foreign exchange, forecasting future foreign exchange rates, and optimizing existing cash resources to balance foreign exchange risk and liquidity risk.

Financial assets are analysed by currency as follows:

| | Trade and Other Receivables VND | Cash VND | Total VND |
|---------------------------|--|------------------------------|------------------------------|
| As at 31 Dec. 2024 | | | |
| VND | 8,664,422,084 | 16,617,040,862 | 25,281,462,946 |
| USD | 381,926,425 | 140,655,911 | 522,582,336 |
| Total | <u>9,046,348,509</u> | <u>16,757,696,773</u> | <u>25,804,045,282</u> |
| As at 01 Jan. 2024 | | | |
| VND | 11,102,550,918 | 7,308,061,446 | 18,410,612,364 |
| USD | 2,660,931,263 | 137,694,596 | 2,798,625,859 |
| Total | <u>13,763,482,181</u> | <u>7,445,756,042</u> | <u>21,209,238,223</u> |



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following table analyses the breakdown of liabilities by currency:

| | Loans VND | Trade and other payables VND | Accruals VND | Total VND |
|---------------------------|------------------------------|---|---------------------------|------------------------------|
| As at 31 Dec. 2024 | | | | |
| VND | 3,286,296,135 | 16,447,534,857 | 53,352,351 | 19,787,183,343 |
| USD | - | 255,510,000 | - | 255,510,000 |
| Total | <u>3,286,296,135</u> | <u>16,703,044,857</u> | <u>53,352,351</u> | <u>20,042,693,343</u> |
| As at 01 Jan. 2024 | | | | |
| VND | 10,402,181,008 | 14,890,410,053 | 264,692,000 | 25,557,283,061 |
| USD | - | 244,200,000 | - | 244,200,000 |
| Total | <u>10,402,181,008</u> | <u>15,134,610,053</u> | <u>264,692,000</u> | <u>25,801,483,061</u> |

10. EVENTS AFTER THE END OF THE REPORTING YEAR

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.




Tran Thanh Nghia
 General Director


Nguyen Thi Minh Huyen
 Chief Accountant


Pham Thi Thuong
 Preparer

Da Nang, 12 March 2025