

Vicostone Joint Stock Company

Separate financial statements

For the year ended 31 December 2024



Vicostone Joint Stock Company

CONTENTS

	<i>Pages</i>
General information	1
Report of management	2
Independent auditors' report	3 - 4
Separate balance sheet	5 - 6
Separate income statement	7
Separate cash flow statement	8 - 9
Notes to the separate financial statements	10 - 37

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Vicostone Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Vicostone Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate for joint stock company No. 0500469512 issued by the Department of Planning and Investment of Ha Tay province (now known as Hanoi city) on 2 June 2005 and its subsequent amendments with the latest being the 20th amendment dated 16 January 2025.

On 5 December 2007, the Company's shares were listed at the Hanoi Stock Exchange (now known as HNX) with the stock code VCS according to the Listing Decision No. 670/QĐ-TTGDHN with permission of the Hanoi Stock Exchange Center.

The current principal activities of the Company are to manufacture and distribute quartz-based compound stone related products.

The Company's head office is located at Hoa Lac Hi-Tech Park, Thach Hoa commune, Thach That district, Hanoi city, Vietnam.

BOARD OF DIRECTORS

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

Mr Ho Xuan Nang	Chairman	
Mr Pham Tri Dung	Member	
Ms Tran Lan Phuong	Member	
Mr Nguyen Quang Hung	Member	
Ms Le Thi Minh Thao	Member	Appointed on 12 April 2024
Mr Pham Anh Tuan	Member	Resigned on 12 April 2024

AUDIT COMMITTEE

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

Mr Nguyen Quang Hung	Head of Audit Committee
Ms Tran Lan Phuong	Member

MANAGEMENT

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

Mr Pham Tri Dung	General Director	
Mr Nguyen Quang Anh	Deputy General Director	
Mr Luu Cong An	Deputy General Director	
Mr Nguyen Chi Cong	Deputy General Director	
Mr Dong Quang Thuc	Deputy General Director	
Ms Tran Thi Thu Huong	Deputy General Director	Appointed on 25 September 2024

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Ho Xuan Nang, Chairman. Mr Pham Tri Dung is authorised by Mr Ho Xuan Nang to sign the accompanying separate financial statements for the year ended 31 December 2024 in accordance with the Letter of Authorisation No. 2702/2023/UQ/VCS-CTHDQT dated 27 February 2023.

AUDITORS

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

REPORT OF MANAGEMENT

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

- select suitable accounting policies and then apply them consistently;
- make judgements 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 separate financial statements; and
- prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

STATEMENT BY MANAGEMENT

2

Reference: 11658249/68482270

INDEPENDENT AUDITORS' REPORT

To: The Shareholders and Board of Directors of Vicostone Joint Stock Company

We have audited the accompanying separate financial statements of Vicostone Joint Stock Company ("the Company") as prepared on 28 March 2025, and set out on page 5 to 37, which comprise the separate balance sheet as at 31 December 2024, the separate income statement and the separate 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 the separate financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the separate financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the separate 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate financial statements.

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

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Shape the future
with confidence

Opinion

In our opinion, the separate financial statements give a true and fair view, in all material respects, of the separate financial position of the Company as at 31 December 2024, and of the separate results of its operations and its separate 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 separate financial statements.

Ernst & Young Vietnam Limited



Phung Manh Phu
Deputy General Director
Audit Practising Registration
Certificate No. 2598-2023-004-1

Le Thi Thu
Auditor
Audit Practising Registration
Certificate No. 5606-2025-004-1

Hanoi, Vietnam

28 March 2025



SEPARATE BALANCE SHEET
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		5,334,185,991,759	5,418,249,177,519
110	I. Cash and cash equivalents	4	1,553,901,360,467	1,378,280,059,429
111	1. Cash		315,801,360,467	323,780,059,429
112	2. Cash equivalents		1,238,100,000,000	1,054,500,000,000
120	II. Short-term investments	5	670,000,000,000	47,700,000,000
123	1. Held-to-maturity investments		670,000,000,000	47,700,000,000
130	III. Current accounts receivable		1,267,712,055,549	1,136,932,717,979
131	1. Short-term trade receivables	6.1	1,266,586,748,360	1,140,365,687,213
132	2. Short-term advances to suppliers	6.2	13,660,801,613	8,562,824,343
136	3. Other short-term receivables		5,504,263,291	2,601,153,619
137	4. Provision for short-term doubtful receivables	7	(18,039,757,715)	(14,596,947,196)
140	IV. Inventories	8	1,772,704,623,731	2,652,200,429,448
141	1. Inventories		1,810,379,073,353	2,670,192,434,634
149	2. Provision for obsolete inventories		(37,674,449,622)	(17,992,005,186)
150	V. Other current assets		69,867,952,012	203,135,970,663
151	1. Short-term prepaid expenses	13	2,293,570,309	2,758,453,134
152	2. Deductible value-added tax	15	67,574,381,703	200,377,517,529
200	B. NON-CURRENT ASSETS		529,450,519,310	553,679,643,651
210	I. Long-term receivables		45,043,093,500	-
215	1. Long-term loan receivables	27	45,000,000,000	-
216	2. Other long-term receivables		43,093,500	-
220	II. Fixed assets		347,065,779,149	426,875,936,907
221	1. Tangible fixed assets	9	345,664,840,389	426,457,649,875
222	Cost		1,601,891,069,905	1,589,355,629,106
223	Accumulated depreciation		(1,256,226,229,516)	(1,162,897,979,231)
227	2. Intangible fixed assets	10	1,400,938,760	418,287,032
228	Cost		30,559,537,247	28,466,568,497
229	Accumulated amortisation		(29,158,598,487)	(28,048,281,465)
240	III. Long-term assets in progress		76,840,093,167	66,484,321,373
242	1. Construction in progress	11	76,840,093,167	66,484,321,373
250	IV. Long-term investments		50,000,000,000	50,000,000,000
251	1. Investments in subsidiaries	12	50,000,000,000	50,000,000,000
260	V. Other long-term assets		10,501,553,494	10,319,385,371
261	1. Long-term prepaid expenses	13	10,501,553,494	10,319,385,371
270	TOTAL ASSETS		5,863,636,511,069	5,971,928,821,170

SEPARATE BALANCE SHEET (continued)
as at 31 December 2024

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		1,216,648,952,958	1,364,956,570,870
310	I. Current liabilities		1,214,704,942,958	1,363,143,445,270
311	1. Short-term trade payables	14.1	128,326,631,066	107,986,235,699
312	2. Short-term advances from customers	14.2	15,294,508,261	15,139,506,800
313	3. Statutory obligations	15	100,355,714,626	106,982,859,358
314	4. Payables to employees		7,188,971,757	9,940,982,698
315	5. Short-term accrued expenses		2,348,930,393	1,341,978,465
319	6. Other short-term payables		4,873,515,862	4,861,752,844
320	7. Short-term loans	17	894,988,374,159	1,011,288,076,572
322	8. Bonus and welfare fund	16	61,328,296,834	105,602,052,834
330	II. Non-current liabilities		1,944,010,000	1,813,125,600
342	1. Long-term provisions		1,944,010,000	1,813,125,600
400	D. OWNERS' EQUITY		4,646,987,558,111	4,606,972,250,300
410	I. Owners' equity	18	4,646,987,558,111	4,606,972,250,300
411	1. Issued share capital		1,600,000,000,000	1,600,000,000,000
411a	- Ordinary shares with voting rights		1,600,000,000,000	1,600,000,000,000
412	2. Share premium		290,584,886	290,584,886
418	3. Investment and development fund		87,711,466,023	88,958,137,122
421	4. Undistributed earnings		2,958,985,507,202	2,917,723,528,292
421a	- Undistributed earnings by the end of prior year		2,913,408,277,021	2,817,878,181,379
421b	- Undistributed earnings of current year		45,577,230,181	99,845,346,913
440	TOTAL LIABILITIES AND OWNERS' EQUITY		5,863,636,511,069	5,971,928,821,170

Hanoi, Vietnam

28 March 2025


Tran Thi Huong Thu
Preparer

Nguyen Phuong Anh
Chief Accountant


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VICOSTONE

Pham Tri Dung
General Director

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SEPARATE INCOME STATEMENT
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	20.1	4,033,047,148,553	3,999,136,899,657
02	2. Deductions	20.1	23,108,484,843	9,177,702,587
10	3. Net revenue from sale of goods (10 = 01 - 02)	20.1	4,009,938,663,710	3,989,959,197,070
11	4. Cost of goods sold	21	3,031,249,054,187	2,997,980,809,398
20	5. Gross profit from sale of goods (20 = 10 - 11)		978,689,609,523	991,978,387,672
21	6. Finance income	20.2	137,063,744,743	159,878,396,410
22	7. Finance expenses	22	57,838,796,556	88,227,338,520
23	In which: Interest expenses		30,637,196,387	44,512,867,388
25	8. Selling expenses	23	152,194,945,483	110,773,242,542
26	9. General and administrative expenses	23	49,017,590,767	43,083,883,769
30	10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}		856,702,021,460	909,772,319,251
31	11. Other income		603,127,435	722,727,592
32	12. Other expenses		6,452,254,830	6,127,904,195
40	13. Other loss (40 = 31 - 32)		(5,849,127,395)	(5,405,176,603)
50	14. Accounting profit before tax (50 = 30 + 40)		850,852,894,065	904,367,142,648
51	15. Current corporate income tax expense	25.1	136,709,945,959	139,697,680,391
60	16. Net profit after tax corporate income (60 = 50 - 51)		714,142,948,106	764,669,462,257

Hanoi, Vietnam

28 March 2025

Tran Thi Huong Thu
Preparer

Nguyen Phuong Anh
Chief AccountantPham Tri Dung
General Director

SEPARATE CASH FLOW STATEMENT
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		850,852,894,065	904,367,142,648
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets and land rental allocation		95,222,202,707	100,161,737,266
03	Provisions		23,256,139,355	3,675,736,168
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		11,871,481,573	2,899,733,127
05	Profits from investing activities		(77,326,013,955)	(85,956,794,884)
06	Interest expenses	22	30,637,196,387	44,512,867,388
08	Operating profit before changes in working capital		934,513,900,132	969,660,421,713
09	Decrease in receivables		1,902,468,272	477,145,641,972
10	Decrease/(increase) in inventories		859,813,361,281	(83,223,669,515)
11	Increase in payables		15,349,767,570	51,858,472,569
12	Decrease in prepaid expenses		7,982,301	2,687,005,976
14	Interest paid		(30,417,168,159)	(45,368,595,900)
15	Corporate income tax paid	15	(143,144,849,879)	(81,630,166,793)
17	Other cash outflows for operating activities		(78,401,396,295)	(98,604,564,529)
20	Net cash flows from operating activities		1,559,624,065,223	1,192,524,545,493
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(22,685,832,856)	(28,808,035,952)
22	Proceeds from disposals of fixed assets		80,000,000	111,387,500
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,095,000,000,000)	(47,700,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		427,700,000,000	18,861,500,826
27	Interest and dividends received		73,271,094,901	85,855,533,520
30	Net cash flows (used in)/from investing activities		(616,634,737,955)	28,320,385,894

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

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings		1,361,049,593,175	1,991,734,037,431
34	Repayment of borrowings		(1,488,203,465,699)	(2,261,553,453,021)
36	Dividends paid to shareholders		(639,827,276,600)	(640,589,431,575)
40	Net cash flows used in financing activities		(766,981,149,124)	(910,408,847,165)
50	Net increase in cash and cash equivalents for the year		176,008,178,144	310,436,084,222
60	Cash and cash equivalents at beginning of year		1,378,280,059,429	1,067,345,573,815
61	Impact of foreign exchange rate fluctuation		(386,877,106)	498,401,392
70	Cash and cash equivalents at end of year	4	1,553,901,360,467	1,378,280,059,429

Hanoi, Vietnam

28 March 2025


Tran Thi Huong Thu
Preparer

Nguyen Phuong Anh
Chief AccountantPham Tri Dung
General Director

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

1. CORPORATE INFORMATION

Vicostone Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate for joint stock company No. 0500469512 issued by the Department of Planning and Investment of Ha Tay province (now known as Hanoi city) on 2 June 2005 and its subsequent amendments with the latest being the 20th amendment dated 16 January 2025.

On 5 December 2007, the Company's shares were listed at the Hanoi Stock Exchange (now known as HNX) with the stock code VCS according to the Listing Decision No. 670/QĐ-TTGDHN with permission of the Hanoi Stock Exchange Center.

The current principal activities of the Company are to manufacture and distribute quartz-based compound stone related products.

The Company's normal course of business cycle is 12 months.

The Company's head office is located at Hoa Lac Hi-Tech Park, Thach Hoa commune, Thach That district, Hanoi city, Vietnam.

The Company's total number of employees as at 31 December 2024 is 646 (31 December 2023: 674).

Corporate structure

As at 31 December 2024, the Company has one subsidiary which is Phenikaa Hue Investment and Processing Mineral One Member Company Limited ("Phenikaa Hue Company") (31 December 2023: 1).

Phenikaa Hue Company is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 3301601070 issued by the Department of Planning and Investment of Thua Thien Hue province on 21 December 2016 and the amended Business Registration Certificates with the latest being the 8th amendment dated 6 January 2025. The head office of Phenikaa Hue Company is located at Lot CN15 Zone B, Phong Dien Industry Park, Phong Hoa commune, Phong Dien district, Thua Thien Hue province. The principal activities of Phenikaa Hue Company are to invest and process minerals.

As at 31 December 2024, the Company holds 100% equity in this subsidiary.

2. BASIS OF PREPARATION

2.1 *Purpose of preparing the separate financial statements*

The Company has a subsidiary as disclosed in Note 1 and Note 12. The Company prepared these separate financial statements to meet the prevailing requirements in relation to disclosure of information, specifically the Circular No. 96/2020/TT-BTC on disclosure of information on the securities market. In addition, as required by these regulations, the Company has also prepared the consolidated financial statements of the Company and its subsidiary for the year ended 31 December 2024 dated 28 March 2025.

Users of the separate financial statements should read them together with the said consolidated financial statements in order to obtain full information on the consolidated financial position, consolidated results of operations and consolidated cash flows of the Company and its subsidiary.

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

2. BASIS OF PREPARATION (continued)

2.2 Accounting standards and system

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

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

Accordingly, the accompanying separate 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 separate financial position and the separate results of operations and the separate cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.3 Applied accounting documentation system

The Company's applied accounting documentation system is the General Journal system.

2.4 Fiscal year

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

2.5 Accounting currency

The separate 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 less 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 processing (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.

NOTES TO THE SEPARATE 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)

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

Net realisable value 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, tool and equipment - cost of purchase on a weighted average basis.
and merchandises

Finished goods and work-in-process - cost of finish goods and work-in-process on a weighted average basis.

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 separate income statement. When inventories are expired, obsolete, damaged or become useless, the difference between the provision previously made and the historical cost of inventories are included in the separate income statement.

3.3 Receivables

Receivables are presented in the separate 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 separate 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 separate 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 its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located, if any.

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 separate income statement as incurred.

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

NOTES TO THE SEPARATE 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

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.

Where the Company is the lessee

Rentals under operating leases are charged to the separate 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 amortisation.

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

Expenditures for additions and improvements are added to the carrying amount of the assets and other expenditures are charged to the separate 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 separate income statement.

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	4 - 15 years
Machinery and equipment	3 - 15 years
Means of transportation	4 - 10 years
Office equipment	3 - 8 years
Computer software	3 - 12 years
Other intangible fixed assets	5 years

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 capitalisation.

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 recognised as expenses when such costs do not meet the conditions to be recognised as fixed assets.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

3.10 Prepaid expenses

Prepaid expenses are reported as short-term or long-term prepaid expenses on the separate balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expenses and are amortised to the separate income statement:

- ▶ Tools and consumables with large value issued into production and can be used for more than one year;
- ▶ Substantial expenditures on fixed asset overhauls incurred one time; and
- ▶ Other prepaid expenses.

Prepaid land rental

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with Bac Phu Cat Industrial Zone on 30 May 2008 for a period of 48 years 7 months 19 days. Such prepaid rental is recognised as long-term prepaid expenses for allocation to the separate income statement over the remaining period of the lease contract 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").

3.11 Investments

Investments in subsidiaries

Investments in subsidiaries over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiaries arising subsequent to the date of acquisition are recognised in the separate income statement. Distributions from sources which are attributable to period before obtaining controls are considered a recovery of investment and are deducted to the cost of the investment.

Provision for diminution in value of investments

Provision for diminution in value of the investment is made when there are reliable evidence of the diminution in value of those investments at the balance sheet date.

Increases or decreases to the provision balance are recorded as finance expense in the separate income statement.

NOTES TO THE SEPARATE 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)

Held-to-maturity investments

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

The severance pay to employee is accrued at the end of each reporting year for employees who have been worked for more than 12 months at the Company. The accrued amount is calculated at the rate of one-half of the average monthly salary for each year of service qualified for severance pay in accordance with the Labor Code and related implementing guidance. The average monthly salary used in this calculation is adjusted at the end of each reporting period following the average monthly salary of the last 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the separate income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contract following Article 46 of the Labor Code.

3.14 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of 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 collections;
- ▶ Transactions resulting in payables are recorded at the selling exchange rates of the commercial banks designated for payments; and
- ▶ Transactions for purchasing assets or expenses which were immediately settled (not recorded via liabilities) are recorded at the buying exchange rates of the commercial banks designated for payments.

At the end of the year, monetary items denominated in foreign currencies are translated at the actual transaction 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 conduct transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conduct transactions regularly.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Share 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.

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 in the Annual General Meeting.

Investment and development fund

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

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 separate 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.

Interest income

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

Dividend and Profit Distribution income

Dividend and profit distribution income are recognised when the Company is entitled to receive dividends or when the Company are entitled to receive profits from its capital contributions.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 separate 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 offset 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 the separate 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;
- ▶ 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:

- ▶ 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.

NOTES TO THE SEPARATE 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)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is 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 separate 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 offset 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 year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.19 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 manufacturing and distributing quartz-based compound stone related products. Management defines the Company's geographical segments to be based on the locations where the Company sells its products.

3.20 Related parties

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

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

4. CASH AND CASH EQUIVALENTS

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	2,152,810,289	1,703,574,529
Cash at banks	313,648,550,178	322,076,484,900
Cash equivalents (*)	1,238,100,000,000	1,054,500,000,000
TOTAL	1,553,901,360,467	1,378,280,059,429

(*) Cash equivalents as at 31 December 2024 include deposits in VND at banks, with original maturity of one month, earning interest rates of from 3.7% to 4.75% per annum (31 December 2023: from 2% to 4.2% per annum).

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments as at 31 December 2024 include deposits in VND at banks, with original maturity of six months, earning interest rates of from 5.5% to 6% per annum (31 December 2023: 4.8% per annum).

6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS

6.1 Short-term trade receivables

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	540,769,019,156	387,038,474,943
- Vicostone Canada Inc	206,819,375,627	174,152,486,941
- Other customers	333,949,643,529	212,885,988,002
Trade receivables from related parties (Note 27)	725,817,729,204	753,327,212,270
TOTAL	1,266,586,748,360	1,140,365,687,213
<i>Provision for short-term doubtful trade receivables</i>	<i>(18,039,757,715)</i>	<i>(14,596,947,196)</i>

6.2 Short-term advances to suppliers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Supplier 2	2,539,680,000	-
Other suppliers	11,121,121,613	8,562,824,343
TOTAL	13,660,801,613	8,562,824,343

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

7. PROVISION FOR DOUBTFUL SHORT-TERM RECEIVABLES

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Recoverable amount (*)</i>	<i>Cost</i>	<i>Recoverable amount (*)</i>
Customer 1	8,111,718,515	1,188,148,177	8,100,644,422	3,225,041,112
Customer 2	2,504,732,282	-	2,504,732,282	-
Other customers	11,461,936,783	2,850,481,688	9,447,058,950	2,230,447,346
TOTAL	22,078,387,580	4,038,629,865	20,052,435,654	5,455,488,458

(*) The Company determines recoverable amount by original amount of receivables minus provisions.

8. INVENTORIES

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Goods in transit	52,128,123,350	-	19,169,093,749	-
Raw materials	146,548,865,315	-	140,543,882,664	-
Tools and supplies	61,682,129,820	-	75,686,778,293	-
Work-in-process	47,113,271,984	-	26,834,552,990	-
Finished goods	348,194,998,226	(1,897,919,707)	450,933,699,717	(1,869,227,390)
Merchandises	1,154,711,684,658	(35,776,529,915)	1,957,024,427,221	(16,122,777,796)
TOTAL	1,810,379,073,353	(37,674,449,622)	2,670,192,434,634	(17,992,005,186)

Details of movements of provision for obsolete inventories:

	<i>Ending balance</i>		<i>Beginning balance</i>	
Beginning balance	(17,992,005,186)		(16,952,464,020)	
Add: Provision made during the year	(20,215,500,349)		(1,039,541,166)	
Less: Utilisation and reversal of provision during the year	533,055,913		-	
Ending balance	(37,674,449,622)		(17,992,005,186)	

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Total
Currency: VND					
Cost:					
Beginning balance	170,094,117,189	1,371,948,563,763	28,674,676,422	18,638,271,732	1,589,355,629,106
- Increase in the year	-	13,012,252,889	-	32,090,909	13,044,343,798
- Disposal	-	-	(508,902,999)	-	(508,902,999)
Ending balance	170,094,117,189	1,384,960,816,652	28,165,773,423	18,670,362,641	1,601,891,069,905
<i>In which:</i>					
<i>Fully depreciated</i>	91,250,728,581	366,989,450,872	24,138,320,298	15,085,198,447	497,463,698,198
Accumulated depreciation:					
Beginning balance	148,695,924,368	970,199,835,081	26,306,295,765	17,695,924,017	1,162,897,979,231
- Depreciation for the year	8,423,485,545	84,036,155,575	746,243,060	631,269,104	93,837,153,284
- Disposal	-	-	(508,902,999)	-	(508,902,999)
Ending balance	157,119,409,913	1,054,235,990,656	26,543,635,826	18,327,193,121	1,256,226,229,516
Net carrying amount:					
Beginning balance	21,398,192,821	401,748,728,682	2,368,380,657	942,347,715	426,457,649,875
Ending balance	12,974,707,276	330,724,825,996	1,622,137,597	343,169,520	345,664,840,389

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

10. INTANGIBLE FIXED ASSETS

	Currency: VND		
	Computer software	Other intangible fixed assets	Total
Cost:			
Beginning balance	28,428,568,497	38,000,000	28,466,568,497
- Increase in the year	2,092,968,750	-	2,092,968,750
Ending balance	30,521,537,247	38,000,000	30,559,537,247
<i>In which:</i>			
Fully amortised	28,428,568,497	38,000,000	28,466,568,497
Accumulated amortisation:			
Beginning balance	28,010,281,465	38,000,000	28,048,281,465
- Amortisation for the year	1,110,317,022	-	1,110,317,022
Ending balance	29,120,598,487	38,000,000	29,158,598,487
Net carrying amount:			
Beginning balance	418,287,032	-	418,287,032
Ending balance	1,400,938,760	-	1,400,938,760

11. CONSTRUCTION IN PROGRESS

	Currency: VND	
	Ending balance	Beginning balance
Machinery and equipment waiting for installation	75,574,393,349	65,406,198,477
Construction in progress	1,265,699,818	969,778,502
Overhaul expenses	-	108,344,394
TOTAL	76,840,093,167	66,484,321,373

12. INVESTMENTS IN SUBSIDIARIES

As at 31 December 2024, the Company has 1 subsidiary as follows: (31 December 2023: 1)

	Currency: VND			
	Ending balance		Beginning balance	
Name	Amount (VND)	Voting right (%)	Amount (VND)	Voting right (%)
Phenikaa Hue Company	50,000,000,000	100%	50,000,000,000	100%
TOTAL	50,000,000,000	100%	50,000,000,000	100%

Information about this subsidiary is presented in Note 1.

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

13. PREPAID EXPENSES

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term		
Tools and supplies	764,646,007	1,188,699,542
Others	1,528,924,302	1,569,753,592
TOTAL	2,293,570,309	2,758,453,134
Long-term		
Prepaid land rental fee	5,013,866,320	5,288,598,721
Tools and supplies	3,946,345,411	3,148,902,808
Others	1,541,341,763	1,881,883,842
TOTAL	10,501,553,494	10,319,385,371

14. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

14.1 Short-term trade payables

	<i>Currency: VND</i>			
	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Amount</i>	<i>Amount payable</i>	<i>Amount</i>	<i>Amount payable</i>
Supplier 1	21,354,944,240	21,354,944,240	-	-
Other suppliers	97,070,186,671	97,070,186,671	70,241,953,941	70,241,953,941
Trade payables to related parties (Note 27)	9,901,500,155	9,901,500,155	37,744,281,758	37,744,281,758
TOTAL	128,326,631,066	128,326,631,066	107,986,235,699	107,986,235,699

14.2 Short-term advances from customers

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Customer 4	6,662,291,923	-
Other customers	8,632,216,338	15,139,506,800
TOTAL	15,294,508,261	15,139,506,800

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

15. STATUTORY OBLIGATIONS

	Currency: VND			
	<i>Beginning balance</i>	<i>Payable for the year</i>	<i>Payment made in the year</i>	<i>Ending balance</i>
Payables				
Corporate income tax	106,233,626,829	136,709,945,959	(143,144,849,879)	99,798,722,909
Value-added tax	-	28,109,784,212	(28,109,784,212)	-
Import, export duties	2,866,874	1,174,404,333	(1,031,149,219)	146,121,988
Personal income tax	746,365,655	11,210,124,397	(11,545,620,323)	410,869,729
Others	-	291,665,156	(291,665,156)	-
TOTAL	<u>106,982,859,358</u>	<u>177,495,924,057</u>	<u>(184,123,068,789)</u>	<u>100,355,714,626</u>
	<i>Beginning balance</i>	<i>Increase in the year</i>	<i>Decrease in the year</i>	<i>Ending balance</i>
Receivables/deductible				
Value-added tax	200,377,517,529	176,452,529,888	(309,255,665,714)	67,574,381,703
TOTAL	<u>200,377,517,529</u>	<u>176,452,529,888</u>	<u>(309,255,665,714)</u>	<u>67,574,381,703</u>

16. BONUS AND WELFARE FUND

	Currency: VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	105,602,052,834	121,586,687,035
Created during the year (Note 18.1)	32,880,969,196	82,619,930,328
Utilised during the year	(77,154,725,196)	(98,604,564,529)
Ending balance	<u>61,328,296,834</u>	<u>105,602,052,834</u>

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

17. SHORT-TERM LOANS

	Beginning balance Amount and amount payable	Movement during the year		Ending balance Amount and amount payable
		Increase	Decrease	
Loans from banks	1,011,288,076,572	1,371,903,763,286	(1,488,203,465,699)	894,988,374,159
TOTAL	1,011,288,076,572	1,371,903,763,286	(1,488,203,465,699)	894,988,374,159

Currency: VND

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

Bank	Ending balance (VND)	Original amount (USD)
United Overseas Bank – Hanoi branch	53,962,589,034	2,111,956
Asia Commercial Joint Stock Bank – Ha Thanh branch	199,623,809,255	7,811,700
Joint Stock Commercial Bank for Investment and Development of Vietnam – Van Phuc Hanoi Branch	296,593,912,818	11,607,918
Joint Stock Commercial Bank for Foreign trade of Vietnam – Thanh Cong branch	198,626,371,589	7,773,722
TOTAL	748,806,682,696	29,305,296

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

Bank	Ending balance (VND)
HSBC Bank (Vietnam) Limited	59,119,070,866
Vietnam International Commercial Joint Stock Bank – Transactional Centre branch	87,062,620,597
TOTAL	146,181,691,463

As at 31 December 2024, the short-term loans of the Company are bearing interest rates of from 3.5% to 4.3% per annum for USD loans and from 3.6% to 4.3% per annum for VND loans. Interest is paid monthly.

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

18. OWNERS' EQUITY

18.1 Increase and decrease in owners' equity

Currency: VND

	Share capital	Share premium	Investment and development fund	Undistributed earnings	Total
Previous year					
Beginning balance	1,600,000,000,000	290,584,886	88,958,137,122	2,875,673,996,363	4,564,922,718,371
- Bonus and welfare fund, reward for Executive Board appropriation	-	-	-	(82,619,930,328)	(82,619,930,328)
- Advanced dividend from 2023 profit after tax	-	-	-	(640,000,000,000)	(640,000,000,000)
- Net profit for the year	-	-	-	764,669,462,257	764,669,462,257
Ending balance	1,600,000,000,000	290,584,886	88,958,137,122	2,917,723,528,292	4,606,972,250,300
Current year					
Beginning balance	1,600,000,000,000	290,584,886	88,958,137,122	2,917,723,528,292	4,606,972,250,300
- Bonus and welfare fund, reward for Executive Board appropriation (*)	-	-	-	(32,880,969,196)	(32,880,969,196)
- Advanced dividend from 2024 profit after tax (**)	-	-	-	(640,000,000,000)	(640,000,000,000)
- Investment and development fund utilisation	-	-	(1,246,671,099)	-	(1,246,671,099)
- Net profit for the year	-	-	-	714,142,948,106	714,142,948,106
Ending balance	1,600,000,000,000	290,584,886	87,711,466,023	2,958,985,507,202	4,646,987,558,111

(*) During the year, the Company appropriated the bonus and welfare fund, reward for Executive Board from the profit after tax of the year 2024 according to the Resolution No.01/2024 NQ/VCS-DHĐCĐ dated 12 April 2024 of the 2024 Annual General Shareholders' Meeting.

(**) During the year, the Company advanced dividends amounting to VND 640 billion to shareholders according to the Resolution No. 08/2024/NQ/VCS-HĐQT dated 7 June 2024 and Resolution No. 16/2024/NQ/VCS-HĐQT dated 3 December 2024 of the Board of Directors.

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

18. OWNERS' EQUITY (continued)

18.2 Capital transactions with owners and distribution of dividends, profits

	Currency: VND	
	Current year	Previous year
Capital contributed by owners		
Beginning balance	1,600,000,000,000	1,600,000,000,000
Ending balance	1,600,000,000,000	1,600,000,000,000

18.3 Dividends

	Currency: VND	
	Current year	Previous year
Dividends declared during the year	640,000,000,000	640,000,000,000
<i>Dividends on ordinary shares</i>	<i>640,000,000,000</i>	<i>640,000,000,000</i>
1 st advance of cash dividends for 2024 (VND 2,000 per share)	320,000,000,000	-
2 nd advance of cash dividends for 2024 (VND 2,000 per share)	320,000,000,000	-
1 st advance of cash dividends for 2023 (VND 2,000 per share)	-	320,000,000,000
2 nd advance of cash dividends for 2023 (VND 2,000 per share)	-	320,000,000,000
Dividend paid during the year	639,827,276,600	640,589,431,575
Dividends declared after closing date of financial year and not yet recognised as liability	-	-

18.4 Shares

	Ending balance Quantity	Beginning balance Quantity
Authorised shares	160,000,000	160,000,000
Issued shares	160,000,000	160,000,000
Ordinary shares	160,000,000	160,000,000
Preference shares	-	-
Treasury shares	-	-
Ordinary shares	-	-
Preference shares	-	-
Shares in circulation	160,000,000	160,000,000
Ordinary shares	160,000,000	160,000,000
Preference shares	-	-

Par value of outstanding shares as at 31 December 2024: VND 10,000 per share (31 December 2023: VND 10,000 per share).

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

19. OFF BALANCE SHEET ITEMS

	Ending balance		Beginning balance	
	Original currency	VND equivalent	Original currency	VND equivalent
Foreign currencies				
- US Dollar (USD)	6,584,247	166,426,816,226	7,355,230	177,228,839,798
- Euro (EUR)	359,933	9,385,022,351	197,622	5,226,981,532
- Canadian Dollar (CAD)	4,786,316	83,846,330,787	1,742,129	34,544,889,198

20. REVENUES

20.1 Revenue from sale of goods

	Currency: VND	
	Current year	Previous year
Gross revenue	4,033,047,148,553	3,999,136,899,657
Sale of finished goods and merchandises	4,033,047,148,553	3,999,136,899,657
Deductions	23,108,484,843	9,177,702,587
Trade discounts	23,108,484,843	9,177,702,587
Net revenue	4,009,938,663,710	3,989,959,197,070
<i>In which:</i>		
Sale to related parties (Note 27)	1,453,643,897,198	1,562,279,469,705

20.2 Finance income

	Currency: VND	
	Current year	Previous year
Foreign exchange gains	59,810,458,061	74,022,862,890
Dividend income	35,000,000,000	60,000,000,000
Interest income from bank deposits and lending	42,253,286,682	25,855,533,520
TOTAL	137,063,744,743	159,878,396,410

21. COST OF GOODS SOLD

	Currency: VND	
	Current year	Previous year
Cost of finished goods and merchandises sold	3,011,566,609,751	2,996,941,268,232
Provision for obsolete inventories	19,682,444,436	1,039,541,166
TOTAL	3,031,249,054,187	2,997,980,809,398

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

22. FINANCE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	30,637,196,387	44,512,867,388
Foreign exchange losses	26,425,127,965	43,714,471,132
Other finance expenses	776,472,204	-
TOTAL	57,838,796,556	88,227,338,520

23. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Selling expenses		
- Loading and delivery costs	86,798,888,804	57,787,770,929
- Packaging costs	15,504,245,189	12,337,455,698
- Labour costs	12,415,277,345	9,795,272,354
- Others	37,476,534,145	30,852,743,561
TOTAL	152,194,945,483	110,773,242,542
General and administrative expenses		
- Labour costs	22,026,800,945	17,055,754,698
- Provision for doubtful debts	3,442,810,519	823,069,402
- Depreciation and amortisation	2,630,522,477	5,357,094,941
- Others	20,917,456,826	19,847,964,728
TOTAL	49,017,590,767	43,083,883,769

24. PRODUCTION AND OPERATING COSTS

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials and merchandises (*)	2,818,362,910,814	2,775,202,121,740
Labour costs	89,976,269,320	74,345,701,067
Depreciation and amortisation of fixed assets	94,947,470,306	100,161,737,266
Expenses for external services	134,994,926,085	105,759,028,245
Others	11,691,339,098	14,368,657,752
TOTAL	3,149,972,915,623	3,069,837,246,070

(*) This cost includes cost of merchandises.

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

25. CORPORATE INCOME TAX

The statutory corporate income tax ("CIT") applicable to the Company are as follows:

For sale of finished goods of Factory No.1 as the initial investment project:

The CIT rate applicable to the Company is 20% of taxable income.

For sale of finished goods of Factory No.2 as the investment expansion project:

The Factory No.2 project meet the conditions as business expansion as circulated in Circular 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 ("Circular 96"). Accordingly, the Company is entitled to CIT exemption, reduction as the same as a new project located in the same area, which is exemption from CIT for 4 years commencing from the first year of earning taxable profits and a 50% CIT reduction in the following 9 years. The first year of earning taxable profits of the Factory No. 2 is 2014. However, Circular 96 is only applied to the CIT tax year 2015 onwards, thus, the Company is entitled to an exemption from CIT from 2015 to 2017 and a 50% CIT reduction in the following 9 years (from 2018 to 2026). Accordingly, CIT rate applied for income of this activity during the current year is 10% of taxable profit.

For sale of merchandises and other activities:

The CIT rate applicable to the Company is 20% of taxable income.

The tax reports 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 separate financial statements could change at a later date upon final determination by the tax authorities.

25.1 CIT expense

	Currency: VND	
	Current year	Previous year
Current CIT expense	136,340,466,218	138,800,230,081
Adjustment for under-accruals of CIT in prior years	369,479,741	897,450,310
TOTAL	136,709,945,959	139,697,680,391

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

25. CORPORATE INCOME TAX (continued)

25.1 CIT expense (continued)

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	850,852,894,065	904,367,142,648
At CIT rate of 20%	170,170,578,813	180,873,428,530
<i>Adjustments:</i>		
Penalty for late payment	16,001,122	313,115
Adjustment for under accrual of tax from prior year	369,479,741	897,450,310
Unrealised foreign exchange loss/(gain) in the current year	200,898,970	(406,340,356)
Reversal of unrealised foreign exchange difference of previous year in the current year	406,340,356	(4,777,917,027)
Other non-deductible expenses	1,890,417,389	5,921,144,689
Provision in current year	4,003,114,248	411,234,336
Reversal of provision in previous year	-	(23,231,265)
Tax exemption, deduction	(40,346,884,680)	(43,198,401,941)
CIT expense	136,709,945,959	139,697,680,391

25.2 Current tax

The current tax payable is based on the estimated taxable profit for the current year. The taxable profit of the Company differs from the accounting profit before tax as reported in the separate income statement because it excludes items of income or expense that are taxable or deductible in other years 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.

26. SEGMENT INFORMATION

The primary segment reporting format is determined to be geographical segments as the Company's risks and rates of return are affected predominantly by differences in the locations where the Company sells its products.

The operating businesses are organised and managed separately according to the locations where the Company operates, with each segment representing a strategic business unit that offers different products.

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

26. SEGMENT INFORMATION (continued)

Geographical segment

The current principal activities of the Company are to manufacture and distribute quartz-based compound stone related products. Information about revenue and assets of the Company's geographical segment is presented below:

	Currency: VND		
	Domestic activities	Export activities	Total
For the year ended 31 December 2024			
Net revenue			
Sales to external customers	887,312,422,020	3,122,626,241,690	4,009,938,663,710
Inter-segment sales	-	-	-
Total net revenue	887,312,422,020	3,122,626,241,690	4,009,938,663,710
Results			
Segment gross profit	54,246,689,329	953,030,480,455	1,007,277,169,784
Unallocated cost of sale			(28,587,560,261)
Gross profit			978,689,609,523
Unallocated income, expenses			(127,836,715,458)
Net profit before tax			850,852,894,065
Corporate income tax expense			(136,709,945,959)
Net profit for the year			714,142,948,106
Other segment information			
Capital expenditure of fixed assets			15,137,312,548
Depreciation and amortisation			94,947,470,306
As at 31 December 2024			
Assets and liabilities			
Segment assets	452,988,325,152	795,558,665,493	1,248,546,990,645
Unallocated assets			4,615,089,520,424
Total assets			5,863,636,511,069
Unallocated liabilities			1,216,648,952,958
Total liabilities			1,216,648,952,958
For the year ended 31 December 2023			
Net revenue			
Sales to external customers	910,368,167,238	3,079,591,029,832	3,989,959,197,070
Inter-segment sales	-	-	-
Total net revenue	910,368,167,238	3,079,591,029,832	3,989,959,197,070
Results			
Segment gross profit	88,664,409,928	932,566,506,439	1,021,230,916,367
Unallocated cost of sale			(29,252,528,695)
Gross profit			991,978,387,672
Unallocated income, expenses			(87,611,245,024)
Net profit before tax			904,367,142,648
Corporate income tax expense			(139,697,680,391)
Net profit for the year			764,669,462,257
Other segments information			
Capital expenditure of fixed assets			25,947,030,500
Depreciation and amortisation			100,161,737,266
As at 31 December 2023			
Assets and liabilities			
Segment assets	572,093,612,842	553,675,127,175	1,125,768,740,017
Unallocated assets			4,846,160,081,153
Total assets			5,971,928,821,170
Unallocated liabilities			1,364,956,570,870
Total liabilities			1,364,956,570,870

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

26. SEGMENT INFORMATION (continued)

Geographical segment (continued)

Unallocated cost of goods sold mainly include provision/reversal of provision for obsolete inventories and other cost of goods sold which cannot be allocated into geographical segments.

Income and expense except for cost of goods sold, assets except for trade receivables and provision for those trade receivables, and payables, are not allocated into geographical segments as they are not clearly identified for each segment.

27. TRANSACTIONS WITH RELATED PARTIES

List of related parties that have a controlling relationship with the Company during the year and as at 31 December 2024 is as follows:

<i>Related parties</i>	<i>Relationship</i>
A&A Green Phoenix Group Joint Stock Company	Parent company
Phenikaa Hue Company	Subsidiary
Mr Ho Xuan Nang	Chairman has control over the parent company

List of members of the Board of Directors, the Management and the Audit Committee of the Company is presented in General information.

Significant transactions of the Company with related parties during the year were as follows:

<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Currency: VND</i>	
			<i>Current year</i>	<i>Previous year</i>
A&A Green Phoenix Group Joint Stock Company	Parent company	Sales of materials and consumables	411,303,518,465	469,564,610,635
		Purchase of merchandises and services	467,346,013,959	1,037,550,669,663
		Dividend payables	538,588,328,000	538,588,328,000
		Dividend paid	538,588,328,000	538,588,328,000
Style Stone Joint Stock Company	Fellow subsidiary	Sales of materials and consumables	52,371,773,369	87,185,461,773
		Purchase of merchandises and services	275,276,587,401	709,459,603,360
Stylenquaza LLC	Associate of parent company	Sales of finished goods and consumables	642,069,618,908	764,311,528,658
Vietnam Stone Work - Top Fabrication Joint Stock Company	Fellow subsidiary	Sales of finished goods and consumables	226,896,871,640	144,605,456,165
		Purchase of merchandises and services	410,028,956,573	346,078,034,502
Tran Long Industry Joint Stock Company	Fellow subsidiary	Sales of finished goods and consumables	78,368,596,675	77,870,850,475
		Purchase of merchandises and services	110,352,189,588	95,489,063,801
Phenikaa Hue Company	Subsidiary	Purchase of materials	97,064,858,000	109,146,353,920
		Sales of consumables	2,969,390,000	-
		Lending	45,000,000,000	-
		Collection of loans	-	18,811,371,497
		Dividend receivable and received	35,000,000,000	60,000,000,000
		Interest receivable and received	1,998,493,150	12,691,588

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions of the Company with related parties during the year were as follows:
(continued)

Related parties	Relationship	Transactions	Currency: VND	
			Current year	Previous year
Sec G3 Center Joint Stock Company	Fellow subsidiary	Purchase of merchandises and services	7,031,978,893	7,649,243,929
Vinh Thien Medical Joint Stock Company	Fellow subsidiary	Sales of finished goods	36,857,128,141	16,080,281,502
		Purchase of services	550,848,507	-
Phenikaa University	Fellow subsidiary	Sales of finished goods	2,807,000,000	2,661,280,497

Terms and conditions of transactions with related parties

The sales to and purchases of goods and services with related parties are made based on the negotiated price in the contract.

Except receivables from related parties that were guaranteed by A&A Green Phoenix Group Joint Stock Company (parent company), other receivables and payables due from/to related parties at the balance sheet date are unsecured, interest free and will be settled in cash or be offset with payable accounts.

For the year ended 31 December 2024, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2023: nil).

As at 31 December 2024, amounts due to and due from related parties were as follows:

				Currency: VND
Related parties	Relationship	Transactions	Ending balance	Beginning balance
Short-term trade receivables (Note 6)				
Vietnam Stone Work - Top Fabrication Joint Stock Company (*)	Fellow subsidiary	Receivables from sales of finished goods and consumables	284,957,231,743	448,612,004,739
Stylenquaza LLC	Associate of parent company	Receivables from sales of finished goods and consumables	290,829,375,521	206,340,781,936
Tran Long Industry Joint Stock Company (*)	Fellow subsidiary	Receivables from sales of finished goods and consumables	90,117,521,868	80,550,224,024
Vinh Thien Medical Joint Stock Company (*)	Fellow subsidiary	Receivables from sales of finished goods	39,816,212,193	17,366,704,022
Phenikaa University	Fellow subsidiary	Receivables from sales of finished goods	3,031,560,000	457,497,549
A&A Green Phoenix Group Joint Stock Company	Parent company	Receivables from sales of finished goods	16,516,986,178	-
Phenikaa Hue Company	Subsidiary	Receivables from sales of finished goods	548,841,701	-
			725,817,729,204	753,327,212,270

(*) Receivables from these related parties are guaranteed by A&A Green Phoenix Group Joint Stock Company.

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

As at 31 December 2024, amounts due to and due from related parties were as follows:
(continued)

				Currency: VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance	
Long-term loan receivables (Code 215)					
Phenikaa Hue Company (**)	Subsidiary	Long-term loan receivables	45,000,000,000	-	
			45,000,000,000	-	
Short-term trade payables (Note 14.1)					
A&A Green Phoenix Group Joint Stock Company	Parent company	Purchase of merchandises and services	7,239,765,751	14,771,349,327	
Sec G3 Centre Joint Stock Company	Fellow subsidiary	Purchase of merchandises and services	1,318,244,042	1,841,737,651	
Style Stone Joint Stock Company	Fellow subsidiary	Purchase of merchandises and services	796,673,862	2,143,784,800	
Vinh Thien Medical Joint Stock Company	Fellow subsidiary	Purchase of services	546,816,500	-	
Phenikaa Hue Company	Subsidiary	Purchase of raw material	-	18,987,409,980	
			9,901,500,155	37,744,281,758	

(**) According to Resolution No. 06/2024 NQ/VCS-HĐQT dated 29 March 2024, this is an unsecured lending with term of 24 months, maturity date of 29 March 2026, earning the initial interest rate of 5.5% per annum. Interest rate will be adjusted every three months.

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

27. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Remuneration to members of the Board of Directors, the Management and the Audit Committee:

<i>Individuals</i>	<i>Position</i>	<i>Currency: VND</i>	
		<i>Remuneration</i>	
		<i>Current year</i>	<i>Previous year</i>
Mr Ho Xuan Nang	Chairman	72,000,000	72,000,000
Mr Pham Tri Dung	General Director	3,454,080,002	3,035,583,038
	(From 27 February 2023)		
	Member of Board of Director		
	(From 12 April 2024)		
Mr Pham Anh Tuan	General Director	17,500,000	1,035,772,810
	(Up to 27 February 2023)		
	Member of Board of Directors		
	(Up to 12 April 2024)		
Mr Nguyen Quang Hung	Member of Board of Directors	60,000,000	60,000,000
	Head of Audit Committee		
Ms Le Thi Minh Thao	Member of Board of Directors	42,500,000	-
	(From 12 April 2024)		
Ms Nguyen Dieu Thuy Ngoc	Member of Board of Directors	-	70,000,000
	(Up to 12 April 2023)		
Ms Tran Lan Phuong	Member of Board of Directors	60,000,000	60,000,000
	Member of Audit Committee		
	(From 13 April 2023)		
Mr Luu Cong An	Deputy General Director	3,122,472,898	2,870,116,035
Mr Nguyen Chi Cong	Deputy General Director	2,772,391,507	2,641,789,630
Mr Dong Quang Thuc	Deputy General Director	2,252,361,495	1,904,741,128
Mr Nguyen Quang Anh	Deputy General Director	2,889,826,277	1,090,435,989
	(From 22 June 2023)		
Ms Tran Thi Thu Huong	Deputy General Director	292,710,951	-
	(From 25 September 2024)		
		15,035,843,130	12,840,438,630

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

28. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Company leases land under operating lease arrangements. The minimum lease commitments as at the balance sheet date under the operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	226,210,950	226,210,950
From 1 to 5 years	904,843,800	904,843,800
More than 5 years	452,421,900	678,632,850
TOTAL	1,583,476,650	1,809,687,600

The Company also leases 27,451 m² land area at Plot 2A, Bac Phu Cat Industrial Zone under operating lease contract No. 10/VC/HDKT-TLDKCNBPC dated 30 May 2008 with the lease term of 48 years, 7 months and 19 days commencing from the contract date. The fees of land rental are VND 10,000/m² per annum and management service charge of VND 3,500/m² per annum. The land rental price for the remaining years (from 2043 until the end of the lease term) can be adjusted depending on agreement between the Company and the Industrial Zone management in subsequent discussions.

Commitments relating to operating lease contracts

The Company leases land under the operating lease contracts. According to the signed land lease contracts, the Company is obliged to remove all construction works, architectural objects, equipment, materials on the leased land and restore the site to its original conditions as at the time of receiving the land at the end of the lease period. The Company's management believes that the effect of this obligation on the current year separate financial statements is immaterial. Accordingly, no provision for site restoration obligation has been made in the separate financial statements.

29. 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 separate financial statements of the Company.

Hanoi, Vietnam

28 March 2025


Tran Thi Huong Thu
Preparer


Nguyen Phuong Anh
Chief Accountant


Pham Tri Dung
General Director

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