



Kết nối - Phát triển

**CÔNG TY TNHH KIỂM TOÁN NHÂN TÂM VIỆT**  
**NHANTAMVIET AUDITING COMPANY**

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**PHU THO CEMENT JOINT STOCK COMPANY**

**COMBINED FINANCIAL STATEMENTS**

**For the fiscal year ending December 31, 2024, audited by**

**NHAN TAM VIET AUDITING COMPANY LIMITED**

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of Phu Tho Cement Joint Stock Company presents its report along with the audited Company combined financial Statements for the fiscal year ending December 31, 2024.

### BUSINESS HIGHLIGHTS

Phu Tho Cement Joint Stock Company was established and operates under the Business Registration Certificate No. 2600116271 issued by the Department of Planning and Investment of Phu Tho Province, first granted on February 14, 2007. During its operation, the Company was issued an additional 07 business registration certificates. The 7th Business Registration Certificate was issued by the Department of Planning and Investment of Phu Tho Province on July 1, 2020.

*The charter capital according to the 7th Business Registration Certificate is VND 125,000,000,000*

### Head office:

Address : Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam.  
Telephone : (0210) 3885 310  
Fax : (0210) 3884 023  
Tax code : 2 6 0 0 1 1 6 2 7 1

### FINANCIAL SITUATION AND BUSINESS OPERATIONS

The financial situation as of December 31, 2024, along with the business performance and cash flows for the fiscal year ending on the same date, is presented in the combined financial statements attached to this report (from page 08 to page 45).

### EVENTS OCCURRING AFTER THE END OF THE FINANCIAL YEAR

The Board of Directors of the Company affirms that there have been no events occurring after December 31, 2024, up to the date of this report that have not been considered for adjustments or disclosed in the combined financial statements.

### BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The members of the Board of Directors during the year and as of the date of this report include:

#### *Board of Directors*

<u>Full name</u>	<u>Position</u>
Mr Trieu Quang Thuan	Chairman
Mr Pham Quang Anh	Member
Mr Tran Tuan Dat	Member
Mr Ta Trung Hieu	Member
Mr Nguyen Khac Lam	Member

#### *Supervisory Board*

<u>Full name</u>	<u>Position</u>
Mr Ta Duc Thien	Head of the Board
Mr Trieu Quang Nhan	Member
Mrs Do Thi Thanh Yen	Member

**PHU THO CEMENT JOINT STOCK COMPANY**  
**REPORT OF THE BOARD OF DIRECTORS (Cont)**

**Board of General Directors**

<u>Full name</u>	<u>Position</u>
Mr Tran Tuan Dat	General Director
Mrs Tran Thi Phuong Linh	Deputy General
Mr Nguyen Phi Tuyen	Deputy General

**Chief Accountant**

<u>Full name</u>	<u>Position</u>
Mr Vu Anh Phuong	Chief Accountant

**AUDITOR**

Nhan Tam Viet Auditing Co., Ltd. has audited the combined financial Statements for the fiscal year ending December 31, 2024.

**STATEMENT OF RESPONSIBILITY OF THE EXECUTIVE BOARD FOR THE FINANCIAL STATEMENTS OF THE PARENT COMPANY**

The Company's Executive Board is responsible for preparing the combined financial statements that fairly and accurately reflect the Company's financial position, business performance, and cash flows for the year.

During the preparation of the combined financial Statements, the Company's Executive Board commits to complying with the following requirements:

- Establishing and maintaining internal controls as determined necessary by the Executive Board and the Board of Directors to ensure that the preparation and presentation of the Financial Statements are free from material misstatements due to fraud or error;
- Selecting appropriate accounting policies and applying them consistently;
- Making reasonable and prudent assessments and estimates;
- Stating whether the applied accounting standards have been complied with and disclosing any material deviations that require explanation in the Financial Statements;
- Preparing and presenting the combined financial Statements in compliance with the Accounting Standards, the Vietnamese Corporate Accounting System, and relevant legal regulations governing financial reporting;
- Preparing the combined financial Statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations.

As of December 31, 2023, and December 31, 2024, the Company's short-term liabilities exceeded its short-term assets by VND 553,926,591,654 and VND 536,182,357,584, respectively. The accumulated losses were VND (445,829,016,953) and VND (448,223,986,693), corresponding to (357%) and (359%) of the owner's equity, with the owner's equity standing at VND (315,979,615,031) and VND (318,374,584,771), respectively. These issues indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. However, the Company has plans to invest in upgrading and expanding production by signing business cooperation agreements with partners to renovate, upgrade the kiln capacity, and install a cement grinding station. In addition, the Company has entered into agreements with major suppliers, agents, and traditional customers to extend repayment schedules and receive advance payments for goods in order to supplement working capital for production and business activities. The Company's business plans have been evaluated by credit banks, which have considered extending the repayment period, restructuring

**PHU THO CEMENT JOINT STOCK COMPANY**  
**REPORT OF THE BOARD OF DIRECTORS (Cont)**

debts, and facilitating the Company's restructuring of production and business operations to generate revenue for repaying bank loans.

Based on the above factors, the Board of Directors of the Company believes that the Company still has sufficient grounds and conditions to develop in the future. At the same time, the Board affirms that there are no plans to cease the Company's operations in the coming years. Therefore, the combined Financial statements for the fiscal year ending December 31, 2024, have been prepared on the basis of the going concern assumption.

The Board of Directors of the Company ensures that the accounting records are maintained to accurately reflect the financial position of the Company, with fairness and reasonableness at any given time, and that the combined financial statements comply with the current regulations of the State. At the same time, the Board is responsible for ensuring the safety of the Company's assets and implementing appropriate measures to prevent and detect fraud and other violations.

The Board of Directors of the Company commits that the Financial Statements accurately and fairly reflect the financial position of the Company as of December 31, 2024, the results of operations, and the cash flow for the fiscal year ending December 31, 2024, in accordance with the Accounting Standards, the Vietnamese Accounting System, and compliance with relevant legal regulations regarding the preparation and presentation of the combined financial Statements.

**OTHER COMMITMENT**

The Board of Directors commits that the Company complies with Decree No. 155/2020/ND-CP dated December 31, 2020, guiding corporate governance for public companies, and the Company has not violated the information disclosure obligations as stipulated in Circular No. 96/2020/TT-BTC dated November 16, 2020, issued by the Ministry of Finance, which provides guidelines on information disclosure in the securities market. *st*

Phu Tho, March 25, 2025  
On behalf of the Executive Board

General Director



**Tran Tuan Dat**

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No : 1007.02.04/2024/BCTC-NTV2

**SEPARATE AUDITOR'S REPORT**  
Regarding the combined financial statements for the year 2024Dear : Board of Members and Board of General Directors  
Phu Tho Cement Joint Stock Company

We have audited the consolidated financial statements of Phu Tho Cement Joint Stock Company, prepared on March 25, 2025, from page 08 to page 45, including: the combined balance sheet as of December 31, 2024, the combined income statement, the combined cash flow statement for the fiscal year ending December 31, 2024, and the notes to the combined financial statements.

**Responsibility of the Board of Director**

The Executive Board is responsible for the preparation and fair presentation of the parent entity's financial statements in accordance with accounting standards, the Vietnamese Enterprise Accounting System, and relevant legal regulations concerning the preparation and presentation of the parent entity's financial statements. The Executive Board is also responsible for internal controls that it determines are necessary to ensure that the preparation and presentation of the parent entity's financial statements are free from material misstatement due to fraud or error.

**Responsibility of the Auditor**

Our responsibility is to express our opinions on these separate financial statements on the basis of our audit. Our audit is conducted in accordance with the Vietnamese Independent Auditing Regulations and Standards. These standards require that we comply with the standards and professional ethical requirements, plan and perform the audit procedures to obtain a reasonable assurance that the financial statements are free from material mistakes.

The audit fieldwork includes the implementation of procedures to obtain audit evidence supporting the amounts and the disclosures in the separate financial statements. The audit procedures are selected on the basis of the auditor's judgment, including the assessments of risks of material mistakes in the financial statements due to errors or fraud. When assessing these risks, the auditor had considered whether the internal control system of the Company related to the preparation and presentation of the separate financial statements is true and fair to design audit procedures that are appropriate with actual situation, however, not provide the opinion on the effectiveness of the internal control system of the Company. The audit also includes our assessment on the appropriateness of the accounting policies applied, the accounting estimates of the Company's Director as well as our evaluation on the overall presentation of the separate financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate for our audit opinion.

**Basis for qualified opinion**

We were unable to obtain sufficient confirmation letters for the Company's receivables and payables as of December 31, 2023, and December 31, 2024. We performed alternative audit procedures, but we could not ascertain the existence, completeness, or the required provision for doubtful debts of the unconfirmed receivables and payables as of December 31, 2023, which include: short-term receivables from customers of VND 5.91 billion, short-term advances to suppliers of VND 9.85 billion, short-term payables to suppliers of VND 53.61 billion, short-term advances from customers of VND 9.39 billion, and as of December 31, 2024, which include: short-term receivables from customers of VND 6.86 billion, short-term advances to suppliers of VND 10.04 billion, short-term payables to suppliers of VND 54.11 billion, short-term advances from customers of VND 5.86 billion. Therefore, we are unable to assess the impact of the above-mentioned issue on the combined financial statements of the Parent Company for 2024.

**Qualified opinion**

In our opinion, except for the effect of the matter described in the "Basis for the audit opinion, except for" paragraph, the combined financial statements referred to have fairly and accurately presented, in all material respects, the financial position of Phu Tho Cement Joint Stock Company as of December 31, 2024, as well as the results of operations and cash flows for the fiscal year ended on the same date, in accordance with the accounting standards, the Vietnamese accounting system, and relevant legal regulations on the preparation and presentation of combined financial statements.

**Emphasis of matter**

We would like to draw the reader's attention to Note VIII.2 regarding the fact that, as of December 31, 2023, and December 31, 2024, the Company's current liabilities exceeded its current assets by VND 553,926,591,654 and VND 536,182,357,584, respectively, with accumulated losses of VND (445,829,016,953) and VND (448,223,986,693), representing (357%) and (359%) of the owner's contributed capital, and owner's equity at VND (315,979,615,031) and VND (318,374,584,771), respectively. The year 2024 marks the 14th consecutive year of business losses, indicating a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, based on plans for renovation, upgrading, and business expansion, along with commitments of support from suppliers, major customers, agents, and debt restructuring with credit institutions, the Executive Board believes the Company still has sufficient basis and conditions for future development. Furthermore, the Executive Board affirms that there are no plans to cease operations in the coming years. Therefore, the combined financial statements for the fiscal year ending December 31, 2024, have been prepared on a going concern basis.

**SEPARATE AUDITOR'S REPORT(CONT)**

According to Note V.4 in the Notes to the combined financial statements, as of December 31, 2023, and December 31, 2024, the Company has been monitoring an outstanding receivable of VND 6.9 billion from the "Project Management Board for Rotary Kiln Cement after Investment Capital Finalization." This amount pertains to the investment in the rotary kiln clinker production line, which the Company is entitled to recover from the Project Management Board. The Company is currently reviewing this outstanding debt to facilitate its collection and will present it to the General Meeting of Shareholders for consideration and resolution in the near future.

These matters do not affect our qualified audit opinion.

*Ha Noi, 25 March, 2025*

**NHAN TAM VIET AUDITING CO.,LTD**

**Deputy General Director**



**Nguyen Van Tan**

Auditor's Certificate No: 5348-2025-124-1

**Auditor**

**Pham Van Tuan**

Auditor's Certificate No: 4497-2023-124-1

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**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**COMBINED BALANCE SHEET**

As of December 31, 2024

Unit: VND

ASSET	Code	Explan ation	Unit: VND	
			Year-end Balance	Beginning Balance
<b>A - SHORT-TERM ASSETS</b>	<b>100</b>		<b>60,613,522,002</b>	<b>55,117,594,901</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>6,357,730,062</b>	<b>79,738,593</b>
1. Cash	111		6,357,730,062	79,738,593
2. Cash equivalents	112		-	-
<b>II. Short-term financial investment</b>	<b>120</b>		-	-
1. Trading securities	121		-	-
2. Provision for impairment of trading securities	122		-	-
3. Held to maturity investment	123		-	-
<b>III. Short-term receivables</b>	<b>130</b>		<b>34,116,894,927</b>	<b>36,577,988,897</b>
1. Short-term trade receivables	131	V.2	12,563,061,658	16,311,512,917
2. Short-term vendor advance	132	V.3	13,015,091,837	9,857,302,638
3. Short-term internal receivables	133		-	-
4. Receivable according to construction contract progress plan	134		-	-
5. Short-term loan receivable	135		-	-
6. Other short-term receivables	136	V.4a	13,394,159,221	15,264,591,131
7. Provision for doubtful short-term receivables	137	V.5	(5,022,516,106)	(5,022,516,106)
8. Assets missing pending resolution	139		167,098,317	167,098,317
<b>IV. Inventory</b>	<b>140</b>		<b>19,524,663,031</b>	<b>17,771,359,159</b>
1. Inventory	141	V.6	19,524,663,031	17,771,359,159
2. Provision for inventory write-down	149		-	-
<b>V. Other short-term assets</b>	<b>150</b>		<b>614,233,982</b>	<b>688,508,252</b>
1. Short-term prepaid expenses	151	V.7a	545,768,121	620,042,391
2. Deductible value added tax	152		68,465,861	68,465,861
3. Taxes and other amounts receivable from the State	153		-	-
4. Government bond repurchase transaction	154		-	-
5. Other short-term assets	155		-	-

# PHU THO CEMENT JOINT STOCK COMPANY

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

### Combined balance sheet (continued)

ASSET	Code	Explan ation	Year-end Balance	Beginning Balance
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>257,063,671,608</b>	<b>288,702,875,418</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>355,000,000</b>	<b>1,511,000,000</b>
1. Long-term receivables from customers	211		-	-
2. Long-term prepayment to seller	212		-	-
3. Working capital in affiliated units	213		-	-
4. Long-term internal receivables	214		-	-
5. Long-term loan receivable	215		-	-
6. Other long-term receivables	216	V.4b	355,000,000	1,511,000,000
7. Provision for doubtful long-term receivables	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>229,557,035,921</b>	<b>254,441,950,560</b>
1. Tangible fixed assets	221	V.8	229,557,035,921	254,441,950,560
<i>Original price</i>	222		571,088,939,527	570,990,939,527
<i>Accumulated depreciation</i>	223		(341,531,903,606)	(316,548,988,967)
2. Financial lease fixed assets	224		-	-
<i>Original price</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.9	-	-
<i>Original price</i>	228		160,000,000	160,000,000
<i>Accumulated depreciation</i>	229		(160,000,000)	(160,000,000)
<b>III. Investment real estate</b>	<b>230</b>		<b>-</b>	<b>-</b>
Original price	231		-	-
Accumulated depreciation	232		-	-
<b>IV. Long-term unfinished assets</b>	<b>240</b>		<b>21,990,454,612</b>	<b>22,002,049,691</b>
1. Long-term unfinished production and business costs	241		-	-
2. Cost of unfinished basic construction	242	V.10	21,990,454,612	22,002,049,691
<b>V. Long-term financial investment</b>	<b>250</b>	V.11	<b>2,033,106,293</b>	<b>2,064,431,824</b>
1. Investment in subsidiaries	251		-	-
2. Investment in joint ventures and associates	252		500,000,000	500,000,000
3. Investing in other entities	253		3,000,000,000	3,000,000,000
4. Long-term financial investment reserve	254		(1,466,893,707)	(1,435,568,176)
5. Held to maturity investment	255		-	-
<b>VI. Other long-term assets</b>	<b>260</b>		<b>3,128,074,782</b>	<b>8,683,443,343</b>
1. Long-term prepaid expenses	261	V.7b	3,128,074,782	8,683,443,343
2. Deferred income tax assets	262		-	-
3. Long-term replacement equipment, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS</b>	<b>270</b>		<b>317,677,193,610</b>	<b>343,820,470,319</b>

**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

Combined balance sheet (continued)

CAPITAL SOURCE	Code	Explana tion	Year-end Balance	Beginning Balance
<b>C - LIABILITIES PAYABLE</b>	<b>300</b>		<b>634,973,360,640</b>	<b>658,721,667,609</b>
<b>I. Short-term debt</b>	<b>310</b>		<b>595,973,360,640</b>	<b>608,221,667,609</b>
1. Short-term trade payables	311	V.12	83,428,291,906	94,152,599,555
2. Short-term advance payment buyer	312	V.13	29,366,452,258	27,784,047,228
3. Taxes and other payments to the State	313	V.14	25,882,183,296	22,166,609,768
4. Payable to workers	314		7,018,694,810	8,244,095,269
5. Short-term payable expenses	315	V.15	69,032,423,481	64,282,134,532
6. Short-term internal payables	316		-	-
7. Payable according to construction contract progress schedule	317		-	-
8. Short-term unearned revenue	318	V.16	402,529,565	402,529,565
9. Other short-term payables	319	V.17	184,956,605,887	206,898,995,383
10. Short-term loans and finance leases	320	V.18a	195,886,179,437	184,290,656,309
11. Provision for short-term payables	321		-	-
12. Bonus and welfare fund	322		-	-
13. Price stabilization fund	323		-	-
14. Government bond repurchase transaction	324		-	-
<b>II. Long-term debt</b>	<b>330</b>		<b>39,000,000,000</b>	<b>50,500,000,000</b>
1. Long-term trade payables	331		-	-
2. Long term prepayment buyer	332		-	-
3. Long-term payable expenses	333		-	-
4. Internal payable on working capital	334		-	-
5. Long-term internal payables	335		-	-
6. Long-term unrealized revenue	336		-	-
7. Other long-term payables	337		-	-
8. Long-term loans and financial leases	338	V.18b	39,000,000,000	50,500,000,000
9. Convertible bonds	339		-	-
10. Preferred stock	340		-	-
11. Deferred income tax payable	341		-	-
12. Long-term payables provision	342		-	-
13. Science and Technology Development Fund	343		-	-

**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Combined balance sheet (continued)**

CAPITAL SOURCE	Code	Explana tion	Year-end Balance	Beginning Balance
<b>D - OWNER'S EQUITY</b>	<b>400</b>		<b>(317,296,167,030)</b>	<b>(314,901,197,290)</b>
<b>I. Equity</b>	<b>410</b>	<b>V.19</b>	<b>(317,296,167,030)</b>	<b>(314,901,197,290)</b>
1. Owner's equity	411		125,000,000,000	125,000,000,000
- Common shares with voting rights	411a		125,000,000,000	125,000,000,000
- Preferred stock	411b		-	-
2. Capital surplus	412		3,212,934,000	3,212,934,000
3. Bond conversion option	413		-	-
4. Other owners' equity	414		-	-
5. Treasury stock	415		(3,692,240,000)	(3,692,240,000)
6. Asset revaluation difference	416		-	-
7. Exchange rate difference	417		-	-
8. Development investment fund	418		5,328,707,922	5,328,707,922
9. Enterprise Reorganization Support Fund	419		-	-
10. Other equity funds	420		-	-
11. Undistributed profit after tax	421		(447,145,568,952)	(444,750,599,212)
- Undistributed profit after tax accumulated to the end of previous period	421a		(444,750,599,212)	(383,174,321,519)
- Undistributed profit this period	421b		(2,394,969,740)	(61,576,277,693)
12. Source of capital for basic construction investment	422		-	-
<b>II. Other funding sources and funds</b>	<b>430</b>		<b>-</b>	<b>-</b>
1. Funding sources	431		-	-
2. Funds for forming fixed assets	432		-	-
<b>TOTAL CAPITAL</b>	<b>440</b>		<b>317,677,193,610</b>	<b>343,820,470,319</b>

Prepared by



Phan Thi Huong

Chief Accountant



Vu Anh Phuong



Tran Tuan Dat

**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

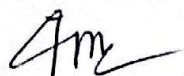
**COMBINED BUSINESS PERFORMANCE REPORT**

2024

Unit: VND

INDICATORS	Code	Explan ation	2024	
			This year	Last year
1. Sales and service revenue	01	VI.1	159,641,361,029	188,086,031,726
2. Revenue deductions	02		-	-
3. Net revenue from sales and services	10		159,641,361,029	188,086,031,726
4. Cost of goods sold	11	VI.2	162,680,244,696	194,574,904,834
5. Gross profit from sales and service provision	20		(3,038,883,667)	(6,488,873,108)
6. Financial revenue	21	VI.3	321,541	599,100
7. Financial costs	22	VI.4	22,673,629,688	40,389,129,742
Including: interest expense	23		17,933,070,821	35,926,215,534
8. Cost of sales	25	VI.5	1,589,300,412	1,934,240,940
9. Business management costs	26	VI.6	11,365,667,138	12,722,369,237
10. Net operating profit	30		(38,667,159,364)	(61,534,013,927)
11. Other income	31	VI.7	36,351,779,624	-
12. Other costs	32	VI.8	79,590,000	42,263,766
13. Other profits	40		36,272,189,624	(42,263,766)
14. Total accounting profit before tax	50		(2,394,969,740)	(61,576,277,693)
15. Current corporate income tax expense	51	VI.9	-	-
16. Deferred corporate income tax expense	52		-	-
17. Profit after corporate income tax	60		<u>(2,394,969,740)</u>	<u>(61,576,277,693)</u>
18. Basic earnings per share	70	VI.10	<u>(197)</u>	<u>(5,076)</u>
19. Diluted earnings per share	71	VI.10	<u>(197)</u>	<u>(5,076)</u>

Prepared by

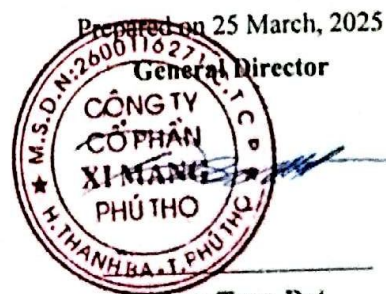


Phan Thi Huong

Chief Accountant



Vu Anh Phuong



**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**COMBINED CASH FLOW STATEMENT**

(By indirect method)

2024

Unit: VND

INDICATORS	Code	Explan ation	Unit: VND	
			This year	Last year
<b>I. Cash flow from operating activities</b>				
1. Profit before tax	01		(2,394,969,740)	(61,576,277,693)
2. Adjustments for the following items:				
- Depreciation of fixed assets and investment real estate	02		24,982,914,639	25,156,688,683
- Provisions	03		31,325,531	(235,226,450)
- Exchange rate gains and losses due to revaluation foreign currency monetary items	04		4,709,233,336	4,698,140,658
- Profit and loss from investment activities	05		(321,541)	(599,100)
- Interest expense	06		17,933,070,821	35,926,215,534
- Other adjustments	07		-	-
3. Profit from operations before changes in working capital	08		45,261,253,046	3,968,941,632
- Increase, decrease receivables	09		3,626,893,970	2,175,023,695
- Increase, decrease inventory	10		(1,741,708,793)	19,962,273,178
- Increase, decrease payables	11		(5,766,142,502)	(5,252,457,692)
- Increase, decrease prepaid expenses	12		5,629,642,831	4,004,687,544
- Increase, decrease trading securities	13		-	-
- Interest paid	14		(35,863,537,624)	(976,377,700)
- Corporate income tax paid	15		-	-
- Other income from operating activities	16		-	-
- Other expenses for business activities	17		-	-
<b>Net cash flow from operating activities</b>	<b>20</b>		<b>11,146,400,928</b>	<b>23,882,090,657</b>
<b>II. Cash flow from investing activities</b>				
1. Money spent on purchasing and constructing fixed assets and other long-term assets	21		(107,800,000)	(47,664,244)
2. Proceeds from liquidation and sale of fixed assets and other long-term assets	22		-	-
3. Money spent on lending, buying debt instruments other units	23		-	-
4. Proceeds from loan recovery, resale of debt instruments other units	24		-	-
5. Money spent on investment in other entities	25		-	-
6. Proceeds from capital investment in other entities	26		-	-
7. Interest income, dividends and profits	27		321,541	599,100
<b>Net cash flow from investing activities</b>	<b>30</b>		<b>(107,478,459)</b>	<b>(47,065,144)</b>

**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Combined Cash Flow Statement (continued)**

INDICATORS	Code	Explan ation		
			<u>This year</u>	<u>Last year</u>
<b>III. Cash flow from financing activities</b>				
1. Proceeds from issuing shares, receiving capital contributions owner	31		-	-
2. Money returned to owners, buyback issued company shares	32		-	-
3. Proceeds from borrowing	33		1,485,000,000	2,305,000,000
4. Loan principal repayment	34		(6,246,492,600)	(27,209,845,407)
5. Lease principal repayment	35		-	-
6. Dividends, profits paid to owners	36		-	-
<i>Net cash flow from financing activities</i>	<b>40</b>		<u>(4,761,492,600)</u>	<u>(24,904,845,407)</u>
<b>Net cash flow during the year</b>	<b>50</b>		<b>6,277,429,869</b>	<b>(1,069,819,894)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	V.1	<b>79,738,593</b>	<b>1,149,469,025</b>
Impact of Foreign Exchange Rate Fluctuations on Currency Translation	61		561,600	89,462
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	V.1	<u><b>6,357,730,062</b></u>	<u><b>79,738,593</b></u>

Prepared by



Phan Thi Huong

Chief Accountant



Vu Anh Phuong

Prepared on 25 March, 2025

General Director



Tran Tuan Dat

**PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

**Note to the combined financial statements**

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**NOTES TO THE COMBINED FINANCIAL STATEMENTS**  
**Năm 2024**

**I. OPERATION FEATURES**

1. **Ownership form** : Joint Stock Company
2. **Business Sector** : Cement manufacturing and trading
3. **Business Activities:**  
The business activities of the Company include:
  - Manufacturing and trading of PCB 40 cement, PCB 30 cement, and commercial clinker;
  - Mining and trading of construction stone and road stone;
  - Trading of other construction materials./.
4. **Usual Production and Business Cycle:** Within 12 months
5. **Corporate Structure:**  
**Subsidiaries:**

Unit name	Address
Branch for raw material mining	Thanh Ba District, Phu Tho Province
6. **Statement on Comparability of the Financial Statements:** The financial statement data for 2024 is entirely consistent and ensures comparability with the financial statement data of the parent unit for 2023.
7. **Employees**  
As of the end of the fiscal year, the company has 131 employees working (the number at the beginning of the year was 217 employees).

**II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING**

1. **Fiscal year**  
Fiscal year of the Company is from 1 January to 31 December annually.
2. **Standard currency unit used in accounting**  
The currency used in accounting is the Vietnamese Dong (VND).



# **PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

## **COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

Note to the combined financial statements(cont)

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### **III. ACCOUNTING STANDARDS AND SYSTEM APPLIED**

#### **1. Accounting System Applied**

The Company applies the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC of 2016 amending and supplementing Circular No. 200/2014/TT-BTC, and other guiding circulars for the implementation of the accounting standards and system issued by the Ministry of Finance.

#### **2. Statement of Compliance with Accounting Standards and Accounting System**

The Management assures that the requirements of the Vietnamese Accounting Standards, the Vietnamese Enterprise Accounting System issued under Circular No. 200/2014/TT-BTC dated December 22, 2014, Circular No. 53/2016/TT-BTC of 2016 amending and supplementing Circular No. 200/2014/TT-BTC, as well as the guiding circulars for the implementation of the accounting standards issued by the Ministry of Finance, have been fully complied with in the preparation of the Financial Statements.

#### **3. Accounting method applied**

The company uses the general journal accounting method on a computer.

### **IV. ACCOUNTING POLICIES**

#### **1. Basis of preparing financial statements**

The financial statements are prepared on an accrual basis (except for information related to cash flows).

#### **2. Foreign currency transactions**

The actual exchange rate for foreign currency transactions arising during the period:

- The actual exchange rate for foreign currency transactions is the rate specified in the foreign exchange purchase and sale contract between the Company and the commercial bank;
- The exchange rate for capital contributions or receiving capital contributions is the foreign currency purchase rate of the bank where the Company opens an account to receive the investor's capital on the contribution date;
- The exchange rate for recognizing receivables is the purchase rate of the commercial bank where the Company designates the customer to make payment at the time the transaction occurs;
- The exchange rate for recognizing payables is the selling rate of the commercial bank where the Company intends to conduct the transaction at the time the transaction occurs;
- The exchange rate for purchasing assets or making immediate payments in foreign currency is the purchase rate of the commercial bank where the Company makes the payment.

The actual exchange rate for revaluing foreign currency-denominated monetary items at the time of preparing the financial statements:

- For items classified as assets, the foreign currency purchase rate is applied;
- For foreign currency deposits, the purchase rate of the bank where the Company opens the foreign currency account is applied;
- For items classified as liabilities, the selling exchange rate of the commercial bank where the Company regularly conducts transactions is applied.

# PHU THO CEMENT JOINT STOCK COMPANY

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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

### Note to the combined financial statements(cont)

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All actual exchange rate differences arising during the period and differences from revaluing the balances of foreign currency-denominated monetary items at the end of the period are recognized in the profit or loss of the accounting period.

#### 3. Cash and cash equivalents

Cash includes cash on hand, demand deposits at banks, and monetary gold used as a store of value, excluding gold classified as inventory for use as raw materials in production or goods for sale.

Cash equivalents are short-term investments with a recovery or maturity period of no more than three months from the purchase date, easily convertible into a known amount of cash, and carrying minimal risk of value fluctuation upon conversion.

#### 4. Financial investments

##### *Associate company*

An associate company is a business in which the enterprise has significant influence but does not have control over the financial and operational policies. Significant influence is reflected in the right to participate in decisions regarding the financial and operational policies of the investee company, but without controlling those policies.

Investments in associate companies are initially recognized at cost, including the purchase price or capital contribution plus any directly attributable costs of the investment. In the case of investments made in non-monetary assets, the cost of the investment is recognized at the fair value of the non-monetary asset at the time the transaction occurs.

A provision for loss on investments in associate companies is made when the associate company incurs a loss, with the provision amount being the difference between the actual capital contribution of the parties in the associate company and the actual equity, multiplied by the shareholding percentage of the enterprise compared to the total capital contribution of the parties in the associate company. If the associate company is required to prepare consolidated financial statements, the basis for determining the provision for loss is the consolidated financial statements.

The increase or decrease in the provision for loss on investments in associate companies that needs to be made at the end of the financial year is recognized as a financial expense.

##### *Investments in equity instruments of another entity*

Investments in equity instruments of another entity include investments in equity instruments where the enterprise does not have control, joint control, or significant influence over the investee.

Investments in equity instruments of another entity are initially recognized at cost, which includes the purchase price or capital contribution plus any directly attributable costs related to the investment activity. Dividends and profits from periods before the investment is made are recorded as a reduction in the value of the investment. Dividends and profits from periods after the investment is made are recognized as revenue. Stock dividends received are only tracked for the

## **PHU THO CEMENT JOINT STOCK COMPANY**

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

### **COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

#### **Note to the combined financial statements(cont)**

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number of additional shares, without recognizing the value of the shares received at face value (unless the state-owned company follows current legal regulations).

The provision for loss on investments in equity instruments of another entity is made as follows:

- For investments in listed shares or when the fair value of the investment can be reliably determined, the provision is based on the market value of the shares.
- For investments where the fair value cannot be determined at the reporting date, the provision is made based on the losses of the investee, with the provision amount being the difference between the actual capital contribution of the parties in the other entity and the actual equity, multiplied by the enterprise's shareholding percentage relative to the total capital contribution of the parties in the other entity.

The increase or decrease in the provision for loss on investments in equity instruments of another entity that needs to be made at the end of the financial year is recognized as a financial expense.

#### **5. Receivables**

Receivables are presented at their carrying amount, net of any allowance for doubtful debts.

The classification of receivables into customer receivables and other receivables is carried out according to the following principles:

- Customer receivables reflect trade-related receivables arising from purchase-sale transactions between the company and buyers who are independent entities from the parent company, including receivables from entrusted export sales to other entities.
- Other receivables reflect non-trade receivables that are not related to purchase-sale transactions.

A provision for doubtful debts is established for each doubtful receivable based on the overdue age of the debts or the estimated potential loss, as specified below:

- For overdue receivables:
  - 30% of the value for receivables overdue from 6 months to less than 1 year.
  - 50% of the value for receivables overdue from 1 year to less than 2 years.
  - 70% of the value for receivables overdue from 2 years to less than 3 years.
  - 100% of the value for receivables overdue for 3 years or more.
- For receivables that are not yet overdue but are unlikely to be recovered: the provision is established based on the estimated potential loss.

The increase or decrease in the provision for doubtful receivables that needs to be made at the end of the financial year is recognized as an administrative expense.

#### **6. Inventory**

Inventories are recognized at the lower of cost and net realizable value.

The cost of inventories is determined as follows:

# PHU THO CEMENT JOINT STOCK COMPANY

Address: Zone 12, Thanh Ba Town, Thanh Ba District, Phu Tho Province, Vietnam

## COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

### Note to the combined financial statements(cont)

- Raw materials, goods: include purchase costs and other directly attributable costs incurred to bring the inventory to its current location and condition.
- Finished goods include the cost of raw materials, direct labor, and related manufacturing overhead allocated based on normal operating capacity, as well as land use right costs, direct costs, and related overhead incurred during the investment and construction of real estate finished goods.
- Work-in-progress production costs: include only the costs of direct materials (or other relevant cost elements, as appropriate).

Net realizable value is the estimated selling price of inventory in the normal course of production and business operations, minus the estimated costs of completion and the estimated costs necessary to sell them.

The value of inventory is determined using the weighted average method and is accounted for using the perpetual inventory system.

A provision for inventory devaluation is established for each inventory item whose cost exceeds its net realizable value. For unfinished services, the provision is determined based on each type of service with a separate pricing structure. Increases or decreases in the provision for inventory devaluation that need to be recognized at the financial year-end are recorded in cost of goods sold.

#### 7. **Tangible fixed assets**

Tangible fixed assets are presented at cost less accumulated depreciation. The cost of tangible fixed assets includes all expenses incurred by the company to acquire the asset and bring it into a condition ready for use. Costs incurred after initial recognition are only added to the cost of tangible fixed assets if these costs are expected to result in future economic benefits from the use of the asset. Costs that do not meet this condition are immediately recognized as expenses.

When tangible fixed assets are sold or disposed of, the cost and accumulated depreciation are removed, and any resulting gain or loss from the disposal is recognized as income or expense in the year.

Tangible fixed assets are depreciated using the straight-line method based on the estimated useful life. The depreciation periods for various types of tangible fixed assets are as follows:

<u>Type of fixed assets</u>	<u>Number of year</u>
Buildings and structures	06 – 25
Machinery and equipment	05 – 15
Transportation vehicles and transmission equipment	06 – 10
Management Tools and Equipment	03 – 06
Other type of fixed assets	03 – 10

#### 8. **Intangible fixed assets**

Intangible assets are presented at their cost less accumulated amortization.

## **PHU THO CEMENT JOINT STOCK COMPANY**

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### **COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

#### **Note to the combined financial statements(cont)**

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The cost of an intangible asset includes all expenses incurred by the Company to acquire the asset until it is ready for use. Expenses related to intangible assets incurred after initial recognition are recognized as production or business expenses for the period, unless these costs are directly associated with a specific intangible asset and enhance its economic benefits.

When an intangible asset is sold or disposed of, its cost and accumulated amortization are removed from the books, and any resulting gain or loss from the disposal is recognized as income or expense in the year.

The Company's intangible fixed asset consists of computer software. The purchase cost of computer software that is not an integral part of related hardware is separately recognized as an intangible fixed asset. The historical cost of computer software includes all expenses incurred by the Company up to the point of bringing the software into use. Computer software is amortized using the straight-line method over a period of five years.

#### **9. Construction in Progress**

Construction in progress reflects costs directly related (including interest expenses in accordance with the Company's accounting policy) to assets under construction, machinery and equipment being installed for production, leasing, and management purposes, as well as costs related to the repair of fixed assets under renovation. These assets are recorded at cost and are not subject to depreciation.

#### **10. Prepaid expenses**

Prepaid expenses include actual costs that have been incurred but are related to the business operations over multiple accounting periods. The prepaid expenses of the enterprise include the following costs:

##### ***Tools and equipments***

Tools and equipments that are put into use are amortized over a straight-line basis with an allocation period not exceeding 3 years.

##### ***Major repair costs***

The cost of repairing buildings and factories is allocated to expenses using the straight-line method, with the allocation period not exceeding 3 years.

#### **11. Payables and accrued expenses**

Payables and accrued expenses are recognized for amounts owed in the future related to goods and services that have been received. Accrued expenses are recognized based on reasonable estimates of the amounts payable.

The classification of payables as trade payables, accrued expenses, and other payables is carried out according to the following principles:

- Accounts payable to suppliers reflect trade payables arising from transactions involving the purchase of goods, services, and assets, where the supplier is an independent entity from the Company. This includes payables arising from imports through a consignee.
- Accrued expenses reflect amounts owed for goods or services received from the supplier or provided to the buyer but not yet paid due to the absence of invoices or incomplete accounting

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### COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

#### Note to the combined financial statements(cont)

documentation. It also includes payables to employees for wages, vacation pay, and other production or business expenses that need to be accrued.

- Internal payables reflect amounts owed between the parent company and its subordinate units that do not have legal status and are dependent on the parent company's accounting system.
- Other payables reflect amounts owed that are non-commercial in nature and not related to the purchase, sale, or provision of goods and services.

#### 12. Principles for recognizing loans and financial lease payables

The company must monitor the repayment terms of loans and finance lease liabilities in detail. Amounts due for repayment beyond 12 months from the date of preparing the financial statements are presented as long-term loans and finance lease liabilities. Amounts due for repayment within the next 12 months from the date of preparing the financial statements are presented as short-term loans and finance lease liabilities in order to plan for repayment.

#### 13. Owners' Equity

##### *Owner's Contributed Capital*

The owner's contributed capital is recognized based on the actual amount contributed by shareholders.

##### *Share premium*

Share premium is recognized as the difference between the issue price and the par value of the shares when they are initially issued, when additional shares are issued, the difference between the reissue price and the book value of treasury shares, and the equity component of convertible bonds upon maturity. Direct costs related to the issuance of additional shares and the reissue of treasury shares are deducted from the share premium.

##### *Treasury stock*

When the company repurchases its own shares, the payment amount, including any transaction-related costs, is recognized as treasury stock and reflected as a deduction from equity. When the shares are reissued, the difference between the reissue price and the book value of the treasury stock is recorded under the "Share premium" account".

##### *Retained earnings*

Recognizing business results (profit, loss) after corporate income tax and the distribution of profits or handling of losses by the company.

##### *Other funds*

The funds are established and used in accordance with the company's charter and the resolutions approved by the Annual General Meeting of Shareholders.

##### *Dividends*

Dividends are recognized as a liability when declared.

#### 14. Recognition of revenue and income

##### *Revenue from the sale of goods and finished products*

Revenue from the sale of goods and finished products is recognized when the following conditions are simultaneously met:

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COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

Note to the combined financial statements(cont)

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- The enterprise has transferred most of the risks and rewards associated with the ownership of the product or goods to the buyer.
- The enterprise no longer retains control over the goods as the owner or has control over the goods.
- The revenue is determined to be reasonably certain. When the contract stipulates that the buyer has the right to return the purchased products or goods under specific conditions, revenue is only recognized when those specific conditions no longer exist, and the buyer no longer has the right to return the products or goods (except in cases where the customer has the right to return goods in exchange for other goods or services).
- The enterprise has received or will receive economic benefits from the sales transaction.
- The costs related to the sales transaction can be reliably estimated.

### ***Revenue from service provision***

The revenue from a service provision transaction is recognized when the outcome of the transaction can be reliably determined. In cases where the service is performed over multiple periods, the revenue is recognized in the period based on the extent of work completed as of the end of the accounting period. The outcome of the service provision transaction is determined when all of the following conditions are met:

- The revenue is determined to be reasonably certain. When the contract specifies that the buyer has the right to return the purchased service under certain conditions, revenue is only recognized when those specific conditions no longer exist, and the buyer no longer has the right to return the provided service.
- There is a possibility of obtaining economic benefits from the service provision transaction.
- The portion of work completed as of the end of the financial year can be determined.
- The costs incurred for the transaction and the costs to complete the service provision transaction can be determined.

### ***Interest***

Interest is recognized on an accrual basis and is determined based on the balance of deposit accounts and the actual interest rate for each period.

## **15. Accounting Principle for Cost of Goods Sold.**

The cost of goods sold for the year is recognized in accordance with the revenue generated during the period and ensures compliance with the prudence principle.

For direct material costs that exceed normal consumption, labor costs, and fixed production overheads that are not allocated to the value of goods in inventory, accounting must immediately include them in the cost of goods sold (after deducting any compensation, if applicable), even when the products or goods have not been recognized as sold.

The provision for inventory write-down is included in the cost of goods sold based on the quantity of inventory and the difference between the net realizable value and the original cost of the inventory. When determining the volume of inventory to be written down, accounting must exclude inventory that has been contracted for sale (with a net realizable value not lower than its

# PHU THO CEMENT JOINT STOCK COMPANY

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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

### Note to the combined financial statements(cont)

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carrying value) but has not yet been transferred to the customer, if there is reliable evidence that the customer will not withdraw from fulfilling the contract.

#### 16. Borrowing costs

Borrowing costs include interest on loans and other costs directly related to the borrowing.

Borrowing costs are recognized as expenses when incurred. If the borrowing costs are directly related to the construction or production of assets that are under construction and require a significant period (over 12 months) to be ready for use or sale, those borrowing costs are capitalized. For loans specifically used for the construction of fixed assets or investment properties, interest is capitalized even if the construction period is less than 12 months. Any income generated from the temporary investment of the loan funds is deducted from the carrying amount of the related asset.

For general loans that are used for the purpose of investing in the construction or production of work-in-progress assets, the capitalized borrowing costs are determined based on a capitalization rate applied to the weighted average accumulated costs incurred for the construction or production of that asset. The capitalization rate is calculated based on the weighted average interest rate of the loans that remain unpaid during the year, excluding specific loans used for the purpose of forming a particular asset.

#### 17. Accounting principles for selling expenses and administrative expenses

Selling expenses reflect the actual costs incurred during the process of selling products, goods, or providing services, including costs for offering, product promotion, advertising, sales commissions, product warranty costs (excluding construction activities), storage, packaging, and transportation costs...

Administrative expenses reflect the general management costs of the company, including expenses for the salaries of company management staff (wages, salaries, allowances, etc.); social insurance, health insurance, trade union funds, and unemployment insurance for the company's management staff; office materials, labor tools, and depreciation of fixed assets used for company management; land rent, business license tax; provisions for doubtful accounts receivable; outsourced services (electricity, water, telephone, fax, property insurance, fire insurance, etc.); and other cash expenses (entertainment, client meetings, etc...).

#### 18. Corporate Income Tax

##### *Current Income Tax*

Current income tax is the tax calculated based on taxable income. The taxable income differs from accounting profit due to adjustments for temporary differences between tax and accounting, non-deductible expenses, as well as adjustments for income that is exempt from tax and carried-forward losses.

The company is obliged to pay corporate income tax at the rate of 20%.

#### 19. Financial Instruments

##### i. *Financial assets*

##### *Classification of Financial Assets*

The company classifies financial assets into the following categories: financial assets measured at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-



# PHU THO CEMENT JOINT STOCK COMPANY

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## COMBINED FINANCIAL STATEMENTS

For the fiscal year ending December 31, 2024

### Note to the combined financial statements(cont)

for-sale financial assets. The classification of these financial assets depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

#### *Financial assets are recognized at fair value through the income statement*

Financial assets are classified as measured at fair value through profit or loss if they are held for trading or are designated as fair value through profit or loss at initial recognition.

Financial assets are classified as held-for-trading securities if:

- Purchased or created primarily for the purpose of selling in the short term;
- The company intends to hold them for the purpose of short-term profit;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed maturity date that the company intends and has the ability to hold until maturity.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not listed on the market.

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified as financial assets measured at fair value through profit or loss, held-to-maturity investments, or loans and receivables.

#### *The initial carrying amount of a financial asset*

Financial assets are recognized on the purchase date and derecognized on the sale date. At the initial recognition, the financial asset is determined at the purchase price/issuance cost plus any other costs directly attributable to the acquisition or issuance of the financial asset.

## ii. *Financial liabilities*

The company classifies financial liabilities into the following categories: financial liabilities measured at fair value through profit or loss, and financial liabilities measured at amortized cost. The classification of financial liabilities depends on the nature and purpose of the liability and is determined at the time of initial recognition.

#### *Financial liabilities measured at fair value through profit or loss*

Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading or are designated as fair value through profit or loss at initial recognition.

Financial liabilities are classified as held-for-trading securities if:

- Issued or created primarily for the purpose of repurchasing in the short term;
- The company intends to hold them for the purpose of short-term profit;
- Derivative financial instruments (except for derivative financial instruments designated as a financial guarantee contract or an effective hedging instrument).

#### *Financial liabilities measured at amortized cost*

Financial liabilities measured at amortized cost are determined by the initial carrying amount of the financial liability, less any principal repayments, plus or minus the cumulative amortization of the

## **PHU THO CEMENT JOINT STOCK COMPANY**

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**COMBINED FINANCIAL STATEMENTS**

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**Note to the combined financial statements(cont)**

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difference between the initial carrying amount and the maturity value, calculated using the effective interest method, less any impairments (either directly or through the use of a provision account) due to a decrease in value or non-recovery.

The effective interest method is the method used to calculate the amortized cost of a financial liability or group of financial liabilities and allocate interest income or expense over the relevant period. The effective interest rate is the rate that discounts the estimated future cash flows that will be paid or received throughout the expected life of the financial instrument, or shorter if necessary, to the net present value of the financial liability.

*The initial carrying amount of a financial liability*

At initial recognition, financial liabilities are determined at the issue price plus any directly attributable costs incurred in issuing the financial liability.

### **iii. *Equity instruments***

Equity instruments are contracts that represent a residual interest in the assets of the company after deducting all liabilities.

### **20. *Related parties***

Parties are considered related if one party has the ability to control or significantly influence the other party in making decisions regarding financial and operational policies. Parties are also considered related if they are both under common control or share significant joint influence.

In considering the relationship of related parties, the substance of the relationship is given more importance than its legal form.

Transactions with related parties during the year are presented in Note VIII.1.

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**Note to the combined financial statements(cont)**

**V. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE COMBINED BALANCE SHEET**

**1. Cash and cash equivalents**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Cash	143,524,121	50,558,683
Non-term bank deposits	6,214,205,941	29,179,910
<b>Total</b>	<b><u>6,357,730,062</u></b>	<b><u>79,738,593</u></b>

**2. Short-term receivables from customers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Thanh Trang Construction and Trading Joint Stock Company	3,186,858,260	7,922,639,172
Other customers	9,376,203,398	8,388,873,745
<b>Total</b>	<b><u>12,563,061,658</u></b>	<b><u>16,311,512,917</u></b>

**3. Short-term prepayments to suppliers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
NASOCO Investment and Development Joint Stock Corporation	1,649,393,209	1,649,393,209
268 Construction and Trading Joint Stock Company	4,729,172,442	4,729,172,442
Quynh Anh Manufacturing, Service, and Trading Co., Ltd	2,436,573,433	2,436,573,433
Thanh Trang Construction and Trading Joint Stock Company	2,947,793,199	-
Other suppliers	1,252,159,554	1,042,163,554
<b>Total</b>	<b><u>13,015,091,837</u></b>	<b><u>9,857,302,638</u></b>

**4. Other receivables**

**a) Short-term**

	<u>Year-end Balance</u>		<u>Beginning Balance</u>	
	<u>Value</u>	<u>Provision</u>	<u>Value</u>	<u>Provision</u>
Receivables from the Rotary Kiln Cement Project Management Board (*)	6,902,725,451	-	6,902,725,451	-
Receivables for money and materials from the workshops	57,136,687	-	959,314,215	-
Receivables from Trieu Duong Heavy Machinery Company for meal allowances	543,410,000	-	543,410,000	-
Receivables for advance payments	4,073,308,169	-	4,945,698,670	-
Other short-term receivables	1,817,578,914	-	1,913,442,795	-
<b>Total</b>	<b><u>13,394,159,221</u></b>	<b><u>-</u></b>	<b><u>15,264,591,131</u></b>	<b><u>-</u></b>

(\*) The receivable "Project Management Board of Rotary Kiln Cement Project after finalizing basic construction investment capital" represents the amount to be recovered from the Project Management Board for the implementation of the Rotary Kiln Clinker production line investment

# PHU THO CEMENT JOINT STOCK COMPANY

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### Note to the combined financial statements(cont)

project. The company is currently reviewing this receivable to ensure recovery and will present it to the General Meeting of Shareholders for consideration and decision.

#### b) Long-term

	Year-end Balance		Beginning Balance	
	Value	Provision	Value	Provision
Deposits and escrow	355,000,000	-	1,511,000,000	-
<b>Total</b>	<b>355,000,000</b>	<b>-</b>	<b>1,511,000,000</b>	<b>-</b>

#### 5. Provision for doubtful short-term receivables

Bad debts and the provision for doubtful short-term receivables are presented in Appendix No. 01.

#### 6. Inventory

	Year-end Balance		Beginning Balance	
	Value	Provision	Value	Provision
Raw materials and supplies	10,616,470,264	-	11,627,951,502	-
Tools and equipment	176,000,619	-	181,669,409	-
Work-in-progress production costs	1,052,866,107	-	1,081,931,289	-
Finished goods	6,316,246,555	-	2,990,020,075	-
Merchandise	5,938,247	-	5,938,247	-
Goods dispatched for sale	1,357,141,239	-	1,883,848,637	-
<b>Total</b>	<b>19,524,663,031</b>	<b>-</b>	<b>17,771,359,159</b>	<b>-</b>

#### 7. Prepaid expenses

##### a) Short-term

	Year-end Balance	Beginning Balance
Cost of repairing the Clinker production line	129,803,108	170,856,668
Tools and equipment	374,297,372	340,567,110
Refractory materials	-	108,618,613
Other short-term prepaid expenses	41,667,641	-
<b>Total</b>	<b>545,768,121</b>	<b>620,042,391</b>

##### b) Long-term

	Year-end Balance	Beginning Balance
Grinding media costs	1,165,797,690	3,225,022,435
Repair costs	673,320,028	2,737,713,522
Tools and equipment	1,062,006,655	2,436,872,257
Other long-term prepaid expenses	226,950,409	283,835,129
<b>Total</b>	<b>3,128,074,782</b>	<b>8,683,443,343</b>

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Note to the combined financial statements(cont)

**8. Tangible fixed assets**

	Buildings and structures	Machinery and equipment	Transportation and transmission means	Management equipment and tools	Other fixed assets	Total
<b>Original Cost</b>						
Beginning Balance	154,889,203,777	408,083,613,789	7,536,897,711	376,262,077	104,962,173	570,990,939,527
Purchased during the year	-	98,000,000	-	-	-	98,000,000
<b>Year-end Balance</b>	<b>154,889,203,777</b>	<b>408,181,613,789</b>	<b>7,536,897,711</b>	<b>376,262,077</b>	<b>104,962,173</b>	<b>571,088,939,527</b>
<i>Including:</i>						
Fully depreciated but still in use	23,574,557,087	25,887,125,916	5,055,689,529	376,262,077	104,962,173	54,998,596,782
<b>Accumulated depreciation</b>						
Beginning Balance	82,114,178,598	227,251,614,887	6,701,971,232	376,262,077	104,962,173	316,548,988,967
Depreciation during the year	5,551,397,208	19,316,355,159	115,162,272	-	-	24,982,914,639
<b>Year-end Balance</b>	<b>87,665,575,806</b>	<b>246,567,970,046</b>	<b>6,817,133,504</b>	<b>376,262,077</b>	<b>104,962,173</b>	<b>341,531,903,606</b>
<b>Remaining value</b>						
Beginning Balance	72,775,025,179	180,831,998,902	834,926,479	-	-	254,441,950,560
<b>Year-end Balance</b>	<b>67,223,627,971</b>	<b>161,613,643,743</b>	<b>719,764,207</b>	<b>-</b>	<b>-</b>	<b>229,557,035,921</b>

Some tangible fixed assets, with an original cost and book value of 100,511,719,231 VND and 18,186,651,054 VND, respectively, have been pledged as collateral for loans at the following banks: Vietnam Joint Stock Commercial Bank for Industry and Trade – Phu Tho Branch, Vietnam Joint Stock Commercial Bank for Investment and Development – Phu Tho Branch, Development Bank – Phu Tho Branch, and Vietnam International Bank – Vinh Phuc Branch.

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#### Note to the combined financial statements(cont)

#### 9. Intangible fixed assets

Intangible fixed assets are software programs that have been fully depreciated but are still in use.

#### 10. Construction in progress costs

	Beginning Balance	Costs incurred during the year	Transfer to fixed assets	Transfer to expenses	Year-end Balance
Work-in-progress construction	21,400,312,529	-	-	-	21,400,312,529
<i>The Tieu Son Additive Mine Project</i> <sup>(1)</sup>	581,969,191	-	-	-	581,969,191
<i>Expansion of the access road at the Stone Mining Branch</i> <sup>(2)</sup>	205,377,122	-	-	-	205,377,122
<i>The Limestone Quarry Expansion Project</i> <sup>(3)</sup>	20,612,966,216	-	-	-	20,612,966,216
Major repairs of fixed assets	601,737,162	60,078,696	-	(71,673,775)	590,142,083
<b>Total</b>	<b>22,002,049,691</b>	<b>60,078,696</b>	<b>-</b>	<b>(71,673,775)</b>	<b>21,990,454,612</b>

<sup>(1)</sup> The Tieu Son Additive Mine Project is temporarily suspended due to the incomplete procedures for granting mining rights.

<sup>(2)</sup> The access road project at the Stone Mining Branch is temporarily suspended due to some households that have not yet been relocated.

<sup>(3)</sup> The limestone quarry expansion project of the company in Ninh Dan and Yen Noi communes, Thanh Ba district, Phu Tho province, with the following detailed information:

+ Total investment: The total compensation, site clearance, support, and resettlement cost is 16,120,316,171 VND; in addition, there are other construction costs;

+ The project started implementation at the end of 2016, with an expected completion time in 2022.

Project status: The basic components have been completed, and the project is awaiting final acceptance and settlement.

#### 11. Long-term financial investments

	Year-end Balance		Beginning Balance	
	Original Cost	Provision	Original Cost	Provision
<i>Investment in joint ventures and associates</i>	500,000,000	-	500,000,000	-
Tien Kien Cement Joint Stock Company (1)	500,000,000	-	500,000,000	-
<i>Investment in equity in another entity</i>	3,000,000,000	(1,466,893,707)	3,000,000,000	(1,435,568,176)
Vicem Song Thao Cement Joint Stock Company <sup>(2)</sup>	3,000,000,000	(1,466,893,707)	3,000,000,000	(1,435,568,176)
<b>Total</b>	<b>3,500,000,000</b>	<b>(1,466,893,707)</b>	<b>3,500,000,000</b>	<b>(1,435,568,176)</b>

(1) This is an investment in Tien Kien Cement Joint Stock Company, with a total investment value of 500,000,000 VND and an ownership interest of 35%.

(2) This is an investment in Vicem Song Thao Cement Joint Stock Company, with a total investment value of 3,000,000,000 VND and an ownership interest of 0.47%.

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**Note to the combined financial statements(cont)****12. Short-term payables to suppliers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Payables to related parties</i>	<i>16,708,313,753</i>	<i>21,994,935,067</i>
IDC Joint Stock Company	10,454,787,394	12,022,371,394
Phuong Tung Trade and Construction Co., Ltd	6,253,526,359	9,972,563,673
<i>Payables to other suppliers</i>	<i>66,719,978,153</i>	<i>72,157,664,488</i>
Constrexim Number 1 Joint Stock Company	11,293,677,445	11,293,677,445
LILAMA Hanoi Joint Stock Company	21,262,857,095	21,262,857,095
Other suppliers	34,163,443,613	39,601,129,948
<b>Total</b>	<b><u>83,428,291,906</u></b>	<b><u>94,152,599,555</u></b>

**13. Advances from customers**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Advances from related parties</i>	<i>2,905,314,600</i>	<i>2,765,662,685</i>
Phuong Tung Trade and Construction Co., Ltd	2,905,314,600	2,765,662,685
<i>Advances from other customers</i>	<i>26,461,137,658</i>	<i>25,018,384,543</i>
Quynh Anh Manufacturing, Service, and Trading Co., Ltd	6,614,046,000	6,614,046,000
Hoang Vinh Trading Co., Ltd	9,444,201,707	7,842,528,341
Other customers	10,402,889,951	10,561,810,202
<b>Total</b>	<b><u>29,366,452,258</u></b>	<b><u>27,784,047,228</u></b>

**14. Taxes and amounts payable to the State**

	<u>Beginning Balance</u>	<u>Amount payable during the year</u>	<u>Amount paid during the year</u>	<u>Year-end Balance</u>
VAT on domestic sales	4,597,151,022	2,443,615,831	(1,045,000,000)	5,995,766,853
Corporate income tax	165,484,525	-	-	165,484,525
Personal income tax	773,699,425	77,158,445	-	850,857,870
Resource tax	9,209,030,925	795,898,309	(53,500,558)	9,951,428,676
Mineral extraction rights fee	5,746,561,500	1,002,832,000	(100,000,000)	6,649,393,500
Land and housing tax, land rental fees	579,991,471	402,171,032	(110,262,477)	871,900,026
Fees, charges, and other payable amounts	1,094,690,900	655,936,146	(353,275,200)	1,397,351,846
<b>Total</b>	<b><u>22,166,609,768</u></b>	<b><u>5,377,611,763</u></b>	<b><u>(1,662,038,235)</u></b>	<b><u>25,882,183,296</u></b>

The company's tax settlement will be subject to inspection by the tax authorities. Since the application of laws and regulations on taxes for various types of transactions can be interpreted in different ways, the tax amount presented in the financial statements may change based on the tax authority's decision.

**Value Added Tax**

The Company declares and pays value-added tax (VAT) using the deduction method at a tax rate of 10%.

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**Note to the combined financial statements(cont)****Corporate income tax**

Corporate income tax is calculated based on taxable income for the year, with an applicable tax rate of 20%.

**Other type of taxes**

Other taxes, which the company declares and pays according to regulations.

**15. Short-term accrued expenses**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
<i>Amounts payable to related parties</i>	779,702,100	547,348,700
Interest payable on loans to members of the board of directors	779,702,100	547,348,700
<i>Payables to other organizations and individuals</i>	68,252,721,381	63,734,785,832
Personal loan interest expense	2,395,000	41,532,500
Payable to Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch for provisional loan interest (*)	61,490,100,549	57,490,100,549
Payable to construction suppliers for provisionally recorded imported goods volume	6,760,225,832	6,203,152,783
<b>Total</b>	<u><b>69,032,423,481</b></u>	<u><b>64,282,134,532</b></u>

(\*) Loan interest payable to Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch, provisionally calculated at the contractually agreed interest rate as of December 31, 2024, excluding overdue penalty interest.

**16. Short-term unearned revenue**

Revenue received in advance for payments made by customers for goods not yet collected.

**17. Other short-term payables**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Surplus assets pending resolution	232,468,868	232,154,997
Union funds	3,213,648,043	3,175,775,407
Social insurance	2,429,023,337	1,781,716,072
Health insurance	30,990,151	31,790,073
Unemployment insurance	13,125,844	16,623,696
Payables related to equitization	3,902,216,322	3,902,216,322
Dividend payable	3,143,175,000	3,143,175,000
Bank loan interest payable	166,008,417,900	188,410,984,103
<i>Vietnam Development Bank – Phu Tho Branch (*)</i>	108,818,382,060	134,271,614,679
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch (**)</i>	57,190,035,840	54,139,369,424
Interest payable to Constrexim No. 1 Joint Stock Company	4,562,133,147	4,562,133,147
Other short-term payables	1,421,407,275	1,642,426,566
<b>Total</b>	<u><b>184,956,605,887</b></u>	<u><b>206,898,995,383</b></u>



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**Note to the combined financial statements(cont)**

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(\*) Loan interest payable to Vietnam Development Bank – Phu Tho Branch, provisionally calculated at the contractually agreed interest rate as of December 31, 2024, excluding overdue penalty interest.

(\*\*) Loan interest payable to Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch, provisionally calculated at the contractually agreed interest rate as of December 31, 2024, excluding overdue penalty interest.

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Note to the combined financial statements(cont)

**18. Loans and finance lease liabilities****a) Short-term**

	Year-end Balance		Beginning Balance	
	Value	Amount likely to be repaid	Value	Amount likely to be repaid
<i>Short-term loans and finance lease liabilities payable to related parties</i>	<b>110,626,900</b>	<b>110,626,900</b>	<b>100,059,800</b>	<b>100,059,800</b>
Loans from executive board members <sup>(2)</sup>	110,626,900	110,626,900	100,059,800	100,059,800
<i>Nguyen Phi Tuyen</i>	<b>110,626,900</b>	<b>110,626,900</b>	<b>100,059,800</b>	<b>100,059,800</b>
<i>Short-term loans and finance lease liabilities payable to other organizations and individuals</i>	<b>195,775,552,537</b>	<b>195,775,552,537</b>	<b>184,190,596,509</b>	<b>184,190,596,509</b>
Short-term bank loans	11,374,442,584	11,374,442,584	11,374,442,584	11,374,442,584
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch<sup>(1)</sup></i>	<b>11,374,442,584</b>	<b>11,374,442,584</b>	<b>11,374,442,584</b>	<b>11,374,442,584</b>
Short-term loans from other individuals <sup>(2)</sup>	252,971,700	252,971,700	4,726,147,900	4,726,147,900
Current portion of long-term loans	184,148,138,253	184,148,138,253	168,090,006,025	168,090,006,025
<i>Vietnam Development Bank – Phu Tho Branch<sup>(5)</sup></i>	<b>58,619,272,092</b>	<b>58,619,272,092</b>	<b>47,139,272,092</b>	<b>47,139,272,092</b>
<i>Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch<sup>(3)</sup></i>	<b>66,056,943,333</b>	<b>66,056,943,333</b>	<b>63,055,629,003</b>	<b>63,055,629,003</b>
<i>Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch<sup>(4)</sup></i>	<b>59,471,922,828</b>	<b>59,471,922,828</b>	<b>57,895,104,930</b>	<b>57,895,104,930</b>
<b>Total</b>	<b>195,886,179,437</b>	<b>195,886,179,437</b>	<b>184,290,656,309</b>	<b>184,290,656,309</b>

<sup>(1)</sup> This loan was obtained from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch under Credit Agreement No. 01/2015/399179/HĐTD dated September 17, 2015, with a credit limit of VND 20,000,000,000. This includes the entire outstanding short-term loan balance carried forward from specific short-term credit agreements under Credit Agreement Limit No. 01/2014/399179/HĐTD dated August 28, 2014. The loan was intended to supplement working capital, with the credit limit valid from the contract signing date until August 31, 2016. As of December 31, 2024, the loan has reached its maturity but has not yet been extended. The applicable loan interest rate is floating and subject to adjustments. The loan is secured under Mortgage Agreement No. 01/2012/HD dated December 28, 2012, with the collateral being a system of machinery and equipment, valued at VND 22,535,370,000.

<sup>(2)</sup> Short-term loans from individuals with a loan term ranging from 3 to 12 months, an interest rate of 10 - 12% per year, provided in the form of unsecured loans. The purpose of these loans is to supplement working capital for business operations.

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**Note to the combined financial statements(cont)**

(3) This is a long-term loan from the Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch under Credit Agreement No. 01/2007/HD dated September 26, 2007, and its amendment No. 01/2015/399179/SDHD dated March 31, 2015. The maximum loan amount is VND 100,000,000,000, including foreign currency equivalents, and was taken to invest in the construction of a rotary kiln cement production line with a capacity of 1,200 tons of clinker per day. The loan term is 240 months, with a fixed interest rate applied to each debt acknowledgment certificate. It is secured by assets formed from the Clinker 1,200 tons/hour production line investment project, based on a mortgage agreement dated March 28, 2008, involving three banks: Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch, Vietnam Development Bank – Phu Tho Branch, and Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch.

(4) This is a long-term loan from Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch under Credit Agreement No. 0180707/HDTD2-VIB dated August 3, 2007, and the Debt Recovery Agreement dated January 8, 2014. The loan amount is VND 125,000,000,000 or its equivalent in USD, intended for the construction of a rotary kiln cement production line with a capacity of 1,200 tons of clinker per day. The interest rate is fixed for each debt acknowledgment certificate, and the loan term is 240 months. As of December 31, 2024, the loan has become overdue but has not yet been extended. It is secured by assets formed from the Clinker 1,200 tons/hour production line investment project, based on a mortgage agreement dated March 28, 2008, with three banks: Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch, Vietnam Development Bank – Phu Tho Branch, and Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch.

Details of short-term loan transactions are as follows:

	Beginning Balance	Loan amount incurred during the year	Capitalized loan interest	Transfer from long-term loans	Loan repayments made during the year	Increase due to year-end foreign exchange revaluation	Year-end Balance
Short-term bank loans	11,374,442,584	-	-	-	-	-	11,374,442,584
Short-term loans from related individuals	100,059,800	485,000,000	23,711,600	-	(498,144,500)	-	110,626,900
Short-term loans from other individuals	4,726,147,900	1,000,000,000	255,171,900	-	(5,728,348,100)	-	252,971,700
Current portion of long-term loans	168,090,006,025	-	-	11,500,000,000	(20,000,000)	4,578,132,228	184,148,138,253
<b>Total</b>	<b>184,290,656,309</b>	<b>1,485,000,000</b>	<b>278,883,500</b>	<b>11,500,000,000</b>	<b>(6,246,492,600)</b>	<b>4,578,132,228</b>	<b>195,886,179,437</b>

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Note to the combined financial statements(cont)

**b) Long-term**

	Year-end Balance		Beginning Balance	
	Value	Amount likely to be repaid	Value	Amount likely to be repaid
<i>Long-term loans and finance lease liabilities payable to related parties</i>	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Loan from Mr. Nguyen Khac Lam	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
<i>Long-term loans and finance lease liabilities payable to other organizations and individuals</i>	34,000,000,000	34,000,000,000	45,500,000,000	45,500,000,000
Long-term bank loans	34,000,000,000	34,000,000,000	45,500,000,000	45,500,000,000
Vietnam Development Bank – Phu Tho Branch <sup>(5)</sup>	34,000,000,000	34,000,000,000	45,500,000,000	45,500,000,000
<b>Total</b>	<b>39,000,000,000</b>	<b>39,000,000,000</b>	<b>50,500,000,000</b>	<b>50,500,000,000</b>

(5) This is a long-term loan from Vietnam Development Bank – Phu Tho Branch under Credit Loan Agreement No. 04F/2007/HĐTD-TDII dated October 25, 2007, and its amendment dated December 31, 2015. The loan was taken to invest in the construction of a rotary kiln cement production line with a capacity of 1,200 tons of clinker per day. The loan term is 240 months, with interest payments made monthly based on the outstanding loan balance. It is secured by assets formed from the Clinker 1,200 tons/hour production line investment project, based on a mortgage agreement dated March 28, 2008, involving three banks: Joint Stock Commercial Bank for Investment and Development of Vietnam – Phu Tho Branch, Vietnam Development Bank – Phu Tho Branch, and Vietnam International Commercial Joint Stock Bank – Vinh Phuc Branch.

Details of long-term loan and finance lease liabilities transactions are as follows:

	Beginning Balance	Loan amount incurred during the year	Transfer to short-term loans and liabilities	Year-end Balance
Long-term loans and finance lease liabilities payable to related parties	5,000,000,000	-	-	5,000,000,000
Long-term bank loans	45,500,000,000	-	(11,500,000,000)	34,000,000,000
<b>Total</b>	<b>50,500,000,000</b>	<b>-</b>	<b>(11,500,000,000)</b>	<b>39,000,000,000</b>

**PHU THO CEMENT JOINT STOCK COMPANY**

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**COMBINED FINANCIAL STATEMENTS**

For the fiscal year ending December 31, 2024

Note to the combined financial statements(cont)

**19. Owner's equity**

	Owner's investment capital	Share premium	Treasury shares	Development investment fund	Undistributed after-tax profit	Total
The beginning number of last year	125,000,000,000	3,212,934,000	(3,692,240,000)	5,328,707,922	(383,174,321,519)	(253,324,919,597)
Profit in the previous year	-	-	-	-	(61,576,277,693)	(61,576,277,693)
<b>Ending balance of last year</b>	<b>125,000,000,000</b>	<b>3,212,934,000</b>	<b>(3,692,240,000)</b>	<b>5,328,707,922</b>	<b>(444,750,599,212)</b>	<b>(314,901,197,290)</b>
Beginning balance of this year	125,000,000,000	3,212,934,000	(3,692,240,000)	5,328,707,922	(444,750,599,212)	(314,901,197,290)
Profit in the current year	-	-	-	-	(2,334,969,740)	(2,334,969,740)
<b>Ending balance of this year</b>	<b>125,000,000,000</b>	<b>3,212,934,000</b>	<b>(3,692,240,000)</b>	<b>5,328,707,922</b>	<b>(447,085,568,952)</b>	<b>(317,236,167,030)</b>

**Details of owner's equity**

	Year-end Balance		Beginning Balance	
	Value	Rate (%)	Value	Rate (%)
Mr Trieu Quoc Hoan	6,604,500,000	5.28%	6,604,500,000	5.28%
Mr Tran Tuan Dat	8,855,500,000	7.08%	8,845,000,000	7.08%
Mr Trieu Quang Thuan	14,516,500,000	11.61%	14,516,500,000	11.61%
Capital contributions from other shareholders	91,331,260,000	73.07%	91,341,760,000	73.07%
Treasury shares	3,692,240,000	2.95%	3,692,240,000	2.95%
<b>Total</b>	<b>125,000,000,000</b>	<b>100.00%</b>	<b>125,000,000,000</b>	<b>100.00%</b>

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**Note to the combined financial statements(cont)****Stocks**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Number of shares registered for issuance	12,500,000	12,500,000
Number of shares issued/sold to the public	12,500,000	12,500,000
- Common shares	12,500,000	12,500,000
- Preferred shares	-	-
Number of shares repurchased	369,224	369,224
- Common shares	369,224	369,224
- Preferred shares	-	-
Number of outstanding shares	12,130,776	12,130,776
- Common shares	12,130,776	12,130,776
- Preferred shares	-	-
Par value of outstanding shares: 10,000 VND per share.		

**20. Off-balance sheet items**

	<u>Year-end Balance</u>	<u>Beginning Balance</u>
Various foreign currencies		
US DOLLAR (USD)	365,15	365,15

**VI. ADDITIONAL INFORMATION ON ITEMS PRESENTED IN THE COMBINED INCOME STATEMENT****1. Service revenue**

	<u>This year</u>	<u>Previous year</u>
Total revenue	159,641,361,029	188,086,031,726
Revenue from finished goods sales	159,603,097,047	188,048,242,957
Service revenue and other income	38,263,982	37,788,769
<b>Total</b>	<b>159,641,361,029</b>	<b>188,086,031,726</b>

**2. Cost of good sold**

	<u>This year</u>	<u>Previous year</u>
Cost of goods sold for finished products	136,697,972,836	184,798,584,712
Cost of goods sold during production downtime	25,982,271,860	9,776,320,122
<b>Total</b>	<b>162,680,244,696</b>	<b>194,574,904,834</b>

**3. Financial income**

	<u>This year</u>	<u>Previous year</u>
Interest income from deposits	321,541	599,100
<b>Total</b>	<b>321,541</b>	<b>599,100</b>

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**Note to the combined financial statements(cont)****4. Financial expenses**

	<u>This year</u>	<u>Previous year</u>
Interest expense	17,933,070,821	35,926,215,534
Exchange rate loss from revaluation of monetary items denominated in foreign currencies	4,709,233,336	4,698,140,658
Provision/(Reversal of provision) for devaluation of trading securities and investment losses	31,325,531	(235,226,450)
<b>Total</b>	<b><u>22,673,629,688</u></b>	<b><u>40,389,129,742</u></b>

**5. Selling expenses**

	<u>This year</u>	<u>Previous year</u>
Staff expenses	892,675,600	1,067,546,700
Material and packaging costs	87,272	-
Outsourced service expenses	330,359,540	594,611,775
Other expenses	366,178,000	272,082,465
<b>Total</b>	<b><u>1,589,300,412</u></b>	<b><u>1,934,240,940</u></b>

**6. Business management expenses**

	<u>This year</u>	<u>Previous year</u>
Employee expenses	5,675,554,461	5,684,515,397
Management material costs	402,399,897	650,672,192
Office supplies expenses	120,760,184	147,090,656
Depreciation expense of fixed assets	385,119,876	488,170,591
Taxes, fees, and charges	1,440,287,212	1,813,238,785
Outsourced service costs	2,095,656,548	2,248,558,414
Other expenses	1,245,888,960	1,690,123,202
<b>Total</b>	<b><u>11,365,667,138</u></b>	<b><u>12,722,369,237</u></b>

**7. Other income**

	<u>This year</u>	<u>Previous year</u>
Scrap liquidation	788,550,000	-
Other income	300,000	-
Interest debt write-off (*)	35,562,929,624	-
<b>Total</b>	<b><u>36,351,779,624</u></b>	<b><u>-</u></b>

(\*) According to Notification No. 200/TB-NHPT.PTH-YBA dated September 24, 2024, from Vietnam Development Bank – Phu Tho Branch regarding the write-off of interest debt accrued on overdue interest not yet collected as of December 21, 2023, for the rotary kiln cement production line project with a maximum capacity of 1,200 tons of clinker per day.

**8. Other expenses**

	<u>This year</u>	<u>Previous year</u>
Support costs	20,590,000	16,000,000
Tax penalties and arrears	-	23,263,766
Administrative penalty enforcement	50,000,000	-
Other expenses	9,000,000	3,000,000
<b>Total</b>	<b><u>79,590,000</u></b>	<b><u>42,263,766</u></b>

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**Note to the combined financial statements(cont)****9. Current corporate income tax expense**

The corporate income tax expense for the year is estimated as follows:

	<u>This year</u>	<u>Previous year</u>
Total accounting profit before tax	(2,394,969,740)	(61,576,277,693)
Adjustments to increase or decrease accounting profit to determine the taxable income for corporate income tax:		
Adjustments to increase income	26,121,861,860	9,799,583,888
<i>Costs during the production stoppage period</i>	26,121,861,860	9,799,583,888
<i>Invalid expenses</i>	25,982,271,860	9,776,320,122
Adjustments to decrease income	139,590,000	23,263,766
	-	-
Taxable income	<u>23,726,892,120</u>	<u>(51,776,693,805)</u>
Losses from previous years carried forward	(23,726,892,120)	-
Taxable income	-	(51,776,693,805)
Corporate income tax rate	<u>20%</u>	<u>20%</u>
<b>Total current corporate income tax</b>	<u>-</u>	<u>-</u>

**10. Basic/diluted earnings per share**

	<u>This year</u>	<u>Previous year</u>
Net accounting profit after corporate income tax	(2,394,969,740)	(61,576,277,693)
Adjustments to increase or decrease accounting profit to determine the profit attributable to shareholders of common stock:		
Earnings used to calculate basic earnings per share	(2,394,969,740)	(61,576,277,693)
The weighted average number of common shares outstanding during the year	<u>12,130,776</u>	<u>12,130,776</u>
<b>Basic/diluted earnings per share</b>	<u>(197)</u>	<u>(5,076)</u>

The weighted average number of common shares outstanding during the year is calculated as follows:

	<u>This year</u>	<u>Previous year</u>
The number of common shares outstanding at the beginning of the year	<u>12,130,776</u>	<u>12,130,776</u>
<b>The weighted average number of common shares outstanding during the year</b>	<u>12,130,776</u>	<u>12,130,776</u>

**11. Expenses by category**

	<u>This year</u>	<u>Previous year</u>
Costs of raw materials, materials	92,885,079,161	106,898,803,275
Labor costs	12,834,127,679	16,309,228,674
Depreciation expenses of fixed assets	24,982,914,639	25,156,688,683
Outsourced service costs	7,713,137,067	37,017,066,782
Other expenses	<u>14,008,135,740</u>	<u>7,390,401,270</u>
<b>Total</b>	<u>152,423,394,286</u>	<u>192,772,188,684</u>



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**Note to the combined financial statements(cont)****VII. ADDITIONAL INFORMATION FOR THE ITEMS PRESENTED IN THE CASH FLOW STATEMENT OF THE PARENT COMPANY****1. Non-cash transactions**

During the year, the company had non-cash transactions as follows:

	<u>This year</u>	<u>Previous year</u>
Capitalized loan interest	278,883,500	2,778,808,400
<b>Total</b>	<b>278,883,500</b>	<b>2,778,808,400</b>

**VIII. OTHER INFORMATION****1. Transactions with related parties***Transactions with key management personnel*

Key management personnel include the members of the Executive Board. Individuals related to key management personnel are close family members of the key management personnel.

Related individuals of the Company include:

<u>Related parties</u>	<u>Relationship</u>
Mr Trieu Quang Thuan	Chairman of the Board of Directors
Mr Pham Quang Anh	Member of the Board of Directors
Mr Ta Trung Hieu	Member of the Board of Directors
Mr Nguyen Khac Lam	Member of the Board of Directors
Mr Tran Tuan Dat	General Director
Mrs Tran Thi Phuong Linh	Deputy General Director
Mr Nguyen Phi Tuyen	Deputy General Director
Mr Ta Duc Thiem	Head of the Supervisory Board
Mr Trieu Quang Nhan	Member of the Supervisory Board
Mrs Do Thi Thanh Yen	Member of the Supervisory Board
Mr Vu Anh Phuong	Chief Accountant

Income of the members of the Board of Directors

	<u>This year</u>	<u>Previous year</u>
Mr Trieu Quang Thuan	204,723,000	216,854,100
Mr Tran Tuan Dat	173,839,800	180,824,800
Mrs Tran Thi Phuong Linh	111,708,400	118,420,710
Mr Nguyen Phi Tuyen	132,165,100	124,376,500
Mr Pham Quang Anh	48,000,000	44,000,000
Mr Ta Trung Hieu	48,000,000	44,000,000
Mr Nguyen Khac Lam	48,000,000	44,000,000
Mr Vu Anh Phuong	112,310,800	142,107,000
Mr Ta Duc Thiem	48,000,000	44,000,000
Mr Trieu Quang Nhan	24,000,000	22,000,000
Mrs Do Thi Thanh Yen	24,000,000	22,000,000
<b>Total</b>	<b>974,747,100</b>	<b>1,002,583,110</b>

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#### Note to the combined financial statements(cont)

The main transactions arising during the year between the Company and key management personnel, as well as individuals related to key management personnel, are as follows:

	<u>This year</u>	<u>Previous year</u>
<i>Loan received</i>	485,000,000	6,287,500,000
<i>Interest on loan capitalized</i>	23,711,600	918,681,900
<i>Repayment of loan</i>	498,144,500	22,236,955,300
<i>Payables for loan interest</i>	432,353,400	1,157,726,100
<i>Payment of loan interest</i>	200,000,000	147,501,700

As of the end of the fiscal year, the debts with key management personnel and individuals related to key management personnel are detailed in Notes V.15, V.18a, and V.18b.

#### *Transactions and balances with other related parties*

*Other related parties of the Company include:*

<u>Other related parties</u>	<u>Relationship</u>
IDC Joint Stock Company	Mr. Nguyen Khac Lam - Board Member is the legal representative
Phuong Tung Trading and Construction Co., Ltd	The daughter-in-law of Mr. Trieu Quang Thuan - Chairman of the Board of Directors, is the legal representative

The transactions arising between the Company and other related parties are as follows:

	<u>This year</u>	<u>Previous year</u>
<b><i>IDC Joint Stock Company</i></b>		
<i>Receivables from sales of goods</i>	67,584,000	-
<i>Offset of receivables and payables</i>	67,584,000	-
<i>Payables for goods purchased</i>	-	8,516,449,260
<i>Payment for goods purchased</i>	1,500,000,000	7,200,000,000
<b><i>Phuong Tung Trading and Construction Co., Ltd</i></b>		
<i>Receivables from cement sales</i>	32,916,627,696	8,197,549,058
<i>Cash received from cement sales</i>	25,000,000,000	8,197,549,058
<i>Payables for goods purchased</i>	4,337,242,297	5,334,922,936
<i>Cash paid for goods purchased</i>	-	8,141,993,503
<i>Set-off of receivables and payables</i>	8,056,279,611	-

As of the end of the fiscal year, the debts with related parties are detailed in Notes V.12 and V.13.

## 2. Segment Information

### A, Information on Business Segments

The Company's primary business activity during the year was cement production, accounting for nearly 100% of total revenue. Other activities were insignificant; therefore, the Company does not prepare segment reports based on business sectors.

### B, Geographical Information

All of the Company's operations take place exclusively within the territory of Vietnam.

# PHU THO CEMENT JOINT STOCK COMPANY

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## COMBINED FINANCIAL STATEMENTS

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### Note to the combined financial statements(cont)

#### 3. Credit risk

Credit risk is the risk that one party involved in a contract is unable to fulfill its obligations, resulting in financial losses for the Company.

The Company is exposed to credit risks from its business activities (primarily trade receivables) and financial activities (bank deposits, loans, and other financial instruments).

##### *Trade receivables*

The Company mitigates credit risk by conducting transactions only with financially stable entities, requiring letters of credit for first-time or financially unverified customers, and having accounts receivable staff regularly monitor outstanding debts to ensure timely collection. Based on this approach, and given that the Company's receivables are spread across multiple customers, credit risk is not concentrated on any single customer.

##### *Bank deposits*

The majority of the Company's bank deposits are held at large, reputable banks in Vietnam. The Company considers the concentration of credit risk related to bank deposits to be low.

#### 4. Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting its financial obligations due to a shortage of cash.

The Executive Board is ultimately responsible for managing liquidity risk. The Company's liquidity risk primarily arises from the mismatch in the maturities of financial assets and financial liabilities.

The Company manages liquidity risk by maintaining an adequate amount of cash and cash equivalents, along with loans at a level deemed sufficient by the Executive Board to meet the Company's operational needs, thereby minimizing the impact of cash flow fluctuations.

The payment terms of financial liabilities are based on the expected payments under the contracts, without discounting, as follows:

	<u>1 Year or Less</u>	<u>Over 1 Year to 5 Years</u>	<u>Over 5 years</u>	<u>Total</u>
<b>Year-end Balance</b>				
Loans and Debts	195,886,179,437	39,000,000,000	-	234,886,179,437
Payables to Suppliers	83,428,291,906	-	-	83,428,291,906
Other Payables	261,007,724,178	-	-	261,007,724,178
<b>Total</b>	<b>540,322,195,521</b>	<b>39,000,000,000</b>	<b>-</b>	<b>579,322,195,521</b>
<b>Beginning Balance</b>				
Loans and Debts	184,290,656,309	50,500,000,000	-	234,790,656,309
Payables to Suppliers	94,152,599,555	-	-	94,152,599,555
Other Payables	279,425,225,184	-	-	279,425,225,184
<b>Total</b>	<b>557,868,481,048</b>	<b>50,500,000,000</b>	<b>-</b>	<b>608,368,481,048</b>

The Company believes that the concentration of risk related to debt repayment is low. The Company has the ability to meet its debt obligations from cash flows generated by its business operations and proceeds from maturing financial assets.

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Note to the combined financial statements(cont)

**5. Fair value of financial assets and liabilities**

	Book Value		Fair Value	
	Year-end Balance	Beginning Balance	Year-end Balance	Beginning Balance
<b>Financial Assets</b>				
Cash and cash equivalents	6,357,730,062	79,738,593	6,357,730,062	79,738,593
Accounts receivable from customers	7,623,167,552	11,371,618,811	7,623,167,552	11,371,618,811
Other receivables	13,749,159,221	16,775,591,131	13,749,159,221	16,775,591,131
Financial assets available for sale	2,033,106,293	2,064,431,824	2,033,106,293	2,064,431,824
<b>Total</b>	<b>29,763,163,128</b>	<b>30,291,380,359</b>	<b>29,763,163,128</b>	<b>30,291,380,359</b>
<b>Financial liabilities</b>				
Loan and debts	234,886,179,437	234,790,656,309	234,886,179,437	234,790,656,309
Payables to suppliers	83,428,291,906	94,152,599,555	83,428,291,906	94,152,599,555
Other payables	261,007,724,178	279,425,225,184	261,007,724,178	279,425,225,184
<b>Total</b>	<b>579,322,195,521</b>	<b>608,368,481,048</b>	<b>579,322,195,521</b>	<b>608,368,481,048</b>

The fair value of financial assets and financial liabilities is reflected at the value that the financial instrument could be exchanged for in a current transaction between knowledgeable and willing parties.

The company uses the following methods and assumptions to estimate fair value:

- The fair value of cash, short-term bank deposits, trade receivables, payables to suppliers, and other short-term liabilities is equivalent to their book value, as these instruments have short maturities.
- The fair value of receivables and loans with fixed or variable interest rates is assessed based on information such as interest rates, risks, repayment capacity, and the nature of the risks associated with the debt. Based on this assessment, the Company estimates provisions for amounts that may be irrecoverable.
- The fair value of financial assets available for sale that are listed on the stock exchange is the quoted transaction price at the end of the fiscal year. The fair value of unlisted financial assets available for sale is estimated using appropriate valuation methods.

**6. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk includes three types: foreign exchange risk, interest rate risk, and other price risks.

The sensitivity analysis presented below is based on the value of net debt, with the ratio between fixed-interest debt and floating-interest debt remaining unchanged.

**Foreign exchange risk**

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in exchange rates.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

# PHU THO CEMENT JOINT STOCK COMPANY

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## COMBINED FINANCIAL STATEMENTS

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### Note to the combined financial statements(cont)

The Company's interest rate risk is primarily related to its borrowings.

The company manages interest rate risk by analyzing market conditions to secure the most favorable interest rates while staying within its risk management limits.

#### *Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than changes in interest rates and exchange rates.

#### 7. Events occurring after the end of the fiscal year

The CEO of the Company affirms that there have been no events occurring after December 31, 2024, up to the date of this report that have not been considered for adjustments or disclosed in the Combined Financial Statements.

#### 8. Information about Going Concern

As of December 31, 2023, and December 31, 2024, the Company's short-term liabilities exceeded its short-term assets by VND 553,926,591,654 and VND 536,182,357,584, respectively. The accumulated losses were VND (445,829,016,953) and VND (448,223,986,693), corresponding to (357%) and (359%) of the owner's equity, with the owner's equity standing at VND (315,979,615,031) and VND (318,374,584,771), respectively. These issues indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. However, the Company has entered into agreements with major suppliers, agents, and traditional customers to extend repayment schedules and receive advance payments for goods in order to supplement working capital for production and business activities. The Company's business plans have been evaluated by the credit banks, which have considered extending the repayment period, restructuring debts, and facilitating the Company's restructuring of its production and business activities to generate revenue for repaying bank loans.

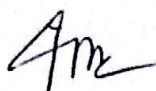
Based on the above factors, the CEO of the Company believes that the Company still has sufficient grounds and conditions to continue its development in the future. At the same time, the CEO affirms that there are no plans to cease the Company's operations in the coming years. Therefore, the Financial Statements for the fiscal year ending December 31, 2024, have been prepared on the basis of the going concern assumption.

#### 9. Comparative Information

The comparative figures are taken from the financial statements of the parent company for the year 2023, which have been audited by Nhan Tam Viet Audit Company Limited.

Prepared on March 25, 2025

Prepared by



Phan Thi Huong

Chief Accountant



Vu Anh Phuong

General Director



Tran Tuan Dat

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Note to the combined financial statements(cont)

**Appendix 01: Details of Bad Debts and Provision for Doubtful Short-Term Receivables**

	Year-end Balance			Beginning Balance		
	Overdue period	Original Cost	Provision	Overdue period	Original Cost	Provision
Cuong Thinh Joint Stock Company	Overdue for more than 3 years	163,512,001	(163,512,001)	Overdue for more than 3 years	163,512,001	(163,512,001)
Phu Tho PTXD Investment Joint Stock Company	Overdue for more than 3 years	341,837,354	(341,837,354)	Overdue for more than 3 years	341,837,354	(341,837,354)
LILAMA Joint Stock Company - Hoang Mai - Hanoi	Overdue for more than 3 years	193,825,819	(193,825,819)	Overdue for more than 3 years	193,825,819	(193,825,819)
268 Construction and Trading Joint Stock Company - Hanoi	Overdue for more than 3 years	201,684,985	(201,684,985)	Overdue for more than 3 years	201,684,985	(201,684,985)
Thanh Dang Phu Tho Company	Overdue for more than 3 years	125,740,102	(125,740,102)	Overdue for more than 3 years	125,740,102	(125,740,102)
Phu Tho Construction of Agriculture and Forestry Company	Overdue for more than 3 years	311,301,205	(311,301,205)	Overdue for more than 3 years	311,301,205	(311,301,205)
Song Hong Construction Import-Export and Construction Corporation	Overdue for more than 3 years	364,200,000	(364,200,000)	Overdue for more than 3 years	364,200,000	(364,200,000)
Mr. Nguyen Xuan Dan, Sales	Overdue for more than 3 years	239,819,764	(239,819,764)	Overdue for more than 3 years	239,819,764	(239,819,764)
Mr. Phung Duc Thien - Number 1 Phu Tho Construction Joint Stock Company	Overdue for more than 3 years	138,716,346	(138,716,346)	Overdue for more than 3 years	138,716,346	(138,716,346)
Mr. Vi Duc Tho - Phu Tho Construction Company No. 1	Overdue for more than 3 years	111,451,243	(111,451,243)	Overdue for more than 3 years	111,451,243	(111,451,243)
Other entities	Overdue for more than 3 years	2,830,427,287	(2,830,427,287)	Overdue for more than 3 years	2,723,318,887	(2,723,318,887)
<b>Total</b>		<b>5,022,516,106</b>	<b>(5,022,516,106)</b>		<b>5,022,516,106</b>	<b>(5,022,516,106)</b>