

VIGLACERA HA LONG JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

For the year ended 31 December 2024



VIGLACERA HA LONG JOINT STOCK COMPANY

Quarter 2, An Tiem Street, Ha Khau District,
Ha Long City, Quang Ninh Province, Vietnam

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VIGLACERA HA LONG JOINT STOCK COMPANY

Quarter 2, An Tiem Street, Ha Khau District, Ha Long City, Quang Ninh Province, Vietnam

STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers of Viglacera Ha Long Joint Stock Company (the “Company”) presents this report together with the consolidated financial statements of the Company for the year ended 31 December 2024.

THE BOARD OF DIRECTORS, BOARD OF EXECUTIVE OFFICERS AND BOARD OF SUPERVISORS

The members of the Board of Directors, Board of Executive Officers and Board of Supervisors of the Company during the year and to the date of this report are as follows:

Board of Directors

Mr. Tran Hong Quang	Chairman
Mr. Nham Sy Tien	Vice Chairman
Mr. Dinh Quang Huy	Independent Member
Mr. Ngo Thanh Tung	Member
Mr. Tran Thanh	Member
Mr. Nguyen Duc Luyen	Member
Mr. Nguyen Huu Gam	Independent Member

Board of Executive Officers

Mr. Tran Thanh	Chief Executive Officer
Mr. Tran Duy Hung	Deputy Chief Executive Officer
Mr. Bui Van Quang	Deputy Chief Executive Officer

Board of Supervisors

Mr. Nguyen Quang Hai	Head
Ms. Pham Thi Hlen	Member
Mr. Tran Trung Kien	Member

THE BOARD OF EXECUTIVE OFFICERS’S STATEMENT OF RESPONSIBILITY

The Board of Executive Officers of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Executive Officers is required to:

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STATEMENT OF THE BOARD OF EXECUTIVE OFFICERS (Continued)

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Executive Officers is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Board of Executive Officers is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Executive Officers confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Executive Officers, 



Tran Thanh
General Director

17 February 2025



No. 0437 /VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders**
 The Board of Directors and Board of Executive Officers
 Viglacera Ha Long Joint Stock Company

We have audited the accompanying consolidated financial statements of Viglacera Ha Long Joint Stock Company (the "Company"), prepared on 17 February 2025 as set out from page 05 to page 38, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated statement of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Executive Officers's Responsibility for the Consolidated financial statements

The Board of Executive Officers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as the Board of Executive Officers determines is necessary to enable the preparation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Vu Duc Nguyen

Deputy General Director

Audit Practising Registration Certificate
No. 0764-2023-001-1



Nguyen Anh Tuan

Auditor

Audit Practising Registration Certificate
No. 1472-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

17 February 2025

Hanoi, S.R. Vietnam

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

Unit: VND

	Codes	Notes	Closing balance	Opening balance
ASSETS				
A. CURRENT ASSETS	100		422,372,440,934	444,841,816,173
I. Cash and cash equivalents	110	4	68,167,670,442	38,985,788,401
1. Cash	111		20,167,670,442	28,985,788,401
2. Cash equivalents	112		48,000,000,000	10,000,000,000
II. Short-term financial investments	120	14	30,089,870,171	-
1. Held-to-maturity investments	123		30,089,870,171	-
III. Short-term receivables	130		41,958,352,471	33,612,329,500
1. Short-term trade receivables	131	5	15,843,475,931	12,783,707,925
2. Short-term advances to suppliers	132	6	10,013,796,471	3,656,684,656
3. Other short-term receivables	136	7	40,803,082,362	42,399,203,212
4. Provision for short-term doubtful debts	137	8	(24,702,002,293)	(25,227,266,293)
IV. Inventories	140	9	278,674,003,344	367,655,447,621
1. Inventories	141		296,200,185,884	386,658,032,001
2. Provision for devaluation of inventories	149		(17,526,182,540)	(19,002,584,380)
V. Other short-term assets	150		3,482,544,506	4,588,250,651
1. Short-term prepayments	151	10	320,685,167	406,810,170
2. Value added tax deductibles	152		2,885,469,523	3,638,974,743
3. Taxes and other receivables from the State budget	153	17	276,389,816	542,465,738
B. NON-CURRENT ASSETS	200		306,560,494,171	392,783,893,035
I. Long-term receivables	210		5,808,396,152	2,565,720,364
1. Long-term trade receivables	211	5	2,142,749,698	-
2. Other long-term receivables	216	7	3,665,646,454	2,565,720,364
II. Fixed assets	220		263,275,932,407	315,588,581,270
1. Tangible fixed assets	221	11	257,001,270,300	306,319,253,115
- Cost	222		1,679,918,772,598	1,675,059,526,484
- Accumulated depreciation	223		(1,422,917,502,298)	(1,368,740,273,369)
2. Finance lease assets	224	12	-	2,837,274,864
- Cost	225		-	4,781,351,514
- Accumulated depreciation	226		-	(1,944,076,650)
3. Intangible assets	227	13	6,274,662,107	6,432,053,291
- Cost	228		8,454,450,375	8,454,450,375
- Accumulated amortisation	229		(2,179,788,268)	(2,022,397,084)
III. Long-term assets in progress	240		477,712,088	302,897,273
1. Construction in progress	242		477,712,088	302,897,273
IV. Long-term financial investments	250	14	36,707,897,763	57,538,501,498
1. Investments in associates	252		36,707,897,763	57,169,424,668
2. Equity investments in other entities	253		2,000,000,000	2,000,000,000
3. Provision for impairment of long-term financial investments	254		(2,000,000,000)	(1,630,923,170)
V. Other long-term assets	260		290,555,761	16,788,192,630
1. Long-term prepayments	261	10	147,888,887	16,335,719,572
2. Deferred tax assets	262		142,666,874	452,473,058
TOTAL ASSETS (270=100+200)	270		728,932,935,105	837,625,709,208

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		257,078,274,437	298,898,556,314
I. Current liabilities	310		201,482,614,244	249,102,942,189
1. Short-term trade payables	311	15	57,154,825,231	65,464,249,802
2. Short-term advances from customers	312	16	8,624,299,229	14,841,650,421
3. Taxes and amounts payable to the State budget	313	17	4,058,015,418	2,155,542,508
4. Payables to employees	314		37,229,941,485	30,163,977,282
5. Short-term accrued expenses	315	18	17,993,877,182	14,922,093,021
6. Short-term unearned revenue	318	19	581,636,434	581,636,434
7. Other current payables	319	20	9,596,362,153	12,749,960,251
8. Short-term loans and obligations under finance leases	320	23	10,348,205,687	53,459,263,542
9. Short-term provisions	321	21	8,656,913,640	6,170,949,520
10. Bonus and welfare funds	322	22	47,238,537,785	48,593,619,408
II. Long-term liabilities	330		55,595,660,193	49,795,614,125
1. Long-term unearned revenue	336	19	8,436,759,764	9,018,396,198
2. Long-term loans and obligations under finance leases	338	24	32,403,729,000	30,114,351,879
3. Deferred tax liabilities	341		9,690,675,650	5,598,370,269
4. Long-term provisions	342	21	2,750,000,000	2,750,000,000
5. Scientific and technological development fund	343		2,314,495,779	2,314,495,779
D. EQUITY	400		471,854,660,668	538,727,152,894
I. Owner's equity	410	25	471,854,660,668	538,727,152,894
1. Owner's contributed capital	411		250,000,000,000	250,000,000,000
- Ordinary shares carrying voting rights	411a		250,000,000,000	250,000,000,000
2. Share premium	412		49,171,810,665	49,171,810,665
3. Investment and development fund	418		261,465,442,014	261,465,442,014
4. Other reserves	420		11,811,512,409	11,811,512,409
5. Accumulated (losses)	421		(100,739,104,420)	(33,866,612,194)
- (Loss)/Retained earnings accumulated to the prior year end	421a		(34,173,812,194)	35,626,688,994
- (Losses) of the current year	421b		(66,565,292,226)	(69,493,301,188)
6. Non-controlling interest	429		145,000,000	145,000,000
TOTAL RESOURCES (440=300+400)	440		728,932,935,105	837,625,709,208



Nguyen Thi Tuyen
Preparer



Dinh Thi Thu Hang
Chief Accountant



Tran Thanh
General Director

17 February 2025

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold	01	27	1,148,291,688,627	1,229,279,759,345
2. Net revenue from goods sold (10=01)	10		1,148,291,688,627	1,229,279,759,345
3. Cost of sales	11	28	1,021,568,745,053	1,114,524,551,541
4. Gross profit from goods sold (20=10-11)	20		126,722,943,574	114,755,207,804
5. Financial income	21	30	1,663,359,121	750,555,111
6. Financial expenses	22	31	5,451,001,642	11,006,115,464
- In which: Interest expense	23		4,775,607,051	10,668,064,338
7. Share of (losses) of associates	24	14	(20,461,526,905)	(22,119,872,672)
8. Selling expenses	25	32	96,922,609,696	100,074,345,481
9. General and administration expenses	26	32	45,073,519,042	46,555,810,335
10. Operating (losses) (30=20+(21-22)+ 24-(25+26))	30		(39,522,354,590)	(64,250,381,037)
11. Other income	31	33	1,574,021,068	2,112,221,871
12. Other expenses	32	33	22,877,440,674	2,353,753,573
13. (Losses) from other activities (40=31-32)	40		(21,303,419,606)	(241,531,702)
14. Accounting (losses) before tax (50=30+40)	50		(60,825,774,196)	(64,491,912,739)
15. Current corporate income tax expense	51	35	1,307,196,465	597,113,622
16. Deferred corporate tax expense	52	35	4,402,111,565	4,388,506,827
17. Net (losses) after corporate income tax (60=50-51-52)	60		(66,535,082,226)	(69,477,533,188)
17.1 (Losses) after tax attributable to equity holders of the Holding Company	61		(66,535,082,226)	(69,477,533,188)
18. Basic (losses) per share	70	34	(2,663)	(2,792)



Nguyen Thi Tuyen
Preparer



Dinh Thi Thu Hang
Chief Accountant



Tran Thanh
General Director

17 February 2025

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Losses before tax</i>	01	(60,825,774,196)	(64,491,912,739)
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	52,390,543,463	64,645,121,850
Provisions	03	853,375,110	6,846,064,235
Foreign exchange losses arising from translating foreign currency items	04	22,341,974	17,365,741
Losses from investing activities	05	20,461,526,905	22,110,502,809
Interest expense	06	4,775,607,051	10,668,064,338
3. <i>Operating profit before movements in working capital</i>	08	17,677,620,307	39,795,206,234
Changes in receivables	09	(9,724,419,523)	1,531,524,639
Changes in inventories	10	90,457,846,117	95,417,282,352
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(3,692,369,404)	(55,510,527,435)
Changes in prepaid expenses	12	16,273,955,688	127,775,878
Interest paid	14	(4,832,712,794)	(9,919,990,870)
Corporate income tax paid	15	(4,776,821,223)	(3,896,018,164)
Other cash outflows	17	(1,385,291,623)	(15,763,150,085)
<i>Net cash generated by operating activities</i>	20	99,997,807,545	51,782,102,549
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(35,142,800)	(137,880,000)
2. Cash outflow for lending, buying debt instruments of other entities	23	(30,089,870,171)	-
3. Cash recovered from lending, selling debt instruments of other entities	24	-	10,000,000,000
4. Interest earned, dividends and profits received	27	-	9,369,863
<i>Net cash (used in)/generated by investing activities</i>	30	(30,125,012,971)	9,871,489,863

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT (Continued)
 For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	355,517,113,497	456,949,009,601
2. Repayment of borrowings	34	(394,147,031,460)	(508,782,121,216)
3. Repayment of obligations under finance leases	35	(1,626,302,771)	(1,364,050,453)
4. Dividends and profits paid	36	(402,721,915)	(97,876,653)
Net cash (used in) financing activities	40	(40,658,942,649)	(53,295,038,721)
Net increases in cash (50=20+30+40)	50	29,213,851,925	8,358,553,691
Cash and cash equivalents at the beginning of the year	60	38,985,788,401	30,640,646,523
Effects of changes in foreign exchange rates	61	(31,969,884)	(13,411,813)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	68,167,670,442	38,985,788,401



Nguyen Thi Tuyen
Preparer



Dinh Thi Thu Hang
Chief Accountant



Tran Thanh
General Director

17 February 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

1. GENERAL INFORMATION**Structure of ownership**

Viglacera Ha Long Joint Stock Company is an enterprise converted upon the equitization of Ha Long Ceramics and Construction Company into a joint stock company according to the Enterprise Registration Certificate of Joint Stock Company No. 57000101147 dated 01 March 2006 and amended certificates. The Company's charter capital according to the Enterprise Registration Certificate is VND 250,000,000,000. The Company was approved to become a public interest company according to Official Letter No. 5941/UBCK-GSDC dated 05 September 2016 by the State Security Commission of Vietnam. The Company had its shares officially listed on HNX with the stock code VHL since 25 November 2008.

The Company has registered its head office on Quarter 2, An Tiem Street, Ha Khau District, Ha Long City, Quang Ninh Province, Vietnam.

The parent company of the Company is Viglacera Corporation - JSC.

The total number of employees of the Company and its subsidiaries as at 31 December 2024 was 1,386 (as at 31 December 2023: 1,500).

Operating industry and principal activities

The operating industries of the Company include:

- Producing construction materials from clay;
- Producing, exploiting and trading all kinds of construction materials. Design consultancy, application, technology transfer of construction materials production;
- Exploitation of stone, sand, gravel and clay;
- Trading in real estate, land use rights belonging to the owner, user or tenant; and
- Investment in construction of civil and industrial works, urban infrastructure technical works, industrial parks.

The principal activities of the Company are to produce construction materials from clay, produce, exploit and trade all kinds of construction materials.

Normal business cycle

The Company's normal business cycle is carried out for a time period of 12 months or less.

The Company's structure

Details of the Company's subsidiaries and associates as at 31 December 2024 are as follows:

Company name	Place of Incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Subsidiaries				
Viglacera Ha Long Trading One Member Company Limited	Quang Ninh	100,00	100,00	Trading construction materials
Viglacera Clinker Tile Joint Stock Company	Quang Ninh	99,92	99,92	Production of construction materials
Joint-ventures, associates				
Viglacera Ha Long II Joint Stock Company	Quang Ninh	40,00	40,00	Production of construction materials
Viglacera Dong Trieu Joint Stock Company	Quang Ninh	40,00	40,00	Production of construction materials

Disclosure of information comparability in the Consolidated financial statements

The comparative figures are the figures of the Company's audited consolidated financial statements for the year ended 31 December 2023.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

The consolidated financial statement are prepared based on consolidation of separate financial statement of the company and its subsidiaries' financial statements.

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

Financial year

The Company's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these Consolidated financial statements, are as follows:

Estimates

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting requires the Board of Executive Officers to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Executive Officers's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) which were prepared for the year ended 31 December 2024. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.



Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Company's share of the net assets of the associate. Losses of an associate in excess of the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Company, unrealised profits and losses are eliminated to the extent of the Company's interest in the relevant associate.

Equity investments in other entities

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits to earn periodic interest.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

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Held-to-maturity investments are measured at cost less provision for impairment of held-to-maturity investments.

Provision for impairment of held-to-maturity investments is made in accordance with prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue and difficult to recover, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Costs of merchandises include cost of purchases and other directly attributable expenses. Issue price is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the consolidated balance sheet date.

The Company and its subsidiaries apply the perpetual method to account for inventories.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives:

	<u>Years</u>
Buildings and structures	05 - 35
Machinery and equipment	06 - 20
Motor vehicles, transmission equipment	06 - 20
Management tools and equipment	03 - 10

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between the net proceeds from sales or disposals of assets and their carrying amount and is recognised in the consolidated income statement.

Leasing

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

The Company as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. Revenue of operating lease is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging a financial lease are charged to the consolidated income statement using straight-line method over the lease term.

The Company as lessee

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the consolidated profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see below).

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives, as follows:

	<u>Years</u>
Machinery, equipment	06
Motor vehicles	06 - 08

Intangible assets and amortisation

Land use rights

Intangible assets represent land use rights that are stated at cost less accumulated amortisation. Land use rights are amortised using the straight-line method for 50 years.

Computer software

Cost of acquisition of new computer software, which is not an integral part of the related hardware, is capitalized and treated as an intangible asset. Computer software is amortized using the straight-line method over the period of 04 years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost includes costs that are necessary to form the assets in accordance with the

Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including initial cost of clay mines, insurance fees and other types of prepayments.

The initial cost of the clay mines are allocated to the cost of mining land according to the ratio of the production output in the year and the estimated reserves of each mine.

Insurance fees including fire insurance, physical insurance and risk insurance for finance leased properties have been paid for many years. Insurance fees are amortized to the consolidated income statement on a straight-line basis over the effective period.

Other types of repayments comprise costs of tools and supplies issued for consumption, which are allocated to the consolidated income statement using the straight-line method in accordance with the prevailing accounting regulations.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Executive Officers's best estimate of the expenditure required to settle the obligation as at the consolidated balance sheet date.

Unearned Revenue

Unearned revenue is the amounts received in advance relating to one or more accounting periods for rental services of collective housing for employees that have been yet provided or delivered. The Company recognizes unearned revenue in proportion to its obligations that the Company will have to perform in the future. When the revenue recognition conditions are satisfied, unearned revenue will be recognized in the consolidated income statement for the year corresponding to the portion that meets the revenue recognition conditions.

Revenue recognition

Revenue from the sales of goods

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income and investment income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments recognised when the Company's right to receive payment has been established.

Basic earnings per share

The Company presents basic earnings per share (EPS) for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of outstanding common shares during the year.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the consolidated balance sheet date are retranslated at the exchange rates of commercial bank where the Company usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated 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 never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

As at 31 December 2024, the Company has a tax loss that can be used to offset against future taxable profits within 5 years from the year the loss arises, but no deferred tax asset has been recognized because the Company is uncertain about its future profitability.

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

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	2,058,193,526	4,108,082,248
Bank demand deposits	18,109,476,916	24,877,706,153
Cash equivalents (*)	48,000,000,000	10,000,000,000
	68,167,670,442	38,985,788,401

(*) As at 31 December 2024, cash equivalents represent time deposits with original term from 01 to 03 months at Commercial Banks with the interest rate from 4.2% per annum to 4.6% per annum (as at 31 December 2023: 3.6% per annum).

5. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
a. Short-term trade receivables		
Euto Inc Company	3,024,228,689	2,789,017,599
Que Dong Construction Materials Co., Ltd	1,982,752,498	1,839,750,000
Hoang Dien Construction Materials & Interior Decoration Store	1,711,686,711	660,250,000
New Era Industries	1,634,819,180	-
Yen Loan Company Limited	1,542,919,359	-
Others	5,947,069,494	7,494,690,326
	15,843,475,931	12,783,707,925
<i>In which:</i>		
Trade receivables from related parties (Details stated in Note 37)	3,653,026,376	4,917,703,716
b. Long-term trade receivables		
Viglacera Dong Trieu Joint Stock Company	2,142,749,698	-
	2,142,749,698	-
<i>In which:</i>		
Trade receivables from related parties (Details stated in Note 37)	2,142,749,698	-

6. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Viglacera Dong Trieu Joint Stock Company	4,266,499,134	1,454,652,401
Viglacera Dap Cau Sheet Glass Joint Stock Company	2,000,000,000	2,000,000,000
Ha Long Group Joint Stock Company	1,703,920,896	-
Viglacera Ha Long II Joint Stock Company	1,204,319,407	134,140,785
Others	839,057,034	67,891,470
	10,013,796,471	3,656,684,656
<i>In which:</i>		
Advances to related parties (Details stated in Note 37)	7,580,405,075	3,588,793,186

7. OTHER RECEIVABLES

	Closing balance	Opening balance
	VND	VND
a. Current		
Land use fees, compensation and other expenses (i)	33,642,634,419	33,642,634,419
Deposits and mortgages	2,597,239,598	3,078,962,179
Interest receivable	1,126,730,644	1,063,347,082
Receivable related to technology transfer fee	811,616,000	1,760,568,000
Advances	104,259,847	257,092,649
Others	2,520,601,854	2,596,598,883
	40,803,082,362	42,399,203,212
b. Non-current		
Deposits and mortgages	2,914,694,454	2,496,201,174
Receivable related to technology transfer fee	750,952,000	-
Others	-	69,519,190
	3,665,646,454	2,565,720,364
<i>In which:</i>		
Other receivables from related parties (Details stated in Note 37)	2,066,737,000	2,264,737,000

- (i) Represents costs of “the Project of Resettlement and housing for employees of Tuynel brick factory in Le Loi Commune, Ha Long City” carried out for the purpose of building collective houses and residential areas for employees of the Company. The project has been implemented since 2009 but delayed after that due to many objective reasons about market demand, therefore, the Department of Planning and Investment of Quang Ninh province issued Decision No. 3791/QD-KHDT dated 25 December 2017 on termination of investment in this project. On 10 January 2018, the People's Committee of Quang Ninh Province issued Decision No. 44/QD-UBND to recover the land previously assigned to the Company to implement the project, and assigned the People's Committee of Ha Long City to propose a plan to deal with the land use costs and ground clearance expenses paid by the Company in accordance with the law. At present, the Company continues to coordinate with Ha Long City Land Fund Development Center to hand over land to the locality, determine the value and carry out procedures for reimbursement of expenses the Company invested in the project. As at 31 December 2024, the Company made a provision corresponding to the cost of ground leveling, project consulting and compensation amounting to VND 16.75 billion, following the principle of prudence (31 December 2023: VND 16.75 billion).

VIGLACERA HA LONG JOINT STOCK COMPANY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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8. BAD DEBTS

	Closing balance			Opening balance		
	Cost	Provision	VND Recoverable amount	Cost	Provision	VND Recoverable amount
People's Committee of Ha Long City	33,642,634,419	16,754,634,419	16,888,000,000	33,642,634,419	16,754,634,419	16,888,000,000
Viglacera Dong Trieu Joint Stock Company	3,693,701,698	1,799,854,883	1,893,846,815	3,858,101,698	2,099,854,883	1,758,246,815
Viglacera Dap Cau Sheet Glass Joint Stock Company	3,004,169,000	3,004,169,000	-	3,004,169,000	3,004,169,000	-
Viglacera Tu Liem Joint Stock Company	110,925,000	110,925,000	-	308,925,000	308,925,000	-
Viglacera Ba Hien Joint Stock Company	500,000,000	500,000,000	-	500,000,000	500,000,000	-
Viglacera Huu Hung Joint Stock Company	200,691,000	200,691,000	-	200,691,000	200,691,000	-
Others	2,331,727,991	2,331,727,991	-	2,358,991,991	2,358,991,991	-
	43,483,849,108	24,702,002,293	18,781,846,815	43,873,513,108	25,227,266,293	18,646,246,815

Recoverable amount is stated at cost less provision for doubtful debts recognized as at consolidated balance sheet date.

9. INVENTORIES

	Closing balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	180,318,746,852	-	203,254,437,956	-
Tools and supplies	130,848,096	-	134,946,096	-
Work in progress	15,812,544,725	-	17,072,760,919	-
Finished goods	98,320,901,856	(17,455,450,408)	152,389,222,616	(18,897,176,158)
Commercial goods	1,617,144,355	(70,732,132)	13,806,664,414	(105,408,222)
	296,200,185,884	(17,526,182,540)	386,658,032,001	(19,002,584,380)

During the year, the Company made additional provision for devaluation of inventories VND 8,850,384,356 (2023: VND 6,469,881,276) and has reversed a provision for devaluation of inventories VND 10,326,786,196 (2023: VND 109,087,740) due to a change in net realisable value of inventories as at 31 December 2024 compared to net realisable value when calculating the provision at the beginning of the year.

As at 31 December 2024, some of the Company's inventories were used as collateral for loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ha Long Branch as presented in Note 23.

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
Insurance fees	216,003,867	271,643,540
Others	104,681,300	135,166,630
	320,685,167	406,810,170
b. Non-current		
Initial cost of clay mines	-	16,138,972,072
Others	147,888,887	196,747,500
	147,888,887	16,335,719,572

VIGLACERA HA LONG JOINT STOCK COMPANY
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles, transportation equipment	Management tools and equipment	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	550,295,666,030	1,049,764,188,019	73,552,972,137	1,446,700,298	1,675,059,526,484
Purchases	-	-	-	63,896,000	63,896,000
Purchase finance lease assets	-	1,192,331,933	3,603,018,181	-	4,795,350,114
Closing balance	550,295,666,030	1,050,956,519,952	77,155,990,318	1,510,596,298	1,679,918,772,598
ACCUMULATED DEPRECIATION					
Opening balance	418,204,996,357	883,412,669,410	65,677,821,232	1,444,786,370	1,368,740,273,369
Charge for the year	18,385,275,327	29,951,702,175	3,415,878,853	9,772,727	51,762,629,082
Purchase finance lease assets	-	249,304,788	2,165,295,059	-	2,414,599,847
Reclassification	-	-	16,002,738	(16,002,738)	-
Closing balance	436,590,271,684	913,613,676,373	71,274,997,882	1,438,556,359	1,422,917,502,298
NET BOOK VALUE					
Opening balance	132,090,669,673	166,351,518,609	7,875,150,905	1,913,928	306,319,253,115
Closing balance	113,705,394,346	137,342,843,579	5,880,992,436	72,039,939	257,001,270,300

The cost of the Company's tangible fixed assets as at 31 December 2024 includes VND 1,009,806,783,270 (as at 31 December 2023: VND 956,578,180,322) of assets which have been fully depreciated but are still in use.

As represented in Note 23, the Company has pledged its tangible fixed assets, which have the carrying value of VND 126,719,840,012 as at 31 December 2024 (31 December 2023: VND 180,019,694,281), to secure banking facilities granted to the Company.

12. INCREASE, DECREASES IN FINANCE LEASE ASSETS

	Machinery and equipment	Motor vehicles	Total
	VND	VND	VND
COST			
Opening balance	1,178,333,333	3,603,018,181	4,781,351,514
Transfer to tangible fixed asset	(1,178,333,333)	(3,603,018,181)	(4,781,351,514)
Closing balance	-	-	-
ACCUMULATED DEPRECIATION			
Opening balance	85,647,378	1,858,429,272	1,944,076,650
Charge for the year	163,657,410	306,865,787	470,523,197
Transfer to tangible fixed asset	(249,304,788)	(2,165,295,059)	(2,414,599,847)
Closing balance	-	-	-
NET BOOK VALUE			
Opening balance	1,092,685,955	1,744,588,909	2,837,274,864
Closing balance	-	-	-

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
COST			
Opening balance	7,869,559,466	584,890,909	8,454,450,375
Closing balance	7,869,559,466	584,890,909	8,454,450,375
ACCUMULATED AMORTIZATION			
Opening balance	1,437,506,175	584,890,909	2,022,397,084
Charge for the year	157,391,184	-	157,391,184
Closing balance	1,594,897,359	584,890,909	2,179,788,268
NET BOOK VALUE			
Opening balance	6,432,053,291	-	6,432,053,291
Closing balance	6,274,662,107	-	6,274,662,107

The cost of the Company's intangible assets as at 31 December 2024 includes VND 584,890,909 (as at 31 December 2023: VND 584,890,909) of assets which have been fully amortised but are still in use.

Land use rights represent the value of the land plot at Quarter 2, An Tiem Street, Gieng Day Ward, Ha Long City, Quang Ninh Province with a total area of 2,976.92 m², used for construction of residential areas and collective houses of the Company's employees in Gieng Day Ward, Ha Long City, Quang Ninh Province. The useful life is 50 years until 12 November 2064.

14. FINANCIAL INVESTMENTS

14.1 Short-term financial investments

	Closing balance		Carrying amount		Opening balance	
	Cost	VND	Carrying amount	VND	Cost	VND
Term deposits (*)	30,089,870,171		30,089,870,171		-	
	30,089,870,171		30,089,870,171		-	

(*) As at 31 December 2024, held-to-maturity investments represent term deposits with original term of 06 months at Commercial Banks with the interest rate from 5.2% per annum to 5.6% per annum.

14.2 Long-term financial investments

Details of the Company's associates as at 31 December 2024 are as follows:

	Closing balance		Value under		Opening balance	
	Cost	VND	equity method	VND	Cost	VND
Investments in associates						
Viglacera Ha Long II Joint Stock Company	22,000,000,000		8,247,847,363	(i)	22,000,000,000	13,927,173,735
Viglacera Dong Trieu Joint Stock Company (ii)	40,000,000,000		28,460,050,400		40,000,000,000	43,242,250,933
	62,000,000,000		36,707,897,763		62,000,000,000	57,169,424,668
	Closing balance		Fair value		Opening balance	
	Cost	VND	Provision	VND	Cost	VND
Investments in other entities						
Viglacera Trading Joint Stock Company	2,000,000,000		2,000,000,000	(i)	2,000,000,000	1,630,923,170
	2,000,000,000		2,000,000,000		2,000,000,000	1,630,923,170

- (i) The Company has not assessed fair value of its financial investments as at the consolidated balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments in unlisted entities.
- (ii) The fair value of this financial investment is determined based on closing price of shares on the HNX stock exchange on 31 December 2024 and 31 December 2023.

Operating performance of associates:

	<u>Current year</u>	<u>Prior year</u>
Investments in associates		
Viglacera Ha Long II Joint Stock Company	Operating at a loss	Operating at a loss
Viglacera Dong Trieu Joint Stock Company	Operating at a loss	Operating at a loss

Movement of investments in associates

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	57,169,424,668	79,289,297,340
(Loss) from associates	(20,461,526,905)	(22,119,872,672)
Closing balance	36,707,897,763	57,169,424,668

During the year, transactions between the Company and associate mainly related to manufacturing and trading of construction materials from clay (Details stated in Note 37).

15. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	Amount/Amount able to be paid off	Amount/Amount able to be paid off
	VND	VND
Ngoc Lam Manufacturing Trading & Service Joint Stock Company	6,711,740,365	-
TPT International Equipment Joint Stock Company	4,739,491,895	4,250,239,711
16 Company-Branch at Hanoi	3,301,689,820	15,973,880,340
Bao Cham Joint Stock Company	-	3,245,299,200
Others	42,401,903,151	41,994,830,551
	57,154,825,231	65,464,249,802
In which:		
Trade payables to related parties (Details stated in Note 37)	1,115,010,284	1,146,525,656

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Ms. Tran Thi Toan	1,426,344,652	1,839,352,355
Others	7,197,954,577	13,002,298,066
	<u>8,624,299,229</u>	<u>14,841,650,421</u>
Advances from customer from related parties (Details stated in Note 37)	1,426,344,652	1,839,352,355

17. TAXES AND AMOUNT RECEIVABLE FROM/PAYABLE TO STATE BUDGET

	<u>Movement during the year</u>			<u>Closing balance</u>
	<u>Opening balance</u>	<u>Increase</u>	<u>Decrease</u>	
	VND	VND	VND	VND
a) Receivables				
Land rentals (i)	510,014,791	23,795,984	289,871,906	243,938,869
Others	32,450,947	-	-	32,450,947
Total	<u>542,465,738</u>	<u>23,795,984</u>	<u>289,871,906</u>	<u>276,389,816</u>
b) Payables				
Valued added tax	1,106,017,991	18,409,352,531	17,412,658,994	2,102,711,528
Corporate income tax	293,444,775	5,638,307,334	4,776,821,223	1,154,930,886
Personal income tax	753,347,232	2,318,941,470	2,335,845,871	736,442,831
Natural resources tax	-	29,001,226	29,001,226	-
Housing tax & land rentals	-	5,099,167,280	5,099,167,280	-
Others	2,732,510	4,311,565,013	4,250,367,350	63,930,173
Total	<u>2,155,542,508</u>	<u>35,806,334,854</u>	<u>33,903,861,944</u>	<u>4,058,015,418</u>

(i) Represents the exemption value of land rent at Viglacera Clinker Brick Joint Stock Company - a subsidiary of the Company during the basic construction period and investment incentives according to Decision No. 7947/QD-CT dated 15 September 2016 of the Tax Department of Quang Ninh Province and compensation for site clearance according to Decision No. 5124/QD-UBND dated 09 December 2019 of the People's Committee of Quang Ninh Province.

18. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cost of sales support, discounts, brokerage	10,581,207,000	8,002,116,900
Accrued interest expense	4,754,735,819	4,811,841,562
Others	2,657,934,363	2,108,134,559
	<u>17,993,877,182</u>	<u>14,922,093,021</u>

19. UNEARNED REVENUE

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Short-term		
House rental from employees received in advance (i)	581,636,434	581,636,434
	<u>581,636,434</u>	<u>581,636,434</u>
b. Long-term		
House rental from employees received in advance (i)	8,436,759,764	9,018,396,198
	<u>8,436,759,764</u>	<u>9,018,396,198</u>

- (i) Unearned revenue represents the house rentals from the Company's employees, which are paid in advance and recognized as revenue on a monthly basis.

20. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Support within the clearance boundary	2,519,176,994	5,182,253,939
Refund of unpaid employee advance	1,514,813,483	1,737,185,869
Bonus for Management and employees	1,448,374,730	1,448,374,730
Training fee	661,371,511	661,371,511
Receive deposits and mortgages	523,200,000	1,030,218,000
Dividends payable	491,842,435	894,564,350
Others	2,437,583,000	1,795,991,852
	<u>9,596,362,153</u>	<u>12,749,960,251</u>

21. PROVISIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Short-term		
Environmental decommissioning cost (i)	8,656,913,640	6,170,949,520
	<u>8,656,913,640</u>	<u>6,170,949,520</u>
b. Long-term		
Environmental decommissioning cost (i)	2,750,000,000	2,750,000,000
	<u>2,750,000,000</u>	<u>2,750,000,000</u>

- (i) Environmental decommissioning costs are recorded in expenses in the year and used by the Company when performing environmental restoration of clay mines.

22. BONUS AND WELFARE FUND

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	48,593,619,408	64,341,001,493
Appropriation in the year	30,210,000	15,768,000
Utilization in the year	(1,385,291,623)	(15,763,150,085)
Closing balance	<u>47,238,537,785</u>	<u>48,593,619,408</u>



23. SHORT-TERM LOANS AND OBLIGATION UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount/Amount able to be paid off	VND	Increases	VND	Decreases	Amount/Amount able to be paid off
Short-term borrowings (i)	52,299,999,650		352,574,986,685		394,526,780,648	10,348,205,687
Current portion of long-term obligations under finance lease (Details stated in Note 24)	1,159,263,892		467,038,879		1,626,302,771	-
	53,459,263,542		353,042,025,564		396,153,083,419	10,348,205,687

(i) Details of short-term loans by bank:

Lenders	Currency	Annual interest rate	Form of security	Purpose	Closing balance	Opening balance
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ha Long Branch	VND	As per each debt acknowledgement	All factories, machinery and equipment of Viglacera Clinker Brick Factory Project Phase 1 and Phase 2 formed in the future and assets formed from loan capital.	Supplementing working capital	7,959,677,687	50,260,906,325
Vietnam International Commercial Joint Stock Bank - Quang Ninh Branch	VND	As per each debt acknowledgement	Guarantee by Letter of repayment of the parent company - Viglacera Ha Long Joint Stock Company	Supplementing working capital	2,388,528,000	1,771,533,325
Personal loan from training salaries	VND	By agreement	Unsecured	Supplementing working capital	-	267,560,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ha Long Branch	VND	By agreement	Mortgage with fixed assets, inventories, goods circulating in the business process	Supplementing working capital	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam - Quang Ninh Branch	VND	By agreement	Soil composting house, coal warehouse, working floor and soil composting warehouse	Supplementing working capital	-	-
					10,348,205,687	52,299,999,650

24. LONG-TERM LOANS AND OBLIGATION UNDER FINANCE LEASES

	Opening balance	In the year		Closing balance
	Amount/Amount able to be paid off	Increases	Decreases	Amount/Amount able to be paid off
	VND	VND	VND	VND
Long-term loans (i)	29,647,313,000	30,127,429,000	27,371,013,000	32,403,729,000
Long-term obligations under finance leases (ii)	1,626,302,771	-	1,626,302,771	-
	31,273,615,771	30,127,429,000	28,997,315,771	32,403,729,000
<i>In which:</i>				
<i>Amount due for settlement within 12 months</i>	1,159,263,892			-
<i>Amount due for settlement after 12 months</i>	30,114,351,879			32,403,729,000

(i) Details of long-term loans by lender:

Lenders	Currency	Annual interest rate	Maturity year	Form of security	Purpose	Closing balance	Opening balance
						VND	VND
Personal loans	VND	By agreement	2026	Unsecured	Supplementing working capital	30,127,429,000	27,073,113,000
Golden hand loans	VND	Demand deposit interest	By agreement	Unsecured	Supplementing working capital	2,276,300,000	2,574,200,000
						32,403,729,000	29,647,313,000

(ii) Detail of finance leases by lender:

Lenders	Currency	Annual interest rate	Maturity year	Form of security	Finance lease asset	Closing balance	Opening balance
						VND	VND
Chailease International Leasing Company Limited							
- Financial leasing contract No. B230827311 ngày 23/08/2023	VND	Floating rate	2025	Deposit	Toyota car	-	764,711,108
- Financial leasing contract No. B2307251P2 ngày 19/07/2023	VND	Floating rate	2028	Deposit	CNC machine	-	687,361,111
Vietnam Financial Leasing Company Limited Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch							
- Financial leasing contract No. 92.19.03/CTTC dated 05/4/2019	VND	Floating rate	2024	Deposit	Toyota Fortuner 2.7 AT(FX)	-	174,230,552
						-	1,626,302,771

Long-term loans and obligations under finance leases are repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	-	1,159,263,892
In the second year	30,127,429,000	329,566,656
In the third to the fifth years inclusive	-	27,210,585,223
After five years	2,276,300,000	2,574,200,000
	32,403,729,000	31,273,615,771
Less: Amount due for settlement within 12 months	-	1,159,263,892
Amount due for settlement after 12 months	32,403,729,000	30,114,351,879

VIGLACERA HA LONG JOINT STOCK COMPANY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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25. OWNERS' EQUITY

Movement of equity

	Owners' contributed capital	Share premium	Investment and development fund	Other reserves	Retained earnings	Non-controlling interest	Total
	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	250,000,000,000	49,171,810,665	261,465,442,014	11,811,512,409	35,626,688,994	145,000,000	608,220,454,082
(Loss) for the year	-	-	-	-	(69,477,533,188)	-	(69,477,533,188)
Distribution to Bonus and welfare funds	-	-	-	-	(15,768,000)	-	(15,768,000)
Prior year's closing balance	250,000,000,000	49,171,810,665	261,465,442,014	11,811,512,409	(33,866,612,194)	145,000,000	538,727,152,894
Current year's opening balance	250,000,000,000	49,171,810,665	261,465,442,014	11,811,512,409	(33,866,612,194)	145,000,000	538,727,152,894
(Loss) for the year	-	-	-	-	(66,535,082,226)	-	(66,535,082,226)
Distribution to Bonus and welfare funds (i)	-	-	-	-	(30,210,000)	-	(30,210,000)
Remuneration of the Board of Directors and Board of Supervisors at the Holding Company and Subsidiaries	-	-	-	-	(307,200,000)	-	(307,200,000)
Current year's closing balance	250,000,000,000	49,171,810,665	261,465,442,014	11,811,512,409	(100,739,104,420)	145,000,000	471,854,660,668

(i) Viglacera Ha Long Trading One Member Limited Liability Company - a subsidiary of the Company, has allocated the reward and welfare fund from the undistributed profit of 2024 according to Decision No. 551/QĐ-HĐTV by the Board of Members dated 25 December 2024.

(ii) Viglacera Clinker Brick Joint Stock Company - a subsidiary of the Company, has approved the payment of remuneration to the Board of Directors and the Board of Supervisors according to the resolution of the Board of Directors of the company.

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
- Number of shares issued to public		
+ <i>Ordinary shares</i>	25,000,000	25,000,000
- Number of outstanding shares in circulation		
+ <i>Ordinary shares</i>	25,000,000	25,000,000

A common share has par value of VND 10,000.

Charter capital

According to the 19th amended Enterprise Registration Certificate, the Company's charter capital is VND 250,000,000,000, the total number of shares is 25,000,000 with par value of VND 10,000/share. The charter capital contributions by the shareholders as at 31 December 2024 were as follows:

	<u>Contributed capital</u>			
	<u>Closing balance</u>	<u>Proportion</u>	<u>Opening balance</u>	<u>Proportion</u>
	VND		VND	
Viglacera Corporation - JSC	126,192,500,000	50.48%	126,192,500,000	50.48%
Others	123,807,500,000	49.52%	123,807,500,000	49.52%
	250,000,000,000	100%	250,000,000,000	100%

26. OFF BALANCE SHEET ITEMS

Foreign currency

	<u>Closing balance</u>	<u>Opening balance</u>
US Dollar (USD)	83,980.90	34,432.54

Bad debt written off

	<u>Closing balance</u>	<u>Opening balance</u>
KELLER HCWGMBH	6,281,557,600	6,281,557,600
Mr. Pham Minh Tuan	27,264,000	-
	6,308,821,600	6,281,557,600

Operating lease commitments

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	4,904,915,159	5,410,349,775
In the second to fifth year inclusive	9,688,081,332	10,082,685,154
After five years	47,476,985,289	52,832,336,086
	62,069,981,780	68,325,371,015

27. REVENUE FROM GOODS SOLD

	Current year VND	Prior year VND
Revenue from goods sold		
In which:		
Revenue from selling finished goods	1,146,310,816,869	1,227,242,803,045
<i>Domestic sales</i>	980,004,632,669	1,103,014,912,836
<i>Export sales</i>	166,306,184,200	124,227,890,209
Revenue from selling clay, supplies and other revenues	1,980,871,758	2,036,956,300
	1,148,291,688,627	1,229,279,759,345
In which: Revenue from related parties (Details stated in Note 37)	95,251,738,834	88,934,419,247

28. COST OF SALES

	Current year VND	Prior year VND
Cost of finished goods sold	1,021,064,275,135	1,106,126,801,705
- <i>Cost of domestic sales</i>	870,737,815,524	995,241,498,255
- <i>Cost of export sales</i>	150,326,459,611	110,885,303,450
Cost of clay, supplies and others (Reversed)/Provision made for devaluation of inventories	1,980,871,758 (1,476,401,840)	2,036,956,300 6,360,793,536
	1,021,568,745,053	1,114,524,551,541

29. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	405,556,383,515	484,984,469,416
Labour	223,587,859,243	218,565,349,020
Major repair of fixed assets	8,258,882,658	7,212,705,005
Depreciation and amortisation	52,390,543,463	64,645,121,850
Cost of sales support	10,206,455,982	10,495,922,445
Out-sourced services	87,012,025,733	77,963,100,344
Others	121,126,566,827	109,714,857,009
Provisions	546,238,370	6,853,322,348
	908,684,955,791	980,434,847,437

30. FINANCIAL INCOME

	Current year VND	Prior year VND
Foreign exchange gain	1,138,052,807	379,057,334
Deposits interest	525,306,314	371,497,777
	1,663,359,121	750,555,111

31. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Interest expense	4,775,607,051	10,668,064,338
Loss of exchange rate differences	306,317,761	345,309,239
Provision/(Reversed) made for impairment of investments	369,076,830	(7,258,113)
	5,451,001,642	11,006,115,464

32. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
General and administration expenses in the year		
Labour	23,618,591,576	24,173,138,493
Depreciation and amortisation	976,735,133	972,376,201
Out-sourced services	762,591,348	831,669,880
Reversal of provision	(498,000,000)	(448,000,000)
Others	20,213,600,985	21,026,625,761
	45,073,519,042	46,555,810,335
Selling expenses in the year		
Cost of sale support	10,206,455,982	10,495,922,445
Labour	11,441,225,812	10,266,588,237
Depreciation and amortisation	391,310,904	391,310,904
Out-sourced services	8,328,947,021	7,114,798,709
Others	66,554,669,977	71,805,725,186
	96,922,609,696	100,074,345,481

33. OTHER INCOME AND OTHER EXPENSES

	Current year	Prior year
	VND	VND
Other income		
House rentals from employees	794,591,034	787,543,334
Others	779,430,034	1,324,678,537
	1,574,021,068	2,112,221,871
<i>In which</i>		
Other income with related parties (detailed in note 37)	215,999,988	228,727,264
Other expenses		
Cost of overcoming Typhoon Yagi	15,023,990,224	-
Corporate income tax	4,331,110,869	978,381,925
Penalties	2,581,070,719	721,010,566
Other expense	941,268,862	654,361,082
	22,877,440,674	2,353,753,573

34. BASIC (LOSSES) PER SHARE

The calculation of the basic (losses) per share for the year ended 31 December 2024 based on the (losses) of the ordinary shareholders of the holding company and the weighted average number of ordinary shares is as follows:

	Current year	Prior year (Restated)
(Loss) after tax (VND)	(66,535,082,226)	(69,477,533,188)
Appropriation to bonus and welfare funds and salary payment of non-specialised members of the Board of Directors and Board of supervisors (VND) (i)	(30,210,000)	(322,968,000)
(Loss) for the purpose of calculating basic (losses) per share (VND)	(66,565,292,226)	(69,800,501,188)
Weighted average number of ordinary shares for the purposes of calculating basic (losses) per share (number of shares)	25,000,000	25,000,000
Basic (losses) per share (VND)	(2,663)	(2,792)

According to the provisions of Circular 200/2014/TT-BTC, the bonus and welfare fund, and remuneration for the Board of Directors must be deducted from the post-tax profit when calculating basic (losses) per share. Therefore, the basic (losses) per share for the year ended 31 December 2023, have been re-determined based on the remuneration paid to the Board of Directors and the non-executive members of the Board of Supervisors for 2023, as approved by the resolution of the Board of Directors of Viglacera Clinker Brick Joint Stock Company – a subsidiary of the Company.

The basic (losses) per share is adjusted as follows:

	Prior year	
	Reported amount	Restated amount
(Loss) after tax (VND)	(69,477,533,188)	(69,477,533,188)
Appropriation to bonus and welfare funds and salary payment of non-specialised members of the Board of Directors and Board of supervisors (VND)	(15,768,000)	(322,968,000)
(Loss) for the purpose of calculating basic earnings per share (VND)	(69,493,301,188)	(69,800,501,188)
Weighted average number of ordinary shares for the purposes of calculating basic (losses) per share (number of shares)	25,000,000	25,000,000
Basic (losses) per share (VND)	(2,780)	(2,792)

At the date of these consolidated financial statements, the Company has not determined the amount to be appropriated to the Bonus and Welfare Fund from the profits of 2024 at the Company and Clinker Viglacera Tile Joint Stock Company - a subsidiary of the Company. Therefore, this year's basic (losses) per share may change if the Company has a decision on this fund in the future.

35. CORPORATE INCOME TAX EXPENSE

a. Current corporate income tax expense

	Current year	Prior year
	VND	VND
Current corporate income tax expense		
Current corporate income tax expense based on taxable profit in the current year	1,307,196,465	597,113,622
Total current corporate income tax expense	1,307,196,465	597,113,622

b. Deferred corporate tax income

	Current year	Prior year
	VND	VND
Deferred corporate income tax expense		
Deductible temporary differences	309,806,184	(35,467,707)
Taxable temporary differences	4,092,305,381	4,423,974,534
Total deferred corporate income tax expense	4,402,111,565	4,388,506,827

36. OPERATING LEASE COMMITMENTS

Operating lease commitments

The Company signed land lease contracts for areas in Quang Ninh Province as follows:

- Land lease contracts in Hoanh Bo district for the purpose of building Hoanh Bo brick factory, dormitory area for employees, exploiting clay mines, construction of storage yards and raw material export port, etc. The land lease term is specified according to each land lease contract. Total leased land area of the Company in Hoanh Bo district is 313,930.5 m²;
- Land lease contracts in Ha Khau ward, Ha Long city for the purpose of building Company's office, Tieu Giao brick factory, land storage, exploiting clay mines, construction of ports and storage yards of finished products, etc. The land lease term is specified according to each land lease contract. The total leased land area of the Company in Ha Khau ward, Ha Long city is 175,589.6 m²;
- Land lease contracts in Gieng Day ward, Ha Long city for the purpose of building office areas and production workshops of Cotto brick factory, building residential areas and collective houses, exploiting clay mines, etc. The land lease term is specified according to each land lease contract. The total leased land area of the Company in Gieng Day ward, Ha Long city is 143,958.2 m²;
- Land lease contracts in Kim Son Ward, Dong Trieu Town for the purpose of exploiting and building factories, material storage yards and collective houses. The land lease term is specified according to each land lease contract. The total leased land area of the Company in Dong Trieu Town is 102,997.7 m²;
- Land lease contract for 1,150 m² of warehouse at Hoa Chau Ward, Hoa Vang District, Da Nang City, with term of 12 months from January 2024;

Other commitments

As at 31 December 2024, the Company has committed to guarantee loans of Viglacera Clinker Brick Joint Stock Company - a subsidiary of the Company with a total value of guaranteed loans of VND 2,388,528,000 (as at 31 December 2023: VND 1,771,533,325).

37. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

<u>Related parties</u>	<u>Relationship</u>
Viglacera Corporation - JSC	Parent company
Viglacera Ha Long II Joint Stock Company	Associate
Viglacera Dong Trieu Joint Stock Company	Associate
Viglacera Trading Joint Stock Company	Affiliate
Viglacera Packings And Brake Linings Joint Stock Company	Affiliate
Viglacera Dap Cau Sheet Glass Joint Stock Company	Affiliate
Viglacera Tu Liem Joint Stock Company	Affiliate
Viglacera Huu Hung Joint Stock Company	Affiliate
Viglacera Ceramics Tiles Trading Joint Stock Company	Affiliate
Viglacera Van Hai Joint Stock Company	Affiliate
Ms. Tran Thi Toan	Chairman of the Board of Director' Sister

During the year, the Company entered into the following significant transactions with its related parties:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Sales	95,251,738,834	88,934,419,247
Ms. Tran Thi Toan	85,879,058,145	86,742,805,165
Viglacera Trading Joint Stock Company	4,067,437,788	2,014,514,882
Viglacera Van Hai Joint Stock Company	3,333,687,885	-
Viglacera Ceramics Tiles Trading Joint Stock Company	1,447,775,498	-
Viglacera Corporation - JSC	379,268,518	-
Viglacera Ha Long II Joint Stock Company	144,511,000	177,099,200
Purchases	201,786,690,079	251,741,675,914
Viglacera Dong Trieu Joint Stock Company	141,340,369,816	179,874,110,940
Viglacera Ha Long II Joint Stock Company	55,753,878,456	67,754,029,724
Viglacera Packings And Brake Linings Joint Stock Company	4,259,794,300	3,832,415,250
Viglacera Corporation - JSC	206,367,500	101,120,000
Viglacera Tu Liem Joint Stock Company	180,000,000	180,000,000
Viglacera Van Hai Joint Stock Company	46,280,007	-
Other income	215,999,988	228,727,264
Viglacera Dong Trieu Joint Stock Company	123,272,724	136,000,000
Viglacera Ha Long II Joint Stock Company	92,727,264	92,727,264

Significant related party balances as at the consolidated balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Short-term trade receivables	3,653,026,376	4,917,703,716
Viglacera Trading Joint Stock Company	1,228,629,064	1,172,525,504
Viglacera Ha Long II Joint Stock Company	947,803,785	1,388,028,514
Viglacera Van Hai Joint Stock Company	705,940,796	-
Viglacera Dong Trieu Joint Stock Company	300,000,000	2,357,149,698
Viglacera Ceramics Tiles Trading Joint Stock Company	263,442,731	-
Viglacera Corporation - JSC	207,210,000	-
Long-term trade receivables	2,142,749,698	-
Viglacera Dong Trieu Joint Stock Company	2,142,749,698	-
Short-term advances to suppliers	7,580,405,075	3,588,793,186
Viglacera Dong Trieu Joint Stock Company	4,266,499,134	1,454,652,401
Viglacera Dap Cau Sheet Glass Joint Stock Company	2,000,000,000	2,000,000,000
Viglacera Ha Long II Joint Stock Company	1,313,905,941	134,140,785
Short-term other receivables	2,066,737,000	2,264,737,000
Viglacera Dap Cau Sheet Glass Joint Stock Company	1,004,169,000	1,004,169,000
Viglacera Dong Trieu Joint Stock Company	750,952,000	750,952,000
Viglacera Huu Hung Joint Stock Company	200,691,000	200,691,000
Viglacera Tu Liem Joint Stock Company	110,925,000	308,925,000
Short-term trade payables	1,115,010,284	1,146,525,656
Viglacera Packings And Brake Linings Joint Stock Company	1,115,010,284	1,146,525,656
Short-term advances from customers	1,426,344,652	1,839,352,355
Ms. Tran Thi Toan	1,426,344,652	1,839,352,355

Total remuneration paid to the Company's Board of Directors, Board of Executive officers and Board of Supervisors during the year was as follows:

	Current year VND	Prior year VND
Board of Executive Officers	1,708,097,200	1,763,002,700
Mr. Tran Thanh	690,393,900	720,176,000
Mr. Tran Duy Hung	514,947,500	532,332,000
Mr. Bui Van Quang	502,755,800	202,462,700
Mr. Pham Duy Huan	-	308,032,000
Board of Directors	1,202,719,100	2,077,111,700
Mr. Tran Hong Quang	695,060,600	827,191,700
Mr. Nham Sy Tien	471,358,500	609,000,000
Mr. Nguyen Huu Gam	36,300,000	359,920,000
Mr. Dinh Quang Huy	-	72,000,000
Mr. Ngo Thanh Tung	-	60,000,000
Mr. Tran Duy Hung	-	61,000,000
Mr. Nguyen Duc Luyen	-	40,000,000
Mr. Hoang Kim Bong	-	28,000,000
Ms. Nguyen Thi Thanh Binh	-	20,000,000
Board of Supervisors	-	146,900,000
Ms. Pham Thi Hien	-	32,900,000
Ms. Pham Ngoc Bich	-	66,000,000
Mr. Tran Trung Kien	-	36,000,000
Ms. Bui Thi Thanh Nga	-	12,000,000



38. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest paid excluded VND 4,934,735,819 (in 2023: VND 4,811,841,562) representing the accrued interest. Therefore, a corresponding amount will be adjusted on increase, decrease in payables.

Interest income, dividends and profits distributed excluded VND 491,842,435 (2023: VND 894,564,350) which is the amount payable as dividends to shareholders. Therefore, a corresponding amount will be adjusted on the increase, decrease in payables..

Cash outflow for purchases of fixed assets and construction in progress during the year exclude VND 217,566,615 (2023: VND 144,047,136), which represents the amount of cash used to purchase fixed assets and construction in progress during the year that has not yet been paid. Therefore, an adjustment has been made for the corresponding increase, decrease in payables.



Nguyen Thi Tuyen
Preparer



Dinh Thi Thu Hang
Chief Accountant



Tran Thanh
General Director

17 February 2025

