

CÔNG TY TNHH KHAI THÁC
CHẾ BIẾN KHOÁNG SẢN NÚI PHÁO

CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM

Độc lập - Tự do - Hạnh phúc

Số: 0314/CV-NPM

Thái Nguyên, ngày 14 tháng 03 năm 2025

CÔNG BỐ THÔNG TIN ĐỊNH KỲ BÁO CÁO TÀI CHÍNH

Kính gửi: Sở Giao dịch Chứng khoán Hà Nội

Thực hiện quy định tại Thông tư số 96/2020/TT-BTC ngày 16/11/2020 của Bộ Tài chính hướng dẫn công bố thông tin trên thị trường chứng khoán, Công ty cổ phần chế tạo Biến thể và vật liệu điện Hà Nội thực hiện công bố thông tin báo cáo tài chính (BCTC) năm 2024 đã được kiểm toán đầy đủ với Sở Giao dịch Chứng khoán Hà Nội như sau:

1. Tên tổ chức:

- Mã chứng khoán: NPM11911; NPM123021; NPM123022; NPM123023; NPM123024
- Địa chỉ: Xóm Suối Cát, xã Hà Thượng, huyện Đại Từ, tỉnh Thái Nguyên, Việt Nam
- Điện thoại liên hệ/Tel: (024) 3 718 2490 Fax: (024) 3 718 2491

2. Email:.... Website:

<https://masanhightechmaterials.com/vi/subsidiary/nui-phao-mining-company/>

3. Nội dung thông tin công bố:

- BCTC năm 2024 đã được kiểm toán đầy đủ
 BCTC riêng (TCNY không có công ty con và đơn vị kế toán cấp trên có đơn vị trực thuộc);

BCTC hợp nhất (TCNY có công ty con);

BCTC tổng hợp (TCNY có đơn vị kế toán trực thuộc tổ chức bộ máy kế toán riêng)

- Các trường hợp thuộc diện phải giải trình nguyên nhân:

+ Tổ chức kiểm toán đưa ra ý kiến không phải là ý kiến chấp nhận toàn phần đối với BCTC (đối với BCTC được kiểm toán năm 2024):

Có

Không

Văn bản giải trình trong trường hợp tích có:

Có

Không

+ Lợi nhuận sau thuế trong kỳ báo cáo có sự chênh lệch trước và sau kiểm toán từ 5% trở lên, chuyển từ lỗ sang lãi hoặc ngược lại (đối với BCTC được kiểm toán năm 2024):

Có

Không

Văn bản giải trình trong trường hợp tích có:

Có

Không

+ Lợi nhuận sau thuế thu nhập doanh nghiệp tại báo cáo kết quả kinh doanh của kỳ báo cáo thay đổi từ 10% trở lên so với báo cáo cùng kỳ năm trước:

Có

Không

Văn bản giải trình trong trường hợp tích có:

Có

Không

+ Lợi nhuận sau thuế trong kỳ báo cáo bị lỗ, chuyển từ lãi ở báo cáo cùng kỳ năm trước sang lỗ ở kỳ này hoặc ngược lại:

Có

Không

Văn bản giải trình trong trường hợp tích có:

Có

Không

Thông tin này đã được công bố trên trang thông tin điện tử của công ty vào ngày: 14/03/2025 tại đường dẫn:

<https://masanhightechmaterials.com/vi/subsidiary/nui-phao-mining-company/>

Tài liệu đính kèm:

- BCTC
- Văn bản giải trình



PHẠM NGUYỄN HẢI
Trưởng phòng Pháp chế

**NUI PHAO MINERAL
EXPLOITATION AND PROCESSING
COMPANY LIMITED**

No: 146A /CV-NPMC

Explanation of Audited 2024 Business
Results Compared to Last Year

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

14 March 2025

**To: The State Securities Commission of Vietnam
Hanoi Stock Exchange**

Nui Phao Mineral Exploitation and Processing Company Limited respectfully sends our greetings to your esteemed Agency.

Pursuant to Point a and Point b, Clause 4, Article 14 of Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, which provides guidance on information disclosure in the securities market (“Circular 96”), Nui Phao Mineral Exploitation and Processing Company Limited (hereinafter referred to as the “Company” or “NPM”) hereby provides an explanation regarding the loss after tax as presented in the audited financial statements for the year 2024, as follows:

1. On the audited consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”):

Explanation for the Loss in 2024:

The Group's loss after tax for 2024 was VND 1,536 billion, an increase of VND 128 billion compared to the VND 1,409 billion loss after tax in the previous year. This increase was primarily due to higher tax expenses and certain other costs incurred in 2024, as the Group prioritized a cost-saving strategy while minimizing unprofitable business activities in the medium term.

The decrease in profit after tax due to the above factors was partially offset by:

- A VND 81 billion increase in gross profit in 2024 compared to the previous year, driven by higher selling prices of tungsten, fluorspar, and copper;
- The Group's cost-saving initiatives and strict cost control measures, which resulted in VND 56 billion in savings on selling and administrative expenses in 2024 compared to the previous year.



2. On the Audited Separate Financial Statements of the Company:

Explanation of the 10% Change Compared to the Same Period Last Year and Reasons for the Loss in 2024

The Company's loss after tax for 2024 was VND 491 billion, a reduction of VND 549 billion compared to the VND 1,039 billion loss after tax in 2023. The key reasons for this improvement are as follows:

- Gross profit in 2024 decreased by VND 188 billion compared to 2023, driven by higher production cost of the Company;
- Net financial expenses decreased by VND 1,125 billion compared to 2023, primarily due to the Company receiving distributed profits from a subsidiary;
- Cost-saving initiatives and strict cost control measures helped the Company reduce selling and administrative expenses by VND 19 billion in 2024 compared to the previous year.

However, the reduction in loss after tax due to these factors was partially offset by higher tax expenses and certain other expenses incurred in 2024.

Sincerely appreciate your attention.

**NUI PHAO MINERAL EXPLOITATION AND
PROCESSING COMPANY LIMITED
GENERAL DIRECTOR**



Ashley M

ASHLEY JAMES MCALEESE





Nui Phao Mining Company Ltd
Consolidated Financial Statements
for the year ended 31 December 2024



Nui Phao Mining Company Ltd Corporate Information

Enterprise Registration Certificate No.

4600864513

5 July 2010

The Company's Enterprise Registration Certificate has been amended several times, the most recent of which was dated 3 June 2022. The Enterprise Registration Certificate and its amendments were issued by the Department of Planning and Investment of Thai Nguyen Province. The initial Business Registration Certificate No. 4600864513 was issued on 5 July 2010.

Investment Certificate No.

17121000026

21 July 2010

17121000026 - 1st revision

23 February 2011

17121000026 - 2nd revision

6 February 2013

17121000026 - 3rd revision

23 July 2015

17121000026 - 4th revision

10 January 2025

The Investment Certificate and its revisions were issued by the People's Committee of Thai Nguyen Province to the Company to implement the investment of "Nui Phao Mining Project". Term of the Project is 40 years from 3 February 2004.

Members' Council

Mr. Nguyen Thieu Nam

Chairman

Mr. Nguyen Van Thang

Vice Chairman

Mr. Danny Le

Member

Mr. Ashley James McAleese

Member *(from 1/1/2025)*

Mr. Craig Richard Bradshaw

Member *(until 31/12/2024)*

Board of Management

Mr. Ashley James McAleese

General Director

(from 1/1/2025)

Mr. Craig Richard Bradshaw

General Director

(until 31/12/2024)

Ms. Dinh Le Hang

Deputy General Director

(until 31/1/2025)

Mr. Nguyen Huy Tuan

Chief Financial Officer

Registered Office

Suoi Cat Hamlet, Ha Thuong Commune

Dai Tu District

Thai Nguyen Province

Vietnam

Hanoi Representative Office

106 Hoang Quoc Viet Street

Nghia Do Ward, Cau Giay District,

Hanoi, Vietnam

Auditor

KPMG Limited

Vietnam

Nui Phao Mining Company Ltd **Statement of the Board of Management**

The Board of Management of Nui Phao Mining Company Ltd (“the Company”) presents this statement and the accompanying consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) as of and for the year ended 31 December 2024.

The Board of Management is responsible for the preparation and presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting. In the opinion of the Board of Management:

- (a) the consolidated financial statements set out on pages 5 to 67 give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of their consolidated results of operations and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due. The consolidated financial statements have included adequate disclosure of matters relevant to the management’s assessment of the validity of the going concern assumption.

The Board of Management has, on the date of this statement, authorised these accompanying consolidated financial statements for issue.

On behalf of the Board of Management



Ashley M

Ashley James McAleese
General Director

Thai Nguyen, 7 March 2025



KPMG Limited
46th Floor, Keangnam Landmark 72
E6 Pham Hung Street, Me Tri Ward
South Tu Liem District, Hanoi, Vietnam
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INDEPENDENT AUDITOR'S REPORT

To the Investors Nui Phao Mining Company Ltd

We have audited the accompanying consolidated financial statements of Nui Phao Mining Company Ltd ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 December 2024, the related consolidated statements of income and consolidated cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's Board of Management on 7 March 2025, as set out on pages 5 to 67.

Management's Responsibility

The Company's Board of Management is responsible for the preparation and true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting, and for such internal control as the Board of Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 of 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 auditor's judgement, 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 auditor considers internal control relevant to the Company's preparation and true 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 Company's 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.



Auditor's Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Nui Phao Mining Company Ltd and its subsidiaries as at 31 December 2024 and of their consolidated results of operations and their consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to financial reporting.

KPMG Limited

Vietnam

Audit Report No.: 24-02-00246-25-2



Truong Vinh Phuc

Practicing Auditor Registration

Certificate No.: 1901-2023-007-1

Deputy General Director

Hanoi, 7 March 2025

Pham Thi Thuy Linh

Practicing Auditor Registration

Certificate No.: 3065-2024-007-1

Nui Phao Mining Company Ltd
Consolidated balance sheet as at 31 December 2024

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2024 VND'000	1/1/2024 VND'000
ASSETS				
Current assets (100 = 110 + 120 + 130 + 140 + 150)	100		6,966,367,305	10,588,984,763
Cash and cash equivalents	110	6	1,463,820,539	971,589,235
Cash	111		1,463,820,539	971,589,235
Short-term financial investments	120		-	8,110,000
Held-to-maturity investments	123	7(a)	-	8,110,000
Accounts receivable – short-term	130		1,896,842,713	2,799,601,070
Accounts receivable from customers	131	8	789,719,771	1,668,813,631
Prepayments to suppliers	132		85,023,803	195,924,171
Loans receivable	135	9	12,800,000	26,200,000
Other receivables	136	10	1,017,963,540	917,327,669
Allowance for doubtful debts	137		(8,664,401)	(8,664,401)
Inventories	140	11	2,928,454,397	5,947,727,371
Inventories	141		3,027,622,774	6,130,008,583
Allowance for inventories	149		(99,168,377)	(182,281,212)
Other current assets	150		677,249,656	861,957,087
Short-term prepaid expenses	151		36,157,125	61,872,986
Deductible value added tax	152		641,092,531	775,304,116
Taxes and others receivable from State Treasury	153		-	24,779,985

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

Nui Phao Mining Company Ltd
Consolidated balance sheet as at 31 December 2024 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2024 VND'000	1/1/2024 VND'000
Long term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)	200		16,906,848,472	26,570,220,387
Accounts receivable – long-term	210		1,199,340,157	1,447,156,838
Other long-term receivables	216	10	1,199,340,157	1,447,156,838
Fixed assets	220		11,230,918,386	16,957,801,673
Tangible fixed assets	221	12	10,793,491,653	13,604,643,805
Cost	222		19,470,066,210	25,770,479,321
Accumulated depreciation	223		(8,676,574,557)	(12,165,835,516)
Finance lease tangible fixed assets	224		-	-
Cost	225		67,300,000	67,300,000
Accumulated depreciation	226		(67,300,000)	(67,300,000)
Intangible fixed assets	227	13	437,426,733	3,353,157,868
Cost	228		906,149,954	4,710,816,304
Accumulated amortisation	229		(468,723,221)	(1,357,658,436)
Investment properties	230	14	-	702,920,163
Cost	231		-	1,197,720,562
Accumulated depreciation	232		-	(494,800,399)
Long-term work in progress	240		1,209,272,739	2,472,249,021
Construction in progress	242	15	1,209,272,739	2,472,249,021
Long-term financial investments	250	7(b)	-	1,637,975,255
Investments in associates, joint-ventures	252		-	211,552,770
Equity investment in other entity	253		-	1,426,422,485
Other long-term assets	260		3,267,317,190	3,352,117,437
Long-term prepaid expenses	261	16	3,252,441,933	3,297,728,682
Deferred tax assets	262	17	14,875,257	54,388,755
TOTAL ASSETS (270 = 100 + 200)	270		23,873,215,777	37,159,205,150

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

Nui Phao Mining Company Ltd
Consolidated balance sheet as at 31 December 2024 (continued)

Form B 01 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	31/12/2024 VND'000	1/1/2024 VND'000
RESOURCES				
LIABILITIES (300 = 310 + 330)	300		14,389,157,444	26,264,720,149
Current liabilities	310		5,180,349,609	9,527,496,061
Accounts payable to suppliers	311	18	463,101,131	1,082,395,111
Advances from customers	312	19	25,532,553	757,161,635
Taxes payable to State Treasury	313	20	218,617,259	187,734,203
Payables to employees	314		187,411	18,584,096
Accrued expenses	315	21	765,788,189	772,895,348
Other short-term payables	319	22	44,997,700	296,146,432
Short-term borrowings and bonds	320	23(a)	3,662,125,366	6,404,752,834
Provisions – short-term	321		-	7,826,402
Long-term liabilities	330		9,208,807,835	16,737,224,088
Long-term accrued expenses	333	21	25,058,904	-
Other long-term payables	337	22	-	3,001,466,595
Long-term borrowings and bonds	338	23(b)	8,567,403,943	7,260,544,402
Deferred tax liabilities	341	17	151,056,220	967,567,294
Provisions – long-term	342	24	465,288,768	5,507,645,797
EQUITY (400 = 410)	400		9,484,058,333	10,894,485,001
Owners' equity	410	25	9,484,058,333	10,894,485,001
Contributed capital	411	26	10,792,915,155	10,792,915,155
Foreign exchange differences	417		-	(233,846,997)
Other equity funds	420		-	396,305,033
Accumulated losses	421		(1,307,351,249)	(273,449,433)
- <i>(Accumulated losses)/retained profits brought forward</i>	421a		(273,449,433)	1,181,414,939
- <i>Loss for the current year</i>	421b		(1,033,901,816)	(1,454,864,372)
Non-controlling interest	429		(1,505,573)	212,561,243
TOTAL RESOURCES (440 = 300 + 400)	440		23,873,215,777	37,159,205,150

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

7 March 2025

Reviewed by:



Nguyen Huy Tuan
Chief Financial Officer

Approved by:



Ashley James McAleese
General Director

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

Nui Phao Mining Company Ltd

Consolidated statement of income for the year ended 31 December 2024

Form B 02 – DN/HN

(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2024 VND'000	2023 VND'000
Revenue from sales of goods and provision of services	01		14,345,267,406	14,107,033,218
Revenue deductions	02		8,938,679	13,779,731
Net revenue (10 = 01 - 02)	10	28	14,336,328,727	14,093,253,487
Cost of sales	11		13,329,978,940	13,167,754,865
Gross profit (20 = 10 - 11)	20		1,006,349,787	925,498,622
Financial income	21	29	1,918,377,081	486,983,900
Financial expenses	22	30	2,290,263,138	2,208,936,492
<i>In which: Interest expenses</i>	23		1,378,309,186	1,516,360,950
Share of profit in associates	24		30,316,644	9,709,924
Selling expenses	25	31	361,709,384	377,179,568
General and administration expenses	26	32	448,510,698	489,062,066
Net operating loss (30 = 20 + 21 - 22 + 24 - 25 - 26)	30		(145,439,708)	(1,652,985,680)
Other income	31	33	69,542,332	181,078,733
Other expenses	32	34	745,033,353	41,801,941
Results of other activities (40 = 31 - 32)	40		(675,491,021)	139,276,792
Accounting loss before tax (50 = 30 + 40)	50		(820,930,729)	(1,513,708,888)
Income tax expense – current	51	35	309,589,327	56,926,312
Income tax benefit– deferred	52	35	405,706,112	(162,044,447)
Net loss after tax (60 = 50 - 51 - 52)	60		(1,536,226,168)	(1,408,590,753)
Attributable to:				
Equity holders of the Company	61		(1,588,084,203)	(1,454,864,372)
Non-controlling interest	62		51,858,035	46,273,619

7 March 2025

Prepared by:



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Nguyen Huy Tuan
Chief Financial Officer

Approved by:




Ashley James McAleese
General Director

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

Nui Phao Mining Company Ltd
Consolidated statement of cash flows for the year ended 31 December 2024
(Indirect method)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2024 VND'000	2023 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	01		(820,930,729)	(1,513,708,888)
Adjustments for				
Depreciation	02		1,238,399,721	1,198,778,777
Negative goodwill on acquisition of subsidiary		33	-	(117,106,706)
Allowances and provisions	03		160,497,180	309,680,260
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04		11,345,064	46,840,188
Profits from investing activities	05		(911,512,683)	(22,559,064)
Interest expense and borrowing fees	06		1,453,827,005	1,570,123,640
Operating profit before changes in working capital	08		1,131,625,558	1,472,048,207
Change in receivables and other assets	09		103,009,448	471,290,771
Change in inventories	10		707,987,566	737,393,661
Change in payables and other liabilities	11		1,353,427,595	(1,372,708,183)
Change in prepaid expenses	12		116,495,951	80,407,556
			3,412,546,118	1,388,432,012
Interest paid	14		(1,556,268,223)	(1,441,060,112)
Income tax paid	15		(102,125,096)	(88,432,165)
Net cash flows from operating activities	20		1,754,152,799	(141,060,265)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additions to fixed assets and other long-term assets	21		(536,015,633)	(835,889,300)
Proceeds from disposals of fixed assets and other long-term assets	22		981,818	554,545
Placement for term deposits at banks and granting loan to other parties	23		(12,800,000)	(13,110,000)
Withdrawal of term deposits from banks and loans granting to other parties	24		34,310,000	8,110,000
Business combination, net of cash acquired	25		-	(11,811,687)
Collections on investments in other entities	26		3,264,632,809	-
Receipt of interest	27		12,912,806	12,121,282
Net cash flows from investing activities	30		2,764,021,800	(840,025,160)

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

Nui Phao Mining Company Ltd
Consolidated statement of cash flows for the year ended 31 December 2024
(Indirect method - continued)

Form B 03 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)

	Code	Note	2024 VND'000	2023 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings and bonds issued	33		11,860,377,253	15,233,666,704
Payments to settle bonds and borrowings principals and bonds issuance related costs	34		(15,875,021,463)	(14,780,261,257)
Net cash flows from financing activities	40		(4,014,644,210)	453,405,447
Net cash flows during the year (50 = 20 + 30 + 40)	50		503,530,389	(527,679,978)
Cash and cash equivalents at the beginning of the year	60		971,589,235	1,496,827,172
Effect of exchange rate fluctuation on cash and cash equivalents	61		(11,299,085)	2,442,041
Cash and cash equivalents at the end of the year (70 = 50 + 60 + 61) (Note 6)	70		1,463,820,539	971,589,235

7 March 2025

Prepared by: 



Nguyen Thi Thanh Mai
Chief Accountant

Reviewed by:



Nguyen Huy Tuan
Chief Financial Officer

Approved by:



Ashley James McAleese
General Director

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

Nui Phao Mining Company Ltd

Notes to the consolidated financial statements for the year ended 31 December 2024

Form B 09 – DN/HN

*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

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

1. Reporting entity

(a) Ownership structure

Nui Phao Mining Company Ltd (“the Company” or “NPM”) is incorporated as a limited liability company in Vietnam. The principal activities of the Company are to explore, exploit, mine and process tungsten, fluorspar, bismuth, copper in Ha Thuong Commune, Dai Tu District in Thai Nguyen Province for export and domestic sales.

The consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as “the Group”) and the Group’s interest in an associate.

(b) Principal activities

The principal activities of the subsidiaries and associate are described as follows:

Nui Phao Mining Company Ltd
Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

Form B 09 – DN/HN
(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)

Subsidiaries:			Percentage of economic interests at 31/12/2024	1/1/2024
Name	Address	Principal activities		
Direct subsidiary				
Masan Tungsten Co., Ltd (“MTC”)	(i) Thai Nguyen Province	Deep processing of nonferrous metals and precious metals (tungsten)	100%	100%
Indirect subsidiaries				
H.C. Starck Holding (Germany) GmbH (“HCS”) (*)	(i) Goslar, Germany	Investment management	0%	100%
Chemilytics Beteiligungs GmbH	(ii) Goslar, Germany	Investment management	0%	100%
H.C. Starck GmbH	(ii) Goslar, Germany	Investment management	0%	100%
Chemische Fabriken Oker und Branschweig AG	(ii) Goslar, Germany	Producing chemicals utilized in the manufacturing of paper and additives for the absorptive materials industry	0%	100%
H.C. Starck Infrastructure GmbH & Co. KG	(ii) Munich, Germany	Asset management and provision of related services	0%	100%
Chemilytics GmbH & Co. KG	(ii) Goslar, Germany	Chemical analysis and physical measurement data	0%	100%
H.C. Starck Tungsten GmbH	(ii) Munich, Germany	Deep processing of nonferrous metals and precious metals (tungsten)	0%	100%
H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd.	(ii) Shanghai, PRC	Trading and distribution	0%	100%
H.C. Starck Canada Inc.	(ii) Samia, Ontario, Canada	Deep processing of nonferrous metals and precious metals (tungsten)	0%	100%

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Name	Address	Principal activities	Percentage of economic interests at	
			31/12/2024	1/1/2024
H.C. Starck Tungsten GK	(ii) Tokyo, Japan	Trading and distribution	0%	100%
H.C. Starck Tungsten LLC	(ii) Newton, USA	Trading and distribution	0%	100%
Chemitas GmbH	(ii) Goslar, Germany	Energy supply, waste management and logistics services	0%	100%
H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co., Ltd.	(ii) Ganzhou, China	Deep processing of nonferrous metals and precious metals (tungsten)	0%	60%

(i) HCS is a subsidiary of MTC. MTC is a subsidiary of the Company.

(ii) These entities are direct and indirect subsidiaries and associate of HCS.

(*) HCS is a leading manufacturer of high-tech tungsten metal powders and carbides (midstream tungsten products). HCS has production hubs in Europe, North America, and China serving customers across the globe. HCS and its subsidiaries mainly specialize in the development, manufacture and sales of high-performance powders based on the technology of metal tungsten and its compounds, tailored to individual customer needs.

On 17 December 2024, MTC transferred all shares of HCS, an subsidiary of MTC, to Mitsubishi Materials Europe B.V. (formerly known as MM Netherlands B.V. (“MMN”)) under a share purchase agreement signed on 29 May 2024 between MMN, MTC, and Mitsubishi Materials Corporation, the parent company of MMN.

The percentage of economic interests represents the effective percentage of economic interests of the Company both directly and indirectly in the subsidiaries. The percentage of voting right equals the percentage of economic interests, unless otherwise indicated.

As at 31 December 2024, the Group had 1,518 employees (1/1/2024: 2,269 employees).

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for Enterprises and the relevant statutory requirements applicable to financial reporting.

(b) Basis of measurement

The consolidated financial statements, except for the consolidated statement of cash flows, are prepared on the accrual basis using the historical cost concept. The consolidated statement of cash flows is prepared using the indirect method.

(c) Annual accounting period

The annual accounting period of the Company and its subsidiaries is from 1 January to 31 December.

(d) Accounting and presentation currency

The Group's accounting currency is Vietnam Dong ("VND"), which is also the currency used for financial statement preparation and presentation purpose. All amounts have been rounded to the nearest thousand ("VND'000"), unless otherwise indicated.

3. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Group in the preparation of these consolidated financial statements.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration the potential voting rights that currently are exercisable.

Under the purchase method, the assets and liabilities of the acquired entity are consolidated using their fair values. Cost of a business combination (cost of the acquisition) is the aggregate amount of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in the acquisition in exchange for control of the acquiree and any costs directly attributable to the business combination. Identifiable assets acquired, identifiable liabilities and contingent liabilities assumed in a business combination are recognised at fair value on the acquisition date.

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Any goodwill that arises representing the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree is recognised in consolidated balance sheet, then amortised through to the consolidated statement of income. When the excess is negative (gain from bargain purchase), it is recognised in the consolidated statement of income for the current year after a reassessment has been performed to ensure that the measurement of identifiable assets acquired, liabilities and contingent liabilities assumed, and the cost of the business combination appropriately reflects consideration of all available information as of the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs as the result of fair values of the acquiree's identifiable assets, liabilities or contingent liabilities or the cost of the combination being only provisionally determined, the Group shall account for such business combination at provisional amounts. During twelve months from the acquisition date (i.e., the measurement period), the Group shall retrospectively adjust the provisional amounts recognised at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations included any costs directly attributable to the combination, such as professional fees paid to accountants, legal advisers, valuers and other consultants to affect the combination. Transaction costs are capitalised into the cost of business combination. General administrative costs and other costs that cannot be directly attributed to the particular combination being accounted for are not included in the cost of the combination; they are recognised as an expense when incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(iii) Non-controlling interests

Non-controlling interests ("NCI") are measured by their proportionate economic interest in the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. In accordance with Circular No. 202/2014/TT-BTC issued by the Ministry of Finance providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"), the difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

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(iv) *Loss of control*

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

(v) *Associates*

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power. Associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit and loss of an associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The carrying amount of investments in associates is also adjusted for the alterations in the investor's proportionate interest in the associates arising from changes in the associate's equity that have not been included in the income statement (such as revaluation of fixed assets, or foreign exchange translation differences, etc.).

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(vi) *Transactions eliminated on consolidation*

Intra-group transactions, balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. However, foreign currency difference arising on intra-group monetary items, whether short-term or long-term are recorded in the consolidated statement of income. Unrealised gains and losses arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee.

(vii) *Goodwill*

Goodwill arises on the acquisition of subsidiary. Goodwill is measured at cost less accumulated amortisation. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree in exchange for control of the acquire, plus any costs directly attributable to the acquisition.

When the excess is negative (gain from bargain purchase), it is recognised immediately in the consolidated statement of income.

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(b) Foreign currency

(i) Foreign currency transactions

Transactions in currencies other than VND during the year have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the account transfer buying rate for assets and account transfer selling rate for liabilities at the end of the annual accounting period quoted by the commercial bank where the Company or its subsidiaries most frequently conducts transactions.

All foreign exchange differences are recorded in the consolidated statement of income.

(ii) Foreign operations

For the purpose of presenting the consolidated financial statements, the assets and liabilities of foreign operations are translated to VND as follow:

- Assets and liabilities including fair value adjustments arising on acquisition, are translated to VND at the account transfer buying rate (for assets) and the account transfer selling rate (for liabilities) at the end of the accounting period quoted by the commercial bank where the Company most frequently conducts transactions;
- Revenues, income, expenses and cash flows of foreign operations are translated to VND at exchange rates at which approximate actual exchange rates ruling on the dates of transactions;
- Retained profits/accumulated losses, funds and reserves are derived from the translated net profits/movements from which they were appropriated.

Foreign currency differences arising from the translation of foreign operations' financial statements to VND are recognised in the balance sheet under the caption "Foreign exchange differences" in equity. When the foreign currency differences relate to a foreign operation that is consolidated but not wholly owned, accumulated exchange differences arising from translation and attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated balance sheet.

On the disposal of a subsidiary, the cumulative amount of the exchange differences relating to that subsidiary, recognised in equity in the consolidated balance sheet, shall be reclassified to financial income or financial expenses when the Group loses control over the subsidiary.

(c) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

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(d) Investments

(i) *Held-to-maturity investments*

Held-to-maturity investments are those that the Group's management has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank. These investments are stated at cost less allowance for doubtful debts.

(ii) *Investments in equity instruments of other entities*

Investments in equity instruments of other entities are initially recognized at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investments are stated at cost less allowance for diminution in value.

An allowance is made for diminution in investment values if the investee has suffered a loss which may cause the Group to lose their invested capital, unless there is evidence that the value of the investment has not been diminished. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognised.

(e) Accounts receivable

Accounts receivable from customers and other receivables are stated at cost less allowance for doubtful debts.

Factoring

Depending on market conditions and liquidity requirements, the Group enters into factoring agreements to transfer trade receivables. For factoring transactions, the Group assesses whether trade receivables can be derecognised in their entirety or not, basing on the extent to which it retains the risks and rewards of ownership of the trade receivables.

If the Group:

- transfers substantially all the risks and rewards of ownership of the receivables, the Group derecognises the receivables and recognises separately as asset or liability any rights and obligations created or retained in the transfer;
- retains substantially all the risks and rewards of ownership of the receivables, the Group continues to recognise the receivables;
- neither transfers nor retains substantially all the risks and rewards of ownership of the receivables, the Group determines whether it has retained control. If the Group does not retain control, it derecognises the receivables and recognises separately as assets or liabilities any rights and obligations created or retained in the transfer. If the Group retains control, it continues to recognise the receivables to the extent of its continuing involvement in the receivables.

The extent of continuing involvement in the transferred assets is the extent to which it is exposed to changes in the value of the transferred assets, which is the lower of the carrying amount of assets and the maximum amount of the consideration that the Group could be required to pay ("the guarantee amount").

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When the Group continues to recognise an asset to the extent of its continuing involvement, the Group also recognises an associated liability. The associated liability is initially measured at the guarantee amount plus the fair value of the guarantee. Subsequently the initial fair value of the guarantee is recognised in the consolidated income statement on a time proportion basis.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable mining and manufacturing overheads. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and estimated costs to sell.

The Group applies the perpetual method of accounting for inventories.

(g) Tangible fixed assets

(i) Cost

Upon completion of the mine construction phase, the assets are transferred into “building and structures”, “machinery and equipment” or “other mining assets” in tangible fixed assets. Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price or construction cost, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use, and the costs of dismantling and removing the asset and restoring the site on which it is located. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

If the self-constructed tangible assets have been completed and are put into used but their cost is not finalised, their historical cost will be recorded at a temporarily estimated value and they shall be adjusted with the difference after the finalised cost are approved.

Other mining assets comprise mine rehabilitation costs.

(ii) Depreciation

The Company: Machinery and equipment directly related to mineral processing activities

Machinery and equipment (“M&E”) which are directly related to mineral processing activities are depreciated on a unit-of-production method. Under this method, the depreciation bases are derived from proved and probable mineral reserves, which are estimates of the volume of ore (in tons) that can be economically and legally extracted from the Company’s mining properties, and a portion of mineral resources expected to be converted into reserves. Specifically, the depreciation bases for mining-related assets are calculated using:

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- a. mineral reserves and the amount of mineral resources expected to be converted into reserves under mining specialist’s technical assessments within Nui Phao project area; and
- b. Further mineral resources that can be reprocessed from the Company’s oxide tails cell (“OTC”).

Application of depreciation base to each mining asset class is as follows:

	Depreciation base
M&E relating to only mineral extracting and processing activities;	(a)
M&E relating to mineral processing activities, and being used in OTC retreatment	(a) and (b)

MTC: Machinery and equipment directly related to production activities

Machinery and equipment which are directly related to the deep processing of tungsten products of MTC are depreciated over its estimated useful lives on a units-of-production basis. The estimated total production quantity output which the tangible fixed assets are depreciated on a unit-of-production basis are as follows:

ST (Sodium Tungstate) plant	259,864 tonnes of tungsten
APT (Ammonium Paratungstate) plant	254,989 tonnes of tungsten

Others

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 – 40 years
▪ machinery and equipment	3 – 22 years
▪ office equipment	3 – 10 years
▪ motor vehicles	3 – 25 years
▪ other mining assets	26 years

Construction asset which are completed and put into use before construction costs being finalised, are stated at provisional cost. On the date the construction costs are finalised and approved, provisional cost shall be adjusted to finalised cost and accumulated depreciation shall not be adjusted. The subsequent depreciation charge is determined as the approved value minus the accumulated depreciation made for the period up to the approval of finalisation of fixed asset divided by the remaining depreciation period of the fixed asset according to relevant regulations.

(h) Intangible fixed assets

(i) Land

Lands comprise those acquired in a legitimate transfer. Lands are stated at cost and are not amortised.

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(ii) Software

Cost of software includes:

- Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Acquired software costs are amortised on a straight-line basis over three (3) to eight (8) years;
- Cost incurred during software development phase when following conditions are met:
 - Respective costs are attributable directly to the software development stage;
 - There is well-founded expectation – verifiable by program designs, models, or the like that the Group has intention to complete the development project and use or sell it;
 - The Group will be able to implement and use the software after its development;
 - Adequate technical, financial and human resources should be available to complete the software development successfully;
 - The Group is able to measure expenditures attributable to the software development project reliably.

Developed software is amortised on a straight-line basis over period of up to four (4) years starting from the date on which the respective modules are completed.

(iii) Mining rights

The mining rights are calculated based on the remaining exploitable reserves multiplied with the price as announced by the provincial authorities in accordance with Decree No. 67/2019/ND-CP dated 31 July 2019 (“Decree 67”) which became effective from 15 September 2019, replacing Decree No. 203/2013/ND-CP dated 28 November 2013. Cost of mining rights was stated at an amount equal to the present value of mining rights fee and was capitalised and treated as an intangible asset. Amortisation of mining rights is computed on a straight-line basis over the economic life of the proved and probable mineral reserve and a portion of resources expected to be converted into reserves.

(iv) Development costs

Development costs include:

- Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and process, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development. The expenditure capitalised include the costs of materials, direct labour and an appropriate portion of overheads. Other development expenditure is recognised in the consolidated statement of income as an expense as incurred;
- Development costs that are acquired by the Group through business combinations are capitalised and presented as an intangible fixed asset. The fair value of development costs are amortised on a straight-line basis over period from 10 to 16 years.

The fair value of development costs acquired through business combinations is determined using the incremental cash flow method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

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(v) Brand name

Cost of acquisition of brand name is recognised as an intangible asset.

The fair value of brand name acquired in a business combination is based on the discounted estimated royalty payments that have been avoided as a result of the brand name being owned. The fair value of brand name acquired in a business combination is recognised as an intangible asset and is amortized on a straight-line basis over periods ranging from 20 to 30 years.

(vi) Customer relationship

Customer relationships that are acquired by the Group through business combinations are capitalised and presented as an intangible fixed asset. The fair value of customer relationships is amortised on a straight-line basis over a period of 36 years.

The fair value of customer relationships acquired through business combinations is determined using the multi-period excess earnings method, whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows.

(vii) Technologies

Technologies that are acquired by the Group through business combinations are recognised as intangible fixed assets and are initially measured at fair value. Technologies are amortised on a straight-line basis over their useful lives ranging from 16 to 31 years.

The fair value of technologies acquired through business combinations are determined using the multi-period excess earnings method whereby the subject assets are valued after deducting a fair return on all other assets that are part of creating the related cash flows and/or based on the discounted estimated royalty payments that have been avoided as a result of the technologies being owned.

(i) Investment property

Investment property held to earn rental

(i) Cost

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended by the Board of Management. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the year in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property. The estimated useful lives are as follows:

- buildings 40 – 60 years

Lands are recognized by historical cost and are not amortised.

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(j) Construction in progress

Construction in progress mainly represents mineral assets under development and cost of construction and machinery which have not been fully completed, installed and commissioned. It also comprises land compensation, development expenditures for mineral reserves and mineral resources and related development expenditure. These assets qualify for capitalisation when the mineral reserves to which they relate is proven to be commercially and technically viable. They are capitalised net of proceeds from the sale of commissioning products during the development phase. On completion of construction defined as the time when the assets are brought into the condition of its intended use, all assets are reclassified to tangible fixed assets as either “buildings and structures”, “machinery and equipment” or “other mining assets”; or long-term prepaid expenses as “other mining costs”.

No depreciation is provided for construction in progress during the period of development, construction, installation and commissioning stages.

(k) Long-term prepaid expenses

(i) Prepaid land costs

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under prevailing laws and regulations and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the leases from 17 to 24 years.

(ii) Land compensation costs

Land compensation costs comprise prepaid land lease rentals, compensation, resettlement and other costs incurred in conjunction with securing the use of leased land for its mining activities. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the related leases.

(iii) Other mining costs

Other mining costs comprise:

- Exploration, evaluation, and development expenditure (including development stripping); and
- Production stripping (as described below in ‘Deferred stripping costs’).

Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste materials to access ore body. Stripping costs incurred in the development phase of a mine (development stripping costs) are recorded as part of the cost of construction of the mine. All development stripping expenditure incurred during construction phase are transferred to other mining costs.

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The costs of removal of the waste material during a mine's production phase (production stripping costs) are deferred where they give rise to future benefits:

- a) It is probable that the future economic benefits will flow to the Group;
- b) The component of the ore body for which access has been improved can be identified; and
- c) The costs incurred can be measured reliably.

Production stripping costs are allocated between inventory and long-term prepaid expenses in accordance with the life of mine strip ratio of the identified components of the ore bodies.

The life of mine strip ratio represents the estimated total volume of waste, to the estimated total quantity of economically recoverable ore, over the life of the mine of the identified components of the ore bodies. These costs are recognised as long-term prepaid expenses where the current period actual stripping ratio is higher than the average life of mine strip ratio.

The development and production stripping costs are amortised systematically based on the mineral reserves and mineral resources expected to be converted to mineral reserves of the relevant components.

(iv) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that the Group would not have incurred if the contract had not been obtained. The Group shall capitalize incremental costs of obtaining a contract if such costs meet the following criteria:

- Only the incremental costs incurred as a result of obtaining a contract should be capitalized; and
- The cost must be recoverable.

The recognised asset shall be amortised on a systematic basis matched with the transfer of the goods or services to the customer to which the asset relates.

(v) Other prepaid expenses

Other prepaid expenses include service fees which are initially stated at cost and amortised on a straight-line basis over the term of the contracts for services fees.

(l) Accounts payable and other payables

Accounts payable to suppliers and other payables are stated at their cost.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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(i) Mining rights

In accordance with the Law on Minerals 2010, the Company has an obligation to pay the Government fees for mining rights grant. Mining rights is calculated based on the remaining exploitable reserves and the price to calculate the charge for granting mining rights which is defined as the prices to calculate the resource royalty in accordance with the law on resource royalty (Decree 67), at the time of determining the charge for granting mining rights.

The prices to calculate the resource royalty are the prices applicable for the Company's products which are determined by the provincial People's Committee. The conversion method is based on various parameters of the conversion coefficient under guidelines of Decree 67.

(ii) Mine rehabilitation

The mining, extraction and processing activities of the Group normally give rise to obligations for site closure or rehabilitation. Closure and rehabilitation works can include facility decommissioning and dismantling, site and land rehabilitation. The extent of work required, and the associated costs are dependent on the requirements of Ministry of Natural Resources and Environment ("MONRE") and the Group's environmental policies stipulated in the Annual Environment Impact Report.

Provisions for the cost of each closure and rehabilitation program are recognised at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and rehabilitation activities expected to occur progressively over the life of the operation proportional to the degree of influence on the environment existing at the end of the annual accounting period.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting dates and the cost is charged to the consolidated statement of income. Routine operating costs that may impact the ultimate closure and rehabilitation activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognised as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation.

The timing of the actual closure and rehabilitation expenditure is dependent on the life of the mine. Closure and rehabilitation provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive obligation.

When provisions for closure and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset if the related obligations for closure and rehabilitation are unavoidable to the construction of the asset. The capitalised cost of closure and rehabilitation activities is recognised in other mining assets and depreciated accordingly. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense recognised in financial expenses.

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Closure and rehabilitation provisions will also be adjusted for changes in estimates. These adjustments will be accounted for as a change in the corresponding capitalised cost, except where a reduction in the provision is greater than the under-depreciated capitalised cost of the related assets, in which the capitalised cost is reduced to nil and the remaining adjustment is recognised in the consolidated statement of income. Changes to the capitalised cost result in an adjustment to future depreciation. Adjustments to the estimated amount and timing of future closure and rehabilitation cash flows are a normal occurrence in light of the significant judgements and estimates involved.

(iii) Pension liabilities

Pensions are retirement benefits and are classified as either defined contribution plans or defined benefit plans.

Under a defined contribution plan, the Group pays fixed contributions into a separate fund. The amount of an employee's future retirement benefit is only based on the contributions paid and the income earned from the investment. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group's contributions are to be recognised as expenses in the periods in which they were to be contributed.

Under a defined benefit plan, employees will receive a defined amount of pension benefit on retirement, usually dependent on one or more factors such as age, years of service and compensation. The provision to be recognised for a defined benefit plan is calculated as the present value of the defined benefit obligations at the end of the accounting period. The defined benefit obligation is calculated annually by independent actuaries. The present value of the defined benefit obligation is determined by discounting estimated future cashflow using interest rates of high-quality AA-corporation bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximation to the terms of the related pension liability. The Group determines the net interest expense on the net defined benefit liability (asset) for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions. Net interest expense and other expenses related to defined benefit plans are recognised in consolidated statement of income. The remeasurement of defined benefit obligation involves estimation of future cashflow, employee turnover, mortality and future increase in salaries.

Gain or loss arising from remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses and the relevant deferred tax are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance ("MOF").

When the Group loses control over its subsidiaries with defined benefit plans, the balance of "Other equity funds" is reclassified to Retained profits after tax in accordance with a ruling from MOF.

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(n) Bonds issued

At initial recognition, straight bonds are measured at cost which comprises proceeds from issuance net of issuance costs. Any discount, premium or issuance costs are amortised on a straight-line basis over the term of the bond

(o) Contributed capital

Contributed capital is recognised on the contribution date at the actual amount contributed less any directly attributable transaction costs.

(p) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the annual accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at end of the annual accounting period. Deferred tax is recognised in the consolidated statement of income except to the extent relating to item recognised directly in equity.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(q) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the consolidated statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts.

In cases where the terms of the executed contractual sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer, assay results issued by a third party are preferable, unless customer's survey is within executed contractual tolerance, then sales recognition is based on the most recently determined product specifications agreed by parties.

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(ii) Revenue from tolling services

Tolling services are offered to the Group's worldwide customers of the metal powder business, in which customers deliver used material or metal scraps to the Group for recycling into finished products i.e. metal powder, in exchange for a tolling fee. Revenue from tolling services is recognised in the consolidated statement of income when the goods have been processed and accepted by the buyer. Revenue from tolling services, which is tolling fee, is measured based on the consideration to which the Group expects to be entitled to in the contract. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Revenue from lease

Property rental revenue is recognised in the consolidated income statement on a straight-line basis based on the term of the lease contract. Rental commissions are recognised as an integral part of total rental revenue.

(r) Financial income and financial expenses

(i) Financial income

Financial income comprises interest income from deposits and foreign exchange gains. Interest income from deposits is recognised as it accrues in the consolidated statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

(ii) Financial expenses

Financial expenses comprise interest expenses on borrowings, bonds, borrowing costs, foreign exchange losses and others financial expenses.

Borrowings costs comprise facility fees, financing costs and transaction costs. Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

(s) Leases

(i) Leased assets

Leases in terms of which the Group, as lessee, assumes substantially all the risks and rewards of ownership are classified as finance leases. Tangible fixed assets acquired by way of finance leases are stated at an amount equal to the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Depreciation on finance leased assets is computed on a straight-line basis over the shorter of the lease term and the estimated useful lives of the leased assets unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The estimated useful lives of finance leased assets are consistent with the useful lives of tangible fixed assets as described in Note 3(g)(ii).

Assets held under other leases are classified as operating leases and are not recognised in the Group's balance sheet.

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(ii) Lease payments

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense over the term of the leases.

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each accounting period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(t) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary and secondary format for segment reporting is based on business segments and geographical segments respectively.

(u) Related parties

Parties are considered to be related to the Group if one party has the ability, directly or indirectly, to control the other party or to exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party. Related parties that are individuals refer to key management personnel who have authority and responsibility for planning, directing and controlling the activities of the Company, including directors and officers of the Company.

Related companies refer to the investors, the ultimate parent company and their subsidiaries and associates.

(v) Comparative information

Comparative information in these consolidated financial statements is presented as corresponding figures. Under this method, comparative information for the prior year is included as an integral part of the current year financial statements and are intended to be read only in relation to the amounts and other disclosures relating to the current year. Accordingly, the comparative information included in these consolidated financial statements is not intended to present the Group's consolidated financial position, consolidated results of operation or consolidated cash flows for the prior year.

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4. Segment reporting

(a) Business segments

The Group comprises the following business segments:

2024	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment net revenue	1,484,480,457	1,332,361,607	11,427,563,238	91,923,425	14,336,328,727
Segment gross profit/(loss)	718,160,685	810,085,159	(533,657,459)	11,761,402	1,006,349,787
Unallocated expenses					(810,220,082)
Financial income					1,918,377,081
Financial expenses					(2,290,263,138)
Share of profit in associates					30,316,644
Net loss from operating activities					(145,439,708)
Other income					69,542,332
Other expenses					(745,033,353)
Income tax expenses					(715,295,439)
Net loss after tax					(1,536,226,168)

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	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
2023					
Segment net revenue	1,043,540,141	1,419,520,569	11,429,312,414	200,880,363	14,093,253,487
Segment gross profit/(loss)	504,907,367	904,106,940	(494,853,644)	11,337,959	925,498,622
Unallocated expenses					(866,241,634)
Financial income					486,983,900
Financial expenses					(2,208,936,492)
Share of profit in associates					9,709,924
Net loss from operating activities					(1,652,985,680)
Other income					181,078,733
Other expenses					(41,801,941)
Income tax benefit					105,118,135
Net loss after tax					(1,408,590,753)

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As at 31 December 2024	Copper VND'000	Fluorspar VND'000	Tungsten VND'000	Others VND'000	Total VND'000
Segment assets	112,709,737	603,559,239	2,651,826,789	727,424,345	4,095,520,110
Unallocated assets					19,777,695,667
Total assets					23,873,215,777
Total liabilities					14,389,157,444
As at 1 January 2024					
Segment assets	139,476,517	654,163,378	7,878,269,782	1,491,942,732	10,163,852,409
Unallocated assets					26,995,352,741
Total assets					37,159,205,150
Total liabilities					26,264,720,149

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	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
2024					
Capital expenditure	645,508	1,149,000	9,578,277	-	11,372,785
Unallocated capital expenditure	-	-	-	-	524,642,848
Depreciation and amortisation	8,153,155	33,379,157	585,680,286	114,876,320	742,088,918
Unallocated depreciation and amortisation					496,310,803
Unallocated amortisation of long-term prepaid expenses					377,383,906

	Copper	Fluorspar	Tungsten	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000
2023					
Capital expenditure	3,941,759	-	9,611,114	-	13,552,873
Unallocated capital expenditure					822,336,427
Depreciation and amortisation	9,018,387	36,122,898	529,748,399	115,567,262	690,456,946
Unallocated depreciation and amortisation					508,321,831
Unallocated amortisation of long-term prepaid expenses					361,513,783



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(b) Geographical segments

The Group comprises the following geographical segments:

As at and for the year ended 31 December 2024

	Vietnam VND'000	Belgium VND'000	Germany VND'000	Japan VND'000	USA VND'000	China VND'000	Luxembourg VND'000	Others VND'000	Total VND'000
External revenue	1,200,440,387	146,417,760	2,755,561,130	1,128,752,647	2,261,795,745	2,996,500,446	461,645,762	3,385,214,850	14,336,328,727
Segment assets	23,232,246,070	-	94,336,380	50,734,761	162,284,006	65,162,232	93,233,861	175,218,467	23,873,215,777
Capital expenditure	288,237,892	-	170,194,164	-	-	54,755,919	-	22,827,658	536,015,633

As at and for the year ended 31 December 2023

	Vietnam VND'000	Belgium VND'000	Germany VND'000	Japan VND'000	USA VND'000	China VND'000	Luxembourg VND'000	Others VND'000	Total VND'000
External revenue	1,014,454,613	48,893,597	2,389,630,183	668,071,851	2,543,256,314	2,960,525,219	1,344,266,403	3,124,155,307	14,093,253,487
Segment assets	26,618,956,940	-	5,778,317,854	205,438,621	707,550,110	1,478,763,125	239,183,131	2,130,995,369	37,159,205,150
Capital expenditure	710,458,951	-	93,299,974	-	-	22,086,722	-	10,043,653	835,889,300

5. Divestment of investment in subsidiaries

H.C. Starck Holding (Germany) GmbH (“HCS”) and its subsidiaries and associates

On 29 May 2024, MTC signed a Share purchase agreement with Mitsubishi Materials Corporation (“MMC”) to transfer all of MTC's economic benefits in HCS and its subsidiaries and associates. On 17 December 2024, the sale of all shares in HCS was completed. Additionally, in accordance with the Share purchase agreement, before the transfer of shares, on 10 December 2024, HCS had transferred its investment in Nyobolt Limited (“Nyobolt”), a UK-based company specializing in fast-charging battery technology based on tungsten and niobium, to The SHERPA Co., Ltd. (“Sherpa”), a subsidiary of Masan Group – the ultimate parent company of MTC, for USD19.8 million.

At the time of transfer, HCS had subsidiaries and associates that are directly or indirectly owned as follows:

- ChemiLytics Beteiligungs GmbH (Germany)
- H.C. Starck GmbH (Germany)
- Chemische Fabriken Oker und Braunschweig AG (Germany)
- H.C. Starck Infrastructure GmbH & Co. KG (Germany)
- ChemiLytics GmbH & Co. KG (Germany)
- H.C. Starck Tungsten GmbH (Germany)
- H.C. Starck Nonferrous Metals Trading (Shanghai) Co. Ltd. (China)
- H.C. Starck Canada Inc. (Canada)
- H.C. Starck Tungsten GK (Japan)
- H.C. Starck Tungsten LLC (United States)
- H.C. Starck Jiangwu Tungsten Specialities (Ganzhou) Co. Ltd. (China)
- Chemitas GmbH (Germany)
- Jiangwu H.C. Starck Tungsten Products Co., Ltd. (China), an associate of HCS

This transaction has the following effects on the Group's consolidated financial statements as at the date of transfer:

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	Carrying value VND'000
Cash and cash equivalents	373,361,501
Accounts receivable – short-term	934,808,193
Inventories – net	2,325,915,141
Other current assets	166,412,450
Accounts receivable – long-term	132,207,304
Tangible fixed assets – net	2,769,690,331
Intangible fixed assets – net	2,691,189,975
Investment property – net	630,721,518
Construction in progress	250,781,755
Long-term financial investments	239,674,491
Taxes and others payable to State Treasury	(178,615,575)
Other current liabilities	(3,082,565,247)
Short-term borrowings	(365,520,456)
Long-term borrowings	(152,419,674)
Deferred tax liabilities	(1,132,674,416)
Provisions – long-term	(4,730,223,368)
Other long-term liabilities	(1,135,437)
Non-controlling interest	(271,324,419)
Foreign exchange differences	210,537,901
Net identifiable assets and liabilities	[1] 810,821,968
Losses from sale of Nyobolt to Sherpa at HCS	[2] (918,916,629)
Total consideration, net of transaction costs	[3] 3,135,668,310
Profit from the transfer of subsidiaries in the consolidated statement of income (Note 29) (= [3] + [2] – [1])	1,405,929,713
Write-off of deferred tax assets related to HCS's tax losses upon divestment (Note 35)	(442,502,209)
Net profit from the divestment of investment in subsidiaries in the consolidated statement of income	963,427,504
Total consideration, net of transaction costs	3,135,668,310
Cash and cash equivalents of the transferred subsidiaries	(373,361,501)
Net cash inflows increased from the divestment of investment in subsidiaries	2,762,306,809

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6. Cash and cash equivalents

	31/12/2024	1/1/2024
	VND'000	VND'000
Cash on hand	47,051	41,167
Cash in banks	1,463,773,488	971,548,068
	<hr/>	<hr/>
	1,463,820,539	971,589,235
	<hr/>	<hr/>

At 31 December 2024 a part of cash with an amount of VND22,539 million (1/1/2024: VND6,789 million) was pledged with banks as security for short-term borrowings granted to subsidiaries (Note 23(a)).

7. Investments

(a) Held-to-maturity investments

	31/12/2024	1/1/2024
	VND'000	VND'000
Short-term deposits	-	8,110,000
	<hr/>	<hr/>

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	31/12/2024		1/1/2024		Fair value VND'000
	Carrying value VND'000	Quantity	% of equity owned	Carrying value VND'000	
(b) Long-term financial investments					
Equity investments in associates					
Jiangwu H.C. Starck Tungsten Products Co. Ltd. (i)	-		30%	211,552,770	(iii)
Equity investments in other entities					
Nyobolt Limited (ii)	-	755,161	21.5%	1,426,422,485	(iii)
	-			1,637,975,255	

- (i) This company is an indirectly owned associate of the Company and was disposed of during the year along with HCS and its subsidiaries as presented in Note 1(b).
- (ii) On 10 December 2024, H.C. Starck Holding (Germany) GmbH ("HCS") completed the transfer of all shares of Nyobolt Limited to Sherpa, a subsidiary of the ultimate parent company.
- (iii) The Group has not determined the fair values of the financial instruments for disclosure in the consolidated financial statements because information about their market prices are not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards and the Vietnamese Accounting System for Enterprises. The fair values of the financial instruments may differ from their carrying amounts.

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	31/12/2024	1/1/2024
	VND'000	VND'000
<i>Third parties</i>		
Tungsten customers	393,731,920	1,299,986,401
Fluorspar customers	217,251,001	256,183,028
Bismuth customers	63,895,004	67,259,118
Copper customers	113,962,739	41,780,462
Other customers	879,107	3,604,622
	<hr/>	<hr/>
	789,719,771	1,668,813,631
	<hr/>	<hr/>

At 31 December 2024 and 1 January 2024, a part of short-term receivables was pledged with banks as security for short-term borrowings granted to the Group (Note 23(a)).

9. Loans receivable – short-term

	31/12/2024	1/1/2024
	VND'000	VND'000
Loans receivable from other related parties	12,800,000	26,200,000
	<hr/>	<hr/>

Loans receivable – short-term from related parties are unsecured, receivable in 12 months after each drawn down date and earn the interest rate agreed in the agreements at the transaction dates.

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10. Other short-term and long-term receivables

	31/12/2024	1/1/2024
	VND'000	VND'000
Other short-term receivables		
Amounts due from an intermediate parent company		
Non-trade amounts (a)	10,294,685	10,294,685
Interest receivables	316,668	2,804,164
Charge back costs to develop ERP systems	14,200,375	14,200,375
Other receivables from other parties		
Receivable for mining rights fee (b)	980,845,909	810,796,587
Receivable from factoring transaction	-	18,987,603
Insurance claim receivables (c)	9,653,040	9,132,771
Import tax receivables	2,075,867	1,988,552
Interest receivables	-	357,284
Others	576,996	48,765,648
	1,017,963,540	917,327,669
Other long-term receivables		
Land compensation receivable from Thai Nguyen People's Committee (d)	1,094,091,069	1,228,946,611
Deposit paid to Environment Protection Fund (e)	104,666,261	95,560,756
Net defined benefit assets	-	122,066,644
Others	582,827	582,827
	1,199,340,157	1,447,156,838

- (a) Non-trade receivables represent amount paid on behalf of an intermediate parent company, which are unsecured, interest free and receivable based on agreed payment terms.
- (b) Receivable for mining rights fee (“MRF”) as at 31 December 2024 represents additional mining rights of the Company fee for the year from 2015 and relevant administrative charges that the Company paid to the authorities based on a temporary calculation by the General Department of Geology and Minerals (“GDGM”) under the Official Letter No. 3724/DCKS-KTDCKS dated 28 December 2018 (“Official Letter 3724”) and subsequently a calculation by the Ministry of Natural Resources and Environment (“MONRE”) under the Decision No. 1640/QD-BTNMT dated 23 August 2021 (“Decision 1640”).

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The Company does not agree with the amounts and basis of the Official Letter 3724 as the Company's management is of the opinion that it is unreasonable and does not comply with current regulations because the price used to calculate the charge for granting mining rights (or mining right fee) ("G-price") is based on the resource royalty taxable price applicable to mineral resource products instead of royalty taxable price applicable to industrial products. In accordance with regulations of the Government's Decree No. 12/2015/ND-CP dated 12 February 2015 and guidance of the Ministry of Finance's Circular No. 152/2015/TT-BTC dated 2 October 2015 on Royalties, if resources that have to be processed before being sold, resource royalty taxable price equals (=) selling price of the industrial products minus (-) processing costs but not lower than the taxable price imposed by the People's Committee of the province. The Company's products are industrial products, for which the resource royalty taxable price is determined on the basis of the higher of selling price minus (-) processing costs and the taxable price imposed by the Provincial People's Committee ("PPC"). GDGM did not use the royalty taxable price applicable to industrial products; instead they used the royalty taxable price applicable to mineral resource products - tungsten ore ($0.1% < WO_3 < 0.3%$). Before the effective date of Official Letter 3724, the Company made payment for MRF in accordance with Decision No. 500/QD-BTNMT ("Decision 500") issued by MONRE on 4 March 2015, which used estimated royalty taxable price applicable to industrial products.

On 23 August 2021, MONRE issued Decision No. 1640/QD-BTNMT ("Decision 1640") to determine the MRF of Nui Phao Mine, replacing the temporary MRF calculation in accordance with Decision 500 and Official Letter 3724 despite that the royalty taxable price applicable to the Company's industrial products has not yet been determined. In issuing this Decision 1640, MONRE continued using the royalty taxable price applicable to tungsten ore ($0.1% < WO_3 < 0.3%$) instead of the royalty taxable price applicable to industrial products, which had been highlighted by the Company before. According to Decree 67, Article 15 Point 3, in case MRF is paid on a temporary basis, if the taxable prices for calculating resource royalties announced by Provincial People's Committees are valid and compliant with regulations on prices of minerals for determining mining right fee, those prices shall be officially applied and replace the prices used in the previous temporary payments. The Company's management assessed that because the royalty taxable prices applied to the Company's industrial products have not yet been determined by Thai Nguyen PPC, the G-price that serves as the basis for computation of MRF under Decision 1640 is not in accordance with the prevailing laws and regulations.

The Company has also sent many letters to different levels of authorities to highlight the issues and seek proper resolutions for the Company's MRF issue. As instructed by the Prime Minister under Letter No. 978/VPCP-KTTH dated 28 February 2021, Letter No. 5987/VPCP-KTTH dated 28 August 2021 and subsequently as further instructed by the Deputy Prime Minister under Notification No. 226/TB-VPCP dated 16 June 2023 ("Notification 226"), the Company's MRF issue is under review by Ministry of Finance ("MOF"), MONRE and Thai Nguyen PPC. Accordingly, MRF for the Nui Phao Mining Project will be re-determined by MONRE after (1) the royalty taxable price applicable to the Company's industrial products is finalised and officially issued by Thai Nguyen PPC; and (2) the royalty taxable price bracket for tungsten ore is issued by MOF and the royalty taxable price applicable to the Company's tungsten ore is issued by Thai Nguyen PPC.

As disclosed in Note 37 to these consolidated financial statements, Thai Nguyen PPC, Thai Nguyen Department of Finance and relevant functional agencies are currently working together to determine the royalty taxable price applicable to the Company's industrial products.

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Management believes that the Company has adequately provided for its liabilities for MRF and that above amount temporarily paid is entitled to be refunded or off-set against future MRF liabilities, based on its interpretation of relevant legislation, including regulations on the charge for granting mining rights and regulations on natural resources tax, i.e., using the price as determined in Decision 500. Accordingly, the Group accounted for the additional MRF payments and relevant administrative charges as receivables and has not recognised the additional MRF specified in Decision 1640 as liabilities. The Company's management expects that it will be able to claim back this receivable after the royalty taxable price applicable to the Company's industrial products is officially determined.

- (c) This amount represents claim due from insurers for loss of profit arising from business interruption of the Company from July to October 2021. The amount of claim was finalized by the lead insurers and was partially received in 2022 and 2023.
- (d) These represented receivables from State Treasury for the land compensation cost of the Nui Phao Mining Project which was paid to the affected residents at Ha Thuong Commune, Dai Tu District, Thai Nguyen Province. The amount can be netted off against annual land rental fee of future years.
- (e) The Company has obligation to deposit to the Environment Protection Fund for mine closure and environment rehabilitation. In accordance with Decision No. 1536/QD-BTMMT issued by MONRE on 20 June 2019, the mine rehabilitation plan requires deposit amount to be increased to VND123,460 million. On this date, the remaining deposit of VND87,692 million was approved for annual instalment over 10 years from 2019. The future deposit instalment will be based on the annual CPI fluctuation in accordance with Circular No. 38/2015/TT-BTNMT dated 30 June 2015.

11. Inventories

	31/12/2024		1/1/2024	
	Cost VND'000	Allowance VND'000	Cost VND'000	Allowance VND'000
Goods in transit	56,673,072	-	187,237,570	-
Raw materials	149,685,717	(14,601,705)	588,036,266	(34,284,254)
Tools and supplies	487,233,173	-	878,801,429	(21,945,506)
Work in progress	190,094,746	(21,579,596)	910,261,174	(37,156,440)
Finished goods	2,062,969,480	(53,294,354)	3,545,206,394	(87,921,438)
Merchandise inventories	2,963,744	-	9,010,766	-
Goods on consignment	78,002,842	(9,692,722)	11,454,984	(973,574)
	<u>3,027,622,774</u>	<u>(99,168,377)</u>	<u>6,130,008,583</u>	<u>(182,281,212)</u>

Included in the inventories at 31 December 2024 were VND97,270 million of raw materials, VND153,313 million of work in progress, VND426,114 million of finished goods and VND78,003 million of goods on consignment (1/1/2024: VND460,505 million of raw materials, VND859,509 million of work in progress, VND1,542,604 million of finished goods and VND11,455 million of goods on consignment) carried at net realisable value.

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12. Tangible fixed assets

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Other mining assets	Total
	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000
Cost						
Opening balance	7,362,064,306	18,257,396,564	43,103,947	18,792,950	89,121,554	25,770,479,321
Additions	8,758,802	85,707,685	-	-	-	94,466,487
Transfer from construction in progress (Note 15)	126,764	925,534,232	-	-	-	925,660,996
Disposals	-	-	-	(4,136,364)	-	(4,136,364)
Written off	-	(44,246,043)	-	-	-	(44,246,043)
Currency translation differences	(61,436,765)	(54,105,271)	-	-	-	(115,542,036)
Decrease due to divestment of investment in subsidiaries	(1,639,788,228)	(5,516,827,923)	-	-	-	(7,156,616,151)
Closing balance	5,669,724,879	13,653,459,244	43,103,947	14,656,586	89,121,554	19,470,066,210
Accumulated depreciation						
Opening balance	2,639,159,239	9,443,760,135	42,423,009	15,872,315	24,620,818	12,165,835,516
Charge for the year	296,367,792	666,778,116	257,288	1,098,225	3,307,730	967,809,151
Disposals	-	-	-	(4,136,364)	-	(4,136,364)
Written off	-	(20,914,606)	-	-	-	(20,914,606)
Currency translation differences	(4,824,032)	(40,269,288)	-	-	-	(45,093,320)
Decrease due to divestment of investment in subsidiaries	(578,884,915)	(3,808,040,905)	-	-	-	(4,386,925,820)
Closing balance	2,351,818,084	6,241,313,452	42,680,297	12,834,176	27,928,548	8,676,574,557
Net book value						
Opening balance	4,722,905,067	8,813,636,429	680,938	2,920,635	64,500,736	13,604,643,805
Closing balance	3,317,906,795	7,412,145,792	423,650	1,822,410	61,193,006	10,793,491,653

Included in the cost of tangible fixed assets of the Group were assets costing VND154 billion which were fully depreciated as at 31 December 2024 (1/1/2024: VND744 billion), but which are still in active use.

At 31 December 2024, tangible fixed assets with carrying value of VND9,621 billion were pledged with banks as security for short-term borrowings and long-term bonds, issued by the Company and an intermediate parent company (1/1/2024: VND10,058 billion) (Note 23(a) and Note 23(b)).

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13. Intangible fixed assets

	Land VND'000	Software VND'000	Mining rights VND'000	Development cost (*) VND'000	Brand name VND'000	Customer relationship VND'000	Technologies VND'000	Other intangible fixed assets VND'000	Total VND'000
Cost									
Opening balance	40,928,913	449,770,358	792,655,211	646,235,210	1,055,786,731	216,831,167	1,456,351,778	52,256,936	4,710,816,304
Additions	-	3,564,170	-	-	-	-	-	-	3,564,170
Transfer from construction in progress (Note 15)	-	2,541,397	-	-	-	-	-	-	2,541,397
Written off	-	(169,813,170)	-	-	-	-	-	-	(169,813,170)
Currency translation differences	(589,006)	2,742,683	-	(7,157,321)	(11,693,272)	(2,401,495)	(16,129,693)	(98,910)	(35,327,014)
Decrease due to divestment of investment in subsidiaries	(40,339,907)	(175,310,695)	-	(639,077,889)	(1,044,093,459)	(214,429,672)	(1,440,222,085)	(52,158,026)	(3,605,631,733)
Closing balance	-	113,494,743	792,655,211	-	-	-	-	-	906,149,954
Accumulated amortisation									
Opening balance	-	425,779,975	320,565,334	199,018,299	127,027,291	21,853,542	254,050,210	9,363,785	1,357,658,436
Charge for the year	-	10,846,406	37,767,190	36,988,135	36,529,098	6,284,399	73,056,939	3,708,510	205,180,677
Written off	-	(169,813,170)	-	-	-	-	-	-	(169,813,170)
Currency translation differences	-	2,827,216	-	(3,627,155)	(2,812,164)	(483,798)	(5,624,234)	(140,829)	(9,860,964)
Decrease due to divestment of investment in subsidiaries	-	(159,249,730)	-	(232,379,279)	(160,744,225)	(27,654,143)	(321,482,915)	(12,931,466)	(914,441,758)
Closing balance	-	110,390,697	358,332,524	-	-	-	-	-	468,723,221
Net book value									
Opening balance	40,928,913	23,990,383	472,089,877	447,216,911	928,759,440	194,977,625	1,202,301,568	42,893,151	3,353,157,868
Closing balance	-	3,104,046	434,322,687	-	-	-	-	-	437,426,733

Included in intangible fixed assets were assets costing VND101 billion which were fully amortised as at 31 December 2024 (1/1/2024: VND349 billion), but which are still in use.

At 31 December 2024, intangible fixed assets with carrying value of VND437 billion were pledged with banks as security for short-term and long-term borrowings and long-term bonds issued by a subsidiary and the Company (1/1/2024: VND502 billion) (Note 23(a) and Note 23(b)).

(*) Development cost includes completed projects related to troubleshooting used in the production process of the subsidiaries.

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	Buildings and structures VND'000	Land VND'000	Total VND'000
Cost			
Opening balance	1,162,352,102	35,368,460	1,197,720,562
Currency translation differences	(16,689,095)	(391,724)	(17,080,819)
Decrease due to divestment of investment in subsidiaries	(1,145,663,007)	(34,976,736)	(1,180,639,743)
Closing balance	-	-	-
Accumulated depreciation			
Opening balance	494,800,399	-	494,800,399
Charge for the year	65,409,893	-	65,409,893
Currency translation differences	(10,292,067)	-	(10,292,067)
Decrease due to divestment of investment in subsidiaries	(549,918,225)	-	(549,918,225)
Closing balance	-	-	-
Net book value			
Opening balance	667,551,703	35,368,460	702,920,163
Closing balance	-	-	-

Cost of investment property is determined at fair value of assets on HCS's acquisition date.

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15. Construction in progress

	2024	2023
	VND'000	VND'000
Opening balance	2,472,249,021	2,049,410,181
Increase due to business combination	-	21,070,721
Additions during the year	479,944,352	746,372,189
Transfer to tangible fixed assets (Note 12)	(925,660,996)	(341,369,035)
Transfer to intangible fixed assets (Note 13)	(2,541,397)	(2,378,750)
Transfer to long-term prepaid expenses (Note 16)	(45,648,183)	(7,428,168)
Disposals	-	(569,478)
Written off and included in cost of production and business operations for the year	(512,452,081)	-
Currency translation differences	(5,836,222)	7,141,361
Decrease due to divestment of investment in subsidiaries (Note 5)	(250,781,755)	-
	<hr/>	<hr/>
Closing balance	1,209,272,739	2,472,249,021
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During the year, borrowing costs capitalised into construction in progress of the Group amounted to VND15 billion (2023: VND103 billion).

As at the reporting date, construction in progress of the Group with carrying amount of VND1,089 billion (1/1/2024: VND2,227 billion) has been pledged with banks as security for short-term borrowings and long-term bonds issued by the Group (Notes 23(a) and 23(b)).

Major constructions in progress were as follows:

	31/12/2024	1/1/2024
	VND'000	VND'000
Plant, machinery and equipment	172,812,110	1,609,459,652
Land compensation	431,771,817	412,261,236
Site clearance, relocation of infrastructure and others	229,070,605	216,434,930
Tailing dams	210,685,794	92,810,066
Other assets	164,932,413	141,283,137
	<hr/>	<hr/>
	1,209,272,739	2,472,249,021
	<hr/>	<hr/>

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Notes to the consolidated financial statements for the year ended 31 December 2024 (continued)

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16. Long-term prepaid expenses

	Prepaid land cost and land compensation costs VND'000	Other mining costs VND'000	Incremental costs of obtaining contract (*) VND'000	Others VND'000	Total VND'000
Opening balance	1,227,286,643	1,820,633,136	112,247,550	137,561,353	3,297,728,682
Additions	-	132,047,708	-	85,603,790	217,651,498
Transfer from other long-term receivables (Note 10)	68,797,476	-	-	-	68,797,476
Transfer from construction in progress (Note 15)	-	-	-	45,648,183	45,648,183
Amortisation for the year	(77,192,506)	(172,936,613)	(6,185,542)	(121,069,245)	(377,383,906)
Closing balance	1,218,891,613	1,779,744,231	106,062,008	147,744,081	3,252,441,933

(*) In September 2020, the Company incurred costs to terminate its long-term offtake agreement with an existing customer in order to obtain a more favourable contract with another customer. This cost is incremental costs of obtaining contract, thus is capitalised and amortised on a systematic basis consistent with the transfer of the goods under the new contract.

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17. Recognised deferred tax assets and liabilities

(a) Recognised deferred tax assets and liabilities

	Tax rate	31/12/2024 VND'000	1/1/2024 VND'000
<i>Deferred tax assets</i>			
Remeasurement of provision for pension liabilities	30%	-	297,826,332
Tax losses carry-forwards (*)	7.5% - 30%	-	446,264,329
Allowance for inventories	15%	14,875,257	17,354,091
Newly identified tangible assets from business combination (*)	15% - 30%	-	2,807,385
Accruals, provisions and others (*)	30%	-	33,870,408
Pre-existing relationship – Benefit from contract with the Company	30%	-	8,018,272
Unrealized gain on intra-group transactions	5% - 30%	-	22,140,757
Net-off		-	(773,892,819)
Total deferred tax assets		14,875,257	54,388,755
<i>Deferred tax liabilities</i>			
Newly identified intangible assets from business combination (*)	25% - 30%	-	824,760,181
Newly identified tangible assets from business combination (*)	15% - 30%	-	688,334,476
Long-term assets	15% - 20%	237,161,072	151,833,739
Investments in associates	25%	-	53,271,287
Unrealized loss on intra-group transactions	10% - 30%	9,815,063	42,441,627
Tax losses carry-forwards	15 - 20%	(78,680,939)	-
Others	10% - 30%	(17,238,976)	3,272,654
Net-off		-	(796,346,670)
Total deferred tax liabilities		151,056,220	967,567,294

(*) Deferred tax assets and liabilities includes items mainly arising from HCS and its subsidiaries. These items were presented on a net basis because the subsidiaries have a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authorities on the same taxable entities.

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(b) Movement in temporary differences during the year

	1/1/2024 VND'000	Recognised in the consolidated statement of income VND'000	Recognised in equity VND'000	Decrease due to divestment of investment in subsidiaries (Note 5) VND'000	31/12/2024 VND'000
Unrealized loss on intra-group transactions	(20,300,870)	10,485,807	-	-	(9,815,063)
Pre-existing relationship asset	8,018,272	(4,009,136)	-	(4,009,136)	-
Remeasurement of provision for pension liabilities (*)	297,826,332	(171,710,209)	52,505,841	(178,621,964)	-
Tax losses carry-forwards	446,264,329	(289,022,745)	9,206,645	(87,767,290)	78,680,939
Identified intangible from business combination	(824,760,181)	44,309,081	4,572,920	775,878,180	-
Identified tangible from business combination	(685,527,091)	64,891,851	10,734,328	609,900,912	-
Long-term assets	(151,833,739)	(85,327,333)	-	-	(237,161,072)
Investments in associates	(53,271,287)	(7,579,161)	45,990	60,804,458	-
Allowance for inventories	17,354,091	(2,478,834)	-	-	14,875,257
Accrual, provision and others	53,051,605	34,734,567	(27,036,452)	(43,510,744)	17,238,976
	(913,178,539)	(405,706,112)	50,029,272	1,132,674,416	(136,180,963)

(*) Deferred tax recognised in equity also included the relevant deferred tax on gain or loss arising from remeasurement of the net defined benefit obligation - provision for pensions. As explained in Note 3(m)(iii), these amounts are recognised in equity under the caption "Other equity funds" in accordance with a ruling from the Ministry of Finance.

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18. Accounts payable to suppliers

Accounts payable to suppliers detailed by significant suppliers and related parties

	Cost and amount within payment capacity	
	31/12/2024	1/1/2024
	VND'000	VND'000
Related parties		
Techcom Securities Joint Stock Company	26,840,000	-
Other parties		
Jiangwu H.C. Stack Tungsten Products Co., Ltd	-	112,300,009
Others	436,261,131	970,095,102
	463,101,131	1,082,395,111

19. Advance from customers – short-term

	31/12/2024	1/1/2024
	VND'000	VND'000
Other parties		
Fluorspar customers	-	732,742,579
Bismuth customers	-	251,506
Other customers	25,532,553	24,167,550
	25,532,553	757,161,635

Advance for sales of Fluorspar and Bismuth shall be discharged through monthly instalments through subsequent deliveries. Advance for sales of Fluorspar bears prepayment fee based on agreed term and is guaranteed by an intermediate parent company and the ultimate parent company.

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20. Taxes payable to State Treasury

	1/1/2024 VND'000	Incurred VND'000	Paid/offset VND'000	Currency translation differences VND'000	Decrease due to divestment of investment in subsidiaries (Note 6) VND'000	31/12/2024 VND'000
Tax payables to Vietnamese State Treasury						
Value added tax	-	417,907,633	(417,907,633)	-	-	-
Import-export tax	1,190,523	195,350,611	(196,436,029)	-	-	105,105
Corporate income tax	9,205,132	211,666,248	(9,100,119)	-	-	211,771,261
Environment protection fee	-	4,427,634	(4,427,634)	-	-	-
Personal income tax	6,627,772	71,672,030	(72,289,984)	-	-	6,009,818
Natural resource tax	-	168,274,068	(168,274,068)	-	-	-
Other taxes	144,576	13,201,124	(12,614,625)	-	-	731,075
	17,168,003	1,082,499,348	(881,050,092)	-	-	218,617,259
Tax payables to foreign tax authorities						
Corporate income tax	77,725,322	97,923,079	(93,024,977)	(374,878)	(82,248,546)	-
Other taxes	92,840,878	112,899,144	(107,899,092)	(1,473,901)	(96,367,029)	-
	170,566,200	210,822,223	(200,924,069)	(1,848,779)	(178,615,575)	-
	187,734,203	1,293,321,571	(1,081,974,161)	(1,848,779)	(178,615,575)	218,617,259

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	31/12/2024	1/1/2024
	VND'000	VND'000
Short-term		
Operating costs	398,425,467	251,595,770
Accrued interest payable	140,537,038	292,437,448
Accrual for land leases costs	56,091,971	112,468,333
Bonus	54,502,750	48,421,167
Consultant fees	-	21,698,007
Accrual for construction work	4,753,210	20,494,038
Natural resource taxes and environment protection fees	97,996,628	15,690,196
Accrual for other financing costs	919,329	919,329
Others	12,561,796	9,171,060
	<hr/>	<hr/>
	765,788,189	772,895,348
	<hr/>	<hr/>
Long-term		
Payable to the intermediate parent company		
Interest expense (a)	25,058,904	-
	<hr/>	<hr/>

- (a) This represents the interest payable to the intermediate parent company for an unsecured borrowing which is due within 5 years from the disbursement date bears an interest rate of 11% per annum.

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22. Other short-term and long-term payables

Other payables include the following amounts:

	31/12/2024	1/1/2024
	VND'000	VND'000
Short-term		
Amounts due to an intermediate parent company		
Share of profit from Business Cooperation Contract	-	51,117,531
Others back-charge to a subsidiary	19,930,816	12,125,850
Amounts due to an investor		
Share of profit payable	1,028	225
Other parties		
Usance LC payable at sight (UPAS LC) (a)	21,249,670	198,592,554
Other payables – short-term	3,816,186	34,310,272
	<u>44,997,700</u>	<u>296,146,432</u>
Long-term		
Amounts due to an intermediate parent company		
Business Cooperation Contract	-	3,000,000,000
Other parties		
Other payables – long-term	-	1,466,595
	<u>-</u>	<u>3,001,466,595</u>

- (a) Amounts due to local banks that issued UPAS LC to the Group. The outstanding balances bear fixed rates over the deferred payment period from 6 to 11 months and are secured by certain receivables, part of assets of NPM project, and shares of the intermediate parent company held by a related party.

Movement of these UPAS LC during the year are as follows:

	2024	2023
	VND'000	VND'000
Opening balance	198,592,554	935,610,039
Addition	57,948,630	277,084,598
Payments	(235,291,514)	(1,016,521,246)
Unrealised foreign exchange losses	-	2,419,163
	<u>21,249,670</u>	<u>198,592,554</u>

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	Movements during the year						31/12/2024 Carrying amount and amount within repayment capacity VND'000
	1/1/2024 Carrying amount and amount within repayment capacity (*) VND'000	Additions VND'000	Payments VND'000	Unrealised foreign exchange differences VND'000	Currency translation differences VND'000	Decrease due to divestment of investment in subsidiaries VND'000	
Short-term borrowings	5,810,699,757	8,688,157,732	(10,846,740,297)	4,866,618	(2,435,653)	(365,520,456)	3,289,027,701
Current portion of long-term bonds (Note 23(b))	499,718,671	281,329	(500,000,000)	-	-	-	-
Current portion of long-term borrowings (Note 23(b))	94,334,406	516,359,665	(240,108,728)	-	2,512,322	-	373,097,665
	6,404,752,834	9,204,798,726	(11,586,849,025)	4,866,618	76,669	(365,520,456)	3,662,125,366

(*) The above amounts within repayment capacity were estimated based on the assumption that the ultimate parent company will continue to provide the necessary supports to enable the Group to pay its debts as and when they fall due.

Terms and conditions of short-term borrowings at respective reporting dates were as follows:

	31/12/2024		1/1/2024	
	Currency	Annual interest %	Currency	Annual interest %
Secured bank borrowing (*) (**)	VND	6.00 - 8.11	556,286,554	6.90 - 9.50
Secured bank borrowing (*) (**)	USD	5.50 - 8.20	2,151,538,731	5.50 - 10.43
Secured bank borrowing (*)	EUR	-	-	3.50 + margin
Secured bank borrowing (*)	CNY	-	-	4.15
Unsecured bank borrowing	VND	5.20 - 5.90	272,701,174	4.10 - 5.40
Unsecured bank borrowing	USD	7.30 - 8.40	304,301,242	4.50 - 8.28
Unsecured bank borrowing	CNY	-	-	3.80 - 4.35
Unsecured borrowing from a related party	VND	5.5	4,200,000	4.80 - 8.00
			3,289,027,701	
			5,810,699,757	

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- (*) As at 31 December 2024, these short-term borrowings are secured over the following collaterals:
- part of a subsidiary's bank accounts (Note 6); and/or
 - part of short-term receivables of a subsidiary (Note 8); and/or
 - a number of shares issued by the intermediate parent company held by a related party; and/or
 - part of tangible and intangible fixed assets and construction in progress of subsidiaries (Note 12, Note 13 and Note 15).
- (**) Included in the balance of secured bank borrowings as at 31 December 2024 was VND1,151 billion (1/1/2024: VND953 billion) from a local bank which is an associate of the ultimate parent company.

(b) Long-term borrowings and bonds

	31/12/2024	1/1/2024
	VND'000	VND'000
Long-term borrowings and bonds issued	8,940,501,608	7,854,597,479
Bonds repayable within twelve months (Note 23(a))	-	(499,718,671)
Borrowings repayable within twelve months (Note 23(a))	(373,097,665)	(94,334,406)
	<hr/>	<hr/>
Repayable after twelve months	8,567,403,943	7,260,544,402
	<hr/>	<hr/>

Terms and conditions of long-term borrowings and bonds at the reporting date were as follows:

			31/12/2024	1/1/2024
		Currency	VND'000	VND'000
Secured bond issued	(i)	VND	6,698,117,852	7,285,044,835
Secured bank borrowing	(ii)	VND	502,545,756	475,218,238
Unsecured bank borrowing		CNY	-	94,334,406
Unsecured borrowing from related party	(iii)	VND	1,739,838,000	-
			<hr/>	<hr/>
			8,940,501,608	7,854,597,479
			<hr/>	<hr/>

- (i) These are non-convertible bonds issued by the Company, which bear interest rate to be adjusted every six months and calculated as the average twelve-month saving deposit rate of related reference banks plus a margin of 4.1% to 5.25% per annum (1/1/2024: 3.1% to 4.6%).

As at 31 December 2024, these VND denominated non-convertible bonds are secured over the following collaterals:

- a part of certain long-term assets of the Group (Note 12, Note 13 and Note 15); and/or
- a number of shares issued by the intermediate parent company held by a related company; and/or
- guaranteed by a part of MRTN's contributed capital in the Company; and/or

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- guaranteed by the ultimate parent company.

These secured bonds were reported net of bond arrangement fees.

- (ii) These are borrowings from the local bank which is an associate of the ultimate parent company with interest rates of 9.3% - 12.0%/year. These borrowings were secured over a portion of short-term receivables of a subsidiary, certain shares issued by the intermediate parent company and owned by a related company, and a portion of assets of a subsidiary.
- (iii) These are unsecured borrowings with the ultimate parent company and the intermediate parent company with interest rate are 4.3% and 11.55% per annum, respectively.

24. Provisions – long-term

Movements of long-term provisions during the year are as follows:

	Mine rehabilitation VND'000	Mining rights VND'000	Pensions and others VND'000	Total VND'000
Opening balance	119,203,315	379,258,631	5,009,183,851	5,507,645,797
Increase during the year	5,626,396	7,491,728	163,037,149	176,155,273
Remeasurement of provision for pensions (*)	-	-	(111,520,238)	(111,520,238)
Provision used during the year	-	(46,291,302)	(252,918,428)	(299,209,730)
Currency translation differences	-	-	(77,558,966)	(77,558,966)
Decrease due to divestment of investment in subsidiaries	-	-	(4,730,223,368)	(4,730,223,368)
Closing balance	124,829,711	340,459,057	-	465,288,768

- (*) As explained in Note 3(m)(i), the remeasurement of the net defined benefit obligation – provision for pensions and the relevant deferred tax are recognised in equity under the caption “Other equity funds” in accordance with a ruling from the Ministry of Finance.

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25. Changes in equity

	Contributed capital VND'000	Foreign exchange differences VND'000	Other equity funds VND'000	Retained profits after tax/ (accumulated losses) VND'000	Equity attributable to equity holders of the Company VND'000	Non-controlling interest VND'000	Total equity VND'000
Balance at 1 January 2023	10,792,915,155	(419,419,764)	675,544,001	1,181,414,939	12,230,454,331	165,957,635	12,396,411,966
Net (loss)/profit for the year	-	-	-	(1,454,864,372)	(1,454,864,372)	46,273,619	(1,408,590,753)
Remeasurement of provision for pensions	-	-	(279,238,968)	-	(279,238,968)	-	(279,238,968)
Foreign exchange difference	-	185,572,767	-	-	185,572,767	329,989	185,902,756
Balance at 1 January 2024	10,792,915,155	(233,846,997)	396,305,033	(273,449,433)	10,681,923,758	212,561,243	10,894,485,001
Net (loss)/profit for the year	-	-	-	(1,588,084,203)	(1,588,084,203)	51,858,035	(1,536,226,168)
Dividend	-	-	-	-	-	(803)	(803)
Remeasurement of provision for pensions	-	-	157,877,354	-	157,877,354	-	157,877,354
Foreign exchange difference	-	23,309,096	-	-	23,309,096	5,400,371	28,709,467
Changes due to divestment of investment in subsidiaries	-	210,537,901	(554,182,387)	554,182,387	210,537,901	(271,324,419)	(60,786,518)
Balance at 31 December 2024	10,792,915,155	-	-	(1,307,351,249)	9,485,563,906	(1,505,573)	9,484,058,333

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The Company's authorised and contributed charter capital are:

	Authorised and contributed	
	31/12/2024 and 1/1/2024	
	VND'000	%
Thai Nguyen Trading and Investment Co., Ltd	2,158,583,031	20%
Masan Thai Nguyen Resources Co., Ltd	8,634,332,124	80%
	10,792,915,155	100%

Thai Nguyen Trading and Investment Co., Ltd and Masan Thai Nguyen Resources Co., Ltd are both incorporated in the Socialist Republic of Vietnam. The ultimate parent company, Masan Group Corporation, is also incorporated in the Socialist Republic of Vietnam.

27. Off balance sheet items**(a) Lease**

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2024	1/1/2024
	VND'000	VND'000
Within one year	5,776,154	3,165,820
Within two to five years	55,995,093	29,125,572
	61,771,247	32,291,392

(b) Foreign currencies

	31/12/2024		1/1/2024	
	Original currency	VND'000 equivalent	Original currency	VND'000 equivalent
USD	54,049,296	1,368,528,175	27,623,650	665,729,977
EUR	-	-	5,043,070	133,414,409
JPY	-	-	272,215,588	46,156,875
CNY	-	-	7,473,826	25,119,528
CAD	-	-	1,810,973	32,684,442
AUD	1,971	30,681	3,606	58,614

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	31/12/2024 and 1/1/2024 VND'000
Bad debts written off	30,294,111

(d) Capital expenditure commitments

As at 31 December 2024, the Group had the following outstanding capital commitments approved but not provided for in the consolidated balance sheet:

	31/12/2024 VND'000	1/1/2024 VND'000
Approved but not contracted	163,544,492	2,921,356,599
Approved and contracted	9,185,115	68,050,399
	172,729,607	2,989,406,998

28. Revenue from sales of goods and provision of services

Total revenue represents the gross value of goods sold and services rendered exclusive of value added tax and export tax.

29. Financial income

	2024 VND'000	2023 VND'000
Gains from divestment of investment in subsidiaries	1,405,929,713	-
Foreign exchange gains	499,492,759	470,838,047
Interest income from deposits	10,068,027	14,051,772
Other financial income	2,886,582	2,094,081
	1,918,377,081	486,983,900

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	2024 VND'000	2023 VND'000
Interest expenses	1,203,475,449	1,187,972,680
Financial expenses under BCC	174,833,737	328,388,270
Borrowing fees	75,517,819	53,762,690
Foreign exchange losses	578,987,293	367,568,303
Others	257,448,840	271,244,549
	<hr/> 2,290,263,138	<hr/> 2,208,936,492

31. Selling expenses

	2024 VND'000	2023 VND'000
Freight charges	185,024,612	175,270,055
Outside services	36,210,171	43,742,358
Depreciation expenses	6,685,634	8,400,657
Salary expenses	61,247,688	62,256,008
Others	72,541,279	87,510,490
	<hr/> 361,709,384	<hr/> 377,179,568

32. General and administration expenses

	2024 VND'000	2023 VND'000
Salary expenses	322,828,538	324,580,555
Office equipment	77,155,510	73,461,861
Depreciation expenses	25,636,851	57,861,618
Outside services	7,112,336	3,168,261
Others	15,777,463	29,989,771
	<hr/> 448,510,698	<hr/> 489,062,066

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33. Other income

	2024 VND'000	2023 VND'000
Gain from bargain purchase from business combination	-	117,106,706
Gain on scrap sales	12,275,377	13,933,366
Gain on disposals of fixed assets	981,818	554,545
Others	56,285,137	49,484,116
	<hr/>	<hr/>
	69,542,332	181,078,733
	<hr/>	<hr/>

34. Other expenses

	2024 VND'000	2023 VND'000
Losses due to write-off of construction in progress	544,950,624	-
Tax penalties	1,933,510	18,015,494
Charity donations	100,000,000	-
Others	98,149,219	23,786,447
	<hr/>	<hr/>
	745,033,353	41,801,941
	<hr/>	<hr/>

35. Income tax

(a) Recognised in the consolidated statement of income

	2024 VND'000	2023 VND'000
Current tax expense		
Current year	309,543,226	56,569,619
Under provision in prior years	46,101	356,693
	<hr/>	<hr/>
	309,589,327	56,926,312
Deferred tax (benefit)/expense		
Reversal of temporary differences	(36,796,097)	(149,837,697)
Write-down/(reversal) of deferred tax assets	442,502,209	(12,206,750)
	<hr/>	<hr/>
	405,706,112	(162,044,447)
	<hr/>	<hr/>
Income tax expense/(benefit)	715,295,439	(105,118,135)
	<hr/>	<hr/>

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	2024	2023
	VND'000	VND'000
Accounting loss before tax	(820,930,729)	(1,513,708,888)
Tax at the Company's tax rate	(123,139,609)	(227,056,333)
Non-deductible expenses	79,946,587	3,538,801
Tax incentives	-	(9,205,132)
Effect of different tax rates in subsidiaries	(21,142,114)	(92,278,186)
Effect of different tax rates on other income and recognition of deferred tax	(21,373,880)	4,514,359
Under provision in prior years	46,101	356,693
Write-down/(reversal) of deferred tax assets	442,502,209	(12,206,750)
Deferred tax assets not recognised in respect of tax losses	110,468,751	68,577,140
Change in unrecognised deferred tax assets arising from temporary differences	247,987,394	158,641,273
	715,295,439	(105,118,135)

(c) Applicable tax rates

The Company has an obligation to pay the Government corporate income tax at the rate of 20% of taxable profits. The Company's subsidiary have obligation to pay the Government income tax in accordance with the prevailing regulations. The Company and its subsidiary enjoy various tax incentives which provide companies with further tax exemption and reductions as follows:

- MTC, a subsidiary, enjoys income tax incentives (with corporate income tax rate of 10%) applicable for high-tech investment project under Vietnamese current tax regulations.
- The Company enjoys income tax incentives (with corporate income tax rate of 15%) applicable for mining and processing activities for mineral products other than gold in areas with extremely difficult socio-economic conditions under Vietnamese current tax regulations.

All of the above tax exemption and reduction are not applicable to other income which is taxed at the standard income tax rate applicable to enterprises before any incentives of 20%.

HCS and its subsidiaries are based mainly in Germany, Canada, China.

- Companies based in Germany with legal form of corporation are subject to corporation income tax of 15% and are then subject to a surcharge of 5.5% (solidarity surcharge). This results in a total tax rate of 15.825%. These companies are also subject to the Trade tax which is a combination of a uniform tax rate of 3.5% (base rate) multiplied with municipal tax rate depending on where the companies' permanent establishment located. The corporate income tax rate are the sum of total tax rate and the trade tax, which is approximately 30% on average;

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- H.C. Starck Jiangwu Tungsten Specialities (Ganzhou), Co., Ltd is subject to corporate income tax of 15% applicable to foreign investment production enterprise and established in Ganzhou, Jiangxi Province of People's Republic of China;
- H.C. Starck Canada Inc. is subject to corporate income tax rate applicable to Canadian enterprise of approximately 25%.

(d) Tax contingencies

The taxation laws and their application in some countries where the Company and its subsidiaries operate were subject to interpretation and may change over time. The final tax position may be subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks for the Company and its subsidiaries. Management believes that they had adequately provided for tax liabilities based on its interpretation of tax and legislation, including on transfer pricing requirements and computation of corporate income tax and deferred tax liabilities. However, the relevant authorities may have different interpretations.

36. Significant transactions with related parties

In addition to related party balances and transactions disclosed in other notes to these consolidated financial statements, the Group had the following significant balances and transactions with related parties during the year.

(a) Related party balances

As at and for the year ended 31 December 2024, the Group has current deposit accounts at Vietnam Technological and Commercial Joint Stock Bank (“TCB”), at normal commercial terms, an associate of the ultimate parent company, at normal commercial terms

As at 31 December 2024, the ultimate parent company, the intermediate parent company, subsidiaries and associates of the ultimate parent company held VND5,488,799 million (1/1/2024: VND1,145,694 million) of the bonds issued by the Company.



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(b) Related party transactions

Related party	Nature of transactions	2024 VND'000	2023 VND'000
Investors			
Thai Nguyen Trading and Investment Co., Ltd	Profit distribution	803	-
Ultimate parent company			
Masan Group Corporation	Borrowings received	1,673,600,000	842,500,000
	Borrowings paid	2,650,262,000	423,240,000
	Borrowings interest expense	78,439,873	83,193,934
	Purchase of services	3,041,460	1,055,783
Intermediate parent company			
Masan Horizon Company Limited	Borrowings received	1,848,500,000	501,000,000
	Borrowings paid	2,308,500,000	41,000,000
	Borrowings interest expense	51,206,252	20,200,548
	Bond interest (i)	58,776,657	99,621,488
Masan High-Tech Materials Corporation	Shared profit from BCC	174,833,737	328,388,270
	BCC amounts refunded	3,000,000,000	-
	Amount charged back to holding company	-	4,355,563
	Loans granted	12,800,000	5,000,000
	Loans collected	26,200,000	-
	Interest income from loan granted	1,212,493	1,967,781
	Borrowings received	1,500,000,000	-
	Interest expenses	70,565,753	-
Ultimate parent company's subsidiaries			
Masan Consumer Corporation	Purchase of goods	1,181,923	1,227,248
	Purchase of services	-	122,030
Wincommerce General Commercial Services JSC	Bond interest expense (i)	273,281,897	173,591,303
	Purchase of goods	1,021,359	460,199
Masan Brewery Distribution One Member Company Limited	Purchase of goods	5,040	267,209
The Sherpa Company Limited	Bond interest (i)	7,690,240	38,386,553
	Proceeds from sales of equity investment in other entities	502,326,000	-
Zenith Investment Company Limited	Bond interest (i)	641,096	3,895,890

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Related party	Nature of transactions	2024 VND'000	2023 VND'000
Ultimate parent company's associate			
Local bank	Interest expense and borrowing fees	137,273,156	127,699,211
	Bond interest (i)	16,156,089	11,977,559
	Borrowings received	1,881,834,936	2,176,950,040
	Borrowings paid	1,649,270,679	1,848,003,968
	Bond issued (i)	-	5,800,000,000
	Bonds repayment	-	5,800,000,000
Associate (from 1/1/2024 to 17/12/2024)			
H.C. Starck Tungsten GmbH	Sales of goods	590,082,900	1,020,835,122
	Purchase of raw materials	-	32,364,493
	Purchase of goods	-	12,994,212
	Payment on behalf	3,541,796	48,192,421
H.C. Starck Canada Inc.	Sales of goods	284,519,295	469,892,784
	Payment on behalf	501,617	207,008
H.C Starck Tungsten LLC (USA)	Sales of goods	-	300,473,556
	Purchase of raw materials	12,677,410	18,458,387
	Payment on behalf	409,648	-
Key management personnel			
General Director	Salary, bonus and other benefits (ii)	24,572,535	23,378,841

- (i) The bonds are listed and sold to a broader group of investors pursuant to arrangement agreements.
- (ii) No board fees were paid to Board of Directors members for the years ended 31 December 2024 and 31 December 2023.

37. Contingent liabilities

As disclosed in Note 10(b), on 23 August 2021, MONRE issued Decision 1640 to determine of the MRF of Nui Phao Mine, replacing the temporary MRF calculations in accordance with Decision 500 and Official Letter 3724 despite at the point of time Decision's issuance, the royalty taxable price applicable to the Company's industrial products has not yet been determined. In issuing this Decision 1640, MONRE continued using the royalty taxable price applicable to mineral resources - tungsten ore (0.1% < WO3 < 0.3%) instead of the royalty taxable price applicable to industrial products, which had been highlighted by the Company before. The official price used to calculate MRF - G-price according to Decision 1640 is VND1,831,085 per ton whereas the temporary G-price according to Decision 500 is VND775,026 per ton. On 6 October 2021, the Company received Notification No. 3937/TB-CTTNG on payment of MRF issued by the Thai Nguyen Tax Department ("TNTD"). This notification was to inform the Company of additional MRF payable following Decision 1640 in which the additional MRF due to application of different G-prices for the period from 2015 to 2021 was VND394.5 billion. On 8 December 2021, TNTD issued Official Letter No. 4883/CTTNG-QLN requesting the Company to make payment of MRF of VND125.8 billion equivalent to the shortage of MRF payment for 2021, together with interest on late payment of VND4.1 billion.

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After the issuance of Decision 1640, the Company submitted several petition letters to the Prime Minister, MONRE to request for delaying the implementation of Decision 1640 and re-determining the MRF price which is applicable to the Company's industrial products.

Management believes that the Company had adequately provided for its liabilities for MRF based on its interpretation of relevant legislation relating to mining rights and natural resources tax. The Company's management has, therefore, also sent letters to different levels of authorities to highlight the issues and seek proper resolutions for the Company's MRF issue.

In 2021, as instructed by the Prime Minister under Letter No. 978/VPCP-KTTH dated 8 February 2021 and Letter No. 5987/VPCP-KTTH dated 28 August 2021, the case is under review by MOF, MONRE, Thai Nguyen PPC and Thai Nguyen Department of Finance ("TN DOF"), subject to report to the Prime Minister and National Assembly Committee on Economy. In 2022, relevant central and provincial authorities, through a meeting chaired by GDGM, have agreed that there is an inadequacy in the royalty taxable price which serves as a basis to calculate mining rights fee for Nui Phao Mining Project. On that basis, Thai Nguyen PPC has been working with MOF and MONRE to source technical advisor, and also instructed the Thai Nguyen Department of Finance to coordinate with relevant local departments to complete the procedures for selecting an appropriate technical advisor to develop a mechanism to determine the royalty taxable price applicable to the Company's industrial products. The Company received further instructions from the Deputy Prime Minister under Notification No. 226/TB-VPCP, according to which, MRF for the Nui Phao Mining Project will be re-determined by MONRE after (1) the royalty taxable price applicable to the Company's industrial products is finalised and officially issued by Thai Nguyen PPC; and (2) the royalty taxable price bracket for tungsten ore is issued by MOF and the royalty taxable price applicable to the Company's tungsten ore is issued by Thai Nguyen PPC. By the issuance date of this report, Thai Nguyen PPC and Department of Finance, relevant functional agencies at different levels have been still working together to determine the royalty taxable price applicable to the Company's industrial products.

The Company's management assessed that because the royalty taxable price applicable to the Company's industrial products has not yet been determined by Thai Nguyen PPC, the G-price which serves as the basis for computation of MRF under Decision 1640 is not in accordance with the prevailing laws and regulations. It, therefore, believes that once the royalty taxable price applicable to the Company's industrial products are available, the official MRF for Nui Phao Mine from 2015 to 2024 will be re-determined, replacing the MRF amount that stated in Decision 1640. This view of the management has been confirmed in Notification 226.

The ultimate outcome of this MRF matter is presently not determined and may be subject to the determination of the royalty taxable price applicable to the Company's industrial products and whether MONRE agrees to recalculate the MRF in Decision 1640 using that royalty taxable price when it is determined. Accordingly, the Company has not recognised the additional MRF as stated in Decision 1640 as liabilities in the consolidated financial statements.

Nui Phao Mining Company Ltd

**Notes to the consolidated financial statements for the year ended 31 December 2024
(continued)**


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*(Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance)*

38. Comparative information

Comparative information as at 1 January 2024 was derived from the balances and amounts reported in the Group's consolidated financial statements as at and for the year ended 31 December 2023.

7 March 2025

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