



VIGLACERA CORPORATION – JSC
Viglacera Ha Long Joint Stock Company

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

No. 196. / CV-VHL

Ha Long, 28./02./, 2025

ANNUAL REPORT
VIGLACERA HA LONG JOINT STOCK COMPANY
REPORTING YEAR: 2024

A. GENERAL INFORMATION

1. General Information

- Trading Name: Viglacera Ha Long Joint Stock Company
- Business Registration Certificate No: 5700101147, first registered on March 1, 2006, and last amended on October 11, 2017, by the Department of Planning and Investment of Quang Ninh Province.
- Charter Capital: VND 250,000,000,000.
- Address: Zone 2, An Tiem Street, Ha Khau Ward, Ha Long City, Quang Ninh Province, Vietnam.
- Telephone: 02033.840560 Fax: 02033.846577
- Website: viglacherahalong.vn
- Stock Code: VHL.
- Listed on: HNX

2. Formation and Development Process:

1972: Construction commenced on Ha Long Brick Factory, which was inaugurated in 1978 in Gieng Day Ward, Hong Gai Town, Quang Ninh Province.

1979: On December 10, 1979, the Bulgaria Factory (the predecessor of Tieu Giao Tile Factory) was inaugurated but did not commence production. It remained inactive until June 1992, when trial production began, and by 1993, stable production was achieved with two tunnel kilns.

1993: Ha Long Brick Factory was officially established under the Glass and Construction Ceramics Enterprise Union – Ministry of Construction, pursuant to Decision No. 81A/BXD-TCLD dated March 24, 1993, issued by the Ministry of Construction.

1994: Ha Long Brick Factory was renamed Ha Long Construction Ceramics Company under the Vietnam Glass and Construction Ceramics Corporation, effective August 1, 1994, pursuant to Decision No. 482/BXD-TCLD dated July 30, 1994, issued by the Ministry of Construction).

1995: Production of ring kilns was halted, marking a pivotal step in the company's transition to more advanced production technologies.

2001: The entire Polish Brick Factory was demolished, and the project to construct the Cotto Gieng Day Brick Factory was initiated. By the end of 2002 and early 2003, the production line was put into trial operation, with output exceeding the initial design capacity.

2003 - 2004: Investment in the third tunnel kiln at Tieu Giao Brick Factory and the second Sacmi production line at Cotto Gieng Day Brick Factory was made; Construction commenced on Hoanh Bo Brick Factory, with an annual production capacity of 80 million standard tiles bricks.

2004: In June 2004, the company received the handover of the Cotto Binh Duong Brick Factory from Xuan Hoa Construction Ceramics Company. In April 2006, the second

production line of Cotto Binh Duong was relocated and installed at the Cotto Gieng Day Brick Factory. In April 2007, the remaining production line from Cotto Binh Duong was also relocated and installed at the Cotto Gieng Day Brick Factory, bringing the total number of production lines at the Cotto Gieng Day Brick Factory to four, with a designed capacity of 4 million m² of standard tiles per year.

2006: Ha Long Construction Ceramics Company was transformed into Ha Long Viglacera Joint Stock Company, pursuant to Decision No. 141/QD-BXD dated January 20, 2006, issued by the Ministry of Construction.).

2007: In January 2007, the company was renamed Viglacera Ha Long Joint Stock Company.

2011: Investment was made in the fourth tunnel kiln system, with a length of 120 meters, at Tieu Giao Brick Factory (inaugurated on May 2, 2011), increasing the total designed capacity to 180 million standard bricks per year. Additionally, the fifth production line was installed at Cotto Gieng Day Brick Factory, raising the total designed capacity of the entire factory to 4.5 million m² of standard tiles per year.

+ Notable Achievements of the Company

2008: The company was awarded the Vietnam Quality Gold Award (Decision No. 2553/QD-BKH CN dated November 17, 2008).

The company was conferred the title of Labor Hero by the State (Decision No. 333/QD-CTN dated March 24, 2008, issued by the President of the Socialist Republic of Vietnam).

2010: The company received the Asia-Pacific Quality Award.

The company was honored with the First-Class Labor Order (Decision No. 1316/QD-CTN dated August 10, 2011, issued by the President).

From 2012 to the present: The company has consistently achieved excellent business performance and has been recognized with various prestigious awards.

- (1) The company was awarded the Emulation Flag by the Prime Minister for its outstanding and comprehensive achievements in fulfilling its tasks and leading the patriotic emulation movement in the construction industry in 2013.
- (2) The Vietnam Association of Small and Medium Enterprises presented the company with a Certificate of Merit for its outstanding achievements in business operations and its contributions to the development of Vietnam's small and medium-sized enterprise community in 2014.
- (3) The company was recognized as a "Business for Employees" in 2014 and was honored as an Outstanding Unit in the Manufacturing Sector in the ranking organized by Lao Dong Newspaper.
- (4) The company was awarded the Emulation Flag by the Ministry of Construction, the Ministry of Public Security, and the Vietnam General Confederation of Labor.
- (5) Certificate of Merit from the Vietnam General Confederation of Labor (Decision No. 838/QD-TLD dated June 22, 2015) – Recognized for its outstanding achievements in the patriotic emulation movement among workers, officials, and laborers, contributing to the strengthening of the trade union organization during the period 2010 – 2015.
- (6) Certificate of Merit from the Ministry of Construction (Decision No. 725/QD-BXD dated June 23, 2015) – Acknowledged for its achievements in the patriotic emulation movement during the period 2010 – 2015.
- (7) Certificate of Merit from the Quang Ninh Provincial Confederation of Labor (Decision No. 119/QD-LDLĐ dated June 24, 2015) – Recognized for outstanding achievements in

mobilizing and supporting female workers, officials, and laborers over five years (2010 – 2015).

- (8) Awarded the Emulation Flag honoring the company as an Outstanding Emulation Unit in the Construction Industry at the Construction Industry Patriotic Emulation Congress for the period 2010 – 2015.
- (9) Certificate of Merit for achievements in enhancing product quality, effectively implementing advanced management models, and making significant contributions to Vietnam's productivity and quality movement, pursuant to Decision No. 756/QĐ-TTg dated May 6, 2016, issued by the Prime Minister.
- (10) Exclusive Utility Solution Patent No. 1902, issued by the Intellectual Property Office of Vietnam, for the invention titled "Support Rack for Arranging Fired Tiles and the Method for Arranging Tiles on This Support Rack".

3. Business Lines and Operating Markets

3.1. Business Lines:

Manufacturing of building materials from clay.

Production, extraction, and trading of various types of construction materials.

Consultancy on design, application, and technology transfer for construction material production.

3.2. Operating Markets

Since the establishment of Viglacera Ha Long Trading Limited Company (a subsidiary), the specialization in product distribution has been implemented in a more professional manner. This is evidenced by the revenue distribution across different market regions in 2024 as follows:

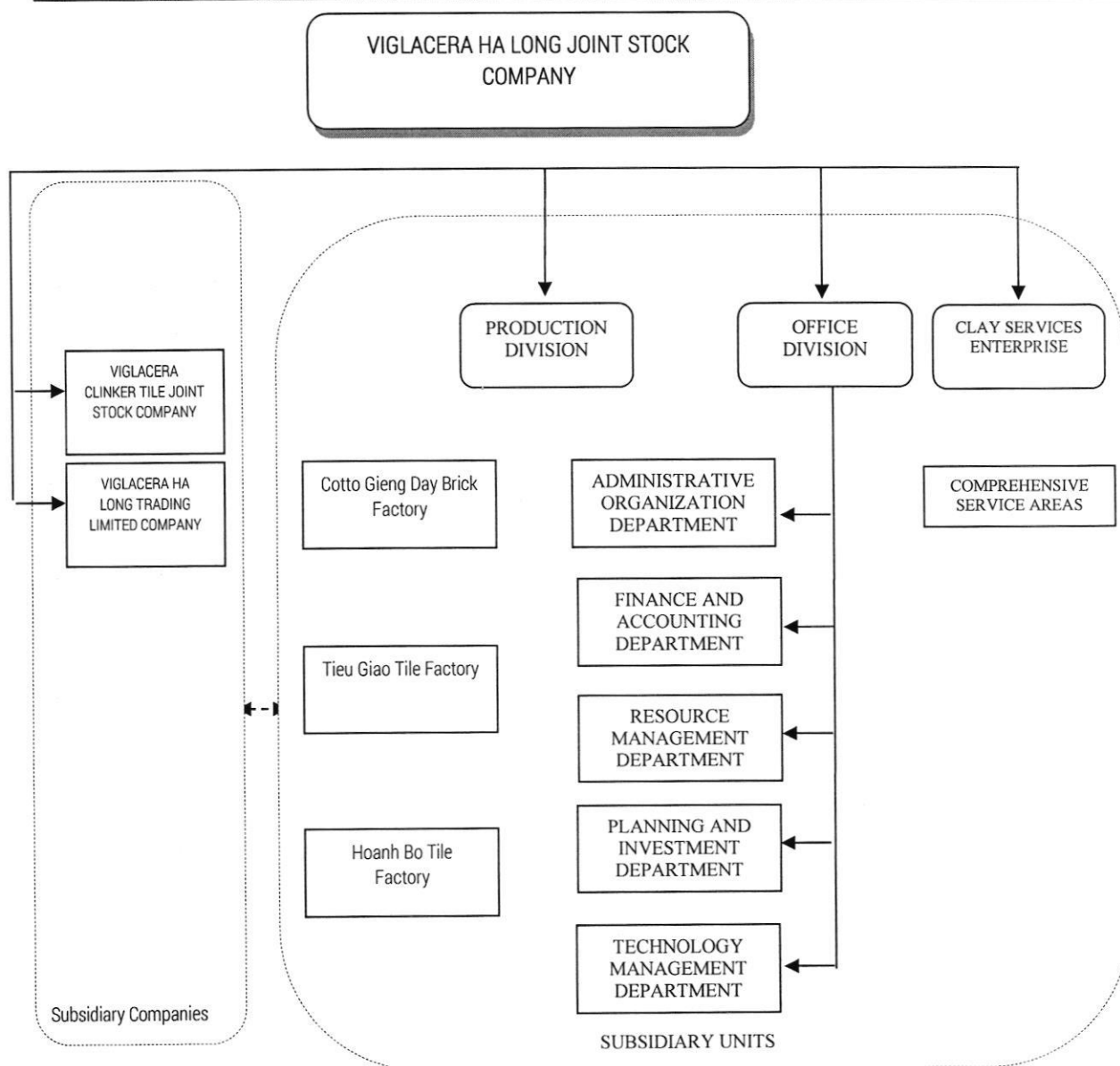
- Quang Ninh-Hai Phong Market: Achieved VND 195.556 billion, accounting for 18.39% of the company's total revenue.
- Region 4 Market: Achieved VND 221.738 billion, accounting for 20.86% of the company's total revenue.
- Hanoi Market: Achieved VND 327.848 billion, accounting for 30.84% of the company's total revenue.
- Northwest Market: Achieved VND 68.807 billion, accounting for 6.47% of the company's total revenue.
- Central Region Market: Achieved VND 114.426 billion, accounting for 10.76% of the company's total revenue.
- Southern Market: Achieved VND 35.484 billion, accounting for 3.33% of the company's total revenue.
- Export Market: Achieved VND 91.398 billion, accounting for 8.59% of the company's total revenue.
- External Customers and Other Revenue: Achieved VND 7.694 billion, accounting for 0.72% of the company's total revenue.

○ **Total consolidated revenue: Achieved VND 1,062.956 billion.**

4. Information on Management Model, Business Organization, and Management Structure.

4.1. Management Structure.

VIGLACERA HA LONG JOINT STOCK
COMPANY



Viglacera Ha Long Joint Stock Company has dependent units and two subsidiaries, namely Viglacera Clinker Tile Joint Stock Company and Viglacera Ha Long Trading Limited Company.

4.2. Dependent Units

The Tile Factory is responsible for operating, maintaining, and repairing machinery and equipment, as well as organizing production in accordance with the company's plans to ensure technical and economic targets and product quality standards.

In recent years, following the COVID-19 pandemic, market demand has experienced significant fluctuations, purchasing power has weakened, and competition has become increasingly fierce. In response, the company's factories have proactively adjusted production output to align with market demand, reduced inventory levels, and optimized production costs at each stage. Additionally, the company has conducted research to develop new product lines, aiming to diversify designs and meet the demands of both domestic and international customers.

4.2.1. Tieu Giao Tile Factory

The factory was inaugurated on December 10, 1979, with technology and production lines supported by Bulgaria (hence, it was also known as the Bulgaria Factory). However,

immediately after its inauguration, the factory ceased operations until 1992. In June 1992, the Bulgaria Factory was revived and resumed trial production, achieving stable production by 1993 with two tunnel kilns and an output capacity of approximately 40 million standard tiles per year.

To date, the company has invested in two additional tunnel kilns, increasing the total capacity to over 180 million standard tiles per year.

In 2019, the company invested in and implemented the Fuel Conversion Project for 100% GD 2 tile production at Tieu Giao Tile Factory. This project was commissioned in July 2019 and successfully met or exceeded its targeted objectives.

4.2.2. Cotto Gieng Day Brick Factory

The Cotto Gieng Day Brick Factory was built and developed on the foundation of the former Polish Brick Factory. In the 1970s, Ha Long Brick Factory was constructed with assistance from Poland, utilizing obsolete ring kiln technology, known as the Hoffman kiln. On August 20, 1978, Ha Long Brick Factory was officially established and commenced production with an initial designed capacity of 20 million standard bricks per year, primarily manufacturing two-hole construction bricks and later expanding to include decorative products.

Ha Long Brick Factory remained in operation until 1995, when production was completely halted. In 2001, the company commenced the construction of Cotto Gieng Day Brick Factory. This facility was comprehensively invested in and built based on technology transfer of the most advanced global production techniques. The factory is fully automated, utilizing state-of-the-art technology from Sacmi – Italy, and specializes in the production of high-end fired clay tiles and decorative cladding products.

In its initial development phase, the factory operated two production lines with a designed capacity of 2 million m² of standard tiles per year. During 2006 and 2007, the company acquired and relocated both Sacmi production lines from Cotto Binh Duong Brick Factory—previously operated by Viglacera Xuan Hoa Joint Stock Company—to Cotto Gieng Day Brick Factory, where they were installed and put into operation. This expansion increased the factory's total designed capacity to 4 million m² of standard tiles per year. In 2011, the company completed in-depth investment in the factory by introducing a fifth production line, sourced from China, with a designed capacity of 0.5 million m² of standard tiles per year. This line specializes in producing custom-shaped and large-format products. Currently, the factory operates five production lines with a stable total capacity of 7.5 million m² of standard tiles per year.

The factory's primary products currently include a wide range of wall and floor tiles in various sizes and colors. These range from small-sized tiles such as 100x100 mm, 200x200 mm to standard sizes like 300x300 mm, 400x400 mm, 500x500 mm, and large-format tiles including 608x608 mm, 300x1000 mm, 300x2400 mm, among others. The product line features a diverse color palette, including light red, deep red, cream yellow, and chocolate tones. In recent years, the factory has successfully researched and developed high-value and aesthetically enhanced products for interior and exterior decoration, such as: Mortar-free wall cladding panels; Low water absorption clinker bricks; Glazed color roofing tiles; Engraved patterned floor tiles, etc.

4.2.3. Hoanh Bo Tile Factory

Located in Le Loi Commune, Ha Long City, Quang Ninh Province, Hoanh Bo Tile Factory is the company's second tunnel kiln-based tile manufacturing facility, similar to Tieu Giao Tile Factory, but utilizing coal gasification firing technology.

The factory's construction commenced in February 2004, and after more than 10 months of construction, the first batch of products was successfully manufactured. The Hoanh Bo Tile

Factory construction project was executed with rapid progress and ensured quality, earning recognition and commendation from the People's Committee of Quang Ninh Province. The project was also awarded the "Celebratory Landmark" designation in honor of the 50th anniversary of the liberation of Quang Ninh's mining region (April 25, 1955 – April 25, 2005).

As a facility constructed after the company's other factories, Hoanh Bo Tile Factory has been comprehensively invested in, featuring modern infrastructure, advanced production lines, and state-of-the-art technology. The factory's initial designed capacity was 80 million standard tiles per year. It is now operating stably at a capacity of 90 million standard tiles per year.

The factory has consistently been a pioneer in research and technological innovation to enhance productivity and quality. From mastering coal gasification firing technology—a completely new technique in Vietnam for firing clay roof tiles and bricks—to utilizing waste heat for drying raw products and ensuring complete control over the stacking of raw tiles on kiln cars under all conditions, the factory has led the way in research, development, and successful application of advanced technologies. Specifically, in 2016, the factory launched Phase 1 of the 100% Tile Production Conversion Project at Hoanh Bo Tile Factory, with trial production starting on January 19, 2016. By April 2016, all project targets had been achieved and even exceeded. Recognizing the effectiveness of the 100% tile production conversion, the Company's Executive Board boldly proposed to the Board of Directors and the Annual General Meeting of Shareholders in 2016 to approve the implementation of Phase 2 of the project. To date, the factory has successfully operated both phases of the project, with results meeting and surpassing the set targets.

4.2.4. Life Services Enterprise

The Life Services Enterprise is responsible for the following key functions: Providing hazardous work allowances in kind to workers across units in accordance with current regulations. Supplying food to factory cafeterias by receiving daily food orders from various units, consolidating requests, and placing orders with suppliers to ensure food safety, hygiene, and reasonable pricing;

Sourcing suppliers for goods distribution to supermarkets and provisioning materials for various units. Operating breakfast services at each factory for the company's indirect employees and guests.

4.2.5. Office Division

+ Administrative Organization Department

The Administrative Organization Department is responsible for advising and assisting the General Director in matters related to personnel organization, labor management, wages, and administrative affairs. Its key functions include:

Researches regulations, develops, issues, and implements salary policies, labor norms, and wage unit pricing for each department and production stage across the company;

Advises on the development, issuance, and supervision of internal management regulations within the company; researches labor policies and regulations and provides guidance on policy implementation for employees;

Organizes recruitment processes for all company units.

Develops and implements annual retraining and upskilling plans.

Organizes meetings, periodic and annual review conferences for the company.

Arranges reception services, schedules meetings, and coordinates transportation for corporate activities.

+ Investment and Planning Department

Investment and Planning Department

Advises the General Director on corporate governance related to business and production planning, economic-technical norms, investment, materials, and electromechanical systems across the company.

Develops and monitors the implementation of monthly, quarterly, and annual business and production plans.

Leads surveys, development, and adjustments of economic and technical norms for products and production stages.

Oversees and approves monthly cost settlements for dependent units.

Formulates annual investment and construction plans, directly managing bidding procedures and overseeing the preparation, cost estimation, finalization, and auditing of machinery and equipment investment projects.

Reviews and approves designs, cost estimates, and final settlements for additional construction projects at company subsidiaries.

Manages the company's high-voltage power system and transformer stations.

Procures essential materials and raw materials for production units, including gas, coal, oil, trays, wooden pallets, chemicals, and packaging materials (cartons, strapping, shrink film, etc.).

Manages the materials warehouse, overseeing the procurement and usage process of materials across the company.

Manages the finished goods warehouse, ensuring proper inventory control and distribution at dependent units.

Oversees IT infrastructure, telephone networks, and office surveillance systems (CCTV) within the corporate office division;

+ Technology Management Department

Advises the General Director on corporate governance related to technology management and machinery & equipment oversight at the company's subsidiary units.

Manages and controls product quality for goods received into storage and released for sale daily. Monitors and consolidates daily production volume and inventory quality. Conducts random inspections of packaging materials and waterproof dipping processes for product batches.

Ensures quality control of raw materials and production inputs before storage, including clay, additives, coal, various types of oil, waterproofing solutions, chemicals, packaging materials (cartons, strapping), refractory materials, trays, and pallets.

Serves as the standing committee for the company's Technical Innovation and Improvement Council. Consolidates and archives research projects and innovation proposals, participates in their implementation, and submits recommendations for recognition and rewards.

Leads the development of internal standards, conducts quarterly and ad-hoc product sampling, and submits samples to qualified agencies for inspection and certification.

Oversees the development of the company's standard product color samples, with annual updates and additional revisions based on quality management and production requirements.

Acts as the primary arbitrator in resolving disputes between units regarding production technology, product quality, and raw material inputs;

Coordinates with relevant departments to collect clay and production additive samples for submission to qualified and authorized agencies for analysis, with results archived quarterly.

Inspects the implementation of technological processes at subsidiary units. Prepares inspection reports and evaluations for submission to company leadership.

Works alongside other units to monitor and oversee experimental programs related to product manufacturing technology, testing of new raw materials, and compiles reports evaluating implementation results.

Leads the resolution of customer feedback and complaints related to product quality issues.

Manages all machinery and equipment, including developing, updating, revising, issuing, and overseeing the implementation of operation, maintenance, and repair procedures at the company's subsidiary units.

Controls the annual major machinery and equipment (MMTB) repair plan, including budget review, participation in inspections, and oversight of final cost settlements.

Monitors designs, cost estimates, and final settlements for machinery and equipment-related projects at Tieu Giao Tile Factory, Hoanh Bo Tile Factory, and Cotto Gieng Day Brick Factory.

Supervise, propose amendments, additions, and updates to production technology processes and product quality control procedures at units within the company's quality management system.

Lead the preparation of documentation for product registration, trademarks, and branding, as well as other relevant matters in accordance with the Intellectual Property Law and the Goods Ownership Law.

Serve as the standing committee of the company's ISO 9001:2015 Steering Committee: Review the implementation of the ISO 9001:2015 Quality Management System across the company; update, modify, and supplement procedures to ensure compliance with regulations; advise and assist the Management Representative for Quality in implementing periodic and ad-hoc quality-related initiatives.

Archive and safeguard records, documents under management, and samples of company-produced products across different production stages;

+ Finance and Accounting Department

Advise and assist company leadership on financial and accounting matters within the enterprise.

Organize the accounting structure and financial reporting system, ensuring compliance with financial regulations and accounting standards.

Record, calculate, and accurately reflect the company's assets, capital, and materials throughout the business and production process.

Calculate and ensure timely and full payment of tax obligations to the state budget.

Prepare periodic financial reports for government authorities and upper management.

Disseminate, guide, and inspect the implementation of financial, accounting, and statistical regulations across company units.

Monitor compliance with financial and payroll regulations within company departments and divisions.

Develop annual financial plans; oversee the inventory assessment process, including asset reevaluation and handling of losses and shortages.

Lead the preparation of monthly, quarterly, and annual financial reports for submission to relevant authorities.

Finalize corporate income tax (CIT), natural resource tax, environmental fees, and personal income tax (PIT) annually.

Manage the storage and safeguarding of accounting records, financial documents, and other relevant materials related to the company's financial operations

+ Resource Management Department

Resource Management Part

Advise and propose policies for mineral exploration investments, including planning, licensing, and exploration projects, as well as recommend optimal and efficient resource extraction and utilization methods.

Advise and propose investment policies for construction projects at government agencies, directly managing land use planning research, site clearance, and legal procedures to secure land leases and apply for land-use conversion approvals after mining operations.

Implement legal regulations, programs, plans, projects, and initiatives related to environmental protection and environmental impact assessments (EIAs). Monitor compliance with approved EIAs and oversee the execution of environmental restoration projects.

Coordinate with regulatory authorities to declare and finalize annual land tax payments and handle land lease renewals for properties under company management and usage.

Extract and procure clay for the company's entire production system.

Take responsibility for identifying, surveying, and drilling new clay mines.

Supervise mining operations for production clay and waste material disposal at the company's mines.

Basic Construction Division.

A specialized unit responsible for advising and assisting the General Director in managing basic construction investments across all subsidiary units of the company.

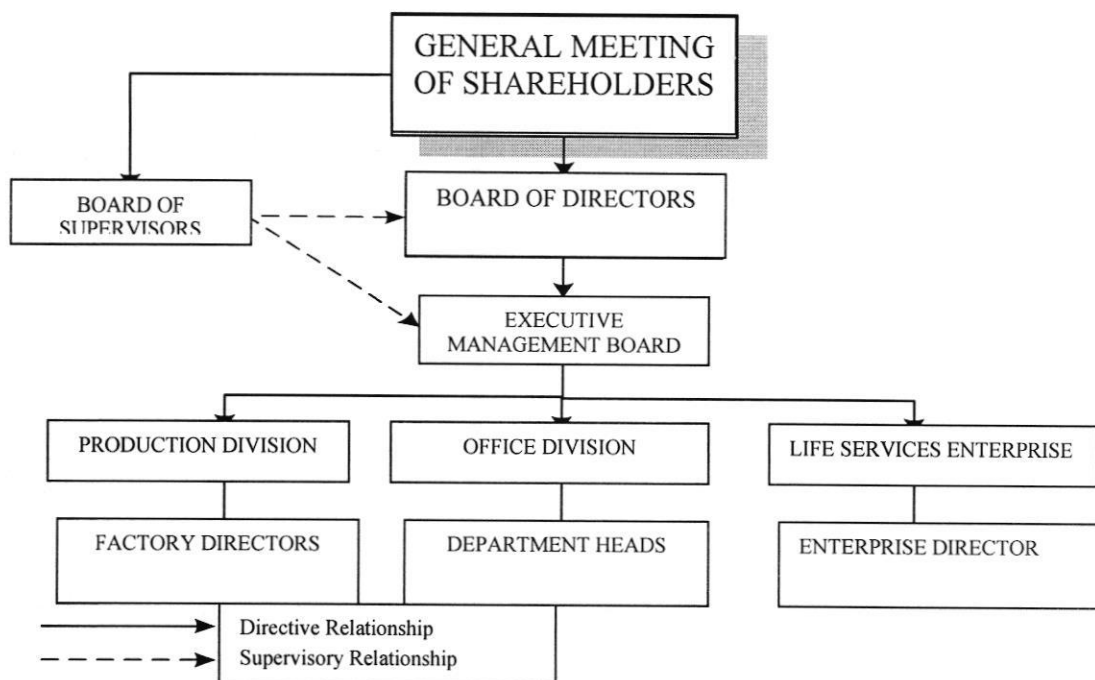
Advise the General Director on issuing official documents related to investment management in basic construction, providing technical guidance, procedural frameworks, and regulatory compliance instructions for construction investments at company units.

Coordinate with relevant departments to propose investment strategies for basic construction and develop investment and major repair plans for infrastructure projects within subsidiary units. Work closely with company subsidiaries to monitor the implementation of investment and repair projects after approval.

Advise, select, and draft consultancy contracts with advisory firms, submitting them for approval by the General Director.

Direct, guide, and inspect the implementation of official documents issued by the General Director regarding investment and basic construction at subsidiary units and factories.

Company Management Structure



4.3. Subsidiaries and Affiliated Companies.

4.3.1. Subsidiaries

Viglacera Ha Long Trading Limited Company: Officially commenced operations on April 29, 2014, under Business Registration Certificate No. 5701704733, issued by the Department of Planning and Investment of Quang Ninh Province, with a charter capital of VND 10,000,000,000 (100% of the charter capital contributed by Viglacera Ha Long Joint Stock Company). The company was established to serve as the primary distribution entity for fired clay brick and tile products manufactured by Viglacera Ha Long Joint Stock Company and other units within the Viglacera Corporation.

Viglacera Clinker Tile Joint Stock Company: The company has a charter capital of VND 180,000,000,000, of which Viglacera Ha Long Joint Stock Company holds a 99.9% stake. Its primary business activity is the manufacturing of fired clay bricks and tiles..

4.3.2. Affiliated Companies:

Viglacera Trading Joint Stock Company: Viglacera Ha Long Joint Stock Company has contributed VND 2,000,000,000 to its charter capital. The company's primary business activity is commercial trading.

Viglacera Ha Long 2 Joint Stock Company: Holds a 40% stake in its charter capital.

Dong Trieu Viglacera Joint Stock Company: Holds a 40% stake in its charter capital.

5. Development Orientation.

5.1. Company Quality Objectives.

Effectively operate the Quality Management System in accordance with ISO 9001:2015 standards within the company.

In 2024, the company did not achieve its key performance indicators as outlined in the 2024 Business and Production Plan due to market fluctuations, weakened purchasing power, and intense competition.

+ Consolidated pre-tax profit: - VND 60.826 billion.

- Of which, the parent company's pre-tax profit: - VND 65.587 billion.

- Consolidated revenue: VND 1,148.292 billion.
- Average income: VND 10.5 million per person per month.
- Dividend distribution: No dividend payout

The company is researching investment opportunities for workplace improvements, including renovation of premises, factories, tools, and equipment, to enhance working conditions for employees.

The company is conducting research and development of new products to diversify designs and meet the demands of both domestic and international customers.

Information technology is being integrated into corporate operations, including reporting, document transmission, and internal network utilization, to reduce administrative workload and improve efficiency for company employees.

5.2. Company Quality Policy.

Viglacera Ha Long Joint Stock Company continuously strives to be a leading manufacturer of fired clay bricks and tiles in Vietnam. The company operates under the guiding principle: **"Quality is the foundation and prerequisite for sustainable development."** The company declares its quality policy as follows:

Ensuring that the company's interests and benefits are aligned with five key stakeholder groups:

- Employees (staff and workers).
- Customers of the company.
- Company shareholders.
- Fulfilling all obligations to the state and undertaking corporate social responsibility.
- Other stakeholders, including maintaining and continuously improving the Quality Management System in compliance with ISO 9001:2015 standards.
- All employees and staff members are required to fully understand, uphold, and take responsibility for implementing the policies outlined in the company's Quality Management System documentation.

Continuously invest in technological innovation and modernization, researching and applying scientific and technical advancements in production and management to enhance product quality and labor productivity.

Continuously research, improve designs, and diversify products to meet customer demands.

Effectively implement recruitment and training programs to enhance human resource quality, ensuring alignment with the company's growth and development needs.

Maintain a safe, friendly, and cooperative working environment.

5.3. Medium- and Long-Term Development Strategy.

Invest in modern technology and equipment, enhance R&D efforts to develop high-quality products tailored to diverse consumer segments, leveraging the distinctive raw materials and resources of the Northeast region.

Increase procurement of external raw materials and seek zoning approvals for raw material reserves to ensure long-term supply security.

Expand domestic and international distribution networks, with a focus on investing in underdeveloped market regions. Increase market share and strengthen export activities. Gradually implement modern distribution methods while integrating them with the existing traditional distribution system.

Focus on anti-counterfeiting measures and brand protection for Viglacera Ha Long.

Enhance customer support and after-sales services, prioritizing high-revenue customers to ensure the company's sales policies remain effective and competitive over time.

6. Risks

6.1. Economic Risks

The development and risks of the economy are typically assessed through fundamental indicators such as GDP growth rate, inflation, interest rates, and exchange rates. During periods of economic expansion, macro factors are effectively controlled, leading to strong demand growth, which serves as a driving force for business and production activities. However, when the economy enters a recessionary phase, adverse factors emerge, such as rising interest rates and inflation, exchange rate volatility, stagnating GDP growth, and a sharp decline in consumer demand. These factors pose significant challenges to the business and production activities of enterprises.

In 2024, the global economy continued to face significant challenges and difficulties. Strategic competition among major economies became increasingly intense and comprehensive, with escalating geopolitical tensions. The Russia-Ukraine conflict remained complex, while armed conflicts in the Middle East further negatively impacted the post-COVID-19 economic recovery. These developments heightened global risks related to energy security and food security. Rising inflation, coupled with tightened monetary policies and interest rate hikes by major economies, led to increased risks of liquidity shortages and financial market instability. The real estate market also faced severe difficulties amid these economic uncertainties.

For the fired clay brick and tile manufacturing industry, the near-term outlook remains highly challenging due to the sharp increase in input fuel costs, which has severely impacted production costs. Additionally, inflationary pressures have exacerbated difficulties in the real estate market, directly affecting sales activities in the fired clay brick and tile sector. As a result, many brick and tile factories may be forced to temporarily suspend production. Therefore, each enterprise must adopt an appropriate business and production strategy to navigate the challenges of 2024, ensuring that they can meet their respective business and production targets.

6.2. Financial Risks

Fluctuations in interest rates may impact the company's financial operations. However, the company has fulfilled all payment obligations and reduced outstanding liabilities, which serves as an advantage, as it will not be significantly affected by the expected sharp increase in interest rates in the near future.

6.3. Legal Risks

As a business operating within the economy, Viglacera Ha Long Joint Stock Company is subject to regulations under the Law on Enterprises. As a publicly listed company on the Hanoi Stock Exchange (HNX), it is also governed by the Law on Securities, Decrees, and Joint Circulars regulating the securities and stock market sector. However, due to the current lack of consistency in Vietnam's legal system, regulatory documents are still in the process of being refined. Additionally, the State continuously adjusts policies, such as exchange rate policies, inflation control measures, import-export policies, and amendments to legal regulations concerning the stock market and joint-stock companies. These changes may impact business and production activities. Therefore, to mitigate such risks, the company must closely monitor and promptly update itself on the guidelines and policies of the Party and the State, ensuring the development of an appropriate long-term business strategy.

6.4. Market Risks

With its core business in construction materials manufacturing, the company's operations are influenced by the business activities of competitors in the same industry within the region, particularly in terms of pricing policies and inventory levels. These factors impact market supply, requiring the company to adjust its business plan accordingly to remain competitive. Additionally, fluctuations in input costs from raw material suppliers directly affect the company's production and business operations.

Furthermore, volatility in the real estate market poses significant risks to the company. When the real estate market is unstable, the company faces greater challenges in acquiring customers and maintaining profitability. Overall, the market plays a critical role in the company's business and production activities, carrying inherent risks that require the company to develop strong management capabilities and the agility to quickly adapt to market fluctuations and challenges.

6.5. Industry-Specific Risks

6.5.1. Sector-Specific Risks

The company's core products are fired clay bricks and tiles, which are highly energy-intensive in production. Increases in fuel prices, such as oil price hikes, drive up the costs of electricity, coal, gas, and transportation, significantly impacting the business and production operations of construction material manufacturers, including Viglacera Ha Long.

Additionally, due to the specific characteristics of the industry, production activities do not require substantial initial capital investment, highly skilled labor, or stringent product quality control. As a result, entry barriers to the industry are only moderate, leading to relatively high competition among enterprises.

1.1.1. Risks Related to Raw Materials

The primary raw material used in the production of Viglacera Ha Long's products is clay. This is a natural resource that is easily extractable and transportable. Currently, Viglacera Ha Long primarily sources raw materials from the Gieng Day Ward and Ha Khau Ward areas in Ha Long City and surrounding regions. This area is renowned worldwide for its high-quality clay deposits, first discovered by the French over 100 years ago. The company's factories are strategically located near clay mines, ensuring efficient transportation and extraction of raw materials. With a long-term development strategy, the Company's Resource Management Department plans to apply for new mining licenses in the coming years to ensure a stable supply of raw materials for production. Given these factors, clay remains a stable and low-risk raw material source.

However, for certain Cotto brick products, the company relies on external raw material sources, such as white clay and imported color oxides from China. Dependence on external suppliers may pose certain challenges to the company's business operations, particularly in terms of input costs and supply stability. Therefore, Viglacera Ha Long needs a long-term raw material strategy to ensure proactive and stable production.

Raw materials play a crucial role in product composition. While raw material costs account for a relatively small proportion of the company's production expenses, raw material quality has a significant impact on revenue and profitability. Viglacera Ha Long has achieved 90% self-sufficiency in raw material supply for its business and production activities.

B. BUSINESS PERFORMANCE IN 2024:

1. Business and Production Performance.

- **Production and Business Results for the Year:** In 2024, the company achieved a consolidated revenue of VND 1,148.292 billion, with a pre-tax accounting profit of - VND 60.826 billion (of which, the parent company's pre-tax accounting profit was - VND 65.587 billion).

▪ Performance Against 2024 Targets:

No.	Key Indicators	Unit	Actual Performance 2024 (VHL)
1.	Net revenue from sales and services	Billion VND	484.836
2.	Pre-tax accounting profit	Billion VND	- 65.587
3.	Average number of employees	People	1.041
4.	Average monthly income	1.000 VND	10.500

2. Organization and Personnel.

Executive Management Team.

Full Name	Position	Age	ID/Citizen ID card Number	Notes
Mr. Tran Thanh	General Director	46	022078001888	Appointed from January 1, 2023
Mr. Tran Duy Hung	Deputy General Director	48	100850989	
Mr. Bui Van Quang	Deputy General Director	46	027078007985	Appointed in August 2023
Ms. Dinh Thi Thu Hang	Chief Accountant	46	022178001554	Appointed in May 2023

❖ Mr. Tran Thanh – General Director

- Full Name: Tran Thanh
- Current Position at the Issuing Organization: General Director of the Company
- Positions at Other Companies:
 - Chairman of the Board of Members at Viglacera Ha Long Trading One-Member Limited Liability Company
 - Chairman of the Board of Directors at Dong Trieu Viglacera Joint Stock Company.
- Career History:
 - 12/2002 - 02/2004: Sales Department Staff – Ha Long Construction Ceramics Company
 - 02/2004 - 08/2005: Southern Branch Manager – Sales Department – Ha Long Construction Ceramics Company
 - 09/2005: Head of Sales Department – Ha Long Construction Ceramics Company
 - 10/2005 - 01/2010: Deputy Director of Business Enterprise – Viglacera Ha Long Joint Stock Company
 - 01/2010 - 05/2012: Deputy General Director in Charge of Business Development – Dat Viet Ceramics Joint Stock Company
 - 05/2012 - 12/2013: Deputy Director in Charge of Business Development – DONG TRIEU VIGLACERA JOINT STOCK COMPANY
 - 01/2014 - 10/2018: Party Secretary, Director – DONG TRIEU VIGLACERA JOINT STOCK COMPANY

- 10/2018 - 12/2022: Member of the Party Executive Committee of Viglacera Ha Long Joint Stock Company, Party Secretary of the Business Unit, Director of Dong Trieu Viglacera Joint Stock Company
- 01/01/2023 - Present: Party Secretary, Board Member, General Director – Viglacera Ha Long Joint Stock Company
- Number of Shares Held: 52 shares, accounting for 0.00021%
- Shares Represented: 2,750,000 shares, accounting for 11%
- Shares Held by Related Persons: 0 shares
- Outstanding Debts with the Company: None
- Related Interests with the Issuing Organization: None

❖ **Mr. Tran Duy Hung – Deputy General Director**

- Full Name: Tran Duy Hung
 - Current Position at the Issuing Organization: Deputy General Director of the Company
 - Positions at Other Companies:
 - Board Member at Viglacera Clinker Tile Joint Stock Company
 - Board Member at Dong Trieu Viglacera Joint Stock Company.
 - Career History:
 - 01/1999 – 10/1999: Foreman at Tieu Giao Brick Factory, Ha Long Construction Ceramics Company (now Viglacera Ha Long Joint Stock Company).
 - 10/1999 – 03/2003: Deputy Head of the Technology Department – Ha Long Construction Ceramics Company.
 - 03/2003 – 05/2005: Deputy Director of Cotto Gieng Day Brick Factory – Ha Long Construction Ceramics Company.
 - 05/2005 – 07/2010: Full-time Secretary of the Youth Union – Viglacera Ha Long Joint Stock Company.
 - 07/2010 – 05/2014: Deputy General Director – Viglacera Clinker Tile Joint Stock Company.
 - 05/2014 – 12/2014: Director of the Technology Management Department – Viglacera Ha Long Joint Stock Company.
 - 01/2015 – 12/2016: Director of Tieu Giao Brick Factory – Viglacera Ha Long Joint Stock Company.
 - 12/2016 – Present: Deputy General Director of Viglacera Ha Long Joint Stock Company, concurrently serving as Director of Tieu Giao Brick Factory.
 - Number of Shares Held: 3,072 shares, accounting for 0.012%
 - Shares Represented: 0 shares.
- ❖ **Ms. Dinh Thi Thu Hang – Chief Accountant**
- Current Position at the Issuing Organization: Chief Accountant (from May 2023 to present).

- Position at Other Companies: Board Member at Viglacera Clinker Tile Joint Stock Company (since May 2023).
- Career History:
 - 10/2000 – 10/2001: Accountant – Finance and Accounting Department, Viglacera Ha Long Joint Stock Company.
 - 10/2001 – 10/2002: Accountant – Business Enterprise, Viglacera Ha Long Joint Stock Company.
 - 10/2002 – 02/2011: Accountant – Finance and Accounting Department, Viglacera Ha Long Joint Stock Company.
 - 03/2011 – 01/2013: Head of Economics Division – Tieu Giao Brick Factory, Viglacera Ha Long Joint Stock Company.
 - 01/2013 – 04/2023: Deputy Director of Finance and Accounting Department, Viglacera Ha Long Joint Stock Company.
 - 04/2023 – 05/2023: Head of Finance and Accounting Department, Viglacera Ha Long Joint Stock Company.
 - 05/2023 – Present: Chief Accountant, Viglacera Ha Long Joint Stock Company.
- Number of Shares Held at Viglacera Ha Long Joint Stock Company: 4,220 shares, accounting for 0.016%.

- Shares Held by Related Persons: 0 shares

❖ **Mr. Bui Van Quang – Deputy General Director**

- Current Position at the Issuing Organization: Deputy General Director of the Company.
 - Position at Other Organizations: Board Member at Viglacera Ha Long Trading One-Member Limited Liability Company.
 - Career History:
 - May 2002: Staff – Technical Department, Ha Long Construction Ceramics Company (now Viglacera Ha Long Joint Stock Company).
 - October 2004: Deputy Director – Cotto Binh Duong Brick Factory.
 - January 2007: Workshop Manager – Cotto Gieng Day Brick Factory.
 - February 2009: Deputy Director – Cotto Gieng Day Brick Factory.
 - March 2012: Acting Director – Planning & Technical Department.
 - August 2012: Director – Planning & Technical Department.
 - April 2022: Director – Tieu Giao Tile Factory.
 - November 2022: Director – Investment Planning Department.
 - August 2023 – Present: Deputy General Director – Viglacera Ha Long Joint Stock Company..
 - Number of Shares Held at Viglacera Ha Long Joint Stock Company: 45 shares, accounting for 0.00018%.
- Shares Held by Related Persons (Parents, Spouse, Children, Siblings): 0 shares

3. Investment and Project Implementation.

In 2024, Viglacera Ha Long Joint Stock Company did not invest in any asset-related projects

4. Financial Situation.

4.1. Financial Overview

Indicators	2024 (Million VND)	2023 (Million VND)	% Change
Total Assets	728.933	837.626	87,02%
Net Revenue	1.148.292	1.229.280	93,41%
Profit from Business Activities	-39.522	-64.250	-61,51%
Other Profit	-21.303	-241	
Pre-tax Profit	-60.826	-64.492	94,31%
Post-tax Profit	-66.535	-69.478	95.76%
Basic Earnings per Share (VND)	-2.663	-2.792	

a. Other Indicators

Indicator	2024	2023	Notes
1. Liquidity Ratios			
- Current Ratio (Current Assets / Short-term Liabilities)	2,0963	1,7858	
- Quick Ratio: <u>Current Assets - Inventory</u> Short-term Liabilities	0,7132	0,3099	
2. Capital Structure Ratios			
- Debt to Total Assets Ratio (Total Debt / Total Assets)	0,3527	0,3568	
- Debt to Equity Ratio (Total Debt / Shareholder's Equity):	0,5448	0,5548	
3. Operational Efficiency Ratios			
- Inventory Turnover Ratio: <u>Cost of Goods Sold</u> Average Inventory	3,6658	3,0314	
- Asset Turnover Ratio (Net Revenue / Total Assets):	1,5753	1,4676	
4. Profitability Ratios			
- Net Profit Margin (Post-tax Profit / Net Revenue)	-0,0579	-0,0565	
- Return on Equity (ROE) (Post-tax Profit / Shareholder's Equity)	-0,1410	-0,1290	
- Return on Assets (ROA) (Post-tax Profit / Total Assets)	-0,0913	-0,0829	
- Operating Profit Margin (Operating Profit / Net Revenue)	-0,0344	-0,0523	

5. Shareholder Structure and Changes in Owner's Equity.

Shareholder Structure as of February 17, 2025

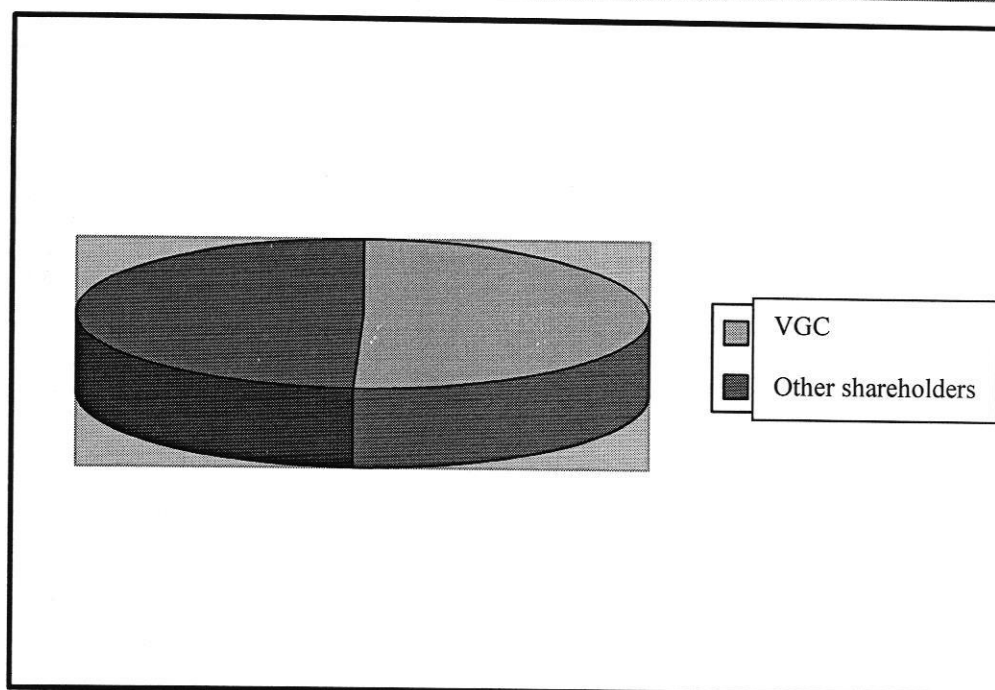


Table 1: List of Shareholders Holding 5% or More of the Company's Equity as of February 17, 2025

Name	Address	Ownership Percentage
Viglacera Corporation - JSC	16th - 17th Floor, Viglacera Tower, Me Tri Commune, Nam Tu Liem, Hanoi	50.48%

Source: Viglacera Ha Long Joint Stock Company

6. Environmental and Social Impact Report.

6.1. Environmental Impact

Total Direct and Indirect Greenhouse Gas (GHG) Emissions: *None*

Initiatives and Measures to Reduce Greenhouse Gas Emissions: *None*

6.2. Raw Material Management:

a) Total Raw Materials Used for the Company's Primary Products and Services in the Year

No.	Product Name	Unit	Quantity
1	Cotto Gieng Day Brick Factory		
-	- Production Clay	M3	34.906,614
2	Tieu Giao Tile Factory		
-	- Production Clay	M3	72.713,96
3	Hoanh Bo Tile Factory		
-	- Production Clay	M3	4.402,5

b) Report on the Percentage of Recycled Raw Materials Used in the Production of the Company's Primary Products and Services.

- Solid waste (brick and tile by-products) is fully recycled within the company. It is 100% processed using fine grinding technology and mixed with clay for brick and tile production.

Non-industrial waste (such as paper, general waste, and leaves) is collected and sent to the designated landfill in the local ward where the factory operates, ensuring 100% compliance with waste management regulations.

6.3. Energy Consumption

a) Direct and Indirect Energy Consumption.

- Current Energy Usage of Three Factories in 2024.

No.	Energy Type	Unit	Consumption at Tieu Giao Factory	Consumption at Hoanh Bo Factory	Consumption at Cotto Factory	Total Consumption
1	Electricity	kW	6.178.748	581.639	6.759.416	13.519.803
2	Coal	Tons	13.576,644	959,33	7.625,796	22.161,77

b) Energy Savings Achieved Through Efficient Energy Usage Initiatives: *None*

c) Reports on Energy-Saving Initiatives (Including Energy-Efficient Products, Services, or Renewable Energy Usage) and Their Results: *None*

6.4. Water Consumption: (Water consumption of business activities during the year).

a) Water Supply Sources and Usage Volume.

- Viglacera Ha Long Joint Stock Company has a clean water supply contract with Quang Ninh Clean Water Joint Stock Company (Quawaco).

Water Consumption for Business Operations in 2024.

No.	Category	Unit	Consumption at Tieu Giao Factory	Consumption at Hoanh Bo Factory	Consumption at Cotto Factory	Total Consumption
1	Water	m3	78.587	9.999	91.835	180.421

b) Percentage and Total Volume of Recycled and Reused Water.

- Viglacera Ha Long Joint Stock Company recycles and reuses 100% of the treated wastewater from its centralized wastewater treatment plant to moisturize clay raw materials for brick and tile production.

6.5. Compliance with Environmental Protection Laws

a) Number of Penalties for Violations of Environmental Laws and Regulations: *None*

b) Total Fines Imposed for Violations of Environmental Laws and Regulations: *None*

6.6. Labor-Related Policies.

a) Workforce and Average Income

The company had an average workforce of 1,041 employees in 2024, with an average monthly income of VND 10,500,000 per person.

b) Labor Policies to Ensure Employee Health, Safety, and Welfare

For many years, Viglacera Ha Long Joint Stock Company has strictly complied with state regulations, ensuring that employees' rights are fully respected and safeguarded. These efforts have motivated employees to engage actively in production and contribute to achieving the company's business goals in 2024.

The company has maintained and ensured the effective implementation of fundamental employee policies, specifically: Full compliance with social insurance, health insurance, and unemployment insurance contributions, as well as timely payments for sick leave and maternity benefits; Improvements in labor intensity and working conditions across multiple

departments, leading to reduced workloads compared to previous years; Stable and improved average income levels and enhanced meal quality for employees; Fair and comprehensive implementation of hazardous work allowances in kind, with special attention during hot summer months to ensure workers' health and productivity recovery; Adequate and timely provision of personal protective equipment (PPE) by the company; Regular occupational safety training programs, development of a workplace safety monitoring network, and installation of safety signs and warning boards in high-risk areas.

The company provided financial aid and gifts to 41 union members in difficult circumstances, with a total support amount of VND 20.5 million. Each union member working during the Lunar New Year holidays received a Tet bonus of VND 100,000. Additionally, the company organized a study tour for 837 union members to Quan Lan – Van Don for experience sharing and professional learning.

Due to the impact of Typhoon No. 3, many union members suffered significant property losses. In response, the company's labor union reported the situation and received support, resulting in the distribution of 238 gift packages from the Construction Industry Union and the Parent Corporation's Labor Union. Additionally, the unit-level labor union provided 48 timely support packages to affected members

c. Employee Training Activities.

Each year, the company conducts occupational safety and hygiene (ATVSLD) training programs for 100% of employees across all units, categorized by different target groups. The company also organizes skill enhancement courses and wage-level promotion exams, with 125 employees successfully qualifying for salary adjustments upon reaching the required timeframe..

6.7. Report on Corporate Social Responsibility to the Local Community.

Each year, the company consistently serves as a model enterprise in providing financial and in-kind support for programs related to corporate social responsibility toward the local community. These initiatives include funding for the construction of houses for disabled individuals, supporting new rural development projects, assisting disadvantaged families and orphans, and contributing to the Disaster Prevention Fund

6.8. Report on Green Capital Market Activities: None

C. REPORT AND ASSESSMENT BY THE BOARD OF DIRECTORS:

PART ONE

**ASSESSMENT OF THE IMPLEMENTATION OF BUSINESS AND PRODUCTION
PLANS AND DEVELOPMENT INVESTMENTS IN 2024**

I. General Assessment

In 2024, the company faced unprecedented challenges and difficulties, with market demand failing to recover as expected and input production costs remaining high. Notably, the historic Typhoon Yagi, the strongest storm in the South China Sea in the past 30 years and the most powerful to make landfall in Vietnam in the past 70 years, hit Quang Ninh Province, causing severe damage and disrupting multiple business and production activities of the company, as well as its subsidiaries and affiliated companies within the system. This event had a significant impact on the company's overall business and production operations.

Despite these adversities, the company demonstrated resilience and determination by closely monitoring business and production activities, focusing on recovery efforts, and actively seeking solutions. With decisive and flexible management, the company successfully overcame the damages caused by Typhoon Yagi, maintained business and production operations, and mitigated revenue decline and financial losses.

II. Business and Production Performance

In 2024, despite the significant efforts and determination of the parent company's dependent units, subsidiaries, and affiliated companies, the company did not meet the targets set by the 2024 Annual General Meeting of Shareholders. This shortfall is reflected in two key performance indicators: revenue and pre-tax profit, as detailed below:

Indicator	Unit	2024 Target	2024 Actual	Notes
Pre-tax Profit (LNTT)				
+ Consolidated Pre-tax Profit (per consolidated financial statements)	Million VND	-50.067	- 60.826	
+ Parent Company Pre-tax Profit (per separate financial statements)	Million VND	-37.064	- 45.397	
Total Revenue				
+ Consolidated Revenue (per consolidated financial statements)	Million VND	1.232.422	1.148.292	
+ Parent Company Revenue (per separate financial statements)	Million VND	553.552	484.836	

III. Evaluation of Business and Production Performance in 2024

1. Production Activities

In 2024, production output at the parent company and affiliated companies declined compared to both the previous year and planned targets. This reduction in production scale was a strategic decision aimed at aligning with market demand, optimizing inventory levels, and maintaining operational cash flow. However, Viglacera Clinker Tile Joint Stock Company (a subsidiary) exceeded its assigned production value targets.

2. Production Value

The production value metric is used to assess the overall scale of output during the period. Over the first eight months of 2024, production activities at the company's units remained relatively stable, with flexible production adjustments in response to market conditions. In September 2024, Typhoon Yagi caused severe disruptions, resulting in a 24-day production halt at Cotto Gieng Day Brick Factory (parent company) and a slowdown at Tieu Giao Tile Factory. By late November 2024, the company restarted production at Hoanh Bo Tile Factory, operating one kiln at 50% of its designed capacity. As a result, the company's total production value for the year reached VND 418.2 billion, achieving 81.6% of the planned target.

3. Product Quality – Quality Ratio

Due to low production scale, with machinery and equipment being utilized at or below designed capacity, the quality of key products at the company's units has consistently met or exceeded both the previous year's performance and assigned targets.

4. Product Quality Management – Physical and Mechanical Indicators

The company places great emphasis on product quality management, ensuring strict supervision of production processes. The physical and mechanical properties of the company's products are regularly monitored and tested at the Viglacera Research and Development Institute and the Institute of Building Materials – Ministry of Construction. Test results, as documented in official quality certificates issued post-testing, have met or exceeded national standards, specifically: TCVN 1452:2004 for roofing tiles; TCVN 13113:2020 for ceramic wall and floor tiles.

5. Product Development

Product development efforts are primarily focused on Cotto Gieng Day Brick Factory (a dependent accounting unit) and Viglacera Clinker Tile Joint Stock Company (a subsidiary). These efforts include the development of wall panels, floor tiles, roofing tiles, and roofing accessories.

New product development is largely driven by customer requests and market demand, particularly for specialized ceramic wall and floor tiles with large formats, textured surfaces, and project-specific customization. Additionally, the company continues to improve high-quality standard products.

For roofing tile products, the company has expanded its offerings to include roofing accessories (ridge tiles, verge tiles, and end tiles) and new roofing tile designs, such as: Eurocotto tiles (curved wave pattern); Kentoza flat tiles (flat design).

6. Sales Activities

The company continues to expand brand awareness and market presence for Viglacera Ha Long across multiple regions, recruiting one additional marketing staff member to support distributors and customers with technical guidance and product usage instructions.

The company reviewed and liquidated 15 underperforming Tier-1 distributors and signed new contracts with 5 Tier-1 distributors, both domestically and internationally, while also expanding its distribution network with 50 new Tier-2 distributors nationwide, primarily in district-level markets across various provinces.

A new showroom was established domestically and internationally to advertise and showcase Viglacera products; 278 advertising signboards were newly issued or replaced for distributors; promotional video clips were produced and broadcasted on VOV radio, FM stations, and local radio channels to strengthen brand recognition. The company also participated in the Vietbuild 2024 International Exhibition in Hanoi and Ho Chi Minh City.

The company continues to improve customer collaboration and care efforts, organizing customer appreciation conferences and arranging domestic and international trips for high-performing distributors to motivate and encourage cooperation in product distribution, while also effectively communicating company policies and business strategies.

For export operations, Viglacera Ha Long Trading Limited Company continues to seek new customers and expand trade promotions in markets such as the United States, the United Kingdom, India, Japan, and Singapore, offering both traditional products and newly developed ones, including wall panels, roofing tiles, and floor tiles).

7. Business Operations

7.1 Reporting System

The company strictly complies with reporting obligations and information disclosure requirements related to its business and production activities. Reports are submitted periodically and/or upon request to Viglacera Corporation (the parent organization), the State Securities Commission, and local regulatory authorities.

7.2 Control Activities

The parent company and subsidiaries have amended, supplemented, and issued new documents within the management system in accordance with recommendations from the Viglacera Corporation Supervisory Board (as of late 2023). In 2024, the company continues to

collaborate with and engage in follow-up evaluations with the Company's Supervisory Board to review the implementation of these recommendations.

Additionally, the Internal Audit Subcommittee (a unit under the Company's Board of Directors) has effectively fulfilled its assigned responsibilities. As a result, the company's business and production activities have become more transparent, potential risks have been mitigated, operational efficiency has improved, and the company has successfully met its objectives.

7.3 Cost Management Activities

The company implements a structured procurement process, ensuring that key raw materials and production-related services are acquired through competitive bidding. The Pricing Appraisal Team, along with relevant departments, evaluates supplier capabilities, assesses price quotations, and recommends the most qualified suppliers offering the best pricing.

During the execution of the 2024 business and production plan, the Company's Appraisal Team, in collaboration with dedicated Board of Directors (BOD) members, conducted market price surveys for materials, raw materials, tools, equipment, and other production supplies. This involved meeting and negotiating with existing suppliers, seeking new suppliers, and enhancing market competition to secure the lowest possible input costs for production.

Additionally, the company has continued to implement various cost-cutting initiatives by optimizing equipment layout, improving technological processes, refining operational procedures, and restructuring production workflows. These measures have offset cost fluctuations caused by rising input expenses.

The company also maintains ongoing product quality assessments, proposing timely corrective measures for production issues and updating material consumption standards and cost allocations in line with the production technology of different product lines.

8. Investment Activities

In 2024, Viglacera Ha Long Joint Stock Company did not undertake any investment projects. However, Viglacera Clinker Tile Joint Stock Company invested in a new raw material storage facility with a total investment of VND 14.99 billion. This relocation of the raw material warehouse was necessary due to the construction of a 10-lane highway passing through the site of the previous storage facility].

9. Employee Welfare, Social Movements, and Union Activities

The company fully complies with labor policies and regulations, ensuring that all employees are enrolled in and contribute to social insurance (BHXH) and health insurance (BHYT) on time, in accordance with legal requirements and government regulations. Employee salaries are paid on schedule, with no outstanding wage obligations.

Due to slower product sales, some employees experienced reduced workloads. In response, the company restructured and reassigned work for employees wishing to continue employment. Additionally, the company provided support, facilitated benefits, and processed severance policies for employees who chose to leave.

10. Other Activities

In 2024, the company carried out its regular operational activities, including auditing the 2023 financial statements, reviewing financial reports on a quarterly and semi-annual basis, holding the Annual General Meeting of Shareholders, and coordinating with government authorities on tax matters. Additionally, the company conducted inventory assessments of resources and assets at both the parent company and subsidiaries as per the scheduled reporting periods.

The company also organized the Employee Conference, comprehensive health check-ups and health classification for all employees, and domestic study tours for employees to gain industry insights and enhance professional knowledge.

Conclusion: Despite significant challenges in 2024, with strong support from leadership at various levels, close oversight from the Board of Directors, and the dedication and collective efforts of all employees, the company gradually overcame difficulties, mitigated revenue and pre-tax profit declines, and largely maintained stable business and production activities.

PART II

BUSINESS ORIENTATION AND PRODUCTION & BUSINESS PLAN FOR 2025

The economic outlook for 2025 suggests signs of recovery, with both opportunities and challenges ahead. The real estate market is expected to enter a phase of stabilization and sustainable growth. However, the market for terracotta brick and tile products is anticipated to experience a time lag in its recovery compared to the overall economy.

Building upon the achievements of 2024, the company has assessed market conditions, resource availability, opportunities, and challenges to formulate its business objectives, strategies, and production & business plans for 2025, as outlined below:

I. Các chỉ tiêu chính

Item	Unit	Actual 2024	Plan 2025	Remark
1. Pre-tax Profit (LNTT)				
+ Consolidated Pre-tax Profit (<i>per consolidated FS</i>)	Million VND	- 60.826	1.550	
+ Parent Company Pre-tax Profit (<i>per separate FS</i>)	Million VND	- 65.587	-4.441	
+ Parent company's actual pre-tax profit	Million VND	-45.397	3.618	
2. Total Revenue				
+ Consolidated Revenue (<i>per consolidated FS</i>)	Million VND	1.148.292	1.249.191	
+ Parent Company Revenue (<i>per separate FS</i>)	Million VND	484.836	508.139	

II. Core Management and Operational Strategies

1. Objectives

Closely monitor actual performance against planned targets, with a particular focus on monthly and annual revenue and profit objectives. Ensure that 2025 year-end profit meets or exceeds the planned target.

Control production and operating costs in line with budgeted figures. In cases where market factors, finished goods prices, or input fuel costs become unpredictable, the company will develop and implement timely response strategies to minimize any negative impact on profit and meet assigned targets.

2. Implementation solutions

2.1. Sales activities

Maintain a flexible pricing strategy to ensure product sales while safeguarding the company's planned profit targets.

Provide maximum support to distributors and customers, offering technical consultations and product usage guidance; promote the new wave-pattern roofing tile through print materials, sample displays at showrooms and distributor outlets, and direct sales to construction projects.

Continue expanding market presence and brand recognition, effectively executing brand-building and marketing programs, participating in domestic and international fairs and exhibitions, and promoting new products. Further collaborate with distributors to develop mini showrooms and product display stands.

Regularly monitor market conditions, including competitor activities, consumption capacity, and evolving trends, to make informed production decisions aligned with real-time market dynamics.

Organize market surveys, assessments, and data updates, coordinating with construction and architectural consultancy firms to hold workshops focused on product introductions, usage instructions, and construction guidelines in key markets.

Segment and prioritize markets, implementing tailored solutions for each specific region.

+ For Export Activities

Recruit and train new personnel specializing in professional and methodical market development to meet increasing customer demands.

Focus on strengthening key export markets such as South Korea, India, and Taiwan, and continue developing markets in the United States, the EU, and Africa for product lines including floor tiles, wall panels, and large-format Cotto roofing tiles.

Accelerate export efforts and expand into new export markets as the domestic market reaches saturation, specifically by:

- Diversifying market approaches: collaborating with importers, distributors, supermarket chains, contractors, and manufacturing units.
- Exploring various business collaboration models to promote exports (traditional exports, partnerships with local distributors, joint production with international partners for export, direct distribution, etc.).
- Deepening integration into distribution networks, collaborating with partners to vigorously promote market presence and boost sales in key markets.
- Enhancing communication and consultation with Vietnamese Trade Counselors and Trade Promotion Centers abroad.
- Engaging with domestic trade offices and promotion centers such as VCCI, the Trade Promotion Agency, JICA, Kotra, Taitra, Austrade, EuroCham, etc.
- Regularly updating information on international trade policies through websites like macmap.org, doingbusiness.org, and trungtamwto.vn.
- Increasing product advertising via Google AdWords to boost interaction with international customers.

2.2. Production Management

+ Production Organization

The production lines and workforce are to be calculated, arranged, and scheduled for optimal operation at any given time, in accordance with the established production plan. Scale, capacity, product mix, and categories are flexibly adjusted based on actual market demand, maintaining reasonable and efficient inventory levels. Resources should be readily available to increase production output if market demand improves.

+ Product Quality

Ensure that recovery rates (AB/M) and grade ratios (A1/AB) meet or exceed the targets set under the 2025 performance plan. Product quality must meet or surpass both internal

company standards and Vietnamese national standards, specifically TCVN 13113:2020 for Cotto wall and floor tiles and TCVN 1452:2004 for roofing tiles.

+ New Products

Continue collaborating with customers and proactively researching the production of innovative products with distinctive features in color, size, and shape to meet market demand and alleviate competitive pressure. Diversify export offerings by developing large-format wall panels and panels with textured surfaces; large-size roofing tiles ranging from 10–16 tiles per square meter, inspired by Indian-style tiles and Japanese-style flat tiles; facade bricks that do not require plastering, thick garden/pavement tiles for both residential and public projects. Additionally, focus on refining the complete product line at Cotto Gieng Day Brick Factory, including sample color collections (body and colored glaze) and product variants with different water absorption rates.

+ Innovation and Improvement Initiatives

Develop a program and launch an emulation campaign to encourage innovation, technical enhancements, and production streamlining, with a specific focus on cost reduction, labor productivity, and new product development.

2.3. Investment Activities

The company will proactively prepare and submit all necessary documentation and procedures related to potential investments (if any), in strict compliance with Viglacera Corporation's Investment Management Regulations and relevant legal provisions.

2.4. Corporate Governance and Operations

Maintain full transparency across all business and production activities within the company. Strictly adhere to reporting requirements set by Viglacera Corporation and government authorities.

Collaborate with Internal Audit and the Supervisory Board to thoroughly audit organizational and production processes, aiming to identify and prevent potential risks in production and business operations.

Establish cost and performance targets, assigning workshop-level costs, sales prices, and revenue goals on a monthly basis for each unit to align closely with the plan. Conduct monthly evaluations of raw material consumption rates and production costs, analyzing expenses. Any over-budget or above-standard costs must be investigated for root causes, followed by solutions to offset or improve performance.

Implement flexible production management, closely controlling all production and management processes to optimize costs and enhance competitiveness.

2.5. Debt Control

Continue enforcing the current sales policy—"collect payment first, then deliver goods"—to effectively manage accounts receivable. For other debts, the company regularly monitors debt limits, reconciles balances, and evaluates and executes debt recovery measures.

2.6. Compliance with Tax Regulations and Employee Benefits

Fully adhere to the existing legal framework regarding tax policies and financial obligations. Ensure that all employee-related regulations—including wages, social insurance (BHXH), and health insurance (BHYT)—are complied with fully and on time, both in terms of legal requirements and payments to state authorities. The company pays employee wages on schedule, with no outstanding wage liabilities.

D. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S OPERATIONS:

Part I. REPORT AND EVALUATION OF 2024 PERFORMANCE

1. General Situation

The construction materials market showed limited improvement and remained weak in terms of demand. Price-based competition among businesses became increasingly fierce, with significant price reductions in multiple product lines, resulting in unprofitable operations. As a result, production facilities, subsidiaries, and affiliated companies maintained moderate production scales and capacities to reduce inventory levels and limit unprofitable products.

Typhoon Yagi in Q3/2024 caused severe damage to infrastructure, facilities, and factory buildings across the company's network. The substantial costs of restoring the damages adversely affected the overall business and production results of the company in 2024.

2. Board of Directors' (BOD) Performance in 2024

a. General Activities

Right from Q1 2024, the Board of Directors directed and urged all units to expeditiously implement the tasks and plans approved by Viglacera Corporation. The parent company successfully finalized and audited the 2023 financial statements and organized the Annual General Meeting of Shareholders (AGM).

Concurrently, the BOD coordinated with the Capital Representatives at various joint stock companies to review, plan, and successfully conduct the AGMs for subsidiaries and affiliated companies. All AGM agendas and resolutions were unanimously adopted, fully aligning with the objectives, plans, and responsibilities approved by higher management.

Focusing on monitoring and overseeing the company's business and production operations, the BOD members regularly participated in periodic briefings to stay informed, evaluate performance, and contribute suggestions and solutions for overcoming challenges and steering subsequent planning periods. They also actively directed and prompted all factories and units to urgently address the aftermath of Typhoon Yagi, ensuring rapid recovery and stabilization of production and sales following the storm:

- + Agreed on the selection of Deloitte Vietnam to conduct audits and reviews of the semi-annual and annual 2024 financial statements. Deloitte will also participate in supervising and monitoring semi-annual and year-end inventory checks for the 2024 financial year.

- + Coordinated with the relevant departments of Viglacera Corporation to review and evaluate the results of corrective measures implemented in response to recommendations from the 2023 audit. The Board of Directors (BOD) submitted proposals to the 2024 Annual General Meeting of Shareholders, which approved the updates and amendments to the company's Charter and the BOD's operational regulations, in line with audit recommendations and the Viglacera Corporation Supervisory Board.

- + Collaborated with CPA Vietnam to finalize the enterprise valuation program as directed by higher-level authorities.

b. Activities of the Independent and Dedicated Members of the Board of Directors

- + Regular participation in periodic meetings to evaluate performance, review monthly and quarterly results, and develop operational plans. They offered advisory support in production management and sales, as well as participated in market surveys to assess product consumption trends, logistics, and inventory levels at distributors and in regional markets.

- + The member in charge of Internal Audit cooperated with the Supervisory Board, Viglacera Corporation's specialized departments, and the external audit firm to conduct monitoring and data reviews at both the parent company and its subsidiaries.

+ They oversaw transactions involving stock trades by related parties, including members of the Board of Directors, Supervisory Board, and Executive Management. Additionally, all economic contracts and transactions between Viglacera Ha Long JSC and its subsidiaries or affiliated companies were executed in compliance with regulations, ensuring proper procedures, transparency, and fairness.

(1) Contracts and Share Transactions with Related Parties: None.

(2) Contracts and Transactions with Subsidiaries and Affiliated Companies:

+ Sales and product distribution contracts with Viglacera Ha Long Trading Limited Company (subsidiary): VND 399,500,230,463.

+ Transactions with Viglacera Ha Long II Joint Stock Company (affiliated company):

- Sale of molds, samot, etc.: VND 144,511,000.
- Purchase of products for export and other services: VND 443,058,690.

+ Transactions with Viglacera Clinker Tile Joint Stock Company (subsidiary): Purchase of products and goods for export: VND 4,504,320.

+ Contracts for purchasing goods and services from Dong Trieu Viglacera Joint Stock Company (affiliated company): VND 1,272,047,286.

c. Oversight of the Executive Management:

+ The Board of Directors (BOD) ensures that BOD members participate in monthly briefings alongside the Executive Management and relevant functional departments. All reports and evaluations of monthly and quarterly targets and tasks are promptly and fully submitted to the Executive Management and the BOD as required. The Executive Management frequently consults and seeks the BOD's guidance on critical issues, enabling timely solutions and operational direction aligned with approved overall objectives.

+ Information and reporting coordination among the Executive Management, the BOD, and the Supervisory Board has been conducted effectively, in strict adherence to the established regulations.

+ In collaboration with the audit firm Deloitte Vietnam Limited, the company conducted periodic inventories (every 6 and 12 months), as well as reviews and audits of the semi-annual and December 31, 2024, financial statements. The audit results, quarterly financial statements, management reports, and mandatory information disclosures complied fully with the requirements of government authorities and current legal regulations.

d. Oversight of Investment Activities:

+ New Investment Projects: In 2024, the company did not commence any new investment projects.

Clay Mining Investment: On March 25, 2024, the company's Board of Directors, in coordination with the Capital Representative from Viglacera Corporation, the Executive Management, and other specialized departments, submitted a report to Viglacera Corporation regarding the clay mining project at Doi Ten Lua – Gieng Day Ward – Ha Long City, recommending termination of the project's preparatory investment phase due to misalignment with the general zoning of Ha Long City and Quang Ninh Province.

By Q2 2024, the company had coordinated with local authorities, completing all necessary legal procedures to terminate the investment activities for this project in accordance with regulations.

Investment Activities at the Subsidiary – Viglacera Clinker Tile Joint Stock Company:

The Capital Representative of Viglacera Corporation at Viglacera Ha Long JSC worked alongside the Board of Directors and Executive Management to submit a proposal to Viglacera Corporation seeking approval to expand production premises and establish a raw material warehouse at Viglacera Clinker Tile Joint Stock Company. On August 28, 2024, Viglacera Corporation issued Official Letter No. 154/TCT-HDQT, approving the project.

Subsequently, the company's Board of Directors passed a resolution to proceed with the project, assigning the Capital Representative at Viglacera Clinker Tile Joint Stock Company to coordinate, finalize all investment procedures, and monitor the implementation.

e. Remediation Efforts Following Typhoon Yagi

On September 7, 2024, Typhoon No. 3 (Yagi) made landfall in Quang Ninh Province with extremely high intensity, causing severe damage to infrastructure, facilities, and assets across all units of the company. Immediately after the typhoon subsided, factories, subsidiaries, and affiliated companies under Viglacera Ha Long took prompt action to clear debris and repair damage, aiming to restore business and production activities as quickly as possible. By the end of October 2024, major infrastructural elements, production facilities, and equipment had been substantially repaired, and the company's production and business operations were fully resumed and stabilized.

3. Board of Directors Meetings in 2024

No.	Reference Number	Date	Meeting Content
1	01/2024/NQ-HDQT	08/3/2024	Response to the Capital Representative at Dong Trieu Viglacera Joint Stock Company regarding the 2024 Annual General Meeting of Shareholders (AGM) at Dong Trieu Viglacera Joint Stock Company.
2	02/2024/NQ-HDQT	18/3/2024	Approval of the 2023 audited business and production results and discussion of the proposals for the 2024 Annual General Meeting of Shareholders.
3	03/2024/NQ-HDQT	10/4/2024	Response to the Capital Representatives at Viglacera Ha Long II Joint Stock Company and Viglacera Clinker Tile Joint Stock Company regarding issues concerning their 2024 Annual General Meeting of Shareholders.
4	04/2024/NQ-HDQT	19/4/2024	Review of Q1/2024 business and production results, and plans and key tasks for Q2/2024.
5	05/2024/NQ-HDQT	17/5/2024	Completion of procedures to terminate the preparatory investment phase for the clay mining project at Doi Ten Lua (Gieng Day Ward, Ha Long City).
6	06/2024/NQ-HDQT	25/6/2024	Selection of an audit firm to conduct reviews of semi-annual financial statements and audits of 2024 financial statements.
7	07/2024/NQ-HDQT	17/7/2024	Review of 1H/2024 business and production results, along with plans and orientations for the remainder of 2024.
8	08/2024/NQ-HDQT	09/8/2024	Price reduction measures to support the sales activities of VTH for the remaining months of 2024.
9	09/2024/NQ-HDQT	30/8/2024	Approval of an additional investment to expand the raw material storage area for production at

No.	Reference Number	Date	Meeting Content
			Viglacera Clinker Tile Joint Stock Company (<i>subsidiary</i>).
10	10/2024/NQ-HDQT	30/8/2024	Borrowing and mortgaging with banks, financial institutions, and individuals.
11	11/2024/NQ-HDQT	24/10/2024	Reassignment and restructuring of the Capital Representative's personnel at Viglacera Ha Long II Joint Stock Company.

General Assessment: In 2024, the Board of Directors (BOD) worked effectively with the Executive Management to jointly implement the tasks and objectives assigned by Viglacera Corporation. The BOD also issued resolutions and decisions to promptly endorse various policies and initiatives, supporting the Executive Management in executing business and production measures and overcoming challenges, all while aligning closely with the higher-level goals and assignments. The BOD has fully complied with the company's Charter, the BOD's operational regulations, and the regulations of the State Securities Commission, Stock Exchange, and other legal requirements.

4. Board of Directors, Supervisory Board, and Executive Management Personnel

4.1. Company Board of Directors

No.	Full Name	Position	Notes
1	Mr. Tran Hong Quang	Chairman (Dedicated)	
2	Mr. Nham Sy Tien	Vice Chairman (Dedicated)	Independent Member
3	Mr. Dinh Quang Huy	Board Member	
4	Mr. Nguyen Huu Gam	Board Member (Dedicated)	Independent Member
5	Mr. Nguyen Duc Luyen	Board Member	
6	Mr. Ngo Thanh Tung	Board Member	
7	Mr. Tran Thanh	Board Member (concurrently General Director)	Appointed March 21, 2023

4.2. Company Supervisory Board

No.	Full Name	Position	Notes
1	Mr. Nguyen Quang Hai	Head of Supervisory Board	Appointed March 21, 2023
2	Mr. Tran Trung Kien	Member	
3	Ms. Pham Thi Hien	Member	

4.3. Executive Management

No.	Full Name	Position	Notes
1	Mr. Tran Thanh	General Director	

2	Mr. Tran Duy Hung	Deputy General Director	
3	Mr. Bui Van Quang	Deputy General Director	Appointed August 2023
4	Ms. Dinh Thi Thu Hang	Chief Accountant	Appointed May 2023

4.4. Capital Representative Personnel at Other Enterprises

In 2024, the company's Board of Directors (BOD) agreed to reassign and restructure the Capital Representative at Viglacera Ha Long II Joint Stock Company, following the resignation request submitted by Mr. Doan Tue Minh in October 2024. Details are as follows:

+ Mr. Doan Tue Minh ceased to be the Capital Representative of Viglacera Ha Long Joint Stock Company at Viglacera Ha Long II Joint Stock Company and stepped down from his BOD membership at Viglacera Ha Long II Joint Stock Company.

Mr. Nguyen Dan Que was authorized to manage 25% of Viglacera Ha Long Joint Stock Company's stake in Viglacera Ha Long II Joint Stock Company (which includes an additional 5% originally assigned to Mr. Doan Tue Minh).

5. Income of Dedicated BOD Members

The total income paid to dedicated BOD members in 2024 is 1,202,719,100 VND.

6. Remuneration for the BOD and Supervisory Board in 2024: No payments were made.

6.1. Remuneration and Expenses for the BOD and Supervisory Board:

+ No remuneration was allocated in 2024.

+ No other benefits were provided.

+ Expenses for members followed the Company Charter and BOD & Supervisory Board Regulations.

6.2. Income of the Executive Management (Board of General Directors) and Chief Accountant.

No.	Full Name	2024 Monthly Average Salary + Bonus + BOD Allowance	2024 Dividends	Bonus Shares
1	Tran Thanh	57.532.825		
2	Tran Duy Hung	42.912.292		
3	Bui Van Quang	41.896.312		
4	Dinh Thi Thu Hang	38.374.075		

PART II. 2025 BOARD OF DIRECTORS' OPERATIONAL PLAN

1. Key Targets for the 2025 Production and Business Plan:

No.	Indicator	Unit	2024 Actual	2025 Plan
1	Consolidated Revenue	Million VND	1.148.292	1.249.191
2	Consolidated Pre-tax Profit	Million VND	-60.826	1.550

2. General Objectives and Directions:

- + Continue proactively utilizing the capacity and resources of each factory to achieve the best possible efficiency and align production with current market demand.
- + Focus on researching and developing new product lines that offer distinctiveness, thereby reducing competitive pressures. Strengthen export market development and increase export revenue.
- + Maintain strict control over costs and pricing, seeking all possible measures to reduce losses and meet or exceed the profit targets set in the plan.
- + Investment Activities: Collaborate with the Capital Representative at Viglacera Clinker Tile Joint Stock Company to implement the project for expanding the production area and creating a raw material storage facility, ensuring timely progress, quality standards, and compliance with current legal regulations and local administrative guidance.
- + Strictly and promptly comply with all periodic reporting requirements; regularly review and verify data and performance results for reporting to relevant authorities. Maintain effective coordination among the Board of Directors, Executive Management, and the Supervisory Board to develop appropriate work programs and plans. This allows for timely decisions and strategic directions that support executive management, align with the objectives approved by Viglacera Corporation, and reflect actual market conditions.

E. FINANCIAL STATEMENTS:

The company engaged Deloitte Vietnam Company Limited to audit its financial statements in accordance with the Legal Regulations on Accounting. These audited financial statements have been disclosed via the Hanoi Stock Exchange's CIMS system, the State Securities Commission's IDS system, and fully published on the official website of Viglacera Ha Long Joint Stock Company (via the link: viglacerahalong.vn). The consolidated audited financial report of the company is also attached to this Annual Report..

- ✦ **Auditor's Opinion:** The financial statements of Viglacera Ha Long Joint Stock Company for the fiscal year ended December 31, 2024:
 - Present, in all material respects, a true and fair view of the financial position of Viglacera Ha Long Joint Stock Company as of December 31, 2024, as well as the results of its operations and cash flows for the fiscal year then ended.
 - Comply with the Vietnamese Accounting Standards, the Vietnamese Corporate Accounting Regime, and relevant legal regulations governing the preparation and presentation of financial statements.

Recipients:

- State Securities Commission (SSC)
- Hanoi Stock Exchange (HNX)
- Board of Directors; Board of Management
- Supervisory Board
- Archives.

LEGAL REPRESENTATIVE
General Director



TRAN THANH