

VIGLACERA TIEN SON JOINT STOCK COMPANY
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED FINANCIAL
STATEMENTS**

For the year ended 31 December 2024



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STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of Viglacera Tien Son Joint Stock Company (the “Company”) presents this report together with the Company’s financial statements for the year ended 31 December 2024.

BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISORS

The members of the Board of Directors, Board of Management 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 Manh Huu	Chairman (appointed on 04 April 2024)
Mr. Nguyen Anh Tuan	Chairman (resigned on 04 April 2024)
Mr. Dinh Quang Huy	Member
Mr. Nguyen Duy Truc	Member
Mr. Mai Xuan Duc	Member
Mr. Doan Hai Mau	Member (appointed on 15 November 2024)
Mr. Quach Huu Thuan	Member (resigned on 15 November 2024)

Board of Management

Mr. Doan Hai Mau	Chief Executive Officer (appointed on 18 September 2024)
Mr. Quach Huu Thuan	Chief Executive Officer (resigned on 18 September 2024)
Mr. Truong Ngoc Minh	Executive Officer
Mr. Nguyen Duy Truc	Executive Officer

Board of Supervisors

Mr. Nguyen Quang Hai	Head
Mr. Pham Van Huyen	Member
Mr. Dang Quoc Tuan	Member

THE BOARD OF MANAGEMENT’S STATEMENT OF RESPONSIBILITY

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

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

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Management 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 Management confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management, 



Doan Hải Mau
Chief Executive Officer

Hanoi, 15 February 2025



No.: ~~0936~~ VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

**To: Shareholders
The Board of Directors and Board of Management
Viglacera Tien Son Joint Stock Company**

We have audited the accompanying financial statements of Viglacera Tien Son Joint Stock Company (the "Company"), prepared on 15 February 2025 as set out from page 05 to page 35, which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Management's Responsibility for the Financial Statements

The Board of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

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



[Signature]

Vu Duc Nguyen
Deputy General Director
Audit Practising Registration Certificate
No. 0764-2023-001-1

[Signature]

Mai Hong Hoa
Auditor
Audit Practising Registration Certificate
No. 4834-2024-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

15 February 2025
Hanoi, S.R. Vietnam

BALANCE SHEET
As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		968,449,991,540	951,453,675,858
I. Cash	110	4	82,360,674,791	23,246,253,548
1. Cash	111		82,360,674,791	23,246,253,548
II. Short-term receivables	130		64,570,831,150	51,434,849,555
1. Short-term trade receivables	131	5	66,098,253,058	50,261,790,629
2. Short-term advances to suppliers	132	6	1,731,717,489	4,425,034,598
3. Other short-term receivables	136	7	8,168,374,733	8,183,788,526
4. Provision for short-term doubtful debts	137	8	(11,427,514,130)	(11,435,764,198)
III. Inventories	140	9	702,876,595,366	748,185,133,840
1. Inventories	141		718,350,858,927	757,435,452,582
2. Provision for devaluation of inventories	149		(15,474,263,561)	(9,250,318,742)
IV. Other short-term assets	150		118,641,890,233	128,587,438,915
1. Short-term prepayments	151	10	845,347,004	2,144,135,696
2. Value added tax deductibles	152		117,152,144,476	125,653,906,580
3. Taxes and other receivables from the State budget	153	16	644,398,753	789,396,639

BALANCE SHEET (Continued)

As of 31 December 2024

Unit: VND


ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS	200		1,146,795,928,491	1,308,062,441,388
I. Long-term receivables	210		5,942,060,000	4,599,440,000
1. Other long-term receivables	216	7	5,942,060,000	4,599,440,000
II. Fixed assets	220		1,103,917,315,541	1,245,210,105,475
1. Tangible fixed assets	221	11	1,019,532,568,340	1,134,134,874,932
- Cost	222		1,848,803,815,825	1,815,140,075,297
- Accumulated depreciation	223		(829,271,247,485)	(681,005,200,365)
2. Finance lease assets	224	12	74,302,849,617	100,585,703,589
- Cost	225		134,337,931,114	144,187,938,715
- Accumulated depreciation	226		(60,035,081,497)	(43,602,235,126)
3. Intangible assets	227	13	10,081,897,584	10,489,526,954
- Cost	228		21,146,948,640	21,146,948,640
- Accumulated amortization	229		(11,065,051,056)	(10,657,421,686)
III. Long-term assets in progress	240		39,246,500	-
1. Construction in progress	242		39,246,500	-
IV. Long-term financial investments	250	14	12,000,000,000	12,239,782,984
1. Investments in associates	252		12,000,000,000	12,000,000,000
2. Equity investments in other entities	253		1,300,000,000	1,300,000,000
3. Provision for impairment of long-term financial investments	254		(1,300,000,000)	(1,060,217,016)
V. Other long-term assets	260		24,897,306,450	46,013,112,929
1. Long-term prepayments	261	10	24,897,306,450	46,013,112,929
TOTAL ASSETS (270=100+200)	270		2,115,245,920,031	2,259,516,117,246

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)
As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		1,484,683,418,209	1,681,388,714,336
I. Current liabilities	310		1,003,845,993,716	1,064,238,408,484
1. Short-term trade payables	311	15	229,242,433,385	195,408,073,878
2. Short-term advances from customers	312		468,433,727	-
3. Taxes and amounts payable to the State budget	313	16	10,009,516,019	7,757,566,018
4. Payables to employees	314		36,629,470,890	13,295,324,591
5. Short-term accrued expenses	315	17	6,599,458,717	4,183,866,053
6. Short-term unearned revenue	318	18	1,443,312,343	1,887,992,046
7. Other current payables	319	19	4,081,415,312	6,977,424,618
8. Short-term loans and obligations under finance leases	320	20	708,230,904,130	826,386,346,087
9. Bonus and welfare funds	322		7,141,049,193	8,341,815,193
II. Long-term liabilities	330		480,837,424,493	617,150,305,852
1. Long-term unearned revenue	336	18	161,675,654	1,604,989,863
2. Other long-term payables	337	19	251,000,000	251,000,000
3. Long-term loans and obligations under finance leases	338	21	480,424,748,839	615,294,315,989
D. EQUITY	400		630,562,501,822	578,127,402,910
I. Owners' equity	410	22	630,562,501,822	578,127,402,910
1. Owners' contributed capital	411		500,000,000,000	500,000,000,000
- Ordinary shares carrying voting rights	411a		500,000,000,000	500,000,000,000
2. Share premium	412		(3,361,823,052)	(3,361,823,052)
3. Treasury shares	415		(3,360,000)	(3,360,000)
4. Investment and development fund	418		81,407,219,855	81,407,219,855
5. Retained earnings	421		52,520,465,019	85,366,107
- Retained earnings accumulated to the prior year end	421a		85,366,107	-
- Retained earnings of the current year	421b		52,435,098,912	85,366,107
TOTAL RESOURCES (440=300+400)	440		2,115,245,920,031	2,259,516,117,246



Vu Xuan Tung
Preparer



Nguyen Thi Thuy Ha
Chief Accountant



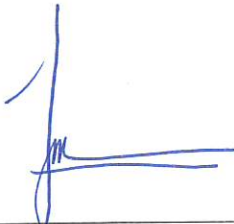
Đoàn Hai Mau
Chief Executive Officer

15 February 2025

INCOME STATEMENT
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	24	2,153,998,225,922	2,001,844,651,227
2. Deductions	02	24	10,853,317,466	3,616,538,133
3. Net revenue from goods sold and services rendered (10=01-02)	10	24	2,143,144,908,456	1,998,228,113,094
4. Cost of sales	11	25	1,943,253,122,991	1,826,211,177,055
5. Gross profit from goods sold and services rendered (20=10-11)	20		199,891,785,465	172,016,936,039
6. Financial income	21	27	622,817,342	5,372,003,493
7. Financial expenses	22	28	96,933,511,594	121,139,459,007
- In which: Interest expense	23		92,932,012,402	118,504,360,075
8. Selling expenses	25	29	21,651,188,152	24,372,348,868
9. General and administration expenses	26	29	18,809,141,339	26,179,946,975
10. Operating profit (30=20+(21-22)-(25+26))	30		63,120,761,722	5,697,184,682
11. Other income	31		1,027,096,541	1,140,687,622
12. Other expenses	32		33,517,933	557,011,840
13. Profit from other activities (40=31-32)	40		993,578,608	583,675,782
14. Accounting profit before tax (50=30+40)	50		64,114,340,330	6,280,860,464
15. Current corporate income tax expense	51	30	11,679,241,418	6,195,494,357
16. Net profit after corporate income tax (60=50-51)	60		52,435,098,912	85,366,107
17. Basic earnings per share	70	31	1,049	2


Vu Xuan Tung
Preparer


Nguyen Thi Thuy Ha
Chief Accountant




Doan Hai Mau
Chief Executive Officer

15 February 2025

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. Profit before tax	01	64,114,340,330	6,280,860,464
2. Adjustments for:			
Depreciation and amortization of fixed assets	02	166,203,565,311	154,428,061,733
Provisions	03	6,455,477,735	706,739,478
Foreign exchange (gain) arising from translating foreign currency items	04	(89,425,105)	(68,643,266)
(Gain) from investing activities	05	(226,996,995)	(5,350,903,400)
Interest expense	06	92,932,012,402	118,504,360,075
3. Operating profit before movements in working capital	08	329,388,973,678	274,500,475,084
(Increases) in receivables	09	(5,341,149,308)	(16,086,676,148)
Decrease/(increase) in inventories	10	39,084,593,655	(190,134,677,234)
Increase/(decrease) in payables (excluding corporate income tax payable)	11	35,602,767,039	(87,321,943,881)
Decreases in prepaid expenses	12	22,414,595,171	29,018,095,631
Interest paid	14	(93,542,861,754)	(120,977,924,419)
Corporate income tax paid	15	(9,964,062,017)	(3,282,811,839)
Other cash outflows	17	(1,200,766,000)	(4,125,868,603)
Net cash generated by/(used in) operating activities	20	316,442,090,464	(118,411,331,409)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(4,611,235,740)	(136,556,141,144)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	306,000,000	527,054,546
3. Interest earned, dividends and profits received	27	-	4,823,848,854
Net cash (used in) investing activities	30	(4,305,235,740)	(131,205,237,744)

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	1,695,024,991,003	1,960,021,181,882
2. Repayment of borrowings	34	(1,916,840,747,461)	(1,668,642,120,740)
3. Repayment of obligations under finance leases	35	(31,209,252,649)	(23,802,410,850)
4. Dividends and profits paid	36	-	(40,000,000,000)
Net cash (used in)/generated by financing activities	40	(253,025,009,107)	227,576,650,292
Net increase/(decrease) in cash (50=20+30+40)	50	59,111,845,617	(22,039,918,861)
Cash at the beginning of the year	60	23,246,253,548	45,283,304,200
Effects of changes in foreign exchange rates	61	2,575,626	2,868,209
Cash at the end of the year (70=50+60+61)	70	82,360,674,791	23,246,253,548



Vu Xuan Tung
Preparer



Nguyen Thi Thuy Ha
Chief Accountant



Doan Hai Mau
Chief Executive Officer

15 February 2025

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Viglacera Tien Son Joint Stock Company (the "Company"), formerly known as Tien Son Granite Company (State-owned enterprise), was equitized under Decision No. 1309/QD-BXD dated 19 October 2007 by the Minister of Ministry of Construction on the conversion of Tien Son Granite Company – a dependent unit of Building Glass and Ceramic Corporation (now is Viglacera Corporation - JSC) into Viglacera Tien Son Joint Stock Company.

The Company operates under the Enterprise Registration Certificate No. 2300317851 (old number: 2103000297) which was first issued on 01 November 2007 and the 11th amendment dated 19 September 2024 issued by the Bac Ninh Department of Planning and Investment.

The owner (Parent Company) of the Company is Viglacera Corporation – JSC. The ultimate Parent Company of the Company is GELEX Group Joint Stock Company.

The total number of employees of the Company as of 31 December 2024 was 955 (as of 31 December 2023: 843).

Operating industry and principal activities

- Producing and trading ceramic, granite and other building materials;
- Trading construction materials.

Normal production and business cycle

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

The Company's structure

The Company has 3 dependent units:

Name	Address	Principal activities
Viglacera Thai Binh factory	Tien Hai Industrial Zone, Tien Hai Ward, Thai Binh Province	Producing and trading in ceramic tiles
Viglacera My Duc factory	My Xuan A Industrial Zone, My Xuan Ward, Phu My Town, Ba Ria - Vung Tau Province	Producing and trading in ceramic tiles
Viglacera Eurotile factory	My Xuan A Industrial Zone, My Xuan Ward, Phu My Town, Ba Ria - Vung Tau Province	Producing and trading in ceramic tiles

As of 31 December 2024, details of associate of the Company were as follows:

Name	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activities
Viglacera Ceramic Tiles Trading Joint Stock Company	Hanoi	40%	40%	Trading in granite products

Disclosure of information comparability in the financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying 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 financial reporting.

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

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 financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Management 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 financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Cash

Cash and cash equivalents comprises cash on hand, bank demand deposits and cash in transit.

Financial investments

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.

Interests in associates are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of these investments in associates are made when there is reliable evidence for declining in value of these investment at the balance sheet date.

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.

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 for 6 months or more, 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 and accounted for under perpetual method. Cost comprises direct materials and where applicable, direct labor costs and those overheads, if any, that have been incurred in bringing the inventories to their present location and condition. Cost 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 balance sheet date.

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 as follow:

	Years
Buildings and structures	05 - 50
Machinery and equipment	05 - 20
Motor vehicles, transmission equipment	06 - 10
Office equipment	03 - 08
Others	05

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 recognized in the income statement.

The Company applies the accelerated depreciation method (with the depreciation rate not exceeding 02 times as much as using the straight-line method) for some machinery and equipment to quickly recover capital and innovate technology.

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. Initial direct costs incurred in negotiating and arranging an financial lease are charged to the income statement when incurred or charged to the income statement using straight-line method over the lease term.

The Company as lessee

Assets held under finance leases are recognized 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 profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized 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 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	05 - 20
Motor vehicles, transmission equipment	06 - 10

Intangible assets and amortization

Intangible assets represent land use rights, computer software that are stated at cost less accumulated amortization.

Intangible assets are amortized using the straight-line method over their estimated useful lives for computer software and the lease term for land use rights. The specific amortization years are as follows:

	<u>Years</u>
Land use rights	49
Computer software	05

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. 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.

Borrowing costs

Borrowing costs are recognized in the income statement in the year when incurred unless they are capitalized 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 capitalized even when the construction period is under 12 months.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments including showroom and premises rental fee, tools and equipment allocation expenses, maintenance expenses and other types of prepayments. These expenses are capitalized under prepaid expenses and allocated to the income statement using the straight-line method in accordance with the prevailing accounting regulations.

Revenue recognition

Revenue from the sale of goods is recognized 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.

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognized in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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

Sales deductions

Sales deductions include trade discounts and sales returns.

Sales deductions incurred in the same year of the related revenue from sales of products and goods are recorded as a deduction from the revenue of that year. In case that sales deductions for sales of products and goods sold in the year incurred after the balance sheet date but before the issuance of the financial statements, the Company recorded as revenue deductions for 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 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 recognized in the income statement.

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 income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the 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 recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. 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.

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

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	24,961,000	113,547,000
Bank demand deposits	82,306,658,917	23,132,706,548
Cash in transit	29,054,874	-
	<u>82,360,674,791</u>	<u>23,246,253,548</u>

5. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Viglacera Ceramic Tiles Trading Joint Stock Company	49,808,640,449	37,475,447,901
Viglacera Trading Joint Stock Company	4,748,502,439	2,069,205,034
Others	11,541,110,170	10,717,137,694
	<u>66,098,253,058</u>	<u>50,261,790,629</u>
In which:		
Short-term receivables from related parties (Details stated in Note 34)	<u>54,557,142,888</u>	<u>39,898,985,474</u>

Debt collection rights from Viglacera Ceramic Tiles Trading Joint Stock Company and Viglacera Trading Joint Stock Company are pledged to secure bank facilities at Vietnam Joint Stock Commercial Bank for Industry and Trade - Tien Son Industrial Park Branch (Note 20).

6. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Foshan Kejie Glaze Co., LTD	375,405,000	-
An Khang Manufacturing Co., LTD	300,000,000	-
ThinH Truong Phat Enviroment Join Stock Company	205,400,000	-
Sacmi (Singapore) PTE LTD	81,664,686	839,137,075
Branch of PetroVietnam Low Pressure Gas Distribution Joint Stock Company - Northern Low Pressure Gas Distribution Enterprise	24,944,480	3,302,248,920
Others	744,303,323	283,648,603
	<u>1,731,717,489</u>	<u>4,425,034,598</u>

7. OTHER RECEIVABLES

	Closing balance	Opening balance
	VND	VND
a. Current		
Value-added tax receivable corresponding to financial leases (i)	4,158,475,655	5,060,842,318
Short-term deposits and mortgages (ii)	1,904,000,000	884,900,000
Advances	14,667,949	9,569,900
Other receivables	2,091,231,129	2,228,476,308
	<u>8,168,374,733</u>	<u>8,183,788,526</u>
b. Non-current		
Long-term deposits and mortgages (ii)	5,942,060,000	4,599,440,000
	<u>5,942,060,000</u>	<u>4,599,440,000</u>

(i) Represents the value-added tax receivable corresponding to the recognized financial leases, which will be invoiced by the finance leasing company periodically.

(ii) Represents the margin deposit to secure the finance lease obligations with Finance Leasing Company Limited – Vietnam Joint Stock Commercial Bank for Industry and Trade and Vietnam International Finance Leasing Company Limited.

VIGLACERA TIEN SON JOINT STOCK COMPANY
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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8. BAD DEBTS	Closing balance				Opening balance			
	Cost	Recoverable amount	Provision	Cost	Recoverable amount	Provision	Cost	Provision
	VND							
Long Dinh Join Stock Company	1,139,212,339	-	1,139,212,339	1,139,212,339	-	1,139,212,339	1,139,212,339	1,139,212,339
Guangxi Import-Export Production Trade Investment Co., Ltd	1,579,191,158	-	1,579,191,158	1,579,191,158	-	1,579,191,158	1,579,191,158	1,579,191,158
Nguyen Dung Service and Trading Company Limited	1,133,430,600	-	1,133,430,600	1,133,430,600	-	1,133,430,600	1,133,430,600	1,133,430,600
Ha Noi Investment Mechanics and Construction Joint Stock Company	1,114,495,487	-	1,114,495,487	1,244,495,487	-	1,244,495,487	1,244,495,487	1,244,495,487
Others	6,461,184,546	-	6,461,184,546	6,339,434,614	-	6,339,434,614	6,339,434,614	6,339,434,614
	11,427,514,130	-	11,427,514,130	11,435,764,198	-	11,435,764,198	11,435,764,198	11,435,764,198

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	5,787,231,539	-	-	-
Raw materials	94,961,681,201	(736,737,213)	104,543,068,595	-
Tools and supplies	34,014,031,836	(2,982,156,655)	42,894,497,042	-
Work in progress	20,927,794,817	-	17,729,821,245	-
Finished goods	562,660,119,534	(11,755,369,693)	592,268,065,700	(9,250,318,742)
	718,350,858,927	(15,474,263,561)	757,435,452,582	(9,250,318,742)

During the year, the Company has made additional provision for devaluation of finished goods with the amount of VND 2,505,050,951 (2023: additional provision of VND 1,268,796,229) because net relisable value as of the end of the year changed compared to that amount at the provision, at the beginning of the year. The company has made additional provision for devaluation of tools and supplies with the amount of VND 2,982,156,655 (2023: reversed of VND 50,736,000) and provision for raw materials with the amount of VND 736,737,213 due to long-term inventory which was no longer usable.

Inventories at Viglacera Tien Son Brick Factory, Thai Binh Brick Factory and EuroTile Brick Factory are mortgaged to secure the Company's short-term and long-term loans at Vietnam Joint Stock Commercial Bank for Industry and Trade - Tien Son Industrial Park Branch and Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch (see Note 20 and Note 21).

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
Current		
Tools and dies issued for consumption	845,347,004	2,144,135,696
	845,347,004	2,144,135,696
Non-current		
Tools and dies issued for consumption	16,829,757,867	37,180,202,759
Maintenance costs	6,364,307,763	6,556,824,141
Others	1,703,240,820	2,276,086,029
	24,897,306,450	46,013,112,929

VIGLACERA TIEN SON JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings	Machinery	Motor vehicles,	Office	Total
	and structures	and equipment	transmission	equipment	
	VND	VND	equipment	VND	VND
COST					
Opening balance	565,565,557,142	1,239,884,548,139	5,916,761,878	1,901,787,468	1,815,140,075,297
Repurchase finance lease assets	-	34,085,466,893	754,319,090	-	34,839,785,983
Disposals	-	-	(1,176,045,455)	-	(1,176,045,455)
Closing balance	565,565,557,142	1,273,970,015,032	5,495,035,513	1,901,787,468	1,848,803,815,825
ACCUMULATED DEPRECIATION					
Opening balance	172,167,957,063	500,685,297,554	4,545,403,103	1,735,121,975	681,005,200,365
Charge for the year	32,540,509,687	98,140,571,561	473,538,977	63,382,424	131,218,002,649
Repurchase finance lease assets	-	17,757,450,723	387,636,198	-	18,145,086,921
Disposals	-	-	(1,097,042,450)	-	(1,097,042,450)
Closing balance	204,708,466,750	616,583,319,838	4,309,535,828	1,798,504,399	829,271,247,485
NET BOOK VALUE					
Opening balance	393,397,600,079	739,199,250,585	1,371,358,775	166,665,493	1,134,134,874,932
Closing balance	360,857,090,392	657,386,695,194	1,185,499,685	103,283,069	1,019,532,568,340

The Company has pledged its tangible fixed assets, which have the carrying value of VND 1,005,058,913,712 as of 31 December 2024 (31 December 2023: VND 1,134,384,874,953), to secure banking facilities granted to the Company (see Note 20 and Note 21).

The cost of the Company's tangible fixed assets as of 31 December 2024 includes VND 337,304,494,870 (as of 31 December 2023: VND 222,602,392,670) of assets which have been fully depreciated but are still in use.

12. INCREASES, DECREASES IN FINANCE LEASE ASSETS

	Machinery, equipment	Motor vehicles, transmission equipment	Total
	VND	VND	VND
COST			
Opening balance	140,511,376,535	3,676,562,180	144,187,938,715
Additions	24,989,778,382	-	24,989,778,382
Repurchase finance lease assets	(34,085,466,893)	(754,319,090)	(34,839,785,983)
Closing balance	131,415,688,024	2,922,243,090	134,337,931,114
ACCUMULATED DEPRECIATION			
Opening balance	42,241,177,852	1,361,057,274	43,602,235,126
Charge for the year	34,069,939,465	507,993,827	34,577,933,292
Repurchase finance lease assets	(17,757,450,723)	(387,636,198)	(18,145,086,921)
Closing balance	58,553,666,594	1,481,414,903	60,035,081,497
NET BOOK VALUE			
Opening balance	98,270,198,683	2,315,504,906	100,585,703,589
Closing balance	72,862,021,430	1,440,828,187	74,302,849,617

The cost of the Company's finance lease assets as of 31 December 2024 includes VND 1,243,473,817 (as of 31 December 2023: VND 3,162,118,274) of assets which have been fully depreciated but are still in use.

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
COST			
Opening balance	19,973,839,140	1,173,109,500	21,146,948,640
Closing balance	19,973,839,140	1,173,109,500	21,146,948,640
ACCUMULATED AMORTIZATION			
Opening balance	9,484,312,186	1,173,109,500	10,657,421,686
Charge for the year	407,629,370	-	407,629,370
Closing balance	9,891,941,556	1,173,109,500	11,065,051,056
NET BOOK VALUE			
Opening balance	10,489,526,954	-	10,489,526,954
Closing balance	10,081,897,584	-	10,081,897,584

The carrying amount of the Company's intangible assets pledged to secure banking facilities granted to the Company as of 31 December 2024 is VND 10,081,897,584 (31 December 2023: VND 10,489,526,954) (see Note 21 and Note 22).

The cost of the Company's intangible assets as of 31 December 2024 includes VND 1,173,109,500 (as of 31 December 2023: VND 1,173,109,500) of assets which have been fully amortized but are still in use.

14. LONG-TERM INVESTMENTS

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Investments in associates	12,000,000,000	-	12,000,000,000	-
- Viglacera Ceramic Tiles Trading Joint Stock Company	12,000,000,000	-	12,000,000,000	-
Investments in other entity	1,300,000,000	(1,300,000,000)	1,300,000,000	(1,060,217,016)
- Viglacera Trading Joint Stock Company	1,300,000,000	(1,300,000,000)	1,300,000,000	(1,060,217,016)
	13,300,000,000	(1,300,000,000)	13,300,000,000	(1,060,217,016)

During the year, Viglacera Ceramic Tiles Trading Joint Stock Company operated profitably.

The Company has not determined fair value of its financial investments as of the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

The significant transactions between the Company and Viglacera Ceramic Tiles Trading Joint Stock Company and Viglacera Trading Joint Stock Company during the year are stated in Note 34.

15. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Branch of PetroVietnam Low Pressure Gas Distribution Joint Stock Company - Vung Tau Low Pressure Gas Distribution factory	24,204,909,825	24,204,909,825	10,921,096,485	10,921,096,485
Tohoku Technology Joint Stock Company	18,380,260,389	18,380,260,389	18,058,958,315	18,058,958,315
Hai Anh Production and Investment Joint Stock Company	14,908,648,704	14,908,648,704	15,524,196,665	15,524,196,665
King-strong Diamond Applied Technology Co., LTD	12,189,756,101	12,189,756,101	5,719,626,675	5,719,626,675
Fritta Vietnam Co.,Ltd	11,714,362,233	11,714,362,233	9,884,815,728	9,884,815,728
Esmallglass Itaca Vietnam Co.,Ltd	8,030,220,946	8,030,220,946	7,536,259,675	7,536,259,675
LILAMA 18 Joint Stock Company	1,135,953,866	1,135,953,866	431,233,362	431,233,362
Other suppliers	138,678,321,321	138,678,321,321	127,331,886,973	127,331,886,973
	229,242,433,385	229,242,433,385	195,408,073,878	195,408,073,878

In which:

Payables to related parties (Details stated in Note 34)	5,935,172,661	5,935,172,661	11,662,326,559	11,662,326,559
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16. TAXES AND OTHER RECEIVABLE FROM/ PAYABLES TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid/Received during the year	Closing balance
	VND	VND	VND	VND
Value added tax	2,510,963,951	27,616,137,487	26,854,576,657	3,272,524,781
Import and export tax	(11,470,149)	544,543,922	533,073,773	-
Corporate income tax	4,998,180,420	11,679,241,418	9,964,062,017	6,713,359,821
Land & housing tax, land rental charges	(133,527,737)	445,092,456	311,564,719	-
Personal income tax	248,421,647	2,157,861,296	2,382,651,526	23,631,417
Other taxes	(644,398,753)	112,025,572	112,025,572	(644,398,753)
Fees and charges payable to the State Budget	-	33,083,662	33,083,662	-
	<u>6,968,169,379</u>	<u>42,587,985,813</u>	<u>40,191,037,926</u>	<u>9,365,117,266</u>
In which:				
<i>Taxes and Receivables</i>	789,396,639			644,398,753
<i>Taxes and Payables</i>	7,757,566,018			10,009,516,019

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Interest expenses	2,440,629,147	3,051,478,499
Sales support costs	-	963,582,169
Accruals for land and infrastructure rentals in Tien Son Industrial Park	-	168,805,385
Product warranty costs	4,094,014,756	-
Other accruals	64,814,814	-
	<u>6,599,458,717</u>	<u>4,183,866,053</u>
In which:		
Accruals with related parties (Details stated in Note 34)	<u>4,094,014,756</u>	<u>1,132,387,554</u>

18. UNEARNED REVENUE

Unearned revenue represents the excess of the selling price over the carrying amount of the fixed assets arising from the sale and lease back of these assets, amortized over the lease term (see Note 12).

19. OTHER CURRENT PAYABLES

	Closing balance	Opening balance
	VND	VND
a. Current payables		
Other payables relating to staff bonus	-	2,300,000,000
Payables relating to Labor contract guarantee for employees	868,823,630	868,823,630
Short-term deposits received	207,000,000	507,000,000
Others	3,005,591,682	3,301,600,988
	<u>4,081,415,312</u>	<u>6,977,424,618</u>
b. Long-term payables		
Long-term deposits received	251,000,000	251,000,000
	<u>251,000,000</u>	<u>251,000,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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20. SHORT-TERM LOANS AND OBLIGATIONS 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	
a. Short-term loans	645,318,932,751	645,318,932,751	1,603,550,882,644	1,761,441,374,359	487,428,441,036	487,428,441,036
Vietnam Joint Stock Commercial Bank for Industry and Trade - Tien Son Industrial Park Branch (i)	342,603,089,640	342,603,089,640	996,344,282,596	1,055,704,404,235	283,242,968,001	83,242,968,001
Joint Stock Commercial Bank for Investment and Development of Vietnam - Trang Tien Branch (ii)	53,620,944,682	53,620,944,682	88,485,665,477	120,954,625,651	21,151,984,508	21,151,984,508
Tien Phong Joint Stock Commercial Bank - Tu Son Branch	10,002,222,788	10,002,222,788	16,435,140,690	26,437,363,478	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch (iv)	239,092,675,641	239,092,675,641	502,285,793,881	558,344,980,995	183,033,488,527	183,033,488,527
b. Current portion of long-term loans (see Note 21)	181,067,413,336	181,067,413,336	226,343,675,509	186,608,625,751	220,802,463,094	220,802,463,094
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch	121,200,000,000	121,200,000,000	145,400,000,000	121,200,000,000	145,400,000,000	145,400,000,000
Tien Phong Joint Stock Commercial Bank - Tu Son Branch	29,199,373,128	29,199,373,128	48,409,899,371	34,199,373,102	43,409,899,397	43,409,899,397
Vietnam International Finance Leasing Company Limited	2,298,273,684	2,298,273,684	7,470,141,391	2,839,486,125	6,928,928,950	6,928,928,950
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade	28,369,766,524	28,369,766,524	25,063,634,747	28,369,766,524	25,063,634,747	25,063,634,747
	826,386,346,087	826,386,346,087	1,829,894,558,153	1,948,050,000,110	708,230,904,130	708,230,904,130

(i) Represents a short-term loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Tien Son Industrial Park Branch under Contract No. 01/2024-HDCVHM/NHCT285-VIT with a loan term of 12 months for the purpose of supplementing working capital by mortgaging goods and raw materials in stock at Viglacera Tien Son Brick Factory and Viglacera Thai Binh Brick Factory, rights arising from debt collection rights against Viglacera Ceramic Tile Trading Joint Stock Company and Viglacera Trading Joint Stock Company with interest rates varying according to each debt acknowledgment contract. The interest rate for the most recent disbursement in the year was 5.6%/per annum.

(ii) Represents a short-term loan at Vietnam Joint Stock Commercial Bank for Investment and Development - Trang Tien Branch under contract No. 01/2024/175280/HDTD with a loan term of 12 months for the purpose of supplementing working capital, the loan is unsecured with interest rates varying according to each debt acknowledgment contract. The interest rate for the most recent disbursement in the year is 5.5%/per annum.

**VIGLACERA TIEN SON JOINT STOCK COMPANY
NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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(iii) Represents a short-term loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch under contract No. 253/2024-HDCVHM/NHCT124 - VIGLACERATIENSON with a loan term of 12 months for the purpose of supplementing working capital for the production and business of ceramic tiles of Viglacera EuroTile Brick Factory by mortgaging construction works on land; machinery and equipment lines, inventories of Viglacera Eurotiles Brick Factory and property rights arising from land lease contracts with interest rates varying according to each debt acceptance agreement. The interest rate for the most recent disbursement in the year is 5.6%/per annum.

21. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off VND	Increases	Decreases	Amount	Amount able to be paid off VND
a. Long-term loans	729,048,441,123	729,048,441,123	72,951,487,228	155,399,373,102	646,600,555,249	646,600,555,249
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch (Bach Ma Project Phase 1) (i)	357,510,000,000	357,510,000,000	-	101,200,000,000	256,310,000,000	256,310,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch (Bach Ma Project Phase 2) (ii)	304,263,919,074	304,263,919,074	-	20,000,000,000	284,263,919,074	284,263,919,074
Tien Phong Joint Stock Commercial Bank - Tu Son Branch (My Duc Project) (iii)	58,398,746,183	58,398,746,183	-	29,199,373,102	29,199,373,081	29,199,373,081
Tien Phong Joint Stock Commercial Bank - Tu Son Branch (Bach Ma Project) (iv)	-	-	70,000,000,000	5,000,000,000	65,000,000,000	65,000,000,000
Long-term personal loans (v)	8,875,775,866	8,875,775,866	2,951,487,228	-	11,827,263,094	11,827,263,094
b. Long-term obligations under finance leases	67,313,288,202	67,313,288,202	18,522,621,131	31,209,252,649	54,626,656,684	54,626,656,684
Vietnam International Finance Leasing Company Limited (vi)	7,469,389,445	7,469,389,445	18,522,621,131	2,839,486,125	23,152,524,451	23,152,524,451
Finance Leasing Company Limited - Vietnam Joint Stock Commercial Bank for Industry and Trade (vii)	59,843,898,757	59,843,898,757	-	28,369,766,524	31,474,132,233	31,474,132,233
	796,361,729,325	796,361,729,325	91,474,108,359	186,608,625,751	701,227,211,933	701,227,211,933

In which:

- Amount due for settlement within 12 months (Details stated in Note 20)	181,067,413,336	181,067,413,336			220,802,463,094	220,802,463,094
- Amount due for settlement after 12 months	615,294,315,989	615,294,315,989			480,424,748,839	480,424,748,839



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- (i) Represents a long-term loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch under contract No. 168/2021-HDCVDADT/NHCT124-VIGLACERATIENSON dated 28 June, 2021 with a loan term of 66 months for the purpose of paying legal investment costs of the Investment Project to acquire Bach Ma Brick Factory by mortgaging assets attached to land, machinery and equipment lines, inventories of Viglacera Eurotile Brick Factory, capacity of 8.0 million m²/year in Ba Ria - Vung Tau province with interest rates varying according to each debt agreement. The interest rate of the most recent disbursement in the year is 9%/per annum.
- (ii) Represents a long-term loan at Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch under contract No. 135/2022-HDCVDADT/NHCT124-VIGLACERATIENSON dated 10 May, 2022 with a loan term of 72 months for legal investment costs of the Project; Payment of reasonable and valid costs to implement the Project "Investment in large-sheet production line at Viglacera EuroTile brick factory, capacity of 2.0 million m²/year" by mortgaging assets attached to land, machinery and equipment lines, inventories of Viglacera Eurotile brick factory with interest rates varying according to each debt acknowledgment contract. The interest rate of the most recent disbursement in the year is 8.2%/per annum.
- (iii) Represents a long-term loan at Tien Phong Commercial Joint Stock Bank - Tu Son Branch under Contract No. 27/2022/HDTD/TSN dated 28 November, 2022 with a loan term of 36 months for the purpose of paying for the investment costs of Viglacera My Duc Factory. The loan is secured by the construction works on the land; machinery and equipment lines of Viglacera My Duc Factory and property rights arising from the land lease contract with interest rates varying according to each debt acknowledgment contract. The interest rate of the most recent disbursement in the year is 10.5%/ per annum.
- (iv) Represents a long-term loan at Tien Phong Commercial Joint Stock Bank - Tu Son Branch under Contract No. 53/2024/HDTD/TSN dated 27 August, 2024 with a loan term of 60 months for the purpose of paying for the investment costs of Viglacera EuroTile Factory. The loan is secured by construction works on land; machinery and equipment lines of Viglacera My Duc Factory and property rights arising from land lease contracts with interest rates varying according to each debt acknowledgment contract. The interest rate of the most recent disbursement in the year is 7.5%/per annum.
- (v) Represents personal loans within the Company, including loans received from Mr. Dinh Quang Huy - member of the Board of Directors of the Company, Ms. Vo Thi Hien Luong - related person of the Key Management Member and Ms. Le Thu Thuy with interest rate of 6.5%. All loans are unsecured. (Details in Note 34).
- (vi) Represents long-term obligations under finance lease to Vietnam International Finance Leasing Company Limited with collateral being deposits; floating interest rate.
- (vii) Represents long-term obligations under finance lease to Vietnam Joint Stock Commercial Bank for Industry and Trade - Financial Leasing Company Limited with collateral being deposits; floating interest rate.

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Payment schedule of long-term loans and obligations under finance lease are as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	220,802,463,094	181,067,413,336
In the second year	210,288,404,034	230,837,060,189
From the third to fifth year inclusive	270,136,344,805	384,457,255,800
	701,227,211,933	796,361,729,325
Less: Amount due for settlement within 12 months (shown under current liabilities)	220,802,463,094	181,067,413,336
Amount due for settlement after 12 months	480,424,748,839	615,294,315,989

22. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Treasury shares	Investment and Development fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Prior year's opening balance	500,000,000,000	(3,361,823,052)	(3,360,000)	74,832,266,075	50,911,906,283	622,378,989,306
Profit for the year	-	-	-	-	85,366,107	85,366,107
Dividends declared	-	-	-	-	(40,000,000,000)	(40,000,000,000)
Allocated to Investment and Development fund	-	-	-	6,574,953,780	(6,574,953,780)	-
Allocated to Bonus and Welfare fund	-	-	-	-	(4,072,952,503)	(4,072,952,503)
Compensation of the Board of Directors	-	-	-	-	(264,000,000)	(264,000,000)
Current year's opening balance	500,000,000,000	(3,361,823,052)	(3,360,000)	81,407,219,855	85,366,107	578,127,402,910
Profit for the year	-	-	-	-	52,435,098,912	52,435,098,912
Current year's closing balance	500,000,000,000	(3,361,823,052)	(3,360,000)	81,407,219,855	52,520,465,019	630,562,501,822

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	50,000,000	50,000,000
<i>Ordinary shares</i>	<i>50,000,000</i>	<i>50,000,000</i>
Number of treasury shares	336	336
<i>Ordinary shares</i>	<i>336</i>	<i>336</i>
Number of outstanding shares in circulation	49,999,664	49,999,664
<i>Ordinary shares</i>	<i>49,999,664</i>	<i>49,999,664</i>

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

Charter capital

According to the Enterprise Registration Certificate No. 2300317851 (Previous: No. 2103000297) first issued on 01 November 2007 and the 11th amendment dated 19 September 2024 by Bac Ninh Department of Planning and Investment, the Company's charter capital is VND 500,000,000,000. The charter capital contributions were fully contributed by the shareholders as of 31 December 2024, details are as follows:

	<u>Contributed capital</u>			
	<u>Closing balance</u>		<u>Opening Balance</u>	
	VND	%	VND	%
Viglacera Corporation - JSC	255,000,000,000	51.00%	255,000,000,000	51.00%
VIX Securities JSC	91,972,400,000	18.39%	70,672,400,000	14.13%
Other shareholders	153,027,600,000	30.61%	174,327,600,000	34.87%
	<u>500,000,000,000</u>	<u>100%</u>	<u>500,000,000,000</u>	<u>100%</u>

23. OFF BALANCE SHEET ITEMS

Operating lease assets

	<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	18,924,257,984	18,166,837,487
From the second to fifth year inclusive	73,202,000,862	70,250,865,190
After five years	389,261,601,041	373,561,354,890
	<u>481,387,859,887</u>	<u>461,979,057,566</u>

Foreign currencies

	<u>Closing balance</u>	<u>Opening balance</u>
USD	14,257.18	3,592.32
EUR	3,280.03	4,886.58

24. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
Sales of ceramic tiles	2,130,246,854,197	1,999,545,207,256
Others	23,751,371,725	2,299,443,971
	<u>2,153,998,225,922</u>	<u>2,001,844,651,227</u>
Deductions		
Trade discounts	9,915,418,434	2,097,118,172
Sales return	937,899,032	1,519,419,961
	<u>10,853,317,466</u>	<u>3,616,538,133</u>
Net revenue from goods sold and services rendered	<u>2,143,144,908,456</u>	<u>1,998,228,113,094</u>
Revenue from related parties (Details stated in Note 34)	<u>2,127,304,295,501</u>	<u>1,991,723,919,370</u>

25. COST OF GOODS SOLD

	Current year VND	Prior year VND
Cost of ceramic tiles sold	1,916,499,205,310	1,823,560,208,933
Other cost of sales	20,529,972,862	1,432,907,893
Provision for inventory devaluation	6,223,944,819	1,218,060,229
	<u>1,943,253,122,991</u>	<u>1,826,211,177,055</u>

26. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	1,429,115,617,859	1,566,681,661,435
Labor costs	213,706,541,169	194,599,300,085
Depreciation and amortization	166,203,565,311	154,428,061,733
Cost of equipment, tools and utensils	68,134,070,445	72,337,989,359
Provision for/(reversal of) doubtful debts	6,093,944,819	978,122,843
Out-sourced services	53,881,512,565	57,732,936,119
Taxes, charges and fees	40,265,163	22,690,967
Others	20,127,962,557	42,463,060,098
	<u>1,957,303,479,888</u>	<u>2,089,243,822,639</u>

27. FINANCIAL INCOME

	Current year VND	Prior year VND
Dividends and profits received	-	4,800,000,000
Foreign exchange gain arising from transaction during the year	489,971,449	479,511,373
Foreign exchange gain arising from closing balance revaluation	89,425,105	68,643,266
Bank and loan interest	43,420,788	23,848,854
	<u>622,817,342</u>	<u>5,372,003,493</u>



28. FINANCIAL EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Interest expense	92,932,012,402	118,504,360,075
Letter of Credit fee	-	1,298,890,973
Provision for impairment of investments	239,782,984	(4,717,331)
Foreign exchange loss arising from transaction during the year	1,027,339,843	1,340,925,290
Foreign exchange loss	2,734,376,365	-
	<u>96,933,511,594</u>	<u>121,139,459,007</u>

29. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Selling expenses in the year		
Raw materials	2,103,071,497	2,937,718,655
Out-sourced services	12,846,408,818	18,951,593,143
Others	6,701,707,837	2,483,037,070
	<u>21,651,188,152</u>	<u>24,372,348,868</u>
General and administration expenses in the year		
Staff costs	9,009,331,790	8,338,091,712
Out-sourced services	4,928,347,266	10,521,607,125
Depreciation and amortisation of fixed assets	510,528,678	445,898,645
Stationery costs	19,471,000	20,504,520
Reversal of provision for doubtful debts	(130,000,000)	(506,603,420)
Taxes, charges and fees	22,690,967	22,690,967
Others	4,448,771,638	7,337,757,426
	<u>18,809,141,339</u>	<u>26,179,946,975</u>

30. CORPORATE INCOME TAX EXPENSE

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	11,679,241,418	5,593,682,995
Adjustments for corporate income tax expense in previous years to the current year	-	601,811,362
Total current corporate income tax expense	<u>11,679,241,418</u>	<u>6,195,494,357</u>

The current corporate income tax expense for the year was computed as follows:

	Current year	Prior year
	VND	VND
Profit before tax	64,114,340,330	6,280,860,464
Adjustments for taxable profit		
<i>Add back: non-deductible expenses</i>	<i>33,083,662</i>	<i>33,967,229,225</i>
<i>Less: non-taxable income</i>	<i>-</i>	<i>4,800,000,000</i>
Taxable profit	64,147,423,992	35,448,089,689
<i>Taxable profit at normal tax rate of 20%</i>	<i>52,644,990,191</i>	<i>20,488,740,268</i>
<i>Taxable profit at 50% reduction of payable tax (i)</i>	<i>11,502,433,801</i>	<i>14,959,349,421</i>
Corporate income tax expense based on taxable profit in the current year	11,679,241,418	5,593,682,995

- (i) According to Investment Certificate No. 0151100102 dated 19 June 2017 issued by the Ba Ria - Vung Tau Industrial Zones Management Board, the Company is entitled to corporate income tax incentives for taxable income arising from Viglacera My Duc Factory: exemption from corporate income tax for 2 years and 50% reduction of payable tax for the next 4 years.

2024 is the fourth year Viglacera My Duc factory entitles the 50% reduction of payable tax.

31. BASIC EARNINGS PER SHARE

	Current year	Prior year
Accounting profit after corporate income tax (VND)	52,435,098,912	85,366,107
Net profit attributable to shareholders (VND)	52,435,098,912	85,366,107
Weighted average number of ordinary shares in circulation (shares)	49,999,664	49,999,664
Basic earnings per share (VND/share)	1,049	2

As at the reporting date, the Company has not determined the distribution to Bonus and welfare funds for the year ended 31 December 2024, hence the Basic earnings per share of this year can be changed upon future decision of distribution of the Company.

32. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's production and business activities during the year were mainly manufacturing and trading of ceramic tiles, other segments accounted for a immaterial proportion, so the Company did not prepare a segment report by business segments.

All production and business activities in the year of the Company are carried out in the territory of Vietnam, so the Company only operates in Vietnam.

33. OPERATING LEASE COMMITMENTS

Operating lease payments represent infrastructure leases for the purpose of manufacturing ceramic tile products at:

- Tien Son Industrial Park, Tien Du District, Bac Ninh Province: From September 2000 to December 2049, the leased area is 41,346 m²;
- Tien Hai Industrial Park, Tien Hai District, Thai Binh Province: From April 2011 to June 2059, the leased area 55,175.8 m²;

- My Xuan A Industrial Zone, Tan Thanh District, Ba Ria Vung Tau Province: From May 2017 to July 2052, the leased area is 100,000 m2.

- My Xuan A Industrial Zone, Tan Thanh District, Ba Ria Vung Tau Province: From December 2021 to July 2052, the leased area is 278,511 m2.

Under these contracts, the Company must pay infrastructure rental or land tax annually until the contract maturity date.

34. 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 Ceramic Tiles Trading Joint Stock Company	Associate
Viglacera Trading Joint Stock Company	Affiliate
Viglacera Binh Duong Sanitaryware Company (BSC) - Viglacera Corporation - JSC Branch	Affiliate
Viglacera My Xuan Sanitaryware Company (BSC) - Viglacera Corporation - JSC Branch	Affiliate
Viglacera Infrastructure and Urban Investment Company - Viglacera Corporation - JSC Branch	Affiliate
Viglacera Infrastructure Development Investment Joint Stock Company -Viglacera Corporation - JSC Branch	Affiliate
Vocational Training College Viglacera	Affiliate
Viglacera Investment and Import - Export Joint Stock Company	Affiliate
Viglacera Packings and Brake Linings Joint Stock Company	Affiliate
Viglacera Thang Long Joint Stock Company	Affiliate
Ninh Thuan GELEX Energy Company Limited	Affiliate
Mr. Dinh Quang Huy	Key management member
Mrs. Vo Thi Hien Luong	Related person of key management member

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

	<u>Current year</u> VND	<u>Prior year</u> VND
Revenue from sales of goods and rendering of services	2,127,304,295,501	1,991,723,919,370
Viglacera Ceramic Tiles Trading Joint Stock Company	2,119,267,572,979	1,990,457,729,047
Viglacera Trading Joint Stock Company	5,128,335,710	64,078,736
Viglacera Thang Long Joint Stock Company	2,270,912,000	612,000,000
Viglacera My Xuan Sanitaryware Company (BSC) - Viglacera Corporation - JSC Branch	287,193,059	325,740,600
Ninh Thuan GELEX Energy Company Limited	213,282,830	229,191,165
Viglacera Binh Duong Sanitaryware Company (BSC) - Viglacera Corporation - JSC Branch	84,836,294	35,179,822
Viglacera Infrastructure Development Investment Joint Stock Company - Viglacera Corporation - JSC Branch	52,162,629	-
Purchases of goods and services	41,475,728,049	48,226,142,099
Viglacera Packings and Brake Linings JSC	20,550,467,540	22,305,347,010
Viglacera Ceramic Tiles Trading Joint Stock Company	12,506,451,126	18,505,459,625
Viglacera Infrastructure Development Investment Joint Stock Company - Viglacera Corporation - JSC Branch	4,011,883,459	3,955,538,723
Viglacera My Xuan Sanitaryware Company (BSC) - Viglacera Corporation - JSC Branch	2,553,986,802	1,444,888,891
Viglacera Infrastructure and Urban Investment Company - Viglacera Corporation - JSC Branch	639,487,522	639,487,522
Viglacera Thang Long Joint Stock Company	614,073,600	329,207,328
Vocational Training College Viglacera	409,000,000	963,500,000
Viglacera Corporation - JSC	190,378,000	82,713,000
Dividends received	-	4,800,000,000
Viglacera Ceramic Tiles Trading Joint Stock Company	-	4,800,000,000
Dividends paid	-	20,400,000,000
Viglacera Corporation - JSC	-	20,400,000,000
Interest Expenses	534,015,068	624,656,653
Mr. Dinh Quang Huy	391,068,493	624,656,653
Mrs. Vo Thi Hien Luong	142,946,575	-

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

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade accounts receivables	54,557,142,888	39,898,985,474
Viglacera Ceramic Tiles Trading Joint Stock Company	49,808,640,449	37,475,447,901
Viglacera Trading Joint Stock Company	4,748,502,439	2,069,205,034
Viglacera Thang Long Joint Stock Company	-	354,332,539
Trade accounts payable	5,935,172,661	11,662,326,559
Viglacera Infrastructure Development Investment Joint Stock Company - Viglacera Corporation - JSC Branch	3,058,292,303	3,821,966,054
Viglacera Packings and Brake Linings Joint Stock Company	2,376,027,822	5,188,628,492

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	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Vocational Training College Viglacera	274,000,000	254,000,000
Viglacera My Xuan Sanitaryware Company (BSC) - Viglacera Corporation - JSC Branch	226,852,536	1,028,930,325
Viglacera Investment and Import - Export Joint Stock Company	-	956,997,017
Viglacera Corporation - JSC	-	411,804,671
Accruals	4,094,014,756	1,132,387,554
Viglacera Ceramic Tiles Trading Joint Stock Company	4,094,014,756	963,582,169
Viglacera Infrastructure Development Investment Joint Stock Company - Viglacera Corporation - JSC Branch	-	168,805,385
Short-term deposits	-	300,000,000
Viglacera Thang Long Joint Stock Company	-	300,000,000

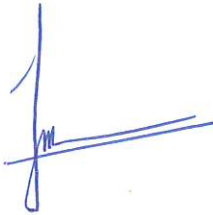
Total remuneration paid to the Company's Board of Management, Board of Directors and Board of Supervisors during the year was as follows:

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Board of Directors		
Tran Manh Huu	108,000,000	-
Quach Huu Thuan	105,000,000	120,000,000
Mai Xuan Duc	96,000,000	96,000,000
Dinh Quang Huy	96,000,000	96,000,000
Nguyen Duy Truc	72,000,000	72,000,000
Nguyen Anh Tuan	36,000,000	144,000,000
Doan Hai Mau	15,000,000	-
Nguyen Manh Hieu	-	24,000,000
Board of Management		
Truong Ngoc Minh	659,929,500	620,986,600
Nguyen Duy Truc	664,880,300	614,786,100
Quach Huu Thuan	567,243,500	756,345,400
Doan Hai Mau	243,208,300	-
Board of Supervisors		
Nguyen Quang Hai	96,000,000	72,000,000
Phan Van Huyen	60,000,000	60,000,000
Dang Quoc Tuan	60,000,000	60,000,000
Nguyen Thi Cam Van	-	24,000,000
	<u>2,879,261,600</u>	<u>2,760,118,100</u>


35. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures for cash-flow from investing activities:

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 1,940,287,879 (2023: VND 2,737,339,774), representing trade payable that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.



Vu Xuan Tung
Preparer



Nguyen Thi Thuy Ha
Chief Accountant



Doan Hai Mau
Chief Executive Officer

15 February 2025