

# Sao Vang Rubber Joint Stock Company

Financial statements

For the year ended 31 December 2024



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Financial statements

For the year ended 31 December 2024



# Sao Vang Rubber Joint Stock Company

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# Sao Vang Rubber Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Sao Vang Rubber Joint Stock Company ("the Company"), formerly a state-owned enterprise, was equitized in accordance with Decision No. 3500/QD-BCN dated 24 October 2005 of the Minister of the Ministry of Industry and operated as a joint stock company in pursuant to the Enterprise Registration Certificate No. 0103011568 issued by Hanoi Department of Planning and Investment on 3 April 2006 and subsequent amendments with the 12<sup>th</sup> amendment dated 28 April 2023 as the latest.

The current principal activities of the Company are:

- ▶ manufacturing and trading rubber products;
- ▶ provision of leasing services including shops, office space, factories, warehouses; and
- ▶ importing and exporting materials, machinery, equipment, and chemicals for rubber industry; and trading automotive spare parts and coals.

The Company's head office is located at 231 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam and the following dependent branches as follow:

<i>Branch</i>	<i>Address</i>
Thai Binh Branch of Sao Vang Rubber Joint Stock Company	Tran Thu Do street, Tien Phong ward, Thai Binh city, Thai Binh province
Da Nang Branch of Sao Vang Rubber Joint Stock Company	Road 1A, Hoa Chau commune, Hoa Vang district, Da Nang city
Ho Chi Minh Branch of Sao Vang Rubber Joint Stock Company	No 63, Nguyen Binh Khiem street, District 1, Ho Chi Minh city

### BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr. Pham Hoanh Son	Chairman
Mr. Nguyen Viet Hung	Member
Mr. Nguyen Thanh Tung	Member
Mr. Nguyen Dinh Son	Member
Mr. Luong Xuan Hoang	Member

### BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Mr. Nguyen Trung Hoa	Head of Board of Supervision
Mr. Hoang Van Hoa	Member
Ms. Vu Thi Mai Nhung	Member

### MANAGEMENT

Members of management during the year and at the date of this report are:

Mr. Nguyen Viet Hung	General Director
Mr. Nguyen Quang Hao	Deputy General Director
Mr. Nguyen Thanh Tung	Deputy General Director

# Sao Vang Rubber Joint Stock Company

GENERAL INFORMATION (continued)

## **LEGAL REPRESENTATIVE**

The legal representative of the Company during the year and at the date of this report is Mr. Pham Hoanh Son - Chairman.

Mr. Nguyen Viet Hung, General Director, is authorized by Mr. Pham Hoanh Son, Chairman, to sign the accompanying financial statement for the year ended 31 December 2024 in accordance to the Letter of Authorisation No. 60/UQ-SRC-HDQT dated 7 June 2024.

## **AUDITOR**

The auditor of the Company is Ernst & Young Vietnam Limited.

# Sao Vang Rubber Joint Stock Company

## REPORT OF MANAGEMENT

Management of Sao Vang Rubber Joint Stock Company ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2024.

### MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company, and of the results of its operations and its cash flows for the year. In preparing those 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 standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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 for ensuring that the accounting records comply with the applied accounting system. It 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 confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

### STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Nguyen Viet Hung  
General Director

Hanoi, Vietnam

10 March 2025



Reference: 13666732/68382735

## **INDEPENDENT AUDITORS' REPORT**

**To: The Shareholders of Sao Vang Rubber Joint Stock Company**

We have audited the accompanying financial statements of Sao Vang Rubber Joint Stock Company ("the Company"), as prepared on 10 March 2025 and set out on pages 6 to 48, which comprise the balance sheet as at 31 December 2024, and the income statement and cash flow statement for the year then ended and the notes thereto.

### ***Management's responsibility***

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

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

### **Other matter**

The financial statements of the Company for the year ended 31 December 2023 were audited by another audit firm which expressed an unqualified opinion on those statements on 28 February 2024.

### **Ernst & Young Vietnam Limited**



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Trình Xuân Hoa  
Deputy General Director  
Audit Practising Registration  
Certificate No. 0754-2023-004-1

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Dao Van Thich  
Auditor  
Audit Practising Registration  
Certificate No: 3732-2021-004-1

Hanoi, Vietnam

11 March 2025



BALANCE SHEET  
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>549,126,282,887</b>	<b>631,102,917,710</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>29,711,953,512</b>	<b>33,058,394,306</b>
111	1. Cash		14,711,953,512	17,058,394,306
112	2. Cash equivalents		15,000,000,000	16,000,000,000
<b>130</b>	<b>II. Current accounts receivable</b>		<b>235,235,110,511</b>	<b>366,121,650,273</b>
131	1. Short-term trade receivables	5	238,217,156,220	367,869,103,286
132	2. Short-term advances to suppliers		720,135,153	5,270,304,058
136	3. Other short-term receivables	6	5,921,919,771	4,022,930,770
137	4. Provision for short-term doubtful receivables	5,6	(9,624,100,633)	(11,040,687,841)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>250,315,400,799</b>	<b>228,529,873,594</b>
141	1. Inventories		251,291,699,609	230,978,322,874
149	2. Provision for obsolete inventories		(976,298,810)	(2,448,449,280)
<b>150</b>	<b>IV. Other current assets</b>		<b>33,863,818,065</b>	<b>3,392,999,537</b>
151	1. Short-term prepaid expenses	9	949,024,039	2,935,346,968
152	2. Deductible value-added tax	16	1,952,962,417	443,433,867
153	3. Tax and other receivables from the State	16	30,961,831,609	14,218,702
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>659,813,031,320</b>	<b>715,736,741,314</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>97,823,430,950</b>	<b>6,514,752,134</b>
216	1. Other long-term receivables	6	97,823,430,950	6,514,752,134
<b>220</b>	<b>II. Fixed assets</b>		<b>48,295,006,758</b>	<b>52,200,604,080</b>
221	1. Tangible fixed assets	10	31,792,162,129	36,336,226,300
222	Cost		682,879,204,189	679,751,392,641
223	Accumulated depreciation		(651,087,042,060)	(643,415,166,341)
224	2. Finance lease	11	13,104,992,707	12,455,058,958
225	Cost		20,124,700,342	16,850,424,239
226	Accumulated depreciation		(7,019,707,635)	(4,395,365,281)
227	3. Intangible fixed assets	12	3,397,851,922	3,409,318,822
228	Cost		3,615,723,022	3,615,723,022
229	Accumulated amortisation		(217,871,100)	(206,404,200)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>2,065,608,864</b>	<b>2,059,374,605</b>
242	1. Construction in progress	13	2,065,608,864	2,059,374,605
<b>250</b>	<b>IV. Long-term investments</b>	<b>14</b>	<b>508,505,488,913</b>	<b>510,534,576,085</b>
252	1. Investments in associates		505,000,000,000	505,000,000,000
253	2. Investments in other entities		8,444,062,358	8,444,062,358
254	3. Provision for diminution in value of long-term investments		(4,938,573,445)	(2,909,486,273)
<b>260</b>	<b>V. Other long-term assets</b>		<b>3,123,495,835</b>	<b>144,427,434,410</b>
261	1. Long-term prepaid expenses	9	3,123,495,835	144,427,434,410
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,208,939,314,207</b>	<b>1,346,839,659,024</b>

BALANCE SHEET (continued)  
as at 31 December 2024

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>633,884,449,885</b>	<b>903,490,135,850</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>482,034,437,507</b>	<b>621,088,346,362</b>
311	1. Short-term trade payables	15.1	148,253,168,523	93,545,658,963
312	2. Short-term advances from customers	15.2	42,545,325,913	73,414,693,793
313	3. Statutory obligations	16	329,996,742	1,592,991,566
314	4. Payables to employees		22,004,103,842	24,944,101,217
315	5. Short-term accrued expenses	17	3,746,675,146	782,441,049
318	6. Short-term unearned revenue		-	29,945,455
319	7. Other short-term payables	18	5,725,515,452	83,885,588,221
320	8. Short-term loan and finance lease obligations	19	255,679,533,163	338,394,314,772
321	9. Short-term provision	20	659,085,638	771,070,808
322	10. Bonus and welfare fund	21	3,091,033,088	3,727,540,518
<b>330</b>	<b>II. Non-current liabilities</b>		<b>151,850,012,378</b>	<b>282,401,789,488</b>
337	1. Other long-term liabilities	18	143,500,000,000	143,500,000,000
338	2. Long-term loans and finance lease obligations	19	2,115,557,255	132,667,334,365
343	3. Scientific and technological development fund		6,234,455,123	6,234,455,123
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>575,054,864,322</b>	<b>443,349,523,174</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>22</b>	<b>575,054,864,322</b>	<b>443,349,523,174</b>
411	1. Share capital		280,657,650,000	280,657,650,000
411a	- Ordinary shares with voting rights		280,657,650,000	280,657,650,000
412	2. Share premium		3,605	3,605
415	3. Treasury shares		(23,970,000)	(23,970,000)
418	4. Investment and development fund		116,834,693,289	108,014,502,579
421	5. Undistributed earnings		177,586,487,428	54,701,336,990
421a	- Undistributed earnings by the end of prior year		25,946,411,910	25,300,701,289
421b	- Undistributed earnings of the current year		151,640,075,518	29,400,635,701
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,208,939,314,207</b>	<b>1,346,839,659,024</b>

Hanoi, Vietnam

10 March 2025


Preparer  
Le Lan Phuong

Chief accountant  
Tran Minh Tuan

General Director  
Nguyen Viet Hung



INCOME STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (restated)
01	1. Revenue from sale of goods and rendering of services	24.1	1,063,350,074,195	1,234,494,008,488
02	2. Deductions	24.1	(35,570,201,845)	(36,743,900,996)
10	3. Net revenue from sale of goods and rendering of services	24.1	1,027,779,872,350	1,197,750,107,492
11	4. Cost of goods sold and services rendered	25	(881,653,342,717)	(1,032,450,795,006)
20	5. Gross profit from sale of goods and rendering of services		146,126,529,633	165,299,312,486
21	6. Finance income	24.2	5,260,102,768	1,649,675,834
22	7. Finance expenses	26	(24,273,955,878)	(20,950,713,662)
23	<i>In which: Interest expenses</i>		(15,350,281,706)	(16,010,130,009)
25	8. Selling expenses	27	(35,471,024,400)	(33,672,177,635)
26	9. General and administrative expenses	27	(63,611,727,491)	(74,666,552,613)
30	10. Operating profit		28,029,924,632	37,659,544,410
31	11. Other income	28	306,883,950,654	1,426,797,302
32	12. Other expenses	28	(144,249,052,353)	(31,263,751)
40	13. Other profit	28	162,634,898,301	1,395,533,551
50	14. Accounting profit before tax		190,664,822,933	39,055,077,961
51	15. Current corporate income tax expenses	30.1	(39,024,747,415)	(9,654,442,260)
60	16. Net profit after tax		151,640,075,518	29,400,635,701
70	17. Basic earnings per share	33	5,403	937
71	18. Diluted earnings per share	33	5,403	937

Hanoi, Vietnam

10 March 2025

Preparer  
Le Lan Phuong

Chief accountant  
Tran Minh Tuan



General Director  
Nguyen Viet Hung

CASH FLOW STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Profit before tax</b>		<b>190,664,822,933</b>	<b>39,055,077,961</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and finance leases and amortisation of intangible fixed assets		10,307,684,973	11,668,449,264
03	(Reversal of provision)/provisions		(971,635,676)	1,977,974,375
04	Foreign exchange (gains)/losses arising from revaluation of monetary accounts denominated in foreign currencies		(844,774,784)	157,357,867
05	Profits from investing activities		(163,071,526,358)	(583,339,097)
06	Interest expenses	26	15,350,281,706	16,010,130,009
<b>08</b>	<b>Operating profit before changes in working capital</b>		<b>51,434,852,794</b>	<b>68,285,650,379</b>
09	Decrease/(increase) in receivables		44,754,164,592	(204,074,287,427)
10	(Increase)/decrease in inventories		(20,313,376,735)	96,289,790,812
11	Decrease in payables		(57,347,589,198)	(17,488,130,544)
12	Decrease in prepaid expenses		2,580,979,934	2,704,883,560
14	Interest paid		(15,283,881,706)	(16,017,254,009)
15	Corporate income tax paid	16	(71,051,162,745)	(6,990,706,315)
17	Other cash outflows for operating activities		(3,533,221,000)	(5,023,286,000)
<b>20</b>	<b>Net cash flows used in operating activities</b>		<b>(68,759,234,064)</b>	<b>(82,313,339,544)</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(3,655,358,089)	(13,549,987,756)
22	Proceeds from disposals of fixed assets and other long-term assets		300,799,569,173	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(10,500,000,000)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		10,500,000,000	-
27	Interest received		1,709,933,867	515,233,217
<b>30</b>	<b>Net cash flows from/(used in) investing activities</b>		<b>298,854,144,951</b>	<b>(13,034,754,539)</b>

CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		794,678,938,610	750,089,340,622
34	Repayment of borrowings		(1,008,504,687,792)	(633,051,455,636)
35	Payment of principal of finance lease liabilities		(2,825,736,660)	(2,632,201,896)
36	Dividends paid		(16,795,136,460)	(22,380,373,360)
<b>40</b>	<b>Net cash flows (used in)/from financing activities</b>		<b>(233,446,622,302)</b>	<b>92,025,309,730</b>
<b>50</b>	<b>Net decrease in cash and cash equivalents for the year</b>		<b>(3,351,711,415)</b>	<b>(3,322,784,353)</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>33,058,394,306</b>	<b>36,390,500,867</b>
61	Impact of exchange rate fluctuation		5,270,621	(9,322,208)
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>29,711,953,512</b>	<b>33,058,394,306</b>

Hanoi, Vietnam

10 March 2025


Preparer  
Le Lan Phuong

Chief accountant  
Tran Minh TuanGeneral Director  
Nguyen Viet Hung

NOTES TO THE FINANCIAL STATEMENTS  
as at 31 December 2024 and for the year then ended

## 1. CORPORATE INFORMATION

Sao Vang Rubber Joint Stock Company ("the Company"), formerly a state-owned enterprise, was equitized in accordance with Decision No. 3500/QĐ-BCN dated 24 October 2005 of the Minister of the Ministry of Industry and operates as a joint stock company pursuant to the Enterprise Registration Certificate No. 0103011568 issued by Hanoi Department of Planning and Investment on 3 April 2006, and subsequent amendments with the 12<sup>th</sup> amendment dated 28 April 2023 as the latest.

The current principal activities of the Company are:

- ▶ manufacturing and trading rubber products;
- ▶ provision of leasing services including shops, offices, factories, warehouses; and
- ▶ importing and exporting materials, machinery, equipment, and chemicals for rubber industry; and trading automotive spare parts and coal.

The Company's head office is located at 231 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam and it has the following dependent branches as follow:

<i>Branch</i>	<i>Address</i>
Thai Binh Branch of Sao Vang Rubber Joint Stock Company	Tran Thu Do street, Tien Phong ward, Thai Binh city, Thai Binh province
Da Nang Branch of Sao Vang Rubber Joint Stock Company	Road 1A, Hoa Chau commune, Hoa Vang district, Da Nang city
Ho Chi Minh Branch of Sao Vang Rubber Joint Stock Company	No 63, Nguyen Binh Khiem street, district 1, Ho Chi Minh city

The normal course of business cycle of the Company is 12 months.

The number of the Company's employees as at 31 December 2024 is 745 (31 December 2023: 767).

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

The financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 2. BASIS OF PREPARATION (continued)

### 2.1 *Accounting standards and system* (continued)

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and the results of operations and the cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 *Applied accounting documentation system*

The Company's applied accounting documentation system is the computer-based system.

### 2.3 *Fiscal year*

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

### 2.4 *Accounting currency*

The financial statements are prepared in VND which is also the Company's accounting currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2 *Inventories*

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

- Raw materials, tools and merchandise - cost of purchase on a weighted average basis.
- Finished goods and work-in-process - cost of finished goods, semi products on a weighted average basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.2 Inventories (continued)**

##### *Provision for obsolete inventories*

An inventory provision is made for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the income statement.

#### **3.3 Receivables**

Receivables are presented in the balance sheet at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the income statement.

#### **3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use or is at the revalued amounts at the time when the Company was officially transformed into a joint stock company.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

#### **3.5 Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 *Leased assets* (continued)

*Where the Company is the lessee*

Assets held under finance leases are capitalised in the balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

*Where the Company is the lessor*

Assets subject to operating leases are included as the Company's fixed assets in the balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the income statement as incurred.

Lease income is recognised in the income statement on a straight-line basis over the lease term.

#### 3.6 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the intangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

*Land use rights*

Land use rights consist of infinite land use rights and prepaid land rentals under land lease contract with effectiveness prior to 2003 and Land Use Right Certificate being issued. These land use rights are recognised as intangible fixed assets according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	6 - 25 years
Equipment, management tools	4 - 10 years
Means of transportation	6 - 10 years
Machinery and equipment	5 - 12 years
Computer software	4 years
Finite land use rights	50 years
Infinite land use rights	Not amortized

#### 3.8 Construction in progress

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

#### 3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred.

#### 3.10 Prepaid expenses

Prepaid expenses include short-term prepaid expenses and long-term prepaid expenses on the balance sheet and are amortized over the period of prepayment or the period of economic benefits response is generated from these costs.

#### 3.11 Investments

##### *Investments in associates*

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the income statement. Distributions from sources which are attributable to period before having significant influence are considered a recovery of investment and are deducted to the cost of the investment.

##### *Investments in other entities*

Investments in other entities are carried at cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **3.11 Investments (continued)**

##### *Provision for diminution of investments*

Provision for diminution of investments is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases in the provision balance are recorded as finance expense in the income statement.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their original costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the income statements and deducted against the value of such financial investments.

#### **3.12 Payables and accruals**

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

#### **3.13 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as the 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.

#### **3.14 Foreign currency transactions**

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet date which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 *Contributed capital*

##### *Ordinary shares*

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

##### *Share premium*

Share premium is the difference between the par value and the issuance price of the shares, minus the actual expenses incurred for the issuance of the shares.

##### *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in income statement upon purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.16 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

##### *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or of in-depth investment.

##### *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

#### 3.17 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rental income*

Rental income arising from operating leases is recognised in the income statement on a straight line basis over the terms of the lease.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.17 *Revenue recognition* (continued)

##### *Rendering of services*

Revenue is recognised when services are rendered and completed.

##### *Interest income*

Interest is recognized on an accrual basis based on the time and actual interest rate for each period.

#### 3.18 *Taxation*

##### *Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.18 *Taxation* (continued)

##### *Deferred tax* (continued)

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### 3.19 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit/loss after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 Segment information

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

The Company's business segment is derived mainly from sales of products or service provided. Management defines that the Company's geographical segments to be based on the location where its finished goods and merchandises are distributed to customers.

#### 3.21 Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties can be enterprises or individuals, including close members of their families.

### 4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	1,144,061,226	448,093,355
Cash at banks	13,567,892,286	16,610,300,951
Cash equivalents (*)	<u>15,000,000,000</u>	<u>16,000,000,000</u>
<b>TOTAL</b>	<b><u>29,711,953,512</u></b>	<b><u>33,058,394,306</u></b>

(\*) These represent bank deposits dominated in VND, with term of 1 month and earn interest ranging from 3.1 to 4.4% per annum (31 December 2023: from 3.15 to 3.4% per annum).

### 5. SHORT-TERM TRADE RECEIVABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from other parties	154,221,238,720	367,743,975,756
- Vietnam Import Export and Trading Joint Stock Company	62,316,529,740	256,777,464,990
- Other customers	91,904,708,980	110,966,510,766
Trade receivables from related parties (Note 31)	<u>83,995,917,500</u>	<u>125,127,530</u>
<b>TOTAL</b>	<b><u>238,217,156,220</u></b>	<b><u>367,869,103,286</u></b>
Provision for doubtful debts	(6,657,121,958)	(8,073,709,166)

50% of the Company's collection rights arising from economic contracts with third parties are used as collaterals for bank loans as presented in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 6. OTHER RECEIVABLES

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Balance</i>	<i>Provision</i>	<i>Balance</i>	<i>Provision</i>
<b>Short-term</b>				
Advances for capital contributions to Philips Carbon Black Vietnam Joint Stock Company	2,966,978,675	(2,966,978,675)	2,966,978,675	(2,966,978,675)
Interest receivables	1,506,087,371	-	234,782,483	-
Deposits	610,060,278	-	61,475,853	-
Others	838,793,447	-	759,693,759	-
<b>TOTAL</b>	<b>5,921,919,771</b>	<b>(2,966,978,675)</b>	<b>4,022,930,770</b>	<b>(2,966,978,675)</b>
<b>Long-term</b>				
Long-term collaterals at Joint Stock Commercial Bank for Investment and Development of Vietnam (i)	97,338,492,816	-	5,496,760,000	-
Other long-term deposits	484,938,134	-	1,017,992,134	-
<b>TOTAL</b>	<b>97,823,430,950</b>	<b>-</b>	<b>6,514,752,134</b>	<b>-</b>

(i) These represent long-term deposits being used as collaterals for credit facilities provided by Joint Stock Commercial Bank for Investment and Development of Vietnam. Terms of these deposits are from 6 to 12 months, earning interest rates from 2.9% to 4.5% per annum, and will be automatically renewed according to the terms of bank's credit agreements.

## 7. BAD DEBTS

Currency: VND

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount</i>	<i>Cost</i>	<i>Recoverable amount</i>
TMT Motor Joint Stock Company – Hung Yen Branch	91,805,021	-	8,282,945,970	4,095,570,475
Nam Tien Co., Ltd	2,831,850,000	1,982,295,000	119,237,964	83,466,575
Phillips Carbon Black Vietnam Joint Stock Company	2,966,978,675	-	2,966,978,675	-
Ms. Nguyen Thi Huong	2,208,428,046	-	2,208,428,046	-
Others	3,507,333,891	-	1,813,966,383	136,060,758
<b>TOTAL</b>	<b>11,606,395,633</b>	<b>1,982,295,000</b>	<b>15,272,319,074</b>	<b>4,231,631,233</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 8. INVENTORIES

*Currency: VND*

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Goods in transit	1,910,925,768	-	2,069,807,040	-
Raw materials	132,424,692,992	-	108,921,995,513	-
Tools and supplies	2,388,412,028	-	3,159,984,288	-
Work in progress	10,167,740,955	-	8,513,109,503	-
Finished goods	103,422,784,358	(974,286,659)	105,762,739,980	(2,400,213,045)
Merchandise	11,549,979	-	108,296,466	-
Goods on consignment	965,593,529	(2,012,151)	2,442,390,084	(48,236,235)
<b>TOTAL</b>	<b>251,291,699,609</b>	<b>(976,298,810)</b>	<b>230,978,322,874</b>	<b>(2,448,449,280)</b>

Revolving inventories at Thai Binh branch has been used by the Company as collateral for bank loans as presented in Note 19.

Detail of movements of provision for obsolete inventories:

*Currency: VND*

	<i>Current year</i>	<i>Previous year</i>
Beginning balance	2,448,449,280	4,157,372,617
Add: Provision made during the year	1,745,834,442	2,758,057,196
Less: Utilisation and reversal of provision during the year	(3,217,984,912)	(4,466,980,533)
Ending balance	976,298,810	2,448,449,280

## 9. PREPAID EXPENSES

*Currency: VND*

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Fire and explosion insurance	271,208,684	279,801,309
Advertising billboard rental fee	422,554,370	535,662,400
LC fees	125,354,527	2,010,293,259
Other short-term prepaid expenses	129,906,458	109,590,000
<b>TOTAL</b>	<b>949,024,039</b>	<b>2,935,346,968</b>
<b>Long-term</b>		
Tools and supplies	3,123,495,835	3,356,897,840
Prepaid land rental (Note 28)	-	141,070,536,570
<b>TOTAL</b>	<b>3,123,495,835</b>	<b>144,427,434,410</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 10. TANGIBLE FIXED ASSETS

Currency: VND

	Buildings, structures	Machinery and equipment	Means of transportation	Office equipment	Total
<b>Cost:</b>					
Beginning balance	115,917,044,294	510,323,910,958	52,723,989,482	786,447,907	679,751,392,641
- New purchase	-	808,355,252	1,893,280,000	-	2,701,635,252
- Transferred from construction in progress	426,176,296	-	-	-	426,176,296
Ending balance	116,343,220,590	511,132,266,210	54,617,269,482	786,447,907	682,879,204,189
<i>In which:</i>					
<i>Fully depreciated</i>	86,024,949,805	488,725,428,911	40,248,253,118	786,447,907	615,785,079,741
<b>Accumulated depreciation:</b>					
Beginning balance	99,171,679,930	502,279,081,098	41,177,957,406	786,447,907	643,415,166,341
- Depreciation for the year	1,979,069,780	3,979,106,218	1,713,699,721	-	7,671,875,719
Ending balance	101,150,749,710	506,258,187,316	42,891,657,127	786,447,907	651,087,042,060
<b>Net carrying amount:</b>					
Beginning balance	16,745,364,364	8,044,829,860	11,546,032,076	-	36,336,226,300
Ending balance	15,192,470,880	4,874,078,894	11,725,612,355	-	31,792,162,129

The Company used certain machinery and equipment with net carrying amount as at 31 December 2024 of approximately VND 1.3 billion (31 December 2023: VND 2.9 billion) as collaterals for bank loans as presented in Note 19. The Company has also used a part of its fully depreciated buildings and structures for lease to third parties.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**11. FINANCE LEASES**

Currency: VND

Machinery and equipment

**Cost:**

Beginning balance	16,850,424,239
- Additional leases	3,274,276,103
Ending balance	<u>20,124,700,342</u>

**Accumulated depreciation:**

Beginning balance	4,395,365,281
- Depreciation for the year	2,624,342,354
Ending balance	<u>7,019,707,635</u>

**Net carrying amount:**

Beginning balance	<u>12,455,058,958</u>
Ending balance	<u>13,104,992,707</u>

**12. INTANGIBLE FIXED ASSETS**

Currency: VND

	<i>Infinite land use rights</i>	<i>Finite land use rights</i>	<i>Total</i>
<b>Cost:</b>			
Beginning balance	<u>3,042,378,022</u>	<u>573,345,000</u>	<u>3,615,723,022</u>
Ending balance	<u>3,042,378,022</u>	<u>573,345,000</u>	<u>3,615,723,022</u>
<b>Accumulated amortisation:</b>			
Beginning balance	-	206,404,200	206,404,200
- Amortisation for the year	-	11,466,900	11,466,900
Ending balance	-	<u>217,871,100</u>	<u>217,871,100</u>
<b>Net carrying amount:</b>			
Beginning balance	<u>3,042,378,022</u>	<u>366,940,800</u>	<u>3,409,318,822</u>
Ending balance	<u>3,042,378,022</u>	<u>355,473,900</u>	<u>3,397,851,922</u>

All intangible assets were used as collaterals for bank loans as presented in Note 19.

**13. CONSTRUCTION IN PROGRESS**

Currency: VND

	<i>Ending balance</i>	<i>Beginning balance</i>
Construction costs of warehouse, expanded factory in Xuan Hoa town	1,656,758,754	1,504,049,495
Others	408,850,110	555,325,110
<b>TOTAL</b>	<u>2,065,608,864</u>	<u>2,059,374,605</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 14. LONG-TERM INVESTMENTS

Companies	Ending balance		Beginning balance		Fair value	Currency: VND
	Cost	Provision	Cost	Provision		
Investments in associates (Note 14.1)						
Sao Vang - Hoanh Son Joint Stock Company	375,000,000,000	(1,623,589,689)	375,000,000,000	-	(*)	(*)
Sao Vang - Hoanh Son Company Limited	130,000,000,000	(2,002,085,335)	130,000,000,000	(980,089,245)	(*)	(*)
	<b>505,000,000,000</b>	<b>(3,625,675,024)</b>	<b>505,000,000,000</b>	<b>(980,089,245)</b>		
Investment in other entity (Note 14.2)						
Philips Carbon Black Vietnam Joint Stock Company	8,444,062,358	(1,312,898,421)	8,444,062,358	(1,929,397,028)	(*)	(*)
	<b>8,444,062,358</b>	<b>(1,312,898,421)</b>	<b>8,444,062,358</b>	<b>(1,929,397,028)</b>		
<b>TOTAL</b>	<b>513,444,062,358</b>	<b>(4,938,573,445)</b>	<b>513,444,062,358</b>	<b>(2,909,486,273)</b>		

(\*) The Company is in the process of determining the fair value of these investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 14. LONG-TERM INVESTMENTS (continued)

##### 14.1 Investments in associates

The details of investments in associates are as follows:

Company	Location	Principal activities	Ownership		Voting rights	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Sao Vang – Hoanh Son Joint Stock Company	Administrative and Service Area - Vung Ang Industrial Zone and Seaport, Ky Loi Commune, Ky Anh Town, Ha Tinh Province, Vietnam	Producing tubes and tires	30.6%	30.6%	30.6%	30.6%
Sao Vang – Hoanh Son Company Limited (Note 18)	No. 231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City, Vietnam	Producing rooftop solar power	26.0%	26.0%	26.0%	26.0%

According to the Meeting Minutes No. 96/BB-HDQT of the Board of Directors dated 19 June 2018, the Board of Directors has assigned the Company's General Director to develop a plan to divest the Company's contributed capital in Sao Vang - Hoanh Son Company Limited in accordance with legal regulations and the preservation of investment capital. At the date of these financial statements, the divestment plan is still under the preparation by the Company.

##### 14.2 Investments in other entity

Company	Location	Principal activities	Ownership		Voting rights	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Philips Carbon Black Vietnam Joint Stock Company	Lot No. 4, My Xuan A Industrial Park, Phu My Town, Ba Ria - Vung Tau Province.	Coal production	7.0%	7.0%	7.0%	7.0%

As of the date of these financial statements, Philips Carbon Black Vietnam Joint Stock Company is in the progress to complete the dissolution and return contributed capital to its shareholders.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

### 15.1 Short-term trade payables

Currency: VND

	Ending balance		Beginning balance	
	Amount	Payable amount	Amount	Payable amount
Trade payables to other parties	146,710,122,699	146,710,122,699	92,885,686,236	92,885,686,236
- SAIC Hongyan Motor Co., Ltd	56,212,200,000	56,212,200,000	15,949,494,000	15,949,494,000
- Quang Tri Rubber Co., Ltd	16,684,206,000	16,684,206,000	16,008,300,000	16,008,300,000
- Kim Truong Phuc Co., Ltd	13,185,364,997	13,185,364,997	9,886,987,876	9,886,987,876
- Other suppliers	60,628,351,702	60,628,351,702	51,040,904,360	51,040,904,360
Trade payables to related parties (Note 31)	1,543,045,824	1,543,045,824	659,972,727	659,972,727
<b>TOTAL</b>	<b>148,253,168,523</b>	<b>148,253,168,523</b>	<b>93,545,658,963</b>	<b>93,545,658,963</b>

### 15.2 Short-term advances from customers

Currency: VND

	Ending balance	Beginning balance
Advances from other customers	11,457,651,594	8,858,981,197
Advances from related parties (Note 31)	31,087,674,319	64,555,712,596
<b>TOTAL</b>	<b>42,545,325,913</b>	<b>73,414,693,793</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**16. STATUTORY OBLIGATIONS**

Currency: VND

	Beginning balance		Movement during the year		Ending balance	
	Receivables/ Deductible	Payables	Payable during the year	Payments made during the year	Receivables /Deductible	Payables
Corporate incomes tax	-	1,064,583,721	39,024,747,415	(71,051,162,745)	30,961,831,609	-
Land and housing tax, land rental charges	-	-	14,269,158,214	(14,269,158,214)	-	-
Value added tax	457,652,569	481,991,930	35,401,356,612	(37,171,692,792)	1,952,962,417	206,965,598
Personal income tax	-	46,415,915	796,281,106	(719,665,877)	-	123,031,144
Value added tax on imported goods	-	-	17,013,090,386	(17,013,090,386)	-	-
Other taxes	-	-	584,686,946	(584,686,946)	-	-
<b>TOTAL</b>	<b>457,652,569</b>	<b>1,592,991,566</b>	<b>107,089,320,679</b>	<b>(140,809,456,960)</b>	<b>32,914,794,026</b>	<b>329,996,742</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

#### 17. SHORT-TERM ACCRUED EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Recycling obligation payable to Environmental Protection Fund (*)	2,155,063,590	-
Electricity fee	557,052,846	67,518,955
Interest expenses	344,600,000	278,200,000
Other accrued expenses	689,958,710	436,722,094
<b>TOTAL</b>	<b><u>3,746,675,146</u></b>	<b><u>782,441,049</u></b>

(\*) This represents the financial obligations for recycling products and packaging being accrued in accordance with Decree 08/2022/ND-CP issued by the Government on 10 January 2022 elaborating detailed requirement on certain provisions of the Law on Environmental Protection ("Decree 08").

#### 18. OTHER PAYABLES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Short-term</b>		
Payables for bank's LCs for imported goods	-	78,303,636,360
Dividend payables to related parties (Note 31)	1,117,901,958	1,075,017,618
Deposits	3,389,497,355	3,255,964,555
Social insurance	250,121,205	530,765,666
Others	967,994,934	720,204,022
<b>TOTAL</b>	<b><u>5,725,515,452</u></b>	<b><u>83,885,588,221</u></b>
<b>Long-term</b>		
Payables for business cooperation contract (i) (Note 31)	143,500,000,000	143,500,000,000
<b>TOTAL</b>	<b><u>143,500,000,000</u></b>	<b><u>143,500,000,000</u></b>

(i) In accordance with the Business cooperation contract No. 18/2016/HDHTDT/SRC-HS dated 15 June 2016 between the Company and Hoanh Son Group Joint Stock Company, the parties concurred to establish Sao Vang - Hoanh Son Company Limited to carry out "Sao Vang - Hoanh Son Commercial and Residential Complex project" at No. 231, Nguyen Trai, Thanh Xuan, Hanoi. According to this contract, capital expenditure in connection to the relocation costs of the factory at 231 Nguyen Trai, Thanh Xuan, Hanoi and investment costs of a new factory with a total estimated amount of VND 435 billion shall be supported and paid by Sao Vang - Hoanh Son Company Limited. Subsequently, the Company received the first and second installments totaling at VND 143.5 billion from this company. However, at the date of these financial statements, a detail reallocation plan of the factory at 231 Nguyen Trai, Thanh Xuan as well as the investment in the new factory have not yet been finalized.

As disclosed in Note 14, the Company is in the process of preparing a divestment plan of its contributed capital in Sao Vang - Hoanh Son Company Limited in accordance with legal regulations and preservation of investment capital, and accordingly, related support costs received from and provided by Sao Vang - Hoanh Son Company Limited shall be finalized between related parties.

The Company has also used the property rights arising from the aforementioned business cooperation contract as collateral for bank loans as presented in Note 19.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

19. LOANS AND FINANCE LEASES

	Beginning balance		Movement during the year			Ending balance	
	Balance	Payable amount	Increase	Decrease	Foreign exchange difference	Balance	Payable amount
<b>Short-term</b>							
Loans from banks (Note 19.1)	335,808,837,780	335,808,837,780	794,678,938,610	(878,504,687,792)	894,381,078	252,877,469,676	252,877,469,676
Current portion of long-term financial lease (Note 19.2)	2,585,476,992	2,585,476,992	3,042,323,155	(2,825,736,660)	-	2,802,063,487	2,802,063,487
	<b>338,394,314,772</b>	<b>338,394,314,772</b>	<b>797,721,261,765</b>	<b>(881,330,424,452)</b>	<b>894,381,078</b>	<b>255,679,533,163</b>	<b>255,679,533,163</b>
<b>Long-term</b>							
Financial lease (Note 19.2)	2,667,334,365	2,667,334,365	3,025,227,045	(3,577,004,155)	-	2,115,557,255	2,115,557,255
Loans to related parties (Note 31)	130,000,000,000	130,000,000,000	-	(130,000,000,000)	-	-	-
	<b>132,667,334,365</b>	<b>132,667,334,365</b>	<b>3,025,227,045</b>	<b>(133,577,004,155)</b>	<b>-</b>	<b>2,115,557,255</b>	<b>2,115,557,255</b>
<b>TOTAL</b>	<b>471,061,649,137</b>	<b>471,061,649,137</b>	<b>800,746,488,810</b>	<b>(1,014,907,428,607)</b>	<b>894,381,078</b>	<b>257,795,090,418</b>	<b>257,795,090,418</b>

Currency: VND

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 19. LOANS AND FINANCE LEASES (continued)

### 19.1 Short-term loans from banks

Details of short-term loans from banks are as follows:

Banks	Ending balance (VND)	Original amount (USD)	Principal and interest repayment term	Interest rate (per annum)	Description of collateral
Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Da Branch	29,017,727,595	-	Principal is due according to each withdrawal agreement, with the final installment will be due on 26 June 2025. Interest is payable monthly.	7.0%	- 50% of property rights arising from commercial contracts with third parties - Property right arising from the business cooperation contract with Hoanh Son Group Joint Stock Company
	47,592,712,725	1,862,655.58	Principal is due according to each withdrawal agreement, with the final installment will be due on 27 June 2025. Interest is payable monthly.	5.3%	- Certain machinery and equipment; and - Land use rights in Hoa Chau commune, Hoa Vang district, Da Nang city
Vietnam Joint Stock Commercial Bank for Industry and Trade – Phuc Yen Branch	38,105,954,552	-	Principal will be paid according to each withdrawal agreement, with the final installment will be due on 27 June 2025. Interest is payable monthly.	7.0%	Revolving inventories and certain machineries at Thai Binh Branch
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Noi Branch	138,161,074,804	-	Principal is due according to each withdrawal agreement, with the final installment will be due on 24 May 2025. Interest is payable monthly.	5.8% - 7.3%	- Deposit contracts under mortgage contracts; and - Land use rights and assets attached on lands of the Company at 231 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi; at 261 Vu Tong Phan, Thanh Xuan district, Hanoi; and at 63, Nguyen Binh Khiem street, District 1, Ho Chi Minh city
<b>TOTAL</b>	<b>252,877,469,676</b>				

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**19. LOANS AND FINANCE LEASES (continued)**  
**19.2 Finance leases**

The Company leases machinery and equipment under financial lease agreement. Future obligations due to financial lease agreement as at balance sheet dates were as follows:

	Ending balance		Beginning balance		Currency: VND
	Total minimum lease payments	Finance charges	Total minimum lease payments	Finance charges	
<b>Current liabilities</b>					
Less than 1 year	1,716,101,777	278,179,181	1,437,922,596	327,397,027	2,585,476,992
<b>Non-current liabilities</b>					
From 1-5 years	2,624,937,824	331,060,305	2,293,877,519	125,834,267	2,667,334,365
<b>TOTAL</b>	<b>4,341,039,601</b>	<b>609,239,486</b>	<b>3,731,800,115</b>	<b>453,231,294</b>	<b>5,252,811,357</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**20. SHORT-TERM PROVISION**

This represents provision for warranty claims on tire products sold that may be incurred in the next financial year.

**21. BONUS AND WELFARE FUND**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	3,727,540,518	6,017,700,977
Increase during the year	2,940,063,570	2,774,125,541
Utilisation during the year	<u>(3,576,571,000)</u>	<u>(5,064,286,000)</u>
Ending balance	<u>3,091,033,088</u>	<u>3,727,540,518</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 22. OWNERS' EQUITY

### 22.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total
<i>Previous year</i>						
Beginning balance	280,657,650,000	3,605	(23,970,000)	99,692,125,955	59,006,897,854	439,332,707,414
Net profit for the year	-	-	-	-	29,400,635,701	29,400,635,701
Appropriation to investment and development fund	-	-	-	8,322,376,624	(8,322,376,624)	-
Appropriation to bonus and welfare fund	-	-	-	-	(2,774,125,541)	(2,774,125,541)
Appropriation to executives' reward fund	-	-	-	-	(159,000,000)	(159,000,000)
Dividends declared	-	-	-	-	(22,450,694,400)	(22,450,694,400)
Ending balance	280,657,650,000	3,605	(23,970,000)	108,014,502,579	54,701,336,990	443,349,523,174
<i>Current year</i>						
Beginning balance	280,657,650,000	3,605	(23,970,000)	108,014,502,579	54,701,336,990	443,349,523,174
Net profit for the year	-	-	-	-	151,640,075,518	151,640,075,518
Appropriation to investment and development fund (*)	-	-	-	8,820,190,710	(8,820,190,710)	-
Appropriation to bonus and welfare fund (*)	-	-	-	-	(2,940,063,570)	(2,940,063,570)
Appropriation to reward fund for executives (*)	-	-	-	-	(156,650,000)	(156,650,000)
Dividends declared (*)	-	-	-	-	(16,838,020,800)	(16,838,020,800)
Ending balance	280,657,650,000	3,605	(23,970,000)	116,834,693,289	177,586,487,428	575,054,864,322

(\*) The Company has made appropriation to investment and development fund; bonus and welfare fund; and executives' reward fund and declared dividend from undistributed earnings up to 31 December 2023 in accordance with the Resolution No. 43/NQ-ĐHĐCĐ of the Company's Annual General Meeting of shareholders dated 22 April 2024.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 22. OWNERS' EQUITY (continued)

### 22.2 Details of owners' shares capital

*Unit: Shares*

	<i>Ending balance</i>			<i>Beginning balance</i>		
	<i>Total</i>	<i>Ordinary shares</i>	<i>Preference shares</i>	<i>Total</i>	<i>Ordinary shares</i>	<i>Preference shares</i>
Hoanh Son Group Joint Stock Company	14,093,290	14,093,290	-	14,093,290	14,093,290	-
Vietnam National Chemical Group	10,104,115	10,104,115	-	10,104,115	10,104,115	-
Other shareholders	3,865,963	3,865,963	-	3,865,963	3,865,963	-
Treasury shares	2,397	2,397	-	2,397	2,397	-
<b>TOTAL</b>	<b>28,065,765</b>	<b>28,065,765</b>	<b>-</b>	<b>28,065,765</b>	<b>28,065,765</b>	<b>-</b>

### 22.3 Capital transactions with owners and distribution of dividends, profits

*Currency: VND*

	<i>Current year</i>	<i>Previous year</i>
<b>Contributed capital</b>		
Beginning balance	280,657,650,000	280,657,650,000
Ending balance	280,657,650,000	280,657,650,000
<b>Dividends declared</b>		
Dividends for 2023: 6% of par value	16,838,020,800	-
Dividends for 2022: 8% of par value	-	22,450,694,400
<b>Dividends paid</b>	16,783,769,520	22,381,914,640

### 22.4 Shares

*Unit: Shares*

	<i>Ending balance</i>	<i>Beginning balance</i>
<b>Authorized shares</b>	<b>28,065,765</b>	<b>28,065,765</b>
<b>Issued shares</b>	<b>28,065,765</b>	<b>28,065,765</b>
Ordinary shares	28,065,765	28,065,765
<b>Treasury shares</b>	<b>2,397</b>	<b>2,397</b>
<b>Shares in circulation</b>	<b>28,063,368</b>	<b>28,063,368</b>
Ordinary shares	28,063,368	28,063,368

The par value of share in circulation: VND 10,000/share (31 December 2023: 10,000 VND/share).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 23. OFF BALANCE SHEET ITEMS

<i>ITEM</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Foreign currency		
- US Dollar (USD)	49,195.62	89,796.19
- Russian Rub (RUB)	6,398.11	2,067,637.91

### 24. REVENUES

#### 24.1 Revenue from sale of goods and rendering of services

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross revenue</b>	<b>1,063,350,074,195</b>	<b>1,234,494,008,488</b>
<i>In which:</i>		
<i>Sale of finished goods</i>	852,114,555,887	835,131,099,573
<i>Sale of merchandises</i>	192,445,447,986	379,491,570,936
<i>Rendering of services</i>	17,423,601,197	16,459,130,921
<i>Sale of supplies</i>	1,096,002,300	2,862,128,462
<i>Others</i>	270,466,825	550,078,596
<b>Deduction:</b>	<b>(35,570,201,845)</b>	<b>(36,743,900,996)</b>
<b>Net revenue</b>	<b>1,027,779,872,350</b>	<b>1,197,750,107,492</b>
<i>In which:</i>		
<i>Sale of finished goods</i>	816,544,354,042	798,387,198,577
<i>Sale of merchandises</i>	192,445,447,986	379,491,570,936
<i>Rendering of services</i>	17,423,601,197	16,459,130,921
<i>Sale of supplies</i>	1,096,002,300	2,862,128,462
<i>Others</i>	270,466,825	550,078,596
<i>In which:</i>		
<i>Sale to related parties (Note 31)</i>	106,976,346,849	89,718,793,318
<i>Sale to others</i>	920,803,525,501	1,108,031,314,174

#### 24.2 Finance income

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest income	2,981,238,755	583,339,097
Foreign exchange gains	2,278,864,013	1,066,336,737
<b>TOTAL</b>	<b>5,260,102,768</b>	<b>1,649,675,834</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 25. COST OF GOODS SOLD AND SERVICES RENDERED

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of finished goods sold	693,140,221,373	671,321,077,471
Cost of merchandise sold	189,162,073,354	360,058,650,517
Cost of services rendered	823,198,460	2,779,990,355
Reversal of provision for obsolete inventories	(1,472,150,470)	(1,708,923,337)
<b>TOTAL</b>	<b><u>881,653,342,717</u></b>	<b><u>1,032,450,795,006</u></b>

## 26. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Loan interest	15,350,281,706	16,010,130,009
Discounts for early payment	5,499,065,970	4,584,999,100
Foreign exchange losses	1,395,521,030	470,034,322
Provision/(reversal of provision) for diminution in value of long-term investments	2,029,087,172	(114,449,769)
<b>TOTAL</b>	<b><u>24,273,955,878</u></b>	<b><u>20,950,713,662</u></b>

## 27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Selling expenses</b>		
Expenses for external services	23,244,670,407	20,769,044,494
Labour costs	5,448,767,398	5,041,772,962
Depreciation	11,466,900	112,072,130
Advertising costs	1,686,826,325	1,149,745,505
Warranty expenses	3,129,885,295	3,991,447,204
Others	1,949,408,075	2,608,095,340
<b>TOTAL</b>	<b><u>35,471,024,400</u></b>	<b><u>33,672,177,635</u></b>
<b>General and administrative expenses</b>		
Labour costs	25,601,016,691	22,728,739,578
Land rental expenses	14,269,158,214	26,509,004,246
Expenses for external service	9,110,727,594	13,738,531,643
Professional service fees (*)	621,300,000	461,700,000
Depreciation and amortization	2,148,035,502	1,510,155,454
(Reversal of provision)/Provisions	(1,416,587,208)	3,815,829,156
Others	13,278,076,698	5,902,592,536
<b>TOTAL</b>	<b><u>63,611,727,491</u></b>	<b><u>74,666,552,613</u></b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES** (continued)

(\*) Included professional service fees with the global network of EY firms ("EY Firms") incurred in the current year with the total amount of VND 480,000,000.

**28. OTHER INCOME AND EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>		
Income from the transfer of land lease and infrastructure use rights at Chau Son Industrial Park, Ha Nam province (*)	303,837,948,660	-
Others	3,046,001,994	1,426,797,302
	<b>306,883,950,654</b>	<b>1,426,797,302</b>
<b>Other expenses</b>		
Costs from the transfer of land lease and infrastructure use rights at Chau Son Industrial Park, Ha Nam (*)	143,747,661,057	-
Others	501,391,296	31,263,751
	<b>144,249,052,353</b>	<b>31,263,751</b>
<b>NET OTHER PROFIT</b>	<b>162,634,898,301</b>	<b>1,395,533,551</b>

(\*) These represent the consideration received and expenses paid in relation to the transfer of land lease and infrastructure use rights at land lot No. 03, Chau Son Industrial Park, Chau Son ward, Phu Ly city, Ha Nam province. Such disposal has been proceeded in accordance with the Resolution No. 138/NQ-HDQT of the Board of Directors, which approves the termination of the "Investment in Sao Vang Rubber Factory in Ha Nam" project and the contracts for the transfer of lease rights of land and infrastructure and assets attached to the land with relevant parties.

**29. PRODUCTION AND OPERATING COSTS**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	558,898,262,454	468,475,606,489
Labour costs	112,230,123,063	102,636,211,823
Depreciation and amortisation	10,307,684,973	11,668,449,264
Expenses for external services	66,152,249,557	64,054,828,747
Others	44,839,568,183	61,046,591,682
(Reversal of provision)/provisions	(3,000,722,848)	2,092,424,144
<b>TOTAL</b>	<b>789,427,165,382</b>	<b>709,974,112,149</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 30. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company is 20% of taxable income.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

#### 30.1 CIT expenses

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	38,027,897,698	9,654,442,260
Adjustment for under accrual of tax from prior years	996,849,717	-
<b>TOTAL</b>	<b><u>39,024,747,415</u></b>	<b><u>9,654,442,260</u></b>

The reconciliation between the profit before tax and taxable profit is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b><u>190,664,822,933</u></b>	<b><u>39,055,077,961</u></b>
<b>At CIT rate of 20% applicable to the Company</b>	<b><u>38,132,964,586</u></b>	<b><u>7,811,015,592</u></b>
<i>Adjustments to increase/(decrease):</i>		
Other non-deductible expenses	711,871,127	1,836,263,728
Allowance of non-executive members of the Board of Directors and the Supervisory Board	25,200,000	25,200,000
Unrealized foreign exchange differences	(842,138,015)	(18,037,061)
Adjustment for under accrual of tax from prior years	996,849,717	-
<b>Current CIT expense</b>	<b><u>39,024,747,415</u></b>	<b><u>9,654,442,260</u></b>

#### 30.2 Current tax

The current CIT payable is based on taxable profit for the current year. The taxable income of the Company for the period differs from the accounting profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES

The list of related parties over which the Company has control or significant influence and other related parties that have significant transactions at the Company during the year and as of 31 December 2024 is as follows:

No	Related parties	Relationships
1	Hoanh Son Group Joint Stock Company ("HSG")	Parent company
2	Vietnam National Chemical Group ("VNCG")	Major shareholder
3	Sao Vang – Hoanh Son Joint Stock Company	Associate
4	Sao Vang – Hoanh Son Limited Company	Associate
5	Viet Anh Investment Consulting and Construction Trading Joint Stock Company	Company related to the Chairman
6	Hanoi Beer Group Joint Stock Company	Company related to the Chairman
7	Hoanh Son General Trading and International Transportation Company Limited	Affiliate of HSG
8	Hoanh Son Investment and Development Joint Stock Company	Affiliate of HSG
9	Sao Vang Group Beer Alcohol and Beverage Joint Stock Company	Company related to the Chairman
10	Vietnam Apatit Limited Company	Affiliate of VNCG
11	DAP VINACHEM Joint Stock Company	Affiliate of VNCG
12	Viet Tri Chemical Joint Stock Company	Affiliate of VNCG
13	Chemical Industry Engineering Joint Stock Company	Affiliate of VNCG

Individuals who are members of the Board of Directors, Board of Supervision and Management of the company are presented in the General Information section.

Significant transactions with related parties for the current and prior year were as follows:

Related party	Relationship	Transactions	Currency: VND	
			Current year	Previous year
Hoanh Son Group Joint Stock Company	Parent company	Sale of goods and rendering services	24,507,442,849	89,407,526,318
		Dividend distribution	8,455,974,000	5,508,920,000
		Dividend payment	8,455,974,000	5,508,920,000
		Repayment of borrowing	130,000,000,000	-
		Offset debt	7,000,000,000	-
Vietnam National Chemical Group	Major shareholder	Dividend distribution	6,062,469,000	8,083,292,000
		Dividend payment	6,062,469,000	8,083,292,000
Viet Tri Chemical Joint Stock Company	Affiliate of VNCG	Sale of goods and rendering services	409,829,000	311,267,000
Hoanh Son General Trading and International Transportation Company Limited	Affiliate of HSG	Sale of merchandise	82,059,075,000	-
Hoanh Son Investment and Development Joint Stock Company	Affiliate of HSG	Purchase of goods	1,872,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties for the current and prior year were as follows (continued):

Related party	Relationship	Transactions	Currency: VND	
			Current year	Previous year
Sao Vang Group Beer Alcohol and Beverage Joint Stock Company	Company related to the Chairman	Purchase of goods	52,159,091	259,886,364
Viet Anh Investment Consulting and Construction Trading Joint Stock Company	Company related to the Chairman	Purchase of goods and services	660,000,000	600,000,000
Sao Vang – Hoanh Son Limited Company	Associate	Purchase of solar energy	1,117,660,275	-

*Terms and conditions of transactions with related parties:*

The sales to, purchases of goods and services from related parties are made based on contractual agreements.

Outstanding balances at 31 December 2024 are unsecured, interest free and will be settled in cash. For the year ended 31 December 2024, the Company had not made any provision for doubtful debts to amounts owed by related parties (31 December 2023: VND 58,853,130). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due to and due from related parties at the balance sheet dates were as follows:

Related party	Relationship	Transactions	Currency: VND	
			Ending balance	Beginning balance
<b>Short-term trade receivables (Note 5)</b>				
Hoanh Son General Trading and International Transportation Company Limited	Affiliate of HSG	Sale of merchandise	83,841,817,500	-
Viet Tri Chemical Joint Stock Company	Affiliate of VNCG	Sale of finished goods	143,100,000	55,274,400
Hanoi Beer Group Joint Stock Company	Company related to the Chairman	Rendering of premises	11,000,000	11,000,000
DAP VINACHEM Joint Stock Company	Affiliate of VNCG	Sale of finished goods	-	53,953,130
Apatit Vietnam Company Limited	Affiliate of VNCG	Sale of finished goods	-	4,900,000
<b>TOTAL</b>			<b>83,995,917,500</b>	<b>125,127,530</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet dates were as follows (continued):

Currency: VND

Related party	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term trade payables (Note 15.1)</b>				
Sao Vang – Hoanh Son Limited Company	Associate	Purchase of solar power	1,207,073,097	-
Chemical Industry Engineering Joint Stock Company	Affiliate of VNCG	Engineering service	335,972,727	335,972,727
Viet Anh Investment Consulting and Construction Trading Joint Stock Company	Company related to the Chairman	Purchase of services	-	324,000,000
<b>TOTAL</b>			<b>1,543,045,824</b>	<b>659,972,727</b>
<b>Short-term advances from customers (Note 15.2)</b>				
Hoanh Son Group Joint Stock Company	Parent company	Advances for finished goods	31,087,674,319	64,555,712,596
<b>TOTAL</b>			<b>31,087,674,319</b>	<b>64,555,712,596</b>
<b>Other short-term payables (Note 18)</b>				
Other shareholder	Other shareholders	Dividends payable	1,117,901,958	1,075,017,618
<b>TOTAL</b>			<b>1,117,901,958</b>	<b>1,075,017,618</b>
<b>Other long-term payables (Note 18)</b>				
Sao Vang – Hoanh Son Limited Company	Associate	Reallocation support costs	143,500,000,000	143,500,000,000
<b>TOTAL</b>			<b>143,500,000,000</b>	<b>143,500,000,000</b>
<b>Long-term loans (Note 19)</b>				
Hoanh Son Group Joint Stock Company	Parent company	Long-terms loans	-	130,000,000,000
<b>TOTAL</b>			<b>-</b>	<b>130,000,000,000</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES (continued)

#### *Transactions with other related parties*

Allowance to members of the Board of Directors ("BOD") and Board of Supervision ("BOS") during the year:

*Currency: VND*

<i>Name</i>	<i>Position</i>	<i>Allowance</i>	
		<i>Current year</i>	<i>Previous year</i>
Mr. Pham Hoanh Son	Chairman	60,000,000	60,000,000
Mr. Nguyen Viet Hung	Member of BOD	48,000,000	48,000,000
Mr. Nguyen Thanh Tung	Member of BOD	48,000,000	48,000,000
Mr. Nguyen Dinh Son	Member of BOD	48,000,000	48,000,000
Mr. Luong Xuan Hoang	Member of BOD	48,000,000	48,000,000
Mr. Nguyen Trung Hoa	Head of BOS	48,000,000	48,000,000
Mr. Hoang Van Hoa	Member of BOS	30,000,000	30,000,000
Ms. Vu Thi Mai Nhung	Member of BOS	30,000,000	30,000,000
<b>TOTAL</b>		<b>360,000,000</b>	<b>360,000,000</b>

Remuneration of management and BOS:

*Currency: VND*

<i>Name</i>	<i>Position</i>	<i>Remuneration (*)</i>	
		<i>Current year</i>	<i>Previous year</i>
Mr. Nguyen Viet Hung	General Director	640,921,200	627,686,874
	Deputy General		
Mr. Nguyen Thanh Tung	Director	534,461,200	522,886,570
	Deputy General		
Mr. Nguyen Quang Hao	Director	494,500,000	475,541,141
Mr. Nguyen Trung Hoa	Head of BOS	321,839,315	282,099,888
Mr. Hoang Van Hoa	Member of BOS	275,057,009	263,615,002
<b>TOTAL</b>		<b>2,266,778,724</b>	<b>2,171,829,475</b>

(\*) Remuneration includes salary and bonus

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Company's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

#### 32.1 Business segment

The following tables present revenue, profit and certain assets and liabilities information regarding the Company's business segment:

	Currency: VND			
	Manufacturing	Trading	Others	Total
<b>For the year ended 31 December 2024</b>				
Revenue				
Revenue from sale of goods and rendering of services	817,640,356,342	192,445,447,986	17,694,068,022	1,027,779,872,350
Results				
Segment gross profits before tax	119,374,400,525	9,058,061,086	17,694,068,022	146,126,529,633
Unallocated income (*)				44,538,293,300
Net profit before tax				190,664,822,933
Corporate income tax expense				(39,024,747,415)
Net profit for the year				151,640,075,518
Other segment information				
Capital expenditure on fixed assets				3,529,569,865
Tangible fixed assets				-
Intangible fixed assets				10,296,218,073
Depreciation				7,892,578,742
Amortization/allocation of prepaid expenses				140,709,281,570
Other significant non-cash expenses				
<b>As at 31 December 2024</b>				
Assets and liabilities				
Segment assets			1,818,686,165	482,595,570,214
Unallocated assets (**)				726,343,743,993
Total assets	314,370,249,114	166,406,634,935		1,208,939,314,207
Segment liabilities			12,998,576	190,798,494,436
Unallocated liabilities (***)	97,478,225,643	93,307,270,217		443,085,955,449
Total liabilities				633,884,449,885

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 32. SEGMENT INFORMATION (continued)

#### 32.1 Business segment (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Company's business segment (continued):

	Currency: VND			
	Manufacturing	Trading	Others	Total
<b>For the year ended 31 December 2023</b>				
Revenue				
Revenue from sale of goods and rendering of services	801,249,327,039	379,491,570,936	17,009,209,517	1,197,750,107,492
Results				
Segment gross profits before tax	126,070,149,243	22,619,953,726	16,609,209,517	165,299,312,486
Unallocated income/(expenses) (*)				(126,244,234,525)
Net profit before tax				39,055,077,961
Corporate income tax expense				(9,654,442,260)
Net profit for the year				29,400,635,701
Other segment information				
Capital expenditure on fixed assets				
Tangible fixed assets				16,173,723,558
Intangible fixed assets				-
Depreciation				11,656,982,364
Amortization/allocation of prepaid expenses				16,781,460,657
<b>As at 31 December 2023</b>				
Assets and liabilities				
Segment assets	303,459,218,155	288,206,014,755	1,930,338,862	593,595,571,772
Unallocated assets (**)	-	-	-	753,244,087,252
Total assets				1,346,839,659,024
Segment liabilities	80,336,389,524	86,610,064,894	13,898,338	166,960,352,756
Unallocated liabilities (***)	-	-	-	736,529,783,094
Total liabilities				903,490,135,850

(\*) Unallocated income/expense primarily includes financial income, financial expenses, selling expenses and administrative expenses, other income and other expenses.

(\*\*) Unallocated assets primarily includes cash and cash equivalents, fixed assets, prepaid expenses, other long-term receivables and investments.

(\*\*\*) Unallocated liabilities primarily includes payables to employees, loan and finance lease obligations, accrual expenses, short-term provision, bonus and welfare fund, scientific and technological development fund and other payables.



NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**32. SEGMENT INFORMATION** (continued)  
**32.2 Geographical segment**

The following tables present revenue and profit and certain assets and liability information regarding the Company's geographical segment:

	Export	Domestic	Total
	Currency: VND		
<b>For the year ended at 31 December 2024</b>			
Revenue			
Revenue from sales of goods and rendering of services	216,890,465,984	810,889,406,366	1,027,779,872,350
Capital expenditure on fixed assets			
Tangible fixed assets			3,529,569,865
Intangible fixed assets			-
<b>As at 31 December 2024</b>			
Other segment information			
Segment assets	111,269,011,919	120,291,022,343	231,560,034,262
Unallocated assets (*)			977,379,279,945
Total asset			1,208,939,314,207
<b>For the year then ended at 31 December 2023</b>			
Revenue			
Revenue from sales of goods and rendering of services	162,622,743,285	1,035,127,364,207	1,197,750,107,492
Capital expenditure on fixed assets			
Tangible fixed assets			16,173,723,558
Intangible fixed assets			-
<b>As at 31 December 2023</b>			
Other segment information			
Segment assets	36,000,539,422	323,794,854,698	359,795,394,120
Unallocated assets (*)			987,044,264,904
Total asset			1,346,839,659,024

(\*) Unallocated assets primarily includes cash and cash equivalents, advance to suppliers, inventory, fixed assets, prepaid expenses, other long-term receivables and investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 33. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year (Restated)</i>
Profit after tax	151,640,075,518	29,400,635,701
Distribution to bonus and welfare fund and executives' reward fund (*)	-	(3,096,713,570)
<b>Net profit attributable to ordinary shareholders</b>	<b><u>151,640,075,518</u></b>	<b><u>26,303,922,131</u></b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	<u>28,063,368</u>	<u>28,063,368</u>
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b><u>28,063,368</u></b>	<b><u>28,063,368</u></b>
<b>Earnings per share</b>		
- <i>Basic earnings per share</i>	<i>5,403</i>	<i>937</i>
- <i>Diluted earnings per share</i>	<i>5,403</i>	<i>937</i>

Net profit used to compute earnings per share for the year ended 31 December 2023 was restated to reflect the actual appropriation to bonus and welfare fund and executives' reward fund from 2023's profits in accordance with the Resolution No. 43/NQ-DHĐCD dated 22 April 2024 of the 2024 Annual General Meeting of Shareholders.

Net profit used to compute earnings per share for the year ended 31 December 2024 was not adjusted for the appropriation to bonus and welfare fund and executives' reward fund from 2024's profit as the resolution of the shareholders meeting on such distribution of profit of the current year is not yet available.

There has been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 34. COMMITMENTS

#### *Operating lease commitment as a lessee*

The Company leases land, offices and stores under operating lease arrangements. The future minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	19,949,072,806	23,518,383,538
From 1-5 years	79,796,291,224	94,073,534,152
More than 5 years	492,416,110,153	603,831,938,309
<b>TOTAL</b>	<b>592,161,474,183</b>	<b>721,423,855,999</b>

#### *Operating lease commitment as a lessor*

The Company lets out warehouses, premises, offices, and kiosks under operating lease arrangements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:


	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	7,463,967,273	5,696,258,208
From 1-5 years	1,495,890,411	3,433,530,000
<b>TOTAL</b>	<b>8,959,857,684</b>	<b>9,129,788,208</b>


### 35. EVENTS AFTER THE BALANCE SHEET DATE


There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

Hanoi, Vietnam

10 March 2025

  
Preparer  
Le Lan Phuong

  
Chief accountant  
Tran Minh Tuan

  
General Director  
Nguyen Viet Hung



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