



**SAO VANG RUBBER JOINT STOCK COMPANY**



**ANNUAL REPORT**  
**2024**

Challenging every path

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## LIST OF CONCEPTS AND ABBREVIATIONS

Company/ SRC	Sao Vang Rubber Joint Stock Company
SSC	State Securities Commission
HOSE/HSX	Ho Chi Minh Stock Exchange
JSC	Joint Stock Company
GMS	General Meeting of Shareholders
BOD	Board of Directors
Chairman of the BOD	Chairman of the Board of Directors
BOS	Board of Supervisors
BOM	Board of Management
GD	General Director
Deputy GD	Deputy General Director
Employees	Officers and employees
GSO	General Statistics Office of Vietnam



# CHAPTER I

## INTRODUCTION

09. Message from the Chairman of the Board of Directors

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**ANNUAL  
REPORT  
2024**

# Message

## From the Chairman of the Board of Directors



**MR. PHAM HOANH SON**

*Chairman of the BOD of Sao Vang Rubber Joint Stock Company*

### ***Dear valued Shareholders, Customers, Partners and all Employees of Sao Vang Rubber Joint Stock Company!***

On behalf of the company's Board of Directors, I would like to send you my warmest greetings and best wishes for health, happiness, and success.

The year 2024 has just ended, marking the initial recovery of Vietnam's tire and inner tube industry after a challenging 2023, during which exports declined in both volume and value while facing intense competition from imported tires entering through unofficial channels. Entering 2024, the business outlook for enterprises in the industry gradually improved, supported by stable domestic macroeconomic conditions and the recovery of consumer demand in world markets, although the recovery rate remains slow and continues to face many challenges.

On the one hand, our country's socio-economic situation in 2024 maintained a positive trend; the macroeconomy was stable, inflation was controlled below the target, and social security was maintained, which are all important driving forces to promote industrial production. According to data from the General Statistics Office, GDP in 2024 is estimated to increase by 7,09%, exceeding the growth target of 6,5 - 7% set by the National Assembly. Inflation was controlled at a level consistent with the average consumer price index (CPI) in 2024 increasing by 3,63% over the previous year, exceeding the National Assembly's target of 4% - 4,5%, actively supporting economic growth. The industrial production sector in 2024 had a remarkable development with the highest growth rate in the past 5 years; the industrial production index for the whole year of 2024 increased by 8,4%, the highest since 2020. The production index of some key industries continued to develop and increase at a high rate, contributing significantly to the growth of the entire industry, in which the production of rubber and plastic products increased by 24,9%. However, input production costs remained high, the output market was competitive with many changes in technological requirements, ... continuing to pose problems for the industry.

Globally, military conflicts, political upheavals, and instability continue to escalate in some countries; global economic and trade recover slowly; aggregate demand and investment de-

cline; and unpredictable fluctuations in exchange rates and interest rates continue to pose many challenges for the industrial production sector. However, the world market still recorded some important bright spots as global goods trade remained stable in 2024, driven by recovering consumer demand in several major markets. According to the World Trade Organization (WTO), trade volume growth in 2024 is forecast to reach about 2,7%. Meanwhile, the Organization for Economic Cooperation and Development (OECD) forecasts global GDP growth in 2024 to reach 3,2%, with GDP growth in the United States, the EU, and China reaching 2,8%, 0,8%, and 2,9%, respectively. Additionally, controlled inflation, stable job growth, and a less restrictive monetary policy are expected to boost spending demand, despite certain obstacles posed by tightened fiscal policies in many countries.

### ***Dear valued shareholders,***

To implement the 2024 business plan, the Management Board and the staff of the Company continue to demonstrate solidarity, promote qualities, capacity and intelligence at the highest level, strive to come up with many solutions to adapt to market fluctuations, determined to stabilize production and business activities, determined to develop new products, strengthen brand promotion, develop sales policies tailored to each product category and region to maintain and expand the consumption of products with competitive advantages in the domestic market. During the year, although Sao Vang Rubber Joint Stock Company did not achieve the revenue target set by the 2024 Annual General Meeting of Shareholders, it successfully fulfilled 190,7% of the profit before tax target and nearly 194,0% of the profit after tax target. Considering the context of a market with many uncertain factors and not yet fully recovered, this achievement is attributed to the proactive and flexible leadership of the Board of Management, the enthusiastic and creative sales and production team, and the consensus and joint efforts of all employees of the Company.

On behalf of the Management Board of Sao Vang Rubber Joint Stock Company, I would like to express my sincere thanks to our valued Customers and Shareholders for actively contributing, supporting, and trusting the Company in 2024. The company hopes to continue receiving your contributions and support not only in 2025 but also as a long-term companion throughout our journey toward sustainable development.

Therefore, the Management Board will always maintain a proactive position, closely following the market economic situation to make accurate business decisions, ready to face upcoming difficulties. The Management Board will strive to respond to the trust and support of our shareholders.

**Best regards,**

**Chairman of the Board of Directors**

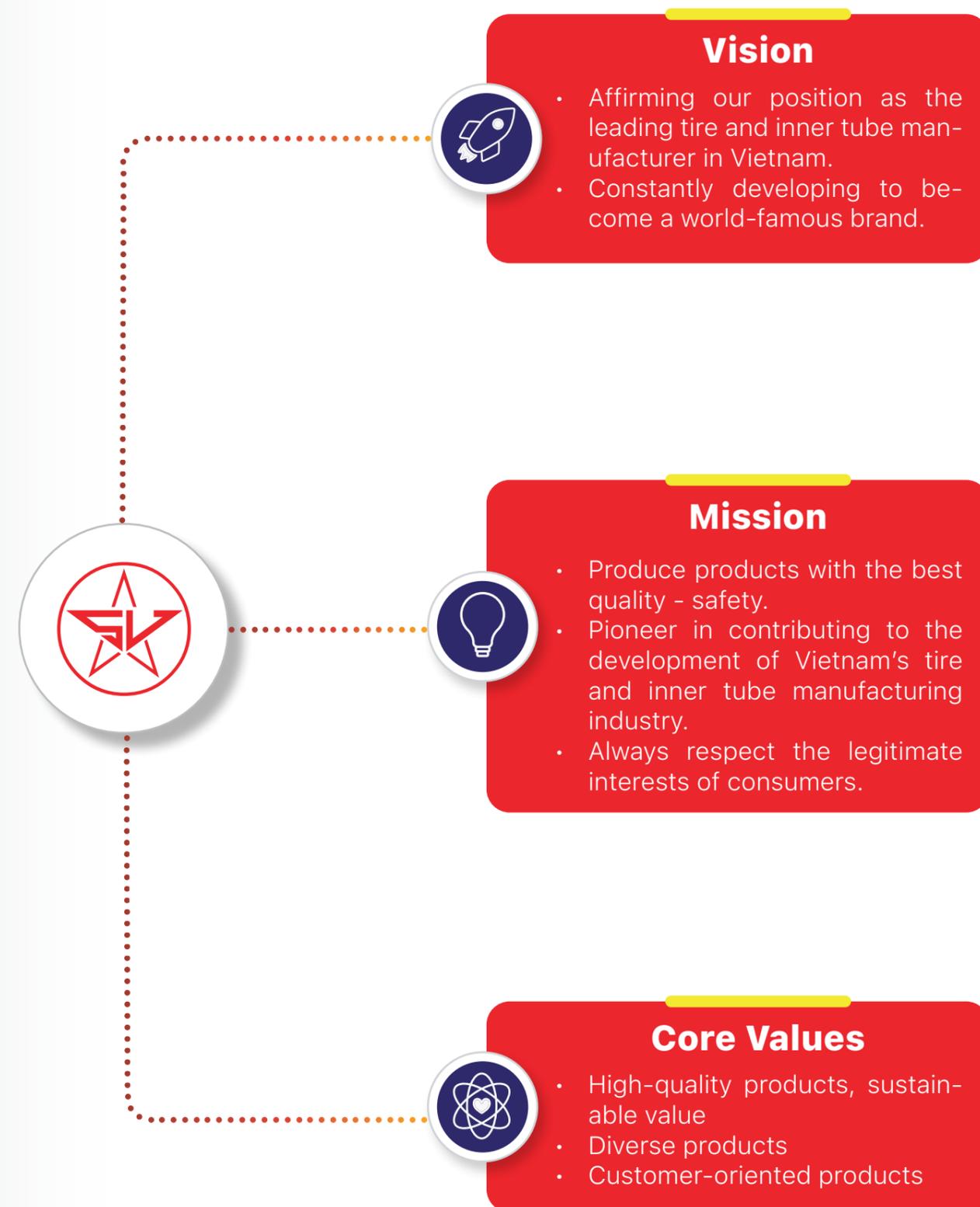
*Pham Hoanh Son*

# SUMMARY OF FINANCIAL INFORMATION FOR THE 2020 - 2024 PERIOD

Indicators	Unit	2020	2021	2022	2023	2024
<b>Business Performance</b>						
Net Revenue	Billion VND	1.349,3	955,7	915,3	1.197,8	1.027,8
Gross Profit	Billion VND	216,8	175,7	162,3	165,3	146,1
Profit Before Tax	Billion VND	96,5	52,4	38,2	39,1	190,7
Profit After Tax	Billion VND	73,5	40	27,7	29,4	151,6
<b>Balance Sheet</b>						
Total Assets	Billion VND	1.405,3	1.235,4	1.245,0	1.346,8	1.208,9
Owner's Equity	Billion VND	428,2	432,6	439,3	443,3	575,1
Liabilities	Billion VND	977,1	802,8	805,7	903,5	633,9
<b>Key Financial Indicators</b>						
Return on Average Assets (ROAA)	%	6,94	3,03	2,23	2,27	11,86
Return on Average Equity (ROAE)	%	18,16	9,29	6,35	6,66	29,77



# VISION AND MISSION



## CHAPTER II

# COMPANY INTRODUCTION

- 15. General Information About The Company
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# GENERAL INFORMATION ABOUT THE COMPANY

## General information

Vietnam is a tropical country with vast red soil areas in Tay Nguyen, making it highly favorable for growing rubber trees for latex extraction and natural rubber processing. Due to the importance of the rubber industry in the national economy, shortly after the liberation of the North (October 1954), on October 7, 1956, a tire retreading and inner tube workshop was established at 2 Dang Thai Than Street. It began operations in November 1956 and, by early 1960, was merged into Sao Vang Rubber Factory—the predecessor of what later became Sao Vang Rubber Joint Stock Company.

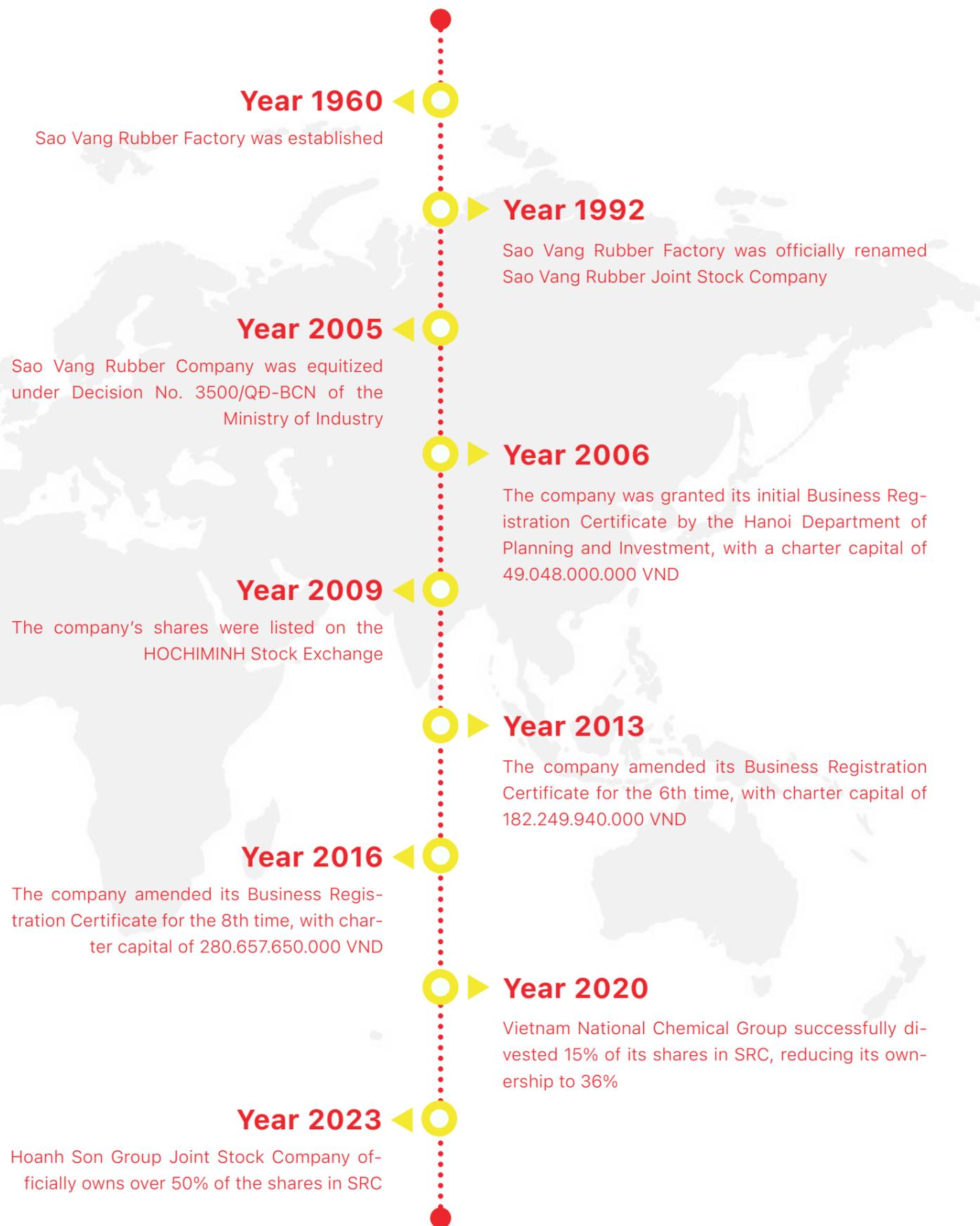
Sao Vang Rubber Joint Stock Company specializes in manufacturing all kinds of tires and inner tubes: for airplanes, cars, special vehicles, motorbikes, bicycles and technical rubber products. As the earliest-established company in Vietnam's rubber industry, Sao Vang Rubber Joint Stock Company serves as a technical center in the following fields:

- Design and analyze the structure of rubber products.
- Establish formulations and develop rubber processing methods.
- Apply advanced techniques in survey, analysis, and experimentation to refine production technology.
- Design, test, and manufacture technological equipment, including molds, tools, spare parts, machinery, and devices for rubber product manufacturing.

<b>Vietnamese Name</b>	CÔNG TY CỔ PHẦN CAO SU SAO VÀNG
<b>English Name</b>	SAO VANG RUBBER JOINT STOCK COMPANY
<b>Headquarters address</b>	No. 231, Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City
<b>Charter capital</b>	280.657.650.000 VND
<b>Owner's equity</b>	280.657.650.000 VND
<b>Telephone</b>	0243 858 3656
<b>Fax</b>	0243 858 3644
<b>Website</b>	<a href="http://src.com.vn/">http://src.com.vn/</a>
<b>Business Registration Certificate No.</b>	Business Registration Certificate No. 0100100625, initially issued by the Hanoi Department of Planning and Investment on April 3, 2006, and amended for the 12th time on April 28, 2023.
<b>Securities code</b>	SRC
<b>Stock Exchange</b>	HOSE
<b>Company's Logo</b>	



## Establishment and development process

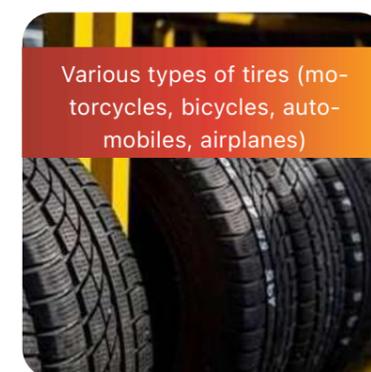
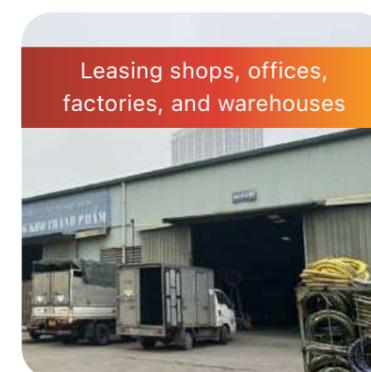


## BUSINESS LINES AND LOCATIONS OF THE BUSINESS

### Major lines of business

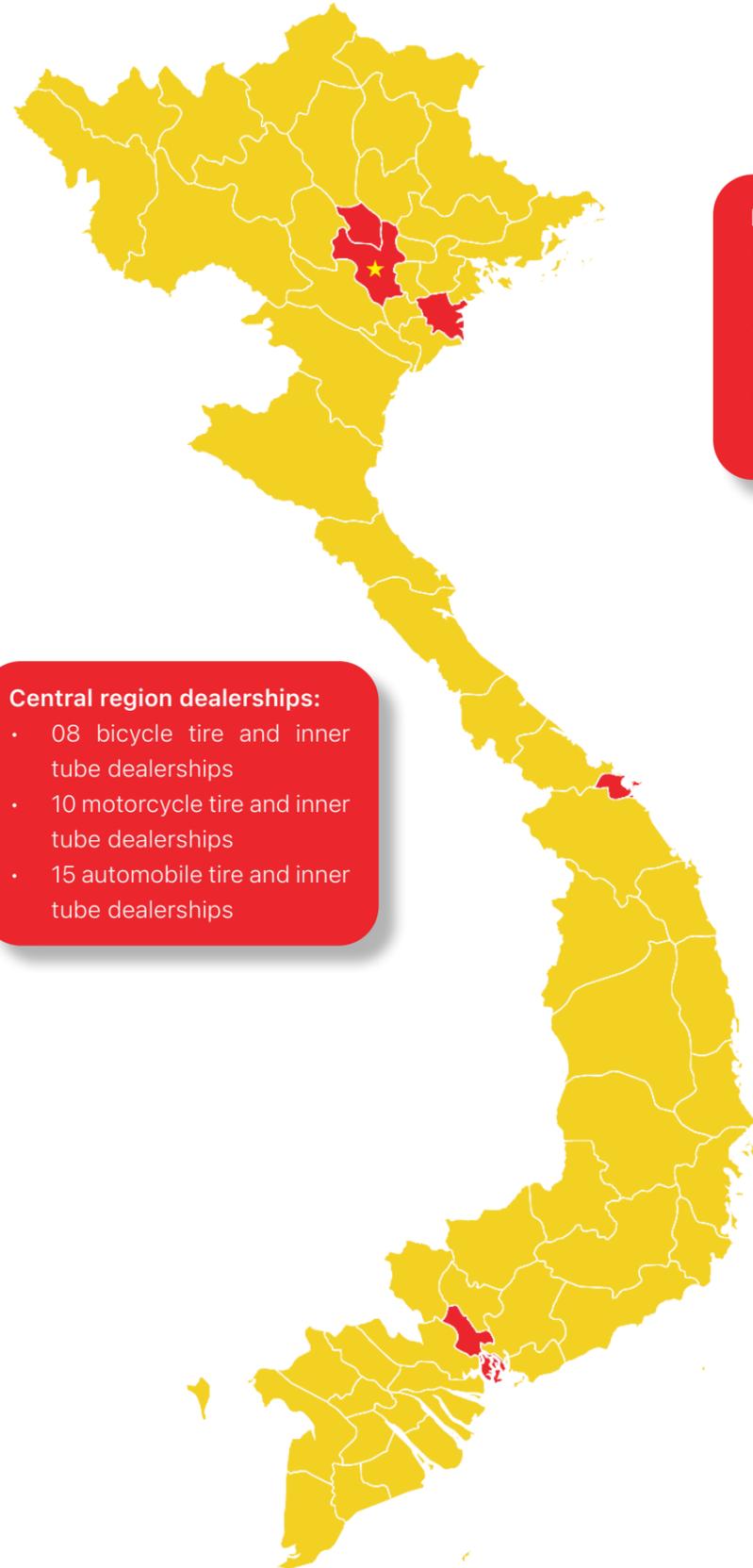
Operating in the business of rubber products and manufacturing machinery and equipment for the rubber industry and various types of tires.

### Major business products and services



## Location of business

Along with the Hanoi Headquarters, the Company currently has 03 branches located in Thai Binh, Da Nang and Ho Chi Minh City and 04 manufacturing facilities (including 02 rubber factories in Hanoi, 01 rubber processing factory in Vinh Yen City – Vinh Phuc Province and 01 rubber factory in Thai Binh branch). SRC's products are currently present in 63 provinces and more than 17 countries in the world.



**Northern region dealerships:**

- 25 bicycle tire and inner tube dealerships
- 35 motorcycle tire and inner tube dealerships
- 35 automobile tire and inner tube dealerships

**Central region dealerships:**

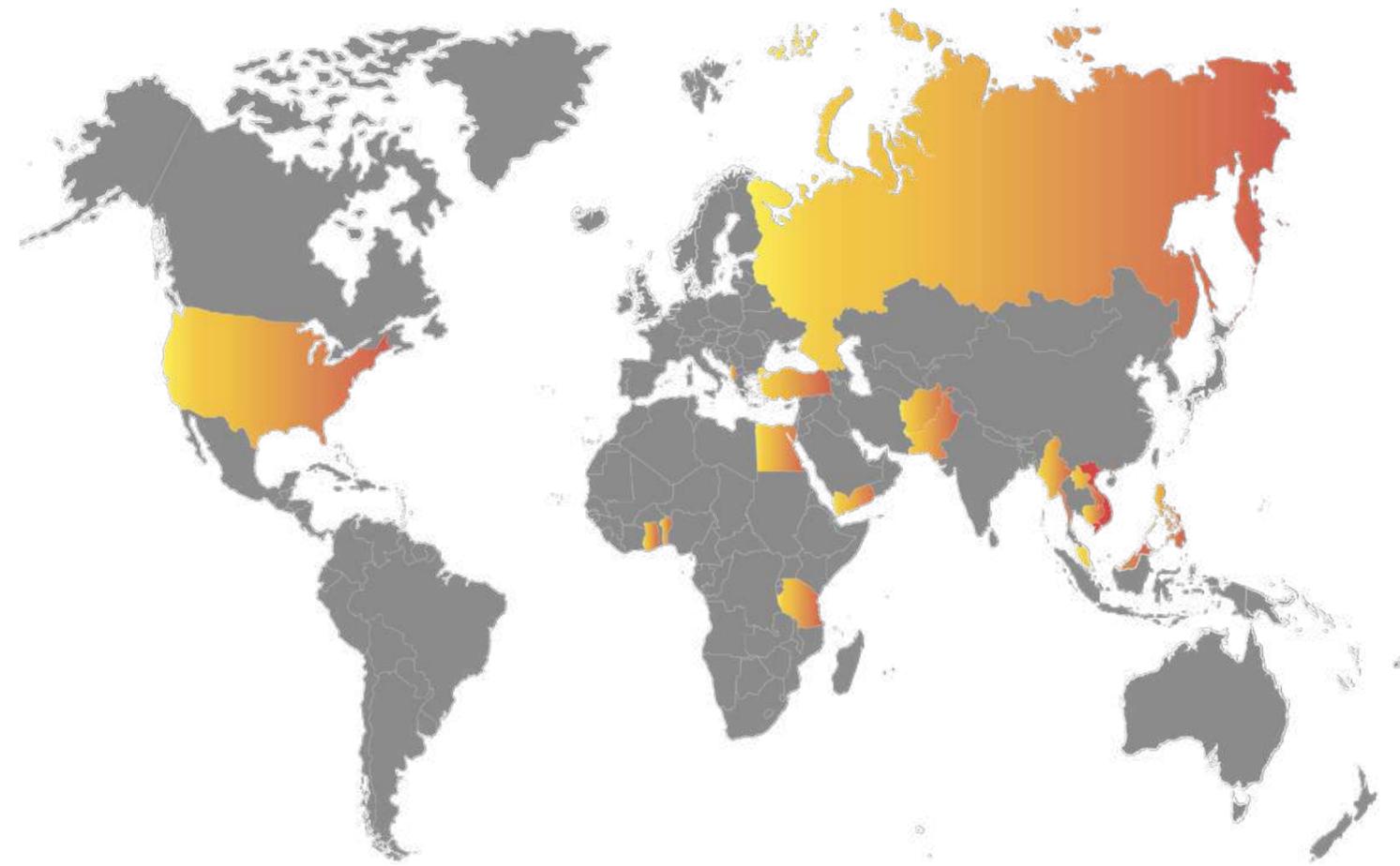
- 08 bicycle tire and inner tube dealerships
- 10 motorcycle tire and inner tube dealerships
- 15 automobile tire and inner tube dealerships

**Southern region dealerships:**

- 13 bicycle tire and inner tube dealerships
- 13 motorcycle tire and inner tube dealerships
- 03 automobile tire and inner tube dealerships

## Export market

Over the course of 65 years of development, Sao Vang Rubber Joint Stock Company has not only established itself as one of the top three tire and inner tube manufacturers in Vietnam but has also gradually built its reputation in the international market. The company's products are currently exported to 17 countries, with Afghanistan being the largest contributor, primarily importing bicycle tires, and Malaysia as the key market for automobile tires.

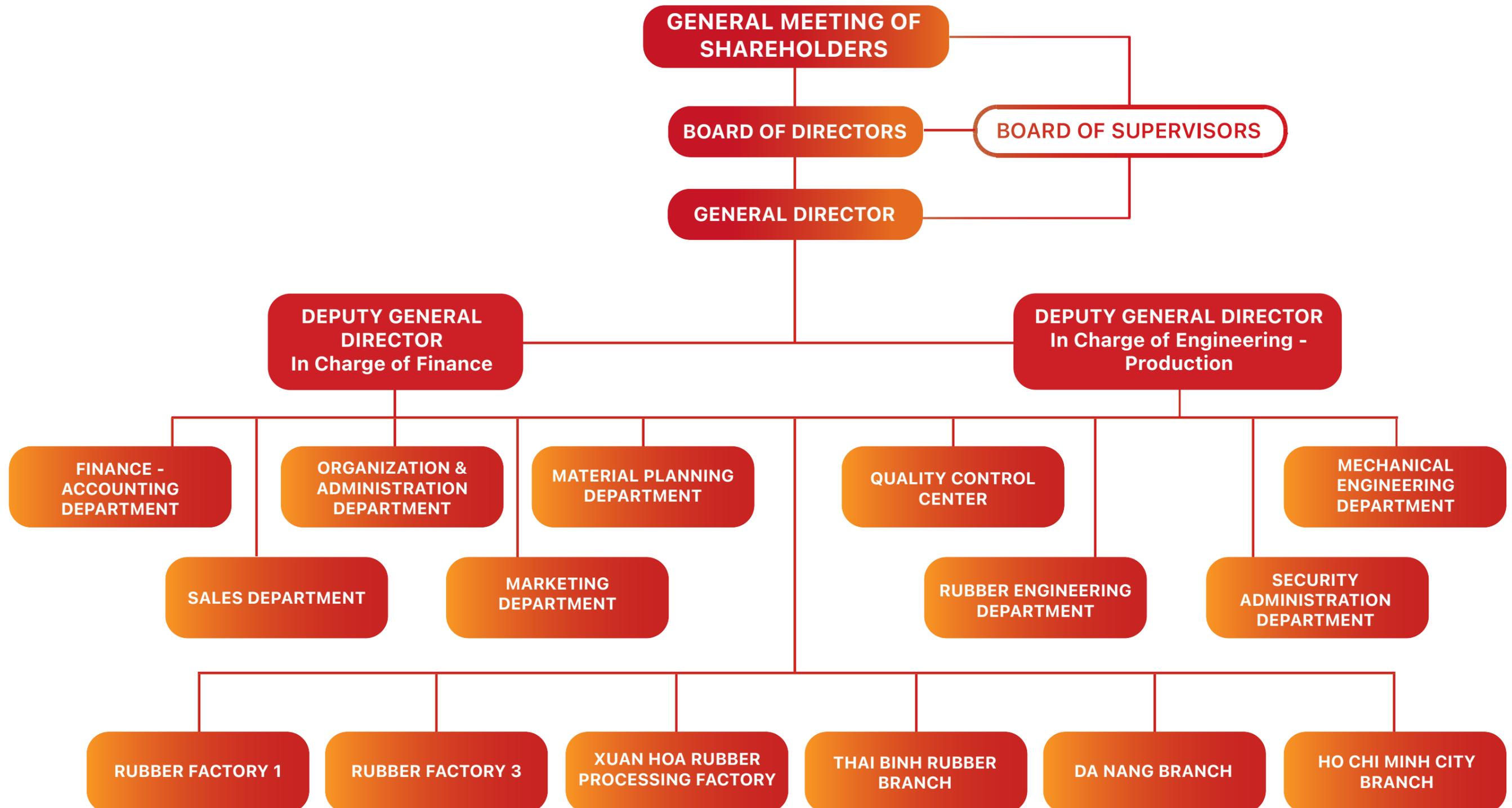


# GOVERNANCE MODEL, BUSINESS ORGANIZATION AND MANAGERIAL APPARATUS

## Governance model

Currently, SRC is applying a governance model in accordance with Point a, Clause 1, Article 137 of the Law on Enterprises No. 59/2020/QH14, issued on June 17, 2020, by the National Assembly of the Socialist Republic of Vietnam. This model includes the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the General Director.

## Business organization chart and managerial apparatus



# Subsidiaries, associated companies

## Subsidiaries

Sao Vang Rubber Joint Stock Company has no subsidiaries.

## Associated companies

No.	Associated Company	Address	Major lines of business	Charter Capital (billion VND)	SRC's Ownership Percentage
1	Sao Vang Hoanh Son Limited Company	No. 231, Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi.	Real estate investment and business	500	26%
2	Sao Vang Hoanh Son Joint Stock Company	Administrative and Service Block, Vung Ang Seaport Industrial Zone, Ky Loi Commune, Ky Anh Town, Ha Tinh.	Manufacturing rubber tires and inner tubes	1225	30,6%

## Investing in other entities

No.	Company	Address	Main Business Sector	Charter Capital (billion VND)	SRC's Ownership Percentage
1	Philips Carbon Black Joint Stock Company	Lot No. 4, My Xuan A Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau	Carbon black production	120,16	7%



# INTRODUCTION OF THE MANAGEMENT BOARD

## Board of Directors



**MR. PHAM HOANH SON**

**CHAIRMAN OF THE BOARD OF DIRECTORS**

Year of birth: 1972

Nationality: Vietnam

Professional qualification: Economic management

Number of individually owned shares: 0 shares

**Management positions at other organizations:**

- Chairman of the BOD, General Director - Hoanh Son Group Joint Stock Company
- Chairman of the BOD, General Director - Vung Ang Investment and Development Joint Stock Company
- Chairman of BOD - Petro Vietnam Phuoc An Port Investment & Operation Joint Stock Company
- Chairman of the Members' Council, General Director - Sao Vang - Hoanh Son Company Limited
- Chairman of the BOD, General Director - Sao Vang - Hoanh Son Joint Stock Company



**MR. NGUYEN VIET HUNG**

**MEMBER OF BOD CUM GENERAL DIRECTOR**

Year of birth: 1967

Nationality: Vietnam

Professional qualifications: MBA, Electrical Engineer, IT Engineer

Number of individually owned shares: 12 shares

Management positions at other organizations: None



**MR. NGUYEN THANH TUNG**

**MEMBER OF BOARD OF DIRECTORS CUM DEPUTY GENERAL DIRECTOR**

Year of birth: 1973

Nationality: Vietnam

Qualification: Bachelor of Economics

Number of individually owned shares: 7 shares

Management positions at other organizations: None



**MR. NGUYEN DINH SON**

**MEMBER OF BOARD OF DIRECTORS**

Year of birth: 1977

Nationality: Vietnam

Professional qualification: Civil engineer

Number of individually owned shares: 0 shares

Management positions at other organizations: Deputy Director -

Phu Xuan Consulting and Design Company Limited



**MR. LUONG XUAN HOANG**

**MEMBER OF BOARD OF DIRECTORS**

Year of birth: 1981

Nationality: Vietnam

Qualification: Civil Engineer, Bachelor of Economics

Number of individually owned shares: 0 shares

Management positions at other organizations: None

**BOARD OF SUPERVISORS**



**MR. NGUYEN TRUNG HOA**

**HEAD OF BOARD OF SUPERVISORS**

Year of birth: 1977

Nationality: Vietnam

Qualification: Bachelor of Economics

Number of individually owned shares: 0 shares

Management positions at other organizations: None



**MRS. VU THI MAI NHUNG**

**MEMBER OF BOARD OF SUPERVISORS**

Year of birth: 1968

Nationality: Vietnam

Qualification: Bachelor of Economics

Number of individually owned shares: 1 shares

Management positions at other organizations:

Business Planning Department Specialist - Vietnam

Chemical Group; Member of Board of Supervisors -

Dry cell and Storage battery Jointstock Company



**MR. HOANG VAN HOA**

**MEMBER OF BOARD OF SUPERVISORS**

Year of birth: 1989

Nationality: Vietnam

Qualification: Bachelor of Business Administration

Number of individually owned shares: 0 shares

Management positions at other organizations: None

## BOARD OF MANAGEMENT



**MR. NGUYEN VIET HUNG**

*(Introduced in the BOD section)*



**MR. NGUYEN THANH TUNG**

*(Introduced in the BOD section)*



**MR. NGUYEN QUANG HAO**

Position: Deputy General Director

Year of birth: 1961

Nationality: Vietnam

Qualification: Polymer Chemical Engineer

Number of individually owned shares: 8 shares

Management positions at other organizations: None



# DEVELOPMENT ORIENTATION

## Development strategies in long term

- Affirming our position as the leading supplier of tires and technical rubber products in Vietnam.
- Enhancing exports and gradually integrating into the global supply chain.
- Improving production technology and expand product segments.

## Development strategies in medium term

- Product strategy orientation: Maximizing the potential of high-revenue product lines while focusing on investing in manufacturing technology for new products such as: radial car tires, tubeless tires, special tires, large trucks tires, etc.
- Market development orientation: Maintaining domestic market share for key products while increasing export value through expanding cooperation in key markets and taking advantage of free trade agreements (FTA).
- Quality orientation: actively searching, exploiting, researching, testing and applying new materials into production, changing formulations, rationalizing raw materials and product structure to improve quality, reduce product costs, increase product competitiveness to bring economic efficiency to the Company.
- Business strategy orientation: Continuing to increase the number of dealers and distributors in provinces where presence is limited. At the same time, regularly evaluating the performance of each dealer, screening out weak dealers, and replacing them with stronger partners.
- Focusing on achieving business and production goals while aligning with sustainable development goals.

## Specific objectives for the 2024-2025 period

- Production objectives: Ensuring branches and manufacturing factories operate safely, stably and effectively; promoting investment in R&D activities and develop radial tire and inner tube products.
- Market development objectives:
  - » Domestic market: Maintaining the position of Sao Vang Rubber brand as a national brand, a trusted choice of Vietnamese consumers. Maintain and expand the nationwide dealer network.
  - » Export markets:
    - ◇ Strengthening trade relations with traditional markets, including continuing to consolidate and expand market share in Asian markets such as Afghanistan and Malaysia.
    - ◇ Monitoring, researching and taking advantage of opportunities from signed free trade agreements (including EVFTA, CPTPP, RCEP) to increase export value.
- Revenue - profit objectives: Completing revenue goal of 2.000 billion VND and profit before tax of 100 billion VND.
- Sustainable Development objectives:
  - » Investing in modernizing production lines, applying advanced technology, and increasing the application of green standards according to international standards and trends.
  - » Ensuring stable employment and increase income for employees.
  - » Focusing on developing the capabilities of management team, highly skilled workers and support departments to build a successor force with professional expertise and ethical standards.
  - » Continue to contribute to the economic development of localities with production facilities, accompany and share social responsibility with the community.



01

**ECONOMIC RISKS**

In 2024, the world situation is complicated and unpredictable, the world economy and trade recover slowly and unevenly among countries, fierce strategic competition, escalating conflicts pose many risks for countries with large trade openness, including Vietnam. For the manufacturing sector, existing risks from world economic fluctuations in-

clude: changes and tightening of trade policies in major markets, stagnant and inefficient supply chains between countries due to new protectionist policies, increased input costs, increased competitive pressure, risks from instability in energy security,...

Domestically, the Government set the goal of "stabilizing the macro economy, controlling inflation and maintaining growth", but the consequences of storm No. 3 in September in the northern provinces and cities has affected domestic economic development in general and industrial production in particular. However, Vietnam still recorded a proud growth rate with an estimated GDP growth rate of 7,09% in 2024, exceeding the target set by the National Assembly while continuing to control inflation well with the average annual CPI growth index increasing by 3,63%, lower than the expected inflation rate at the beginning of the year. In addition, production and export activities in the year also achieved many remarkable accomplishments, creating a premise for growth in the following year.

Entering 2025, the manufacturing industry in general and the Vietnamese tire and inner tube manufacturing industry in particular are forecasted to continue to face many challenges from the international situation in many aspects as well as difficulties from intrinsic problems of the Vietnamese economy, requiring flexible and proactive measures from the Government to support businesses.

To minimize risks from economic instability, the Company's management must regularly update information, quickly grasp new developments in the market, thereby making appropriate decisions, business orientations and risk mitigation measures.

**Exchange rate risk:** Sao Vang Rubber Joint Stock Company (SRC) faces exchange rate risk because over 20% of its revenue comes from exporting to other countries and at the same time importing raw materials from abroad. Exchange rate fluctuations can affect import costs, thereby affecting the cost

of goods sold and export value, thereby affecting the company's revenue and profits. To minimize this risk, the Company's Management Board regularly monitors and assigns relevant departments such as the Export Department

02

**FINANCIAL RISKS**

and the Finance and Accounting Department to perform well in market forecasting and forecasting raw material demand to ensure a balance between raw material demand for production and foreign currency demand to limit passiveness when exchange rates are adjusted as well as when the world raw material market fluctuates.

**Interest rate risk:** CSao Vang Rubber Joint Stock Company (SRC) faces interest rate risk due to the debt structure in its financial activities. Fluctuations in market interest rates can affect interest expenses, thereby affecting the company's profits and cash flows.

As of December 31, 2024, SRC's total assets reached 1.208,9 billion VND, while liabilities were nearly 634,0 billion VND, approximately 1,10 times its equity. The Company's total borrowings and financial lease liabilities debts were 257,8 billion VND, accounting for 21,3% of the Company's total capital. This shows that the Company is using significant financial leverage, so interest rate fluctuations can greatly affect financial expenses.

In order to minimize the impact of interest rate risk, the Company assigns the Chief Accountant and the Finance - Accounting Department to regularly monitor interest rate fluctuations, consider measures such as debt restructuring, and thereby develop a reasonable debt plan to ensure working capital needs for production activities and effectively managing interest rate risks.

03

**RAW MATERIAL RISKS**

The main raw materials for the Company's production include: natural rubber, synthetic rubber, fabric cord, carbon black, steel wire, various chemicals, and fillers, accounting for approximately 70-75% of the product cost. Therefore, the cost of input materials greatly affects the company's profits. In addition to natural rubber purchased from domestic partners with a fairly abundant supply, most other raw materials must be imported, so the cost of raw materials depends greatly on fluctuations in world raw material prices. In 2024, rubber prices tend to increase and remain high throughout the year due to a shortage of supply driven by extreme weather events

affecting output.

To cope with the risk of fluctuating input material prices, SRC has a reserve of inventory to maintain stable cost of goods sold. Along with that, the company has maintained traditional relationships with domestic and foreign suppliers to ensure a stable supply of input materials, guaranteed quality, and competitive prices. Invest in research on forecasting and competitor information to build a flexible and reasonable selling price strategy.

04

**COMPETITIVE RISKS**

**Domestic market**

In addition to domestic enterprises such as The Southern Rubber Industry Joint Stock Company (CSM) and Danang Rubber Joint Stock Company (DRC), the Company also faces fierce competition from famous imported brands such as: Bridgestone, Goodyear, Michellin, Maxxis, Chengshin, Hankook... especially from China for the TBR tire product group with cheap prices flooding into Vietnam, creating strong pressure on the Company. In the last months of 2024, world corporations such as **Kumho Tire Vietnam Co., Ltd.** (under Kumho Tire Group in Korea), **HAOHUA Group**

(China), **Sailun Vietnam Co., Ltd.** (China), **Advance Tire Vietnam Co., Ltd.** continued to increase investment in Vietnam to build and increase tire production capacity, further increasing domestic competitive pressure. The diversity of similar product lines among tire and inner tube enterprises, especially in the low-cost segment, has pushed enterprises to compete on selling prices. In addition, the consumption market faces many difficulties due

to weak market demand, while consumer preferences are shifting towards product lines requiring higher technical technology such as Radial tires, tubeless tires,..., putting SRC products in fierce competition between companies producing similar products and imported goods.

**Export market**

For the European market, the Vietnam - EU Free Trade Agreement (EVFTA) that Vietnam has signed with preferential import tax reduction to 0% within 7 years for auto parts, creating favorable conditions for the development of the Company's auto tires and inner tubes in this market. However, imported tires must meet Emark standards and Reach certification, which will be a big challenge for businesses looking for opportunities in this demanding market.

**05**

**LEGAL RISKS**

The production and business activities of Sao Vang Rubber Joint Stock Company are affected by the Law on Enterprise, the Law on Securities and other relevant legal documents. In 2024, the State Securities Commission will continue to restructure the stock market, strengthen the management of public companies and securities trading organizations, issue many new legal documents including documents amending the Law on Securities, supplementing regulations related to information disclosure, continuing

to promote inspection, supervision and handling of violations in the context of increasingly sophisticated and complicated violations in the securities sector. Therefore, the Company needs to proactively research and learn to comply with the issued regulations.

**06**

**ENVIRONMENTAL RISKS**

Developing sustainable production and business activities along with environmental protection is always a top concern for businesses. Waste products, emissions, and wastewater from the product manufacturing process are always treated by businesses in accordance with state regulations, so that the impact on the surrounding environment is minimal. In addition, the company also has policies to recycle and reuse some input materials to both protect the environment and save input costs.

**07**

**OTHER FORCE MAJEURE RISKS**

Some risks of force majeure beyond the Company's control such as natural disasters, fires,... are risks that can cause damage to the Company's production and business activities and operating efficiency. These are risks of force majeure, which, if they occur, will cause great damage to assets, people and the general operation of the enterprise. The Company can only limit these risks by purchasing insurance for assets as well as strengthening forecasting and prediction to somewhat limit the consequences if risks occur.



## CHAPTER III

# OPERATIONS IN THE YEAR

- 39. Situation of production and business operations
- 41. Organization and human resource
- 43. Investment activities, project implementation
- 44. Financial situation
- 47. Shareholder structure, changes in owner's equity



## ANNUAL REPORT 2024



# SITUATION OF PRODUCTION AND BUSINESS OPERATIONS

## Results of business operations in 2024

Unit: Million VND

Business results	Year 2023	Year 2024	Growth Rate (%)
<b>Net Revenue</b>	<b>1.197.750</b>	<b>1.027.780</b>	<b>-14,2%</b>
Cost of Goods Sold	1.032.451	881.653	-14,6%
<b>Gross Profit</b>	<b>165.299</b>	<b>146.127</b>	<b>-11,6%</b>
Financial Income	1.650	5.260	218,8%
Financial Expenses	20.951	24.274	15,9%
- Of which: Interest Expenses	16.010	15.350	-4,1%
Selling Expenses	33.672	35.471	5,3%
General and Administrative Expenses	74.667	63.612	-14,8%
<b>Net Profit from Operating Activities</b>	<b>37.660</b>	<b>28.030</b>	<b>-25,6%</b>
Other Profit	1.396	162.635	11550,1%
<b>Total Accounting Profit Before Tax</b>	<b>39.055</b>	<b>190.665</b>	<b>388,2%</b>
<b>Profit After Corporate Income Tax</b>	<b>29.401</b>	<b>151.640</b>	<b>415,8%</b>

### Revenue structure

- Net revenue in 2024 reached more than 1.027,8 billion VND, decreased 14.2% compared to 2023. Of which, export revenue reached 216,9 billion VND, increased 33,4% compared to the results in 2023. This result reflects the market picture in 2024 when:
  - The global demands for tires and inner tubes are growing positively, driven by the increasing demand for high-quality tires, especially high-performance tires, mainly due to the recovery and development of the global automotive industry and supportive policies from governments around the world. According to a report by independent market research organization Mordor Intelligence, the market size of high-performance tires is estimated to reach 58,08 billion USD in 2024 and is expected to reach 89,65 billion USD in 2029. According to a forecast by S&P Global Mobility, global car sales are expected to reach 89,6 million units in 2025, increased 1,7% compared to the same period last year. Although the international market opens up many opportunities, domestic enterprises still have to solve the problem of technical barriers, stricter standards from international partners and protection policies, new barriers to exports.
  - Domestically, stable macroeconomic conditions are important for the manufacturing sector. In general, in 2024, the industrial production index increased by 8,4% compared to the previous year, while in 2023 it increased by 1,3 percentage points compared to the previous year and was higher than the 7,4% increase in 2022. Many important industries in the processing and manufacturing industry also increased compared to 2023, including: Production of rubber and plastic products increased by 24,9%; production of motor vehicles increased by 21,1%. Goods such as automobiles, steel, and electronic products increased, taking advantage of free trade agreements (FTA) and the shift in global supply chains to facilitate increased production. "Nevertheless, the company's business performance in the domestic market still faces many challenges due to intense competition from both domestic and imported tire and inner tube products, the shift in automobile tires from bias to radial, and the gradual replacement of tubed motorcycle tires with tubeless ones. Meanwhile, the company has not yet produced radial automobile tires, its tire products are not truly competitive or diverse compared to industry competitors, and production volume has not met market demand.
- On the other hand, financial income and other profits were positive factors contributing to the Company's

net profit margin, reaching 5,3 billion VND (3.2 times higher than in 2023) and 162,6 billion VND (a sharp increase compared to 1,4 billion VND in 2023), respectively. These sources accounted for 14,0% of total revenue, increase from 0,3% in 2023.



### Cost structure

Cost of goods sold and some important operating expense indicators of the company have shown notable developments as follows:

- The Company's cost of goods sold was nearly 881,7 billion VND, decreased 14.6% compared to 2023 and equivalent to 85.8% of net revenue (compared to the corresponding proportion of 86.2% in the same period last year).
- General and administrative expenses reached nearly 63,6 billion VND, decreased 14,8% compared to the same period last year, accounting for 6,2% of net revenue (equivalent to the proportion in 2023).
- Selling expenses reached 35,5 billion VND, increased 5,3% compared to 2023 and accounting for approximately 3,5% of the Company's total net revenue (compared to the corresponding proportion of 2.8% in 2023).
- Financial expenses reached nearly 24,3 billion VND, increased 15,9% compared to 2023 and accounting for 2,4% of the Company's total net revenue (increased from the corresponding proportion of 1,7% in 2022).



### Profitability indicators

- At the end of 2024, the Company recorded nearly 146,1 billion VND in gross profit, decreased 11,6% compared to the same period in 2023. Cost of goods sold decreased faster than revenue, causing gross profit margin to improve from 13,8% in 2023 to 14,2% in 2023.
- Profit after tax reached 151,6 billion VND, 5,2 times higher than the result in 2023. Profit after tax margin reached 14,8%, compared to 2,5% of the previous year thanks to the important contribution of other profits worth 160,1 billion VND from the transfer of land lease rights and infrastructure use rights at Chau Son Industrial Park, Ha Nam in the first half of the year (income from transfer: 303,8 billion VND, of which the remaining value of the land is 140,7 billion VND and transfer expense: 3,04 billion VND).



## Results of business operations against the plan

By the end of the year, Sao Vàng Rubber Joint Stock Company had made significant efforts to accomplish most of the production and business plan set by the 2024 Annual General Meeting of Shareholders, with sales revenue reaching over 1.063,4 billion VND, including industrial production revenue of 852,1 billion VND, achieving 87,85% of the target, while trade and other revenue amounted to 211,2 billion VND, fulfilling 20,5% of the target; profit before tax reached nearly 190,7 billion VND, exceeding the target by 90,7%, while profit after tax amounted to 151,6 billion VND, surpassing the profit after tax target by 93,9%.

Indicator	Unit	Target for 2024	Actual for 2024	% Actual for 2024 / Target for 2024
<b>Revenue</b>	Billion VND	2.000	1.063,4	53,17%
- Industrial production revenue	Billion VND	970	852,1	87,85%
- Commercial revenue and other revenues	Billion VND	1.030	211,8	20,51%
<b>Profit Before Tax</b>	Billion VND	100	190,7	190,70%
<b>Profit After Tax</b>	Billion VND	78,8	151,6	192,38%

## ORGANIZATION AND HUMAN RESOURCE

### Human resource structure

As of December 31, 2024, the Company's total number of employees is 745 people. Specifically as follows:

No.	Criteria	Year 2023		Year 2024	
		Quantity (people)	Percentage (%)	Quantity (people)	Percentage (%)
<b>I By Labor Level</b>					
1	University and Postgraduate Degree	149	19,43%	151	20,27%
2	College and professional intermediate level	114	14,86%	118	15,84%
4	Unskilled labor	504	65,71%	476	63,89%
<b>II By labor type</b>					
1	Full-time labor	767	100,00%	745	100,00%
<b>III By gender</b>					
1	Male	529	68,97%	514	68,99%
2	Female	238	31,03%	231	31,01%
<b>Total</b>		<b>767</b>	<b>100%</b>	<b>745</b>	<b>100%</b>

In 2024, the Company's workforce will decrease by 22 compared to 2023, all of whom are full-time workers. SRC's employee with college degrees or higher account for over 36,0% of the total workforce, clearly demonstrating the Company's policy of focusing on improving the quality of human resources to develop the business. SRC's gender labor structure will not fluctuate much in 2023 with the proportion of female workers always above 30%, aligning with the company's gender equality policies in human resource management.

## Changes in the Board of Management

In 2024, there were no change in the Company's Board of Management structure.

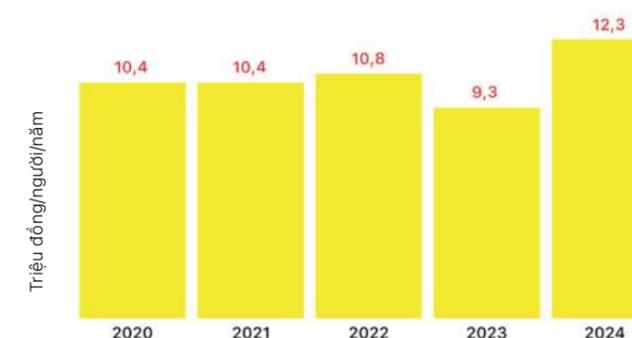
## Brief information on the employee's policies

Regarding employee policies, SRC always fully implements employee policies in accordance with the Labor Law and State regulations.

- Salary and bonus policy**

Employees receive salary and bonus benefits based on their job position, work performance and the Company's business results, ensuring market competitiveness, while motivating them to enhance productivity and efficiency, ensuring compliance with current State regulations.

Thu nhập bình quân của người lao động trong giai đoạn 2020-2024



- Training policy**

The company has an annual training plan for employees, specifically tailored to each job title and position, ensuring that employees regularly update and enhance their knowledge, skills, and professional expertise.

- Insurance policy**

Fully implement social insurance, health insurance, unemployment insurance according to State regulations.

- Welfare policy**

Labors are subsidized when their family or themselves are sick, have a funeral or happy event; receive gifts in kind on holidays, New Year, anniversaries, ...

- Healthcare policy**

Workers receive annual health check-ups.

- Other policies**

The Company always creates favorable conditions for employees to improve the working environment and ensure occupational safety and hygiene, ....

# INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

## Project implementation

- Investing in the construction of Sao Vang Rubber Tire and Inner Tube Factory in Ha Tinh**  
 As of December 31, 2024, Sao Vang Rubber Joint Stock Company has contributed 30,6% of the capital equivalent to 375,000,000,000 VND to Sao Vang Hoanh Son Joint Stock Company - the investor of the Sao Vang Rubber Tire and Inner Tube Factory construction project in Ha Tinh. The Company is still in the process of preparing an investment project to submit to the People's Committee of Ha Tinh province for approval. As of December 31, 2024, the Company has made a provision for impairment on this capital contribution amounting to 1,6 billion VND.
- Radial tire relocation and production project in Ha Nam**  
 According to Resolution No. 138/NQ-HĐQT dated November 1, 2021, of the Board of Directors, the Company terminated the investment project for the Sao Vang Rubber Factory in Ha Nam and transferred the land use rights and infrastructure in Ha Nam to another entity.
- Investment Project to expand tubeless motorcycle tire production at Xuan Hoa Processing Factory**  
 The Feasibility Report has been completed, and the Construction Permit has been issued. The Company is currently carrying out procedures to select a contractor for project implementation.

## Operations of the subsidiaries, associated companies

- Subsidiaries: None
- Associated companies:

### Sao Vang Hoanh Son Limited Company

Unit: million VND

No.	Indicator	2024 Result (million VND)
1	Total assets	563.137,1
2	Net revenue	1.117,7
3	Cost of goods sold	1.432,7
4	Financial income	1.477,1
5	Selling, administrative, and financial expenses	3.146,9
6	Profit from business activities	(1.984,8)
7	Other profit	(15,2)
8	Profit before tax	(1.999,9)
9	Profit after tax	(1.999,9)

### Sao Vang Hoanh Son Joint Stock Company

Unit: million VND

No.	Indicator	2024 Result (million VND)
1	Total assets	1.286.704,7
2	Net revenue	176.847,9
3	Cost of goods sold	176.774,3
4	Financial income	14,2
5	Selling, administrative, and financial expenses	5.319,7
6	Profit from business activities	(5.231,9)
7	Other profit	(9,3)
8	Profit before tax	(5.241,2)
9	Profit after tax	(5.241,2)

## FINANCIAL SITUATION

### Summary of Financial Situation

Indicator	Unit	Year 2023	Year 2024	Growth Rate (%)
Total assets	Billion VND	1.346,8	1.208,9	-10,2%
Net revenue	Billion VND	1.197,8	1.027,8	-14,2%
Profit from business activities	Billion VND	37,7	28,0	-25,6%
Other profit	Billion VND	1,4	162,6	11550,1%
Profit before tax	Billion VND	39,1	190,7	388,2%
Profit after tax	Billion VND	29,4	151,6	415,8%
Profit distributed as dividends (cash/stock)	Billion VND	22,5	16,8	-25,3%
Payout ratio	%	6	6 (expected)	

## Major financial indicators

Financial Indicator	Unit	Year 2023	Year 2024
<b>Liquidity Ratio</b>			
Current ratio	Time	1,02	1,14
Quick ratio	Time	0,65	0,62
Cash ratio	Time	0,05	0,06
<b>Leverage Ratio</b>			
Debt/Total assets ratio	%	67,08	52,43
Debt/Owner's Equity ratio	%	203,81	110,23
Debt and financial lease liabilities/Total assets	%	34,98	21,32
<b>Operational Efficiency Ratio</b>			
Average inventory turnover ratio	Time	3,74	3,68
Average days inventory outstanding	Day	97,50	99,11
Average receivables turnover ratio	Time	4,95	3,39
Average collection period	Day	73,69	107,63
Average payables turnover ratio	Time	10,75	7,29
Average payment period	Day	33,95	50,04
Cash conversion cycle	Day	137,23	156,70
Net Revenue/Average total assets	Time	0,92	0,80
<b>Profitability Ratio</b>			
Gross profit margin	%	13,80	14,22
Operating profit margin	%	3,14	2,73
Profit after tax margin	%	2,45	14,75
ROAA	%	2,27	11,87
ROAE	%	6,66	29,78

- **Liquidity Ratio:**

As of December 31, 2024, the company's current ratio was 1,14, slightly higher than the corresponding ratio at December 31, 2023 of 1,02 and above the standard threshold of 1, showing that the Company's ability to use current assets to pay debt obligations due within 1 year was assured. The quick ratio was 0,62, decreased from the end of 2023, showing that about 62% of the Company's short-term debts can be paid almost immediately from current assets without having to liquidate inventories. The cash ratio did not change much, fluctuating around the threshold of 0,05-0,06.

- **Leverage Ratio:**

As of December 31, 2024, SRC's Debt/Total Assets and Debt/Equity ratios were 52,4% and 110,2%, respectively, decreasing compared to December 31, 2023. The Debt and financial lease liabilities/Total assets ratio at the end of 2024 was 21,3%, a sharp decrease compared to the corresponding ratio of 34,98% as of December 31, 2023, indicating that about 1/5 of the company's asset value is currently financed by interest-bearing debt. In general, in 2024, the level of financial leverage has been tightly controlled by the Company and achieved a safer coefficient.

- **Operational Efficiency Ratio:**

In 2024, SRC's inventory turnover ratio was 3,7, equivalent to 99 days in an inventory turnover period, an increase of nearly 2 days compared to the same period in 2023. The Company's average receivable turnover ratio was 3,4, equivalent to 107,6 days in the receivable cycle, an increase of nearly 34 days compared to the same period in 2023, showing that SRC was having to loosen payments to customers. The company's payable turnover ratio was 7,3. Accordingly, in 2024, an average payable period lasts approximately 50 days, an increase of about 16 days compared to 2023. Thus, SRC's cash conversion cycle lasts 157 days, an increase of 20 days compared to the same period in 2023, mainly due to a longer receivable period.

The asset utilization efficiency ratio reached 0,80 in 2024, decreased from 0.92 times in 2023, indicating decline in the efficiency of machinery and equipment utilization. This is an understandable result when the productivity of production lines and machinery did not reach its maximum potential due to the market not yet fully recovering.

- **Profitability Ratio:**

In 2024, SRC's gross profit margin reached 14,2%, a slight improvement compared to 2023 thanks to the Company's efforts to control cost of goods sold. Nevertheless, the operating profit margin slightly declined from 3,1% in 2023 to 2,7% in 2024 due to the increasing proportion of operating expenses to net revenue. At the end of the year, the Company recorded a sharp increase in profit after tax margin from 2,5% in 2023 to 14,8% in 2024, driven by a significant profit from the transfer of land lease rights and infrastructure usage at Chau Son Industrial Park, Ha Nam.

ROAA and ROEA ratios simultaneously increased sharply compared to 2023, reaching 11,9% and 29,8% respectively. The reason is that profit after tax increased sharply compared to the growth rate of total assets and equity in the Company.

# SHAREHOLDER STRUCTURE, CHANGES IN OWNER'S EQUITY

## Share information

As of December 31, 2024, Sao Vang Rubber Joint Stock Company has issued 28.065.765 shares. Of which:

Share name	Share of Sao Vang Rubber Joint Stock Company	
Share type	Common share	
Securities code	SRC	
Par value per share	10.000 VND/share	
Listing date	On October 7, 2009, the shares of Sao Vang Rubber Joint Stock Company were officially listed on the Ho Chi Minh Stock Exchange (HOSE) under the securities code SRC.	
Number of common shares	28.065.765	shares
Number of preferred shares	0	shares
Number of floating shares	28.063.368	shares
Total treasury shares	2.397	shares
Number of freely transferable shares	28.055.467	shares
Number of restricted transferable shares	10.298	shares
Treasury share transactions in 2024	None	

## Other securities

In 2024, the Company did not issue other securities.

## Shareholder structure

No.	Number of share	Ownership percentages (%)	Number of shareholder	Shareholder structure (person)	
				Institution	Individual
Total number of shares	28.065.765	100%	1.820	34	1.786
State shareholders (*)	10.104.115	36%	1	1	0
Major shareholders (holding 5% or more of shares)	24.197.405	86,22%	2	2	0
- Domestic	24.197.405	86,22%	2	2	0

- Foreign	0	0	0	0	0
Other shareholders	3.842.189	13,69%	1.815	29	1.786
- Domestic	3.815.432	13,59%	1.795	20	1.775
- Foreign	26.757	0,10%	20	9	11
Company trade union	23.774	0,08%	2	2	0
Treasury shares	2.397	0,01%	1	1	0

Source: According to SRC's shareholder list as of September 18, 2024

**Maximum Foreign Ownership:** The Company has a maximum foreign ownership limit of 0%.

## List of major shareholders

In 2024, there were no change in the ownership ratio of major shareholders in the Company. Specifically as follows:

No.	Individual/ Organization	Ownership registration number	Date of issuance	Number of shares held	Ownership percentage (%)	Ownership record date
1	Vietnam National Chemical Group	0100100061	19/11/2021	10.104.115	36,00	18/09/2024
2	Hoanh Son Group Joint Stock Company	3000244065	11/05/2022	14.093.290	50,22	18/09/2024

Source: According to SRC's shareholder list as of September 18, 2024

## Changes in Owner's equity

In 2024, Sao Vang Rubber Joint Stock Company had no changes in owner's investment capital.

Time	Charter capital	Capital increase details
04/2006	49.049.000.000	Equitization of the Company
10/2006	80.000.000.000	Issuance of additional shares to existing shareholders at a 63% ratio
02/2007	88.000.000.000	Distribution of 5,48 billion VND in stock dividends (at a ratio of 12,3% for 9 months of operations in 2006) Bonus issuance of 2,52 billion VND in shares at a 32:1 ratio to existing shareholders from corporate income tax exemptions in 2006
06/2007	108.000.000.000	Issuance of additional shares to existing shareholders at a 22,72% ratio
2010	162.000.000.000	Issuance of shares for dividend payment and bonus distribution to existing shareholders
2013	182.249.940.000	Issuance of shares for dividend payment
2015	200.474.150.000	Issuance of shares for dividend payment
2016	280.657.650.000	Issuance of shares to increase charter capital from owner's equity

## CHAPTER IV

# REPORTS OF THE BOARD OF MANAGEMENT

- 51. Assessment of operating results in 2024
- 55. Financial situation
- 57. Development orientation for 2025
- 59. Explanation of the Board of Management for auditor's opinions (if any)
- 59. Assessment of environmental and social responsibilities of the Company



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# ASSESSMENT OF OPERATING RESULTS IN 2024

## Operating situation in 2024

The global situation in 2024 is evolving rapidly and complexly, with many unprecedented issues that exceed forecasts; interwoven with both positive and negative aspects that impact economic recovery and development, as well as the protection of national sovereignty and territorial integrity.

However, domestically, the socio-economic situation still has many bright spots in various fields such as: Industrial production, investment attraction, exports and imports, the number of international visitors to Vietnam, ... Among them, total retail sales of goods and revenue from consumer services reached a higher scale and growth rate compared to the same period in previous years, but it is only a bright spot for certain goods and services. With its own specific characteristics, the rubber product manufacturing industry in general, and the production and business activities of Sao Vàng Rubber Joint Stock Company still face many difficulties such as:

- » Intense competition in the tire products sector, not only from domestic enterprises but also from foreign companies flooding the Vietnamese market.
- » The trend of switching from bias tires to radial tires, while the Company has not yet produced this product line.
- » Technical barriers, as well as declining demand in international markets, have reduced export volume, while countries are increasing standards and new barriers for exports.

These difficulties have significantly impacted the Company's competitiveness in the market, affecting revenue growth and consumption volume. However, with the close direction of the Board of Directors, and the efforts of the Board of Management and all Employees throughout the year, the Company has achieved some very positive results, as reflected in the following indicators:

Indicator	Unit	Target for 2024	Actual for 2024	% of Target for 2024	% of Actual for 2023
<b>I- Industrial production value (at 1994 constant prices)</b>	<b>Billion VND</b>	<b>350</b>	<b>285,3</b>	<b>81,5</b>	<b>107,9</b>
<b>II- Industrial production value (at current prices)</b>	<b>Billion VND</b>	<b>1.010</b>	<b>811,6</b>	<b>80,3</b>	<b>101,3</b>
<b>III- Revenue</b>		<b>2.000</b>	<b>1.063,4</b>	<b>53,1</b>	<b>86,1</b>
Including: Industrial Production Revenue	<b>Billion VND</b>	970	852,1	87,8	102,0
Commercial Revenue, Other Revenue		1.030	211,3	20,5	52,8
<b>IV- Profit before tax</b>	<b>Billion VND</b>	<b>100</b>	<b>190,7</b>	<b>190,74</b>	<b>488,97</b>
<b>V- Main manufactured products</b>					
1- Bicycle Tires	Unit	5.000.000	4.086.704	81,7	101,1
2- Bicycle Inner Tubes	Unit	4.500.000	4.035.437	89,6	100,4
3- Motorcycle Tires	Unit	1.530.000	1.194.399	78,0	111,7
4- Motorcycle Inner Tubes	Unit	5.500.000	4.762.496	86,5	116,8
5- Car Tires	Unit	210.800	176.457	83,7	103,4
6- Car Inner Tubes	Unit	210.000	157.905	75,1	103,9
7- Car Flaps	Unit	110.000	98.065	89,1	124,6

## VI- Main sales products

1- Bicycle Tires	Unit	4.868.614	4.138.791	85,0	97,8
2- Bicycle Inner Tubes	Unit	4.492.482	4.247.739	94,5	104,9
3- Motorcycle Tires	Unit	1.344.062	1.234.551	91,8	112,3
4- Motorcycle Inner Tubes	Unit	5.282.095	4.822.580	91,3	101,5
5- Car Tires	Unit	216.155	178.572	82,6	92,1
6- Car Inner Tubes	Unit	206.338	162.582	78,7	98,3
7- Car Flaps	Unit	107.541	85.921	79,9	119,0

## Assessment of the Board of Management on the results of task implementation in 2024

### Production management and operations

#### Achievements:

- The leadership collective of the Company, the Board of Management, and the management staff in the Company are fully aware and have outlined step-by-step measures to address and overcome the weaknesses in the Company's management, such as: competitiveness, product quality, cost, product diversification, and domestic and export market operations.
- Continued to strengthen cost management measures and savings in production and business activities to adjust product prices in line with the market and streamline production. Organized and added regulations to control the purchase of raw materials, materials, and spare parts. Ensured that the approval process followed the regulations and purchasing guidelines in place. Directed specialized departments to actively find new suppliers, domestic suppliers of materials for production, ensuring quality and competitive prices.
- With the difficulties in sales, the Board of Management focused on directing the development of plans and goals for each month and quarter, striving to achieve them. Continued to review and reorganize the system of dealers both domestically and internationally. Implemented approaches to acquire new customers to achieve the highest possible objectives in line with the planned targets.
- Placed importance on implementing material consumption norms, consistently updating and improving the norm system, reviewing the norms monthly, and taking timely corrective measures for any discrepancies or weaknesses in the establishment and management of material consumption norms at the units.

#### Issues in management operations:

- The causes reducing tire quality (rapid wear, unattractive product appearance) have not been thoroughly addressed.
- The research and development of new products have not met market demands.

### Human resources and labor wages

- The Company always focuses on building wage systems and wage rates, ensuring stable income that is progressively improved, creating a foundation for employees to feel secure in their work, enhance productivity, and ensure product quality.
- The Company ensures full implementation of policies as required by regulations for employees.
- Implements labor protection, safety, and environmental hygiene work in accordance with the regulations of the State and the Company.
- As of December 31, 2024, the total number of employees in the Company is 745.
- The average actual monthly income of employees in 2024 is 12,311 million VND/month (an increase of 119,6% compared to 2023). Employee income has increased, though at a small rate, and remains low compared to the regional average.

## Market

### Domestic Market:

Based on the comparison of revenues between 2024 and 2023, domestic revenue increased by 7,66%, with most product categories experiencing double-digit growth, such as: bicycle tires increased by 15,3%, bicycle inner tubes increased by 9,79%, motorcycle tires increased by 15,3%, ... light trucks increased by 4,82%. Despite the economic difficulties in Vietnam and many industries experiencing downturns, we still maintained growth in the domestic market, which sets a strong foundation for higher targets in 2025.

- The car tire market, while facing significant challenges in 2024 due to a decline in market demand, saw a 3,8% increase in tire sales for the first time in several years, reflecting a notable improvement in sales through the private distribution network. This yielded acceptable results in a difficult market context. However, in comparison to competitors and overall market demand, there is still much to be done in car tire sales, which will require attention in 2025.
- The bicycle and motorcycle markets showed promising results in 2024, becoming bright spots across the system, with notable successes both in the private sector and the assembly sector. The product quality remained stable, and competitive pricing allowed us to perform well against other products in the same market segment, giving us a competitive edge. Tubeless tires saw significant growth in the private market, offsetting declines in the electric vehicle assembly sector. However, the consumption of tubeless motorcycle tires remains relatively low compared to market demand. Therefore, in 2025, greater investment will be needed to develop tubeless motorcycle tires, as production and quality are now stable.

### Export Market:

- Over the past year, the Company has made significant progress in export activities. Total export revenue recorded strong growth, with a 33,3% increase compared to 2023, indicating the Company's potential competitiveness in the international market. However, certain products such as inner tubes and tires witnessed a sharp decline in revenue; the consumption volume dropped compared to 2023, with fertilizer truck tires down by 2,16% and automobile tires down by 4,34%, mainly due to intense competition from rivals and changes in market demand.
- Despite facing challenges in certain segments, the Company's export situation still demonstrates flexibility and the potential for sustainable development. It is necessary to continue leveraging strengths and overcoming weaknesses to consolidate its position in the international market.

## Finance

- Implement and check the accounting records to ensure the accurate, timely, and complete reflection of all assets and financial activities at the Company and its associated organizations and units under the Company's management through documents, accounting books, and financial reports.
- Effectively manage capital mobilization, utilizing various funding sources such as shareholder's equity, selecting investment options, and choosing banks with appropriate mechanisms and interest rates to ensure the Company's capital is always preserved and developed.
- Strictly comply with the full, timely calculation and payment of taxes to the state budget in accordance with the policies and regulations issued by the government, and ensure the proper implementation of policies towards employees.
- Monitor and supervise the collection and disbursement of financial funds, the use of assets, materials, and capital, as well as the fluctuations in the increase or decrease of assets, materials, and capital at the Company and its associated units under its management. Detect violations of financial management principles within the Company and its associated units. Report and propose corrective measures to the Company's leaders in accordance with current regulations.
- Prepare the Company's financial statements, taking responsibility for the accuracy and truthfulness of the financial statements, and submit them to the relevant government authorities as required by the regulations issued by the Ministry of Finance.
- Collaborate with professional departments across the Company to carry out the reconciliation and collection of outstanding debts, fully promoting autonomy in the Company's production, business, and financial activities.

## Science and technology, quality

In 2024, the Company continued to strengthen its efforts in research and technical improvements, actively searching for, exploring, researching, testing, and applying new materials, adjusting formulations, rationalizing raw materials, and product structures to improve quality, reduce product costs, and enhance the competitiveness of products, bringing economic benefits to the Company. Specifically:

- Surveyed, adjusted, and issued material consumption norms for rubber products, calculated construction and norms as a basis for pricing export tire products, technical rubber products, agricultural tires, tubeless tires, etc.
- Collaborated with the production units within the Company to address and promptly rectify any production fluctuations, and supervised the production process to reduce the waste rate and the number of defective products reaching the market.

## Basic construction investment and electrical engineering work

The management and use of materials, components, and electrical spare parts are closely supervised, from the receipt and distribution to the provision for equipment maintenance and repairs. The Company proactively prepares appropriate backup materials and spare parts to ensure efficient utilization.

## Occupational Safety - Personal Hygiene - Fire Prevention and Environmental

In 2024, the Company fully implemented the occupational safety, personal hygiene, and fire prevention in accordance with legal regulations.

- Through regular and new training sessions, the Company disseminated the government's policies and regulations on occupational safety and health to employees. The workers were made aware of potential hazards and risks in the production line, as well as the preventive measures to reduce workplace accidents during their work process.
- Fire prevention activities were regularly inspected to ensure compliance with processes and regulations. The Company organized professional training for its employees to enhance their sense of responsibility and improve their skills in practicing fire prevention plans as per the Fire and Rescue Police's schedule.
- Develop a plan and collaborate with the Company's Occupational Safety and Health Council to conduct quarterly inspections of occupational safety and health practices at the Company's units, evaluate the implementation of occupational safety and health practices, identify deficiencies, and propose corrective measures.



# FINANCIAL SITUATION

## Assets

Indicator	Unit	Year 2023	Year 2024	Growth Rate (%)
<b>Total assets</b>	<b>Billion VND</b>	<b>1.346,8</b>	<b>1.208,9</b>	<b>-10,2%</b>
<b>Short-term assets</b>	<b>Billion VND</b>	<b>631,1</b>	<b>549,1</b>	<b>-13,0%</b>
- Cash and cash equivalents	Billion VND	33,1	29,7	-10,2%
- Short-term receivables	Billion VND	366,1	235,2	-35,7%
Including: Short-term receivables from customers	Billion VND	367,9	238,2	-35,2%
Including: Provision for doubtful short-term receivables	Billion VND	(11,0)	(9,6)	-12,5%
- Inventories	Billion VND	228,5	250,3	9,5%
Including: Provision for decline in value of Inventories	Billion VND	(2,4)	1,0	-140,7%
- Other short-term assets	Billion VND	3,4	33,9	896,0%
<b>Long-term assets</b>	<b>Billion VND</b>	<b>715,7</b>	<b>659,8</b>	<b>-7,8%</b>
- Long-term receivables	Billion VND	6,5	97,8	1401,6%
- Long-term financial investments	Billion VND	510,5	508,5	-0,4%

During the 2023–2024 period, the Company's total assets showed a downward trend, decreasing from **1.346,8 billion VND** to **1.208,9 billion VND**, equivalent to a **10,2%** decrease. This indicates that the Company's asset scale is shrinking.

In terms of short-term assets, the Company recorded a **13,0%** decrease, mainly due to a sharp decline in short-term receivables (**-35,7%**), especially receivables from customers (**-35,2%**) primarily driven by a significant reduction in receivables from Viet Nam Import Export And Trading Joint Stock Company. In addition, cash and cash equivalents also declined by **10,2%**, down to **29,7 billion VND**. Meanwhile, inventories increased by **9,5%**, reflecting the Company's move to stockpile more raw materials in preparation for future demand. Notably, other short-term assets surged by **896,0%**, from **3,4 billion VND** to **33,9 billion VND**, indicating a significant shift in the asset structure.

In terms of long-term assets, the Company recorded a **7,8%** decrease, from **715,7 billion VND** to **659,8 billion VND**. However, long-term receivables surged from **6,5 billion VND** to **97,8 billion VND**, mainly reflecting the value of collateral assets securing obligations arising from credit supply contracts provided by the Joint Stock Commercial Bank for Investment and Development of Vietnam. In contrast, long-term financial investments decreased slightly by only **0,4%**, indicating almost no significant change and still accounting for the majority of long-term assets.

## Debt Payable

Indicator	Unit	Year 2023	Year 2024	Growth Rate (%)
Liabilities	Billion VND	903,5	633,9	-29,8%
Short-term liabilities	Billion VND	621,1	482,0	-22,4%
- Short-term trade payables	Billion VND	93,5	148,3	58,6%
- Short-term borrowings and finance lease liabilities	Billion VND	338,4	255,7	-24,4%
Long-term liabilities	Billion VND	282,4	151,9	-46,2%
- Other long-term payables	Billion VND	143,5	143,5	0,0%
- Long-term borrowings and finance lease liabilities	Billion VND	132,7	2,1	-98,4%

During the 2023–2024 period, the Company's liabilities showed a sharp downward trend. Total liabilities decreased by **29,8%**, from **903,5 billion VND** to **633,9 billion VND**, indicating that the Company is pursuing a debt reduction strategy and has made significant repayments of outstanding loans.

Short-term liabilities decreased by **22,4%**, from **621,1 billion VND** to **482,0 billion VND**. However, **short-term trade payables** increased sharply by **58,6%**, from **93,5 billion VND** to **148,3 billion VND**, indicating that the Company is increasing its payables to suppliers. In contrast, **short-term borrowings and finance lease liabilities** dropped by **24,4%**, from **338,4 billion VND** to **255,7 billion VND**, reflecting the Company's gradual reduction in reliance on short-term loans, possibly due to proactive financial restructuring or limited access to borrowed capital.

Long-term liabilities dropped sharply by **46,2%**, from **282,4 billion VND** to **151,9 billion VND**, mainly due to a drastic **98,4%** decrease in **long-term borrowings and finance lease liabilities**, from **132,7 billion VND** to only **2,1 billion VND**. This indicates that the Company has almost fully repaid its long-term loans, thereby reducing future financial pressure. Meanwhile, other **long-term payables** remained unchanged at **143,5 billion VND**, showing no fluctuations.

The Company is showing a strong tendency to reduce its debts, especially long-term liabilities, which helps ease financial pressure and improve its overall financial position. In addition, the Company's non-performing loans also declined significantly, from **15,3 billion VND** to **11,6 billion VND**.



# DEVELOPMENT ORIENTATION FOR 2025

## Key indicators for 2025

Indicator	Unit	Target for 2025	% of Actual for 2024
<b>I- Industrial production value (at 1994 constant prices)</b>	Billion VND	<b>350</b>	<b>122,7</b>
<b>II- Industrial production value (at 1994 constant prices)</b>	Billion VND	<b>991,9</b>	<b>122,2</b>
<b>III- Revenue</b>		<b>2000</b>	<b>188,1</b>
Industrial Production Revenue	Billion VND	<b>970</b>	<b>113,8</b>
Commercial Revenue, Other Revenue		<b>1030</b>	<b>487,5</b>
<b>IV- Profit before tax</b>	Billion VND	<b>100</b>	<b>52,4</b>

Indicator	Unit	Target for 2025	% of Actual for 2024	
			Manufacture	Sale
<b>V- Main Manufactured Products</b>	-	-	-	-
1- Bicycle Tires	Unit	4.400.000	107,7	106,3
2- Bicycle Inner Tubes	Unit	4.800.000	118,9	113,0
3- Motorcycle Tires	Unit	1.600.000	134,0	129,6
4- Motorcycle Inner Tubes	Unit	5.600.000	117,6	116,1
5- Car Tires	Unit	200.000	113,3	112,0
6- Car Inner Tubes	Unit	220.000	139,3	135,3
7- Car Flaps	Unit	120.000	122,4	139,7

## Implementation solutions

### Corporate governance

- Strictly implement the Resolutions of the BOD in managing and directing the Company's production and business activities to achieve the highest possible socio-economic efficiency.
- Direct and ensure effective coordination among departments within the Company to accelerate research and implementation of new and improved products, aiming to diversify the product portfolio, meet the demands of both domestic and export markets, and increase sales revenue.
- Maximize the rational arrangement of production lines and equipment capacity; maintain a stable workforce; ensure employment and income for employees based on production rationalization, labor productivity improvement, and product quality enhancement. Effectively implement cost-saving measures and prevent waste in production and business activities.
- Focus on ensuring stability and improving product quality in the management and operations of all units within the Company; address existing quality issues previously reported by customers to enhance the

Company's brand reputation and increase product competitiveness.

- Strengthen management and supervision over units in complying with regulations on labor management, material, raw material, and energy norm control; actively seek and implement solutions to reduce costs and lower product prices. Strive to achieve the highest possible profit target as planned.
- Pay attention to human resource development by formulating and implementing training and retraining plans to improve professional qualifications and ensure sufficient capacity to effectively fulfill the Company's production and business tasks.

### Sales

- Strengthen brand promotion efforts and develop appropriate sales policies for each product category and market area to maintain and expand the consumption of strong-performing products in the domestic market, striving to achieve and exceed the set revenue targets on a monthly, quarterly, and annual basis.
- Continue to improve the nationwide product distribution system and restructure the distribution network in certain provinces in the North and South.
- Consolidate and enhance the professional skills of the sales team to improve operational capability and work efficiency.
- Continue to invest in boosting export activities, while strengthening after-sales service to maintain market share in existing markets and explore new ones.
- Coordinate with the finance department to develop competitive pricing for each market.

### Labor and salary

- » Regularly review and improve staffing norms, labor norms, and salary standards. Based on that, develop or adjust wage cost allocations appropriately for each unit and product within the Company.
- » Develop an effective recruitment, training, and human resource development plan for 2025. Coordinate with relevant departments to find solutions to prevent workforce decline.
- » Further improve employee healthcare services/conduct periodic health check-ups, and ensure proper implementation of employee benefit policies in accordance with regulations.

### Finance

- Promote the roles and functions of the Finance function and the Accounting Law in internal control and operational cost control of the Company, in order to identify and propose risk prevention measures, prevent waste, and ensure reasonable and valid expenses to reduce product costs and enhance the competitiveness of SRC's products.
- Closely monitor cash inflows and outflows, receivables, and payments; coordinate with the Sales Support department to minimize the occurrence of bad debts in customer accounts.
- Prepare the Annual Financial Statements, the 2025 Profit Distribution Proposal, and other reports to be submitted to the General Meeting of Shareholders.
- Provide consultancy and recommendations to the Company's leaders on financial management measures, cost reduction, and product pricing.

### Mechanical, electrical, and energy

- » Review and improve the Mechanical and Electrical Operations Regulation; ensure effective management and use of equipment, and establish appropriate norms for the fabrication and repair of machinery, equipment, and spare parts.
- » Ensure proper equipment management, regular maintenance and servicing to support stable production by monitoring equipment conditions and promptly carrying out repairs to meet production needs.
- » Identify and promptly address sources of energy waste (electricity, steam, compressed air), aiming to reduce energy consumption costs by approximately 2% compared to the previous year.

## Science, technology, and quality assurance

- Research to improve the quality of automobile tires with the main focuses: Enhancing tire wear resistance, improving appearance quality, reducing tire repair rates, researching tire lines for agricultural use, and developing tubeless tire models for the market.
- Maintain the quality management system according to ISO 9001:2015; reasonably study and optimize compound formulas to rationalize material costs and reduce expenses.

## Basic construction investment

- Complete the preparation of the technical-economic report, contractor selection plan, and organize the procurement of individual equipment in 2025 to timely serve production in Hanoi, Thai Binh, and Xuan Hoa.
- Implement the new factory construction project and relocate production from the old factory to the new site.
- Research and implement preparatory steps for the new factory construction project and the relocation of production from the old factory to the new site.

## Others

- Coordinate with mass organizations such as the Trade Union and Youth Union to develop specific and practical action programs; launch emulation movements for productive labor and creative work; gather ideas and rational improvement initiatives; apply advanced modern science and technology in production; practice thrift and cost reduction to lower product prices, increase competitiveness, and motivate officers and employees to actively work towards fulfilling the 2025 targets.
- Ensure effective occupational safety and health practices and fire prevention. Promptly commend and encourage departments and individuals with outstanding achievements in production activities to enhance production and business efficiency.
- Continue to invest in improving the working environment and caring for employees' health. Develop and implement the ISO 14001:2015 environmental management system, and build a truly green – clean – beautiful, civilized, and modern production working environment.

## EXPLANATION OF THE BOARD OF MANAGEMENT FOR AUDITOR'S OPINIONS (IF ANY)

None.

## ASSESSMENT OF ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES OF THE COMPANY

### Assessment concerning the environmental indicators

The entire company strives to implement environmental protection policies, with the criteria of sustainable development and responsibility to the environment and surrounding community.

The company has implemented policies for reusing raw materials and has strengthened waste and wastewater treatment processes from business operations and employee activities in compliance with legal regulations. Additionally, the company actively promotes awareness and encourages employees to internalize environmental protection as a conscious responsibility, translating it into concrete actions at both the individual and production process levels.

Sao Vang Rubber Joint Stock Company conducts quarterly monitoring and testing of wastewater quality. The monitoring results show that the company is implementing environmental protection goals and controlling wastewater quality in accordance with legal regulations. Aware of the importance of environmental protection, the company also actively invests in research and innovation to create environmentally friendly and reusable products.

### Assessment concerning the labor issues occupational safety

Identifying human as the core factor promoting sustainable development of the enterprise, since its inception, SRC has strived to provide employees with a good working environment and a rich corporate life both materially and spiritually.

To ensure labor safety for employees: Employees are equipped with standard labor protection equipment, and undergo annual health check-ups to minimize risks as well as promptly detect and treat occupational diseases; Office buildings and factories are equipped with fire protection systems, fire alarms, fire extinguishers, water taps,... to promptly respond to emergency situations.

Employees at the company are entitled to participate in all types of insurance, including: social insurance, health insurance, unemployment insurance as well as benefits on salary, bonus, annual leave. In addition, the company regularly has training programs for employees to help them improve their skills as well as salary and bonus policies to encourage the working spirit of employees.

### Assessment concerning the corporate responsibility for the local community

The Company is always aware that in order to develop sustainably, it is necessary to enhance its responsibility and contribution to the local community. This is demonstrated through coordination with local agencies to prevent epidemics, strictly comply with environmental and business laws, and ensure the lives of employees. The Company always acts towards the goal of contributing to society, improving day by day and aiming at sustainable development of society and the Company.



## CHAPTER V

# ASSESSMENTS OF THE BOD ON THE COMPANY'S OPERATION

- 63. Assessments of the BOD on Various Aspects of the Company's operation
- 64. Assessment of the BOD on Board of Management's performance
- 65. Plans and orientations of the BOD



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# ASSESSMENTS OF THE BOD ON VARIOUS ASPECTS OF THE COMPANY'S OPERATION

## Results of business operations

Indicator	Unit	Resolution of the 2024 General Meeting of Shareholders	2024 Actual	Compared to the 2024 Resolution (%)	Compared to the 2023 Actual (%)
1- Industrial production value (at 1994 constant prices)	Billion VND	350	285,3	81,5	107,9
2- Industrial production value (at 1994 constant prices)	Billion VND	1.010	811,6	80,3	101,3
3- Revenue		2.000	1.063,4	53,1	86,1
Including: Industrial Production Revenue	Billion VND	970	852,1	87,8	102,0
Commercial Revenue, Other Revenue		1030	211,3	20,5	52,8
4- Profit before tax	Billion VND	100	190,7	190,7	488,97

Overall, the Company's industrial production value was fulfilled at a high level compared to the plan set at the beginning of the year, reaching 81,5% based on 1994 constant prices and 80,3% based on current prices. However, due to market difficulties in 2024—heavily impacted by the slow recovery of major economies and geopolitical instability in many regions of the world—the revenue targets were not met as planned by the General Meeting of Shareholders. Specifically, the Company's net revenue reached over 1.063,3 billion VND, down 13,9% compared to 2023 and significantly lower than the planned target of 2.000 billion VND. The main reason for this decline was a drop in commercial and other revenue streams.

Although the consumption targets did not meet expectations, profit after tax reached 190,7 billion VND, achieving 190,7% of the plan and 4,9 times higher than the 2023 result, thanks to income from other business areas and the proactive management efforts and market responsiveness of the BOD and the Company's Board of Management; timely implementation of appropriate pricing policies for each period amidst the challenging market conditions caused by rising raw material prices and declining product consumption.

## Production management and operations

In 2024, the Board of Management clearly recognized existing shortcomings in management and accordingly proposed several corrective measures to improve product quality, diversify the product range, and optimize costs. Cost control and procurement management were strictly implemented, with increased efforts to seek new suppliers to ensure quality and competitive pricing. However, the root causes of reduced tire quality have not been fully resolved, and R&D activities have yet to meet market demands.

## Personnel organization and salary policy

The Company has consistently focused on ensuring stable income and enhancing employee welfare policies. The average monthly income reached 12,311 million VND, an increase of 119,6% compared to 2023, but it remains relatively low compared to the regional average. Labor and occupational safety policies were fully implemented.

## Market activities

The domestic market recorded a growth of 7,66%, with notable highlights such as bicycle tires increasing by 15,3% and motorcycle tires also increasing by 15,3%. In contrast, export revenue decreased by 17,8%, mainly due to the underperformance of the export department, which affected the overall revenue.

## Finance

The Company has effectively managed its finances, mobilized capital appropriately, controlled expenditures, and strictly complied with tax regulations. Monitoring of cash flows and debt collection efforts have also been strengthened.

## Science, technology, and quality

The Company continued to promote R&D activities, research new materials, rationalize production processes, reduce costs, and enhance competitiveness. Production was closely monitored to reduce scrap rates and defective products.

## Investment and mechanical–electrical operations

The management of materials and components was closely supervised to meet equipment maintenance needs and minimize waste.

## Occupational safety, industrial hygiene, fire prevention, and environment

The Company strictly complied with regulations on occupational safety, industrial hygiene, and fire prevention. Training sessions were held regularly to raise awareness and responsibility for safety in production.

# ASSESSMENT OF THE BOD ON BOARD OF MANAGEMENT'S PERFORMANCE

With the goal of enhancing and improving the efficiency of production and business activities, the Board of Directors organized, directed, supervised, and supported the Board of Management in implementing solutions to reduce production costs, strengthen management, improve product quality, and promote sales activities.

Maximize the rational arrangement of production lines and equipment capacity, maintain a stable workforce, and ensure employment and income for employees based on production rationalization, improved labor productivity, and enhanced product quality. Effectively implement cost-saving measures and prevent waste in production and business activities.

Through the review process, it is evident that the Board of Management has made commendable efforts in implementing the Resolutions and Conclusions of the Board of Directors.

The Board of Management and Company management staff have clearly recognized and focused on addressing weaknesses in competitiveness, product quality, cost, product diversification, and both domestic and export market development in the Company's governance.

With the goal of promoting product consumption, the Board of Management focused on directing the development of monthly plans and targets. Existing issues were gradually addressed to enhance the competitiveness of SRC's products. Implementation was organized with the aim of achieving the planned targets at the highest possible level.

Regularly review and supplement existing regulations and rules to strictly control the purchase, import, and export of spare parts, materials, and raw materials, ensuring that the approval process complies with the issued regulations and procurement procedures.

Attach importance to the implementation of material norms, continuously update and improve the norm system, review norms on a monthly basis, and promptly propose corrective measures for deviations and shortcomings in the development and management of material norms at each unit.

However, there remain the following shortcomings in the operations of the Board of Management:

- » Direct management and operations at production enterprises were at times slow. The labor and technology management apparatus in some units occasionally failed to meet operational requirements.
- » Labor allocation in certain departments and production lines remained imbalanced due to the shrinking scale of production and significant changes in product structure, resulting in low labor productivity.
- » Technical activities lacked sufficient depth and determination in thoroughly addressing root causes affecting product quality.
- » The development of new products remained slow and failed to keep up with market demands.

## PLANS AND ORIENTATIONS OF THE BOD

Based on forecasts of the global and Vietnamese economic situation and the Company's development plan for 2024, the Board of Directors agrees to propose the 2025 production and business plan along with key governance and management orientations, including the following main contents:

Indicator	Unit	2025 Plan
1- Industrial production value (based on 1994 constant prices)	Billion VND	350
2- Industrial production value (based on current prices)	Billion VND	991,9
3- Revenue		2.000
Industrial Production Revenue	Billion VND	970
Commercial Revenue, Other Revenue		1030
4- Profit before tax	Billion VND	100
5- Dividend rate (not less than)	%	6

To fulfill the 2025 plan targets, the Board of Directors must resolutely implement the following solutions:

- » Strictly comply with legal regulations and the Company's Charter; focus on supervising the operations of the Board of Management and the departments managing various aspects of the Company's activities.
- » Propose to the Board of Management solutions for production management, cost management, and quality control. Improve sales operations, adjust distribution policies reasonably for agents and distributors, and decisively address the shortcomings identified in the BOD's 2024 assessment of executive performance.
- » Use human resources effectively and seek every possible measure to increase labor productivity amid staffing shortages.
- » Take care of the material and spiritual well-being of employees, adopt policies to retain highly qualified and skilled personnel, and gradually increase workers' income.
- » Be determined to develop new, high-quality products—particularly large-size off-the-road automobile tires, tubeless motorcycle tires, and butyl motorcycle inner tubes to effectively meet market demands.



## CHAPTER VI

# CORPORATE GOVERNANCE

- 69. Board of Directors
- 71. Board of Supervisors
- 72. Transactions, remunerations and benefits of the BOD, BOM, and BOS
- 74. Improving corporate governance



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# BOARD OF DIRECTORS

## Information about the members of the BOD

No.	Full Name	Position	Number of shares holding	Ownership percentage
1	Pham Hoanh Son	Chairman of the BOD	0	0%
2	Nguyen Viet Hung	Member of the BOD, General Director	12	0%
3	Nguyen Thanh Tung	Member of the BOD, Deputy General Director, Chief Accountant	7	0%
4	Nguyen Dinh Son	Independent Member of the BOD	0	0%
5	Luong Xuan Hoang	Independent Member of the BOD	0	0%

Changes in the Board of Directors in 2024: None

## The committees of the BOD

There is 01 Internal Audit Committee under the BOD.

## Activities of the BOD

### Attendance at Board of Directors meetings

No.	Member	Position	Date of appointment/removal from BOD	Number of meetings attended	Attendance rate	Reason for absence
1	Pham Hoanh Son	Chairman of the BOD	16/12/2019	7/7	100%	
2	Nguyen Viet Hung	Member of the BOD, General Director	28/04/2018	7/7	100%	
3	Nguyen Thanh Tung	Member of the BOD, Deputy General Director, Chief Accountant	08/06/2020	7/7	100%	
4	Nguyen Dinh Son	Independent Member of the BOD	26/04/2021	7/7	100%	
5	Luong Xuan Hoang	Independent Member of the BOD	26/04/2021	7/7	100%	

### Supervising the Board of Management by the Board of Directors

Pursuant to the Company Charter and the Corporate Governance Regulations, the Board of Directors shall inspect and supervise the activities of the General Director (GD) and the Board of Management in operating and implementing the resolutions of the General Meeting of Shareholders and the Board of Directors in 2024 as follows:

- Inspect compliance with the Law on Enterprises, the company's charter, and other legal regulations.
- Organize meetings with content closely following the requirements of the Company's production and business activities, resolutions of the General Meeting of Shareholders, promptly resolve proposals of the Board of Management. Issue resolutions and decisions immediately after the Board of Directors unanimously approves them so that the Board of Management can serve as a basis for production and business activities.

- The Board of Directors directs the Board of Management to prepare documents and work related to the 2024 Annual General Meeting of Shareholders.

## Resolutions/Decisions of the Board of Directors

No.	Resolution/ Decision number	Date	Content	Approval rate (%)
1	09/NQ-HĐQT	25/01/2024	Approval of the projected business and production plan for 2024; Approval of transactions and contracts between the company and related parties	100
2	10A/NQ-HĐQT	30/01/2024	Approval of the contract for transferring the lease rights of land, infrastructure, and attached assets at Chau Son Industrial Zone, Ha Nam	60
3	12/NQ-HĐQT	23/02/2024	Scheduling of the 2024 Annual General Meeting of Shareholders	100
4	12A/NQ-HĐQT	23/02/2024	Approval of the contract for purchasing automobiles and semi-trailers	60
5	20/QĐ-HĐQT	13/03/2024	Establishment of the bidding committee for the 2024 basic construction investment project	100
6	21/QĐ-HĐQT	19/03/2024	Establishment of the project appraisal team for the 2024 basic construction investment project	100
7	23/NQ-HĐQT	19/03/2024	Approval of the draft agenda for the 2024 Annual General Meeting of Shareholders	100
8	45/NQ-HĐQT	24/04/2024	Appointment of Mr. Nguyen Quang Hao as Deputy General Director	60
9	49/NQ-HĐQT	06/05/2024	Selection of an independent auditing firm	100
10	54/QĐ-HĐQT	20/05/2024	Approval of the technical-economic report for investment items	100
11	57/QĐ-HĐQT	27/05/2024	Issuance of the Salary and bonus payment regulations	100
12	61/QĐ-HĐQT	19/06/2024	Approval of the budget estimate and contractor selection plan for investment items	100
13	62A/QĐ-HĐQT	21/06/2024	Approval of the contract for purchasing 01 automobile for business purposes	60
14	63A/QĐ-HĐQT	01/7/2024	Issuance of revised and supplemented internal expenditure regulations	100
15	73/QĐ-HĐQT	16/8/2024	Dividend payment for 2023 in cash (6%)	100
16	76/QĐ-HĐQT	21/8/2024	Merger of the Export Department into the Sales and Marketing Department	100
17	89/NQ-HĐQT	29/10/2024	Approval of the contractor selection plan for: "Investment in a 3-ton gantry crane system"	100
18	95/QĐ-HĐQT	21/11/2024	Approval of the contractor selection plan for: "Investment in 05 motorcycle inner tube splicing machines"	100
19	97/QĐ-HĐQT	21/11/2024	Approval of the adjustment to the total investment structure for the project "Expansion of tubeless motorcycle tire production at Xuan Hoa Rubber Processing Factory"	100
20	102/QĐ-HĐQT	10/12/2024	Approval of the adjustment to the contractor selection plan for the project "Expansion of tubeless motorcycle tire production at Xuan Hoa Rubber Processing Plant"	100
21	103/QĐ-HĐQT	18/12/2024	Approval of the adjustment to the contractor selection plan for the project "Expansion of tubeless motorcycle tire production at Xuan Hoa Rubber Processing Plant"	100

- **Corporate Governance Training:** Board members proactively research and learn about corporate governance issues.

## Activities of the BOD independent members

As of December 31, 2024, Sao Vang Rubber Joint Stock Company has 02 independent members of the Board of Directors, Mr. Nguyen Dinh Son and Mr. Luong Xuan Hoang. In 2024, the independent members of the Board of Directors completed their assigned tasks with a high sense of caution and responsibility, promoting their independent role in providing constructive opinions and contributing objective assessments of the Company's operations, risk management, and protection of the interests of small shareholders and other interest groups related to the Company.

## Internal Audit Committee

### Information about members of the Internal Audit Committee (IAC)

No.	Members of the IAC	Position	Date of appointment as an IAC member	Date of resignation as an IAC member	Professional qualification
1	Luong Xuan Hoang	Head of the IAC	29/10/2021		Bachelor of Economics
2	Nguyen Viet Thang	Member of the IAC	21/07/2022		Bachelor of Economics
3	Pham Cao Van	Member of the IAC	29/10/2021		Bachelor of Finance and Banking

### Meeting of the IAC

No.	Members of the IAC	Number of meetings attended	Attendance rate	Voting percentage (%)	Reason for absence
1	Luong Xuan Hoang	3	100	100	
2	Nguyen Viet Thang	3	100	100	
3	Pham Cao Van	3	100	100	

### Activities of the IAC

Supervisory activities of the IAC towards the BOD, the Board of Management and shareholders: Implemented in accordance with the provisions of the Law and the plan approved by the Board of Directors.

Other activities of the IAC:

- Audit the use of capital and assets at the Company.
- Audit of debt and inventory situation in 2024

## BOARD OF SUPERVISORS

### Information about members of Board of Supervisors

The list of members of the Board of Supervisors is as follows:

No.	Member	Position	Number of shares holding	Ownership percentage / charter capital (%)
1	Nguyen Trung Hoa	Head of the BOS	0	0,00%
2	Vu Thi Mai Nhung	Member of the BOS	1	0,00%
3	Hoang Van Hoa	Member of the BOS	0	0,00%

## Activities of the Board of Supervisors

### Attendance at Board of Supervisors meetings

No.	Member	Position	Number of meetings attended	Attendance rate	Voting percentage
1	Nguyen Trung Hoa	Head of the BOS	5/5	100%	100%
2	Vu Thi Mai Nhung	Member of the BOS	5/5	100%	100%
3	Hoang Van Hoa	Member of the BOS	5/5	100%	100%

### Supervising Board of Directors, Board of Management and shareholders by Board of Supervisors

- The Board of Supervisors has fully participated in the meetings of the Board of Directors to stay updated on the company's business and production activities.
- The Board of Supervisors has inspected and supervised the Company's financial situation and financial statements for 2024. The Board of Directors' activities comply with the Company's Charter, corporate governance regulations and relevant legal provisions.
- The Board of Supervisors assessed that the Board of Management has been making efforts to implement the Resolution of the 2024 Annual General Meeting of Shareholders and the decisions of the Board of Directors.
- The Board of Supervisors has not received any requests or complaints from shareholders or shareholder groups meeting the ownership ratio and duration requirements as stipulated in the Company's Charter.

### The coordination among the Board of Supervisors, the Board of Management, Board of Directors and other managers

- The Board of Supervisors has been promptly and fully provided with Resolutions and Decisions by the Board of Directors.
- The Board of Management and functional departments of the Company coordinate and facilitate the updating of the Company's operations, collecting information and documents for inspection and supervision when required.

## TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOD, BOM, AND BOS

### Remuneration, income of the BOD, BOS and BOM

In 2024, the Board of Directors, the Board of Supervisors and the Board of Management received a total remuneration and income of: 3,1 billion VND, an increase of 3,6% compared to the amount of over 2,9 billion VND in 2023. Of which:

Full Name	Position	Year 2024 (VND)	Year 2023 (VND)
<b>Remuneration of the BOD and BOS</b>		<b>360.000.000</b>	<b>360.000.000</b>
Pham Hoanh Son	Chairman of the BOD	60.000.000	60.000.000
Nguyen Viet Hung	Member of the BOD	48.000.000	48.000.000
Nguyen Thanh Tung	Member of the BOD	48.000.000	48.000.000

Nguyen Dinh Son	Member of the BOD	48.000.000	48.000.000
Luong Xuan Hoang	Member of the BOD	48.000.000	48.000.000
Nguyen Trung Hoa	Head of the BOS	48.000.000	48.000.000
Hoang Van Hoa	Member of the BOS	30.000.000	30.000.000
Vu Thi Mai Nhung	Member of the BOS	30.000.000	30.000.000
<b>Income of the BOD</b>		<b>1.669.882.400</b>	<b>1.626.114.585</b>
Nguyen Viet Hung	General Director	640.921.200	627.686.874
Nguyen Thanh Tung	Deputy General Director	534.461.200	522.886.570
Nguyen Quang Hao	Deputy General Director	494.500.000	475.541.141
<b>Income of the Chief Accountant</b>			
Tran Minh Tuan	Chief Accountant	479.780.000	466.362.141
<b>Income of the BOS</b>			
Nguyen Trung Hoa	Head of the BOS	321.839.315	282.099.888
Hoang Van Hoa	Member of the BOS	275.057.009	263.615.002

## Stock transactions of insiders and related parties of insiders

In 2024, insiders and related parties of insiders did not conduct any transactions involving the company's shares.

## Contracts or transactions with insiders of the Company or related parties of insiders

No.	Organization /Individual Name	Relationship with the company	NSH No*, Date of Issue, Issuing Authority	Headquarters /Contact Address	Transaction Period	Resolution/ Decision No. of the AGMS/ BOD (if applicable, specify issue date)	Transaction details, quantity, and total value
1	Hoanh Son Group Joint Stock Company	Organization related to the Chairman of the BOD	Business Registration Certificate No. 3000244065, 16th amendment registered on 11/05/2022, issued by Ha Tinh Department of Planning and Investment	Thuan Minh Residential Group, Duc Thuan Ward, Hong Linh Town, Ha Tinh Province	Year 2024	Resolution No. 09/NQ-HĐQT dated 25/01/2024	Sales: 24.507.442.849 VND
2	Sao Vang – Hoanh Son Company Limited	Organization related to the Chairman of the BOD	Business Registration Certificate No. 0107520273, issued on 07/12/2021 by Hanoi Department of Planning and Investment	231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi	Year 2024	Resolution No. 09/NQ-HĐQT dated 25/01/2024	Purchases: 1.117.660.275 VND

3	Sao Vang Group Beer Alcohol And Beverage Joint Stock Company	Organization related to the Chairman of the BOD	Business Registration Certificate No. 33002263994, 3rd amendment registered on 02/02/2024, issued by Ha Tinh Department of Planning and Investment	No.8 Residential Group, Dau Lieu Ward, Hong Linh Town, Ha Tinh Province	Year 2024	Resolution No. 09/NQ-HĐQT dated 25/01/2024	Purchases: 52.159.091 VND
4	Hoanh Son Investment and Development Joint Stock Company	Organization related to the Chairman of the BOD	Business Registration Certificate No. 2901929143, 3rd amendment registered on 02/02/2024, issued by Nghe An Department of Planning and Investment	No. 17, Nguyen Phong Sac Street, Hung Dung Ward, Vinh City, Nghe An Province	Year 2024	Resolution No. 09/NQ-HĐQT dated 25/01/2024	Purchases: 1.872.000.000 VND
5	Viet Anh Construction And Investment Consulting Trade Joint Stock Company	Organization related to the Chairman of the BOD	Business Registration Certificate No. 2901704534, 5th amendment registered on 23/10/2019, issued by Nghe An Department of Planning and Investment	No. 18, Nguyen Truong To Street, Le Loi Ward, Vinh City, Nghe An Province	Year 2024	Resolution No. 09/NQ-HĐQT dated 25/01/2024	Purchases: 660.000.000 VND
6	Hoanh Son General Commercial and International Transport Company Limited	Organization related to the Chairman of the BOD	Business Registration Certificate No. 0168, 1st amendment registered on 02/08/2024, issued by Khammouane Province Department of Industry and Trade, Laos	13 Tay Street, Nong Phu Village, Hin Bun District, Khammouane Province, Laos	Year 2024	Resolution No. 09/NQ-HĐQT dated 25/01/2024	Purchases: 82.059.075.000 VND

## IMPROVING CORPORATE GOVERNANCE

### Assessing the implementation of regulations on corporate governance

The Company has fully implemented and complied with the provisions of the law on listed company governance, including:

- Law on Enterprises No. 59/2020/QH14 dated June 17, 2020, as amended and supplemented by Law No. 03/2022/QH15 dated January 11, 2022, and the guiding documents on its implementation.
- Law on Securities No. 54/2019/QH14 dated November 26, 2019, as amended and supplemented by Law No. 56/2024/QH15 dated November 29, 2024, and the guiding documents on its implementation.
- Decree No. 155/2020/ND-CP dated December 31, 2020, of the Government detailing the implementation of certain articles of the Law on Securities.
- Circular No. 116/2020/TT-BTC dated December 31, 2020, of the Ministry of Finance guiding certain provisions on corporate governance applicable to public companies under Decree No. 155/2020/ND-CP dated December 31, 2020, of the Government detailing the implementation of certain articles of the Law on Securities.
- Circular No. 68/2024/TT-BTC dated September 18, 2024, of the Ministry of Finance amending and supplementing certain provisions of the circulars regulating securities trading on the securities trading system; clearing and settlement of securities transactions; operations of securities companies; and information disclosure in the securities market.

The Company Secretary regularly updates regulations issued by the State Securities Commission and the Stock Exchange, promptly notifies the Board of Directors for appropriate preparation and serious implementation into the Company's internal governance.

The Company has established its Charter, Internal Governance Regulations, Regulations on the Operation of the Board of Directors, and Regulations on the Operation of the Board of Supervisors in strict compliance with current legal regulations, ensuring the rights of shareholders.

In 2024, the Company successfully organized the 2024 Annual General Meeting of Shareholders in person. The organization of the General Meeting of Shareholders strictly complied with the provisions of law and the Company's Charter.

In addition, the Company fully complies with its obligations regarding periodic and ad-hoc disclosures to enable shareholders to monitor the implementation of resolutions and decisions of the General Meeting of Shareholders as well as the performance of the Board of Directors.

## Improve the efficiency of corporate governance

In order to further improve management efficiency, in 2024, the Company will continue to create conditions for officers and employees to participate in training programs to improve management capacity combined with increased investment in developing a modern management system. Specifically:

- Production management: The company is implementing the quality management system ISO 9001:2015, ISO 14001:2015.....
- Customer relationship management: The sales and marketing department is responsible for customer care, ensuring prompt and accurate responses to customers to the fullest extent.
- Quality Relationship Management: The Quality Center supervises all activities and production stages within the company to ensure that the final products meet domestic and international standards applicable to the tire and tube manufacturing industry. It also ensures that high-value products are completed and delivered on time.



## CHAPTER VII

# SUSTAINABLE DEVELOPMENT REPORT

79. Report Introduction

79. Sustainable Development Objectives

80. Board of Directors' Assessment

81. Sustainable Development Criterias

The cover features a central red circle with the text 'ANNUAL REPORT 2024'. Surrounding this are several circular images: a lush green forest with a river, a wind turbine on a hill, a chalkboard with 'people' and a Venn diagram, a mangrove forest, a sunset with solar panels and wind turbines, and a glass globe reflecting nature.

**ANNUAL  
REPORT  
2024**

## REPORT INTRODUCTION

The 2024 Sustainable Development Report of Sao Vang Rubber Joint Stock Company is integrated into the 2024 Annual Report to provide quality information with concise, brief content, avoiding duplication for shareholders and stakeholders.

### Reporting objectives

The Company's Sustainable Development Report is designed to provide investors, shareholders and stakeholders with a comprehensive view of SRC's growth strategy and business operations from a sustainable development perspective. This report will clearly present the Company's orientation and policies as well as criteria related to the environment, society, community, employees and other stakeholders.

### Reporting scope

This report is prepared within the scope of the Company's operations and its subsidiaries in the field of tire and inner tube manufacturing within the territory of Vietnam. The information in the report is updated for the fiscal year 2024, starting from January 1, 2024 to December 31, 2024.

## SUSTAINABLE DEVELOPMENT OBJECTIVES

Besides developing the business and affirming its position in the market, the Management Board always focuses on social security, ensuring the material and spiritual life of officers and employees, while fully implementing responsibilities to the environment and the community. Fully aware of the impact of production and business activities on the environment, Sao Vang Rubber Joint Stock Company has implemented many specific policies and measures towards sustainable development in accordance with the orientation of the Party and the State. These solutions include environmental protection policies, optimizing and reusing input materials, thereby not only minimizing costs but also contributing to effective environmental protection.

The Company's sustainable development goals aim at the following contents:

- Improving business capacity: Aiming for international standards in all activities.
- Developing corporate culture: Promoting innovation, creativity and building a professional working environment.
- Caring for employees: Improving working conditions, caring for the working environment and increasing employee income.
- Increase value for customers: Research and expand product portfolio, providing more choices and benefits to customers.
- Contribution to the community: Committed to social responsibility, accompanying the sustainable development of the community and protecting the environment.

## BOARD OF DIRECTORS' ASSESSMENT

### Assessment of Environmental-Related Activities

The Company's Board of Directors is always aware of the importance of environmental protection, upholds responsibility and requires all officers and employees to strictly comply with relevant regulations. The Company commit to minimizing negative impacts on the ecosystem and limiting pollution during the production process. All management, operation and business activities fully comply with environmental laws, ensuring no violations occur and no penalties are incurred.

The Company's Management Board assigns the Administrative Organization Department the task of organizing training, raising awareness and disseminating regulations on environmental protection, and is responsible for assessing and supervising the production factories of the Company. In addition, the Administrative Organization Department also ensures full implementation of labor hygiene, environmental hygiene and food safety. Other departments are responsible for implementing environmental policies, proactively preventing risks, proposing initiatives to reduce pollution in the working environment, raising awareness and promoting positive behaviors in environmental protection.

### Assessment related to labor issues

Recognizing that employees are the most valuable asset, the Company's Board of Directors always considers improving the quality of human resources, ensuring a safe working environment and improving employee income not only a responsibility but also a goal of sustainable development. In 2024, the Company fully implemented policies for employees, ensuring the best rights and working environment, and did not have any related complaints or disputes.

### Assessment related to corporate responsibility towards local communities

The company is always aware that in order to develop sustainably, it is necessary to enhance its responsibility and contribution to the local community. This is demonstrated through coordination with local agencies to prevent epidemics, strictly comply with environmental and business laws, and ensure the lives of employees. The company always acts towards the goal of contributing to society, increasingly improving and aiming for sustainable development of society and the company.

# SUSTAINABLE DEVELOPMENT CRITERIAS

## Raw material source

The main raw materials for the Company's production include: natural rubber, synthetic rubber, fabric cord, carbon black, steel wire, various chemicals, and fillers, accounting for about 70 - 75% of the product cost. Aware of the great impact on the environment from the above-mentioned raw materials, Sao Vang Rubber is always conscious of utilizing and using materials, raw materials, and energy more economically and reasonably. The Company has done a good job of controlling the source of raw materials used in 2024, closely monitoring design activities and material consumption norms to minimize the amount of raw materials used. Additionally, scrap rubber, fabric cord waste, and discarded tires are also recycled by the Company through cutting and grinding processes to be used as raw materials for producing technical rubber products at the Technical Rubber Department – XNCS3.

## Energy consumption

Direct and indirect energy consumption: mainly electricity consumption provided by Thanh Xuan Electricity Company Branch.

No.	Criteria	Năm 2024
1	Electricity Supplier	Electricity Company Thanh Xuan Branch
2	Electricity Consumption (KWh)	7.293.513
3	Wasted Electricity Consumption compared to year 2023 (VND)	103.319

The company has checked, monitored and measured the energy consumption of the equipment, maintained and replaced new energy-saving equipment. There are always personnel regularly monitoring the operation process, coordinating smoothly to ensure the machines operate at the right capacity. In addition, the company also strengthens propaganda to raise awareness among employees about rational use and electricity saving.

Energy saving measures and programs:

- Regularly check, monitor and measure energy consumption of equipment, conduct maintenance and replace new energy-saving equipment.
- Assign personnel to regularly monitor the operation process and coordinate smoothly to ensure the machine operates at the correct capacity.
- Strengthen propaganda to raise workers' awareness of rational and economical use of electricity.

In addition, the amount of heat emitted during the production process is: 45.252 Tons in 2024. The value of wasted heat in 2024 (compared to year 2023) is 5.917 VND.

## Water consumption

Water supply and water usage/recycling:

No.	Criteria	Year 2024
1	Water Supplier	VIWACO Company
2	Annual Water Consumption (m <sup>3</sup> )	179.537

In 2024, the Company has built a reasonable wastewater treatment process:

- Domestic wastewater is discharged from daily use by staff and is treated by anaerobic biological method.
- Industrial wastewater: The company uses water to cool machinery and equipment, not involved in production technology. All cooling water is pumped for reuse without being discharged into the environment (using a closed-loop circulation system so there is almost no industrial wastewater released into the environment).
- Domestic wastewater from collective kitchens and septic tanks is discharged into the industrial zone's wastewater drainage system through a connection point at a registered manhole.

## Exhaust gas treatment

Regarding exhaust gas treatment: For the rice husk-fired boilers in Hanoi and Thai Binh, an emission treatment system is installed according to the boiler's design to ensure the quality of emissions released into the environment. For the exhaust outlets in Xuan Hoa and Thai Binh, a fabric bag dust filtration system is used before releasing emissions into the environment. The emissions from boilers and exhaust outlets consistently meet the permissible standards as per regulations in all monitoring periods before being discharged into the environment.

## Compliance with the law on environmental protection

Environmental issues and compliance with environmental laws are always a top priority for the Company and are strictly adhered to. Specifically:

- Number of times fined for non-compliance with environmental laws and regulations: None.
- Total amount fined for non-compliance with the law: None

## CHAPTER VIII

# 2024 AUDITED FINANCIAL STATEMENT

The background of the cover is a collage of financial and business-related images. It includes a desk with a globe, a bar chart, and financial documents in the top section. The bottom section features stacks of coins, a city skyline at night, and a hand holding a tablet displaying a bar chart. A large red circle is centered on the right side, containing the text 'ANNUAL REPORT 2024'.

**ANNUAL  
REPORT  
2024**

**Sao Vang Rubber Joint Stock Company**

Financial statements

For the year ended 31 December 2024

**Sao Vang Rubber Joint Stock Company**

Financial statements

For the year ended 31 December 2024



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GENERAL INFORMATION

**THE COMPANY**

Sao Vang Rubber Joint Stock Company ("the Company"), formerly a state-owned enterprise, was equitized in accordance with Decision No. 3500/QĐ-BCN dated 24 October 2005 of the Minister of the Ministry of Industry and operated as a joint stock company in pursuant to the Enterprise Registration Certificate No. 0103011568 issued by Hanoi Department of Planning and Investment on 3 April 2006 and subsequent amendments with the 12<sup>th</sup> amendment dated 28 April 2023 as the latest.

The current principal activities of the Company are:

- ▶ manufacturing and trading rubber products;
- ▶ provision of leasing services including shops, office space, factories, warehouses; and
- ▶ importing and exporting materials, machinery, equipment, and chemicals for rubber industry; and trading automotive spare parts and coals.

The Company's head office is located at 231 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam and the following dependent branches as follow:

<i>Branch</i>	<i>Address</i>
Thai Binh Branch of Sao Vang Rubber Joint Stock Company	Tran Thu Do street, Tien Phong ward, Thai Binh city, Thai Binh province
Da Nang Branch of Sao Vang Rubber Joint Stock Company	Road 1A, Hoa Chau commune, Hoa Vang district, Da Nang city
Ho Chi Minh Branch of Sao Vang Rubber Joint Stock Company	No 63, Nguyen Binh Khiem street, District 1, Ho Chi Minh city

**BOARD OF DIRECTORS**

Members of the Board of Directors during the year and at the date of this report are:

Mr. Pham Hoanh Son	Chairman
Mr. Nguyen Viet Hung	Member
Mr. Nguyen Thanh Tung	Member
Mr. Nguyen Dinh Son	Member
Mr. Luong Xuan Hoang	Member

**BOARD OF SUPERVISION**

Members of the Board of Supervision during the year and at the date of this report are:

Mr. Nguyen Trung Hoa	Head of Board of Supervision
Mr. Hoang Van Hoa	Member
Ms. Vu Thi Mai Nhung	Member

**MANAGEMENT**

Members of management during the year and at the date of this report are:

Mr. Nguyen Viet Hung	General Director
Mr. Nguyen Quang Hao	Deputy General Director
Mr. Nguyen Thanh Tung	Deputy General Director

# Sao Vang Rubber Joint Stock Company

GENERAL INFORMATION (continued)

## LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr. Pham Hoanh Son - Chairman.

Mr. Nguyen Viet Hung, General Director, is authorized by Mr. Pham Hoanh Son, Chairman, to sign the accompanying financial statement for the year ended 31 December 2024 in accordance to the Letter of Authorisation No. 60/UQ-SRC-HDQT dated 7 June 2024.

## AUDITOR

The auditor of the Company is Ernst & Young Vietnam Limited.

# Sao Vang Rubber Joint Stock Company

REPORT OF MANAGEMENT

Management of Sao Vang Rubber Joint Stock Company ("the Company") is pleased to present this report and the financial statements of the Company for the year ended 31 December 2024.

## MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company, and of the results of its operations and its cash flows for the year. In preparing those financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgments and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ▶ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and for ensuring that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

## STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

For and on behalf of management:



Nguyen Viet Hung  
General Director

Hanoi, Vietnam

10 March 2025

Reference: 13666732/68382735

## INDEPENDENT AUDITORS' REPORT

To: **The Shareholders of Sao Vang Rubber Joint Stock Company**

We have audited the accompanying financial statements of Sao Vang Rubber Joint Stock Company ("the Company"), as prepared on 10 March 2025 and set out on pages 6 to 48, which comprise the balance sheet as at 31 December 2024, and the income statement and cash flow statement for the year then ended and the notes thereto.

### Management's responsibility

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

### Auditors' responsibility

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

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

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

## Opinion

In our opinion, the financial statements give a true and fair view, in all material respects, of the financial position of the Company as at 31 December 2024, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the financial statements.

### Other matter

The financial statements of the Company for the year ended 31 December 2023 were audited by another audit firm which expressed an unqualified opinion on those statements on 28 February 2024.

## Ernst & Young Vietnam Limited



Trình Xuân Hoa  
Deputy General Director  
Audit Practising Registration  
Certificate No. 0754-2023-004-1

Hanoi, Vietnam

11 March 2025

Dao Van Thich  
Auditor  
Audit Practising Registration  
Certificate No: 3732-2021-004-1

BALANCE SHEET  
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>549,126,282,887</b>	<b>631,102,917,710</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>29,711,953,512</b>	<b>33,058,394,306</b>
111	1. Cash		14,711,953,512	17,058,394,306
112	2. Cash equivalents		15,000,000,000	16,000,000,000
<b>130</b>	<b>II. Current accounts receivable</b>		<b>235,235,110,511</b>	<b>366,121,650,273</b>
131	1. Short-term trade receivables	5	238,217,156,220	367,869,103,286
132	2. Short-term advances to suppliers		720,135,153	5,270,304,058
136	3. Other short-term receivables	6	5,921,919,771	4,022,930,770
137	4. Provision for short-term doubtful receivables	5,6	(9,624,100,633)	(11,040,687,841)
<b>140</b>	<b>III. Inventories</b>	<b>8</b>	<b>250,315,400,799</b>	<b>228,529,873,594</b>
141	1. Inventories		251,291,699,609	230,978,322,874
149	2. Provision for obsolete inventories		(976,298,810)	(2,448,449,280)
<b>150</b>	<b>IV. Other current assets</b>		<b>33,863,818,065</b>	<b>3,392,999,537</b>
151	1. Short-term prepaid expenses	9	949,024,039	2,935,346,968
152	2. Deductible value-added tax	16	1,952,962,417	443,433,867
153	3. Tax and other receivables from the State	16	30,961,831,609	14,218,702
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>659,813,031,320</b>	<b>715,736,741,314</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>97,823,430,950</b>	<b>6,514,752,134</b>
216	1. Other long-term receivables	6	97,823,430,950	6,514,752,134
<b>220</b>	<b>II. Fixed assets</b>		<b>48,295,006,758</b>	<b>52,200,604,080</b>
221	1. Tangible fixed assets	10	31,792,162,129	36,336,226,300
222	Cost		682,879,204,189	679,751,392,641
223	Accumulated depreciation		(651,087,042,060)	(643,415,166,341)
224	2. Finance lease	11	13,104,992,707	12,455,058,958
225	Cost		20,124,700,342	16,850,424,239
226	Accumulated depreciation		(7,019,707,635)	(4,395,365,281)
227	3. Intangible fixed assets	12	3,397,851,922	3,409,318,822
228	Cost		3,615,723,022	3,615,723,022
229	Accumulated amortisation		(217,871,100)	(206,404,200)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>2,065,608,864</b>	<b>2,059,374,605</b>
242	1. Construction in progress	13	2,065,608,864	2,059,374,605
<b>250</b>	<b>IV. Long-term investments</b>	<b>14</b>	<b>508,505,488,913</b>	<b>510,534,576,085</b>
252	1. Investments in associates		505,000,000,000	505,000,000,000
253	2. Investments in other entities		8,444,062,358	8,444,062,358
254	3. Provision for diminution in value of long-term investments		(4,938,573,445)	(2,909,486,273)
<b>260</b>	<b>V. Other long-term assets</b>		<b>3,123,495,835</b>	<b>144,427,434,410</b>
261	1. Long-term prepaid expenses	9	3,123,495,835	144,427,434,410
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,208,939,314,207</b>	<b>1,346,839,659,024</b>

BALANCE SHEET (continued)  
as at 31 December 2024

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>633,884,449,885</b>	<b>903,490,135,850</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>482,034,437,507</b>	<b>621,088,346,362</b>
311	1. Short-term trade payables	15.1	148,253,168,523	93,545,658,963
312	2. Short-term advances from customers	15.2	42,545,325,913	73,414,693,793
313	3. Statutory obligations	16	329,996,742	1,592,991,566
314	4. Payables to employees		22,004,103,842	24,944,101,217
315	5. Short-term accrued expenses	17	3,746,675,146	782,441,049
318	6. Short-term unearned revenue		-	29,945,455
319	7. Other short-term payables	18	5,725,515,452	83,885,588,221
320	8. Short-term loan and finance lease obligations	19	255,679,533,163	338,394,314,772
321	9. Short-term provision	20	659,085,638	771,070,808
322	10. Bonus and welfare fund	21	3,091,033,088	3,727,540,518
<b>330</b>	<b>II. Non-current liabilities</b>		<b>151,850,012,378</b>	<b>282,401,789,488</b>
337	1. Other long-term liabilities	18	143,500,000,000	143,500,000,000
338	2. Long-term loans and finance lease obligations	19	2,115,557,255	132,667,334,365
343	3. Scientific and technological development fund		6,234,455,123	6,234,455,123
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>575,054,864,322</b>	<b>443,349,523,174</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>22</b>	<b>575,054,864,322</b>	<b>443,349,523,174</b>
411	1. Share capital		280,657,650,000	280,657,650,000
411a	- Ordinary shares with voting rights		280,657,650,000	280,657,650,000
412	2. Share premium		3,605	3,605
415	3. Treasury shares		(23,970,000)	(23,970,000)
418	4. Investment and development fund		116,834,693,289	108,014,502,579
421	5. Undistributed earnings		177,586,487,428	54,701,336,990
421a	- Undistributed earnings by the end of prior year		25,946,411,910	25,300,701,289
421b	- Undistributed earnings of the current year		151,640,075,518	29,400,635,701
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>1,208,939,314,207</b>	<b>1,346,839,659,024</b>

Hanoi, Vietnam

10 March 2025


Preparer  
Le Lan Phuong

Chief accountant  
Tran Minh TuanGeneral Director  
Nguyen Viet Hung

INCOME STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year (restated)
01	1. Revenue from sale of goods and rendering of services	24.1	1,063,350,074,195	1,234,494,008,488
02	2. Deductions	24.1	(35,570,201,845)	(36,743,900,996)
10	3. Net revenue from sale of goods and rendering of services	24.1	1,027,779,872,350	1,197,750,107,492
11	4. Cost of goods sold and services rendered	25	(881,653,342,717)	(1,032,450,795,006)
20	5. Gross profit from sale of goods and rendering of services		146,126,529,633	165,299,312,486
21	6. Finance income	24.2	5,260,102,768	1,649,675,834
22	7. Finance expenses	26	(24,273,955,878)	(20,950,713,662)
23	In which: Interest expenses		(15,350,281,706)	(16,010,130,009)
25	8. Selling expenses	27	(35,471,024,400)	(33,672,177,635)
26	9. General and administrative expenses	27	(63,611,727,491)	(74,666,552,613)
30	10. Operating profit		28,029,924,632	37,659,544,410
31	11. Other income	28	306,883,950,654	1,426,797,302
32	12. Other expenses	28	(144,249,052,353)	(31,263,751)
40	13. Other profit	28	162,634,898,301	1,395,533,551
50	14. Accounting profit before tax		190,664,822,933	39,055,077,961
51	15. Current corporate income tax expenses	30.1	(39,024,747,415)	(9,654,442,260)
60	16. Net profit after tax		151,640,075,518	29,400,635,701
70	17. Basic earnings per share	33	5,403	937
71	18. Diluted earnings per share	33	5,403	937

Hanoi, Vietnam

10 March 2025

Preparer  
Le Lan Phuong

Chief accountant  
Tran Minh Tuan

General Director  
Nguyen Viet Hung



CASH FLOW STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Profit before tax		190,664,822,933	39,055,077,961
	Adjustments for:			
02	Depreciation of tangible fixed assets and finance leases and amortisation of intangible fixed assets		10,307,684,973	11,668,449,264
03	(Reversal of provision)/provisions		(971,635,676)	1,977,974,375
04	Foreign exchange (gains)/losses arising from revaluation of monetary accounts denominated in foreign currencies		(844,774,784)	157,357,867
05	Profits from investing activities		(163,071,526,358)	(583,339,097)
06	Interest expenses	26	15,350,281,706	16,010,130,009
08	Operating profit before changes in working capital		51,434,852,794	68,285,650,379
09	Decrease/(increase) in receivables		44,754,164,592	(204,074,287,427)
10	(Increase)/decrease in inventories		(20,313,376,735)	96,289,790,812
11	Decrease in payables		(57,347,589,198)	(17,488,130,544)
12	Decrease in prepaid expenses		2,580,979,934	2,704,883,560
14	Interest paid		(15,283,881,706)	(16,017,254,009)
15	Corporate income tax paid	16	(71,051,162,745)	(6,990,706,315)
17	Other cash outflows for operating activities		(3,533,221,000)	(5,023,286,000)
20	Net cash flows used in operating activities		(68,759,234,064)	(82,313,339,544)
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(3,655,358,089)	(13,549,987,756)
22	Proceeds from disposals of fixed assets and other long-term assets		300,799,569,173	-
23	Loans to other entities and payments for purchase of debt instruments of other entities		(10,500,000,000)	-
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		10,500,000,000	-
27	Interest received		1,709,933,867	515,233,217
30	Net cash flows from/(used in) investing activities		298,854,144,951	(13,034,754,539)

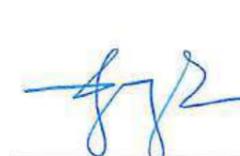
CASH FLOW STATEMENT (continued)  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		794,678,938,610	750,089,340,622
34	Repayment of borrowings		(1,008,504,687,792)	(633,051,455,636)
35	Payment of principal of finance lease liabilities		(2,825,736,660)	(2,632,201,896)
36	Dividends paid		(16,795,136,460)	(22,380,373,360)
<b>40</b>	<b>Net cash flows (used in)/from financing activities</b>		<b>(233,446,622,302)</b>	<b>92,025,309,730</b>
<b>50</b>	<b>Net decrease in cash and cash equivalents for the year</b>		<b>(3,351,711,415)</b>	<b>(3,322,784,353)</b>
<b>60</b>	<b>Cash and cash equivalents at the beginning of the year</b>		<b>33,058,394,306</b>	<b>36,390,500,867</b>
61	Impact of exchange rate fluctuation		5,270,621	(9,322,208)
<b>70</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<b>29,711,953,512</b>	<b>33,058,394,306</b>

Hanoi, Vietnam

10 March 2025



Preparer  
Le Lan Phuong



Chief accountant  
Tran Minh Tuan



General Director  
Nguyen Viet Hung

NOTES TO THE FINANCIAL STATEMENTS  
as at 31 December 2024 and for the year then ended

## 1. CORPORATE INFORMATION

Sao Vang Rubber Joint Stock Company ("the Company"), formerly a state-owned enterprise, was equitized in accordance with Decision No. 3500/QĐ-BCN dated 24 October 2005 of the Minister of the Ministry of Industry and operates as a joint stock company pursuant to the Enterprise Registration Certificate No. 0103011568 issued by Hanoi Department of Planning and Investment on 3 April 2006, and subsequent amendments with the 12<sup>th</sup> amendment dated 28 April 2023 as the latest.

The current principal activities of the Company are:

- ▶ manufacturing and trading rubber products;
- ▶ provision of leasing services including shops, offices, factories, warehouses; and
- ▶ importing and exporting materials, machinery, equipment, and chemicals for rubber industry; and trading automotive spare parts and coal.

The Company's head office is located at 231 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi, Vietnam and it has the following dependent branches as follow:

Branch	Address
Thai Binh Branch of Sao Vang Rubber Joint Stock Company	Tran Thu Do street, Tien Phong ward, Thai Binh city, Thai Binh province
Da Nang Branch of Sao Vang Rubber Joint Stock Company	Road 1A, Hoa Chau commune, Hoa Vang district, Da Nang city
Ho Chi Minh Branch of Sao Vang Rubber Joint Stock Company	No 63, Nguyen Binh Khiem street, district 1, Ho Chi Minh city

The normal course of business cycle of the Company is 12 months.

The number of the Company's employees as at 31 December 2024 is 745 (31 December 2023: 767).

## 2. BASIS OF PREPARATION

### 2.1 Accounting standards and system

The financial statements of the Company, which are expressed in Vietnam dong ("VND"), are prepared in accordance with the Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QĐ-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QĐ-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QĐ-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QĐ-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QĐ-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 2. BASIS OF PREPARATION (continued)

### 2.1 Accounting standards and system (continued)

Accordingly, the accompanying financial statements, including their utilisation are not designed for those who are not informed about Vietnam's accounting principles, procedures and practices and furthermore are not intended to present the financial position and the results of operations and the cash flows of the Company in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

### 2.2 Applied accounting documentation system

The Company's applied accounting documentation system is the computer-based system.

### 2.3 Fiscal year

The Company's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

### 2.4 Accounting currency

The financial statements are prepared in VND which is also the Company's accounting currency.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and short-term, highly liquid investments with an original maturity of not more than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

### 3.2 Inventories

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realisable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, tools and merchandise	-	cost of purchase on a weighted average basis.
Finished goods and work-in-process	-	cost of finished goods, semi products on a weighted average basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 3.2 Inventories (continued)

#### Provision for obsolete inventories

An inventory provision is made for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods, and other inventories owned by the Company, based on appropriate evidence of impairment available at the balance sheet date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the income statement. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the income statement.

### 3.3 Receivables

Receivables are presented in the balance sheet at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

The provision for doubtful debts represents amounts of outstanding receivables at the balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded as general and administrative expense in the income statement. When bad debts are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the income statement.

### 3.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use or is at the revalued amounts at the time when the Company was officially transformed into a joint stock company.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

### 3.5 Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.5 Leased assets (continued)

*Where the Company is the lessee*

Assets held under finance leases are capitalised in the balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

*Where the Company is the lessor*

Assets subject to operating leases are included as the Company's fixed assets in the balance sheet. Initial direct costs incurred in negotiating an operating lease are recognised in the income statement as incurred.

Lease income is recognised in the income statement on a straight-line basis over the lease term.

#### 3.6 Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of bringing the intangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the income statement.

*Land use rights*

Land use rights consist of infinite land use rights and prepaid land rentals under land lease contract with effectiveness prior to 2003 and Land Use Right Certificate being issued. These land use rights are recognised as intangible fixed assets according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.7 Depreciation and amortisation

Depreciation of tangible fixed assets and amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings and structures	6 - 25 years
Equipment, management tools	4 - 10 years
Means of transportation	6 - 10 years
Machinery and equipment	5 - 12 years
Computer software	4 years
Finite land use rights	50 years
Infinite land use rights	Not amortized

#### 3.8 Construction in progress

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

#### 3.9 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred.

#### 3.10 Prepaid expenses

Prepaid expenses include short-term prepaid expenses and long-term prepaid expenses on the balance sheet and are amortized over the period of prepayment or the period of economic benefits response is generated from these costs.

#### 3.11 Investments

*Investments in associates*

Investments in associates over which the Company has significant influence are carried at cost.

Distributions from accumulated net profits of the associates arising subsequent to the date of acquisition are recognised in the income statement. Distributions from sources which are attributable to period before having significant influence are considered a recovery of investment and are deducted to the cost of the investment.

*Investments in other entities*

Investments in other entities are carried at cost.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.11 Investments (continued)

##### *Provision for diminution of investments*

Provision for diminution of investments is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases in the provision balance are recorded as finance expense in the income statement.

##### *Held-to-maturity investments*

Held-to-maturity investments are stated at their original costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognised as finance expense in the income statements and deducted against the value of such financial investments.

#### 3.12 Payables and accruals

Payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

#### 3.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as the result of a past event it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### 3.14 Foreign currency transactions

Transactions in currencies other than the Company's reporting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- ▶ Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- ▶ Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment; and
- ▶ Payments for assets or expenses without liabilities initially being recognised is recorded at the buying exchange rates of the commercial banks that process these payments.

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the balance sheet date which are determined as follows:

- ▶ Monetary assets are translated at buying exchange rate of the commercial bank where the Company conducts transactions regularly; and
- ▶ Monetary liabilities are translated at selling exchange rate of the commercial bank where the Company conducts transactions regularly.

All foreign exchange differences incurred are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.15 Contributed capital

##### *Ordinary shares*

Ordinary shares are recognised at issuance price less incremental costs directly attributable to the issue of shares, net of tax effects. Such costs are recognised as a deduction from share premium.

##### *Share premium*

Share premium is the difference between the par value and the issuance price of the shares, minus the actual expenses incurred for the issuance of the shares.

##### *Treasury shares*

Own equity instruments which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in income statement upon purchase, sale, issue or cancellation of the Company's own equity instruments.

#### 3.16 Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after approval in the annual general meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

##### *Investment and development fund*

This fund is set aside for use in the Company's expansion of its operation or of in-depth investment.

##### *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the balance sheet.

#### 3.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

##### *Rental income*

Rental income arising from operating leases is recognised in the income statement on a straight line basis over the terms of the lease.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.17 Revenue recognition (continued)***Rendering of services*

Revenue is recognised when services are rendered and completed.

*Interest income*

Interest is recognized on an accrual basis based on the time and actual interest rate for each period.

**3.18 Taxation***Current income tax*

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when the Company intends to settle its current tax assets and liabilities on a net basis.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- ▶ where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the related transaction affects neither the accounting profit nor taxable profit or loss; and
- ▶ in respect of taxable temporarily differences associated with investments in subsidiaries and associates, and interests in joint ventures where timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilised, except:

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****3.18 Taxation (continued)***Deferred tax (continued)*

- ▶ where the deferred tax asset in respect of deductible temporary difference which arises from the initial recognition of an asset or liability which at the time of the related transaction, affects neither the accounting profit nor taxable profit or loss;
- ▶ in respect of deductible temporarily differences associated with investments in subsidiaries, associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Previously unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset realised or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the income statement, except when it relates to items recognised directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Company to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

- ▶ either the same taxable entity; or
- ▶ when the Company intends either to settle current tax liabilities and assets on a net basis or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**3.19 Earnings per share**

Basic earnings per share amounts are calculated by dividing net profit/loss after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's business segment is derived mainly from sales of products or service provided. Management defines that the Company's geographical segments to be based on the location where its finished goods and merchandises are distributed to customers.

#### 3.21 Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties can be enterprises or individuals, including close members of their families.

### 4. CASH AND CASH EQUIVALENTS

	Currency: VND	
	Ending balance	Beginning balance
Cash on hand	1,144,061,226	448,093,355
Cash at banks	13,567,892,286	16,610,300,951
Cash equivalents (*)	15,000,000,000	16,000,000,000
<b>TOTAL</b>	<b>29,711,953,512</b>	<b>33,058,394,306</b>

(\*) These represent bank deposits dominated in VND, with term of 1 month and earn interest ranging from 3.1 to 4.4% per annum (31 December 2023: from 3.15 to 3.4% per annum).

### 5. SHORT-TERM TRADE RECEIVABLES

	Currency: VND	
	Ending balance	Beginning balance
Trade receivables from other parties	154,221,238,720	367,743,975,756
- Vietnam Import Export and Trading Joint Stock Company	62,316,529,740	256,777,464,990
- Other customers	91,904,708,980	110,966,510,766
Trade receivables from related parties (Note 31)	83,995,917,500	125,127,530
<b>TOTAL</b>	<b>238,217,156,220</b>	<b>367,869,103,286</b>
Provision for doubtful debts	(6,657,121,958)	(8,073,709,166)

50% of the Company's collection rights arising from economic contracts with third parties are used as collaterals for bank loans as presented in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 6. OTHER RECEIVABLES

	Currency: VND			
	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
<b>Short-term</b>				
Advances for capital contributions to Philips Carbon Black Vietnam Joint Stock Company	2,966,978,675	(2,966,978,675)	2,966,978,675	(2,966,978,675)
Interest receivables	1,506,087,371	-	234,782,483	-
Deposits	610,060,278	-	61,475,853	-
Others	838,793,447	-	759,693,759	-
<b>TOTAL</b>	<b>5,921,919,771</b>	<b>(2,966,978,675)</b>	<b>4,022,930,770</b>	<b>(2,966,978,675)</b>
<b>Long-term</b>				
Long-term collaterals at Joint Stock Commercial Bank for Investment and Development of Vietnam (i)	97,338,492,816	-	5,496,760,000	-
Other long-term deposits	484,938,134	-	1,017,992,134	-
<b>TOTAL</b>	<b>97,823,430,950</b>	<b>-</b>	<b>6,514,752,134</b>	<b>-</b>

(i) These represent long-term deposits being used as collaterals for credit facilities provided by Joint Stock Commercial Bank for Investment and Development of Vietnam. Terms of these deposits are from 6 to 12 months, earning interest rates from 2.9% to 4.5% per annum, and will be automatically renewed according to the terms of bank's credit agreements.

### 7. BAD DEBTS

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
TMT Motor Joint Stock Company – Hung Yen Branch	91,805,021	-	8,282,945,970	4,095,570,475
Nam Tien Co., Ltd	2,831,850,000	1,982,295,000	119,237,964	83,466,575
Phillips Carbon Black Vietnam Joint Stock Company	2,966,978,675	-	2,966,978,675	-
Ms. Nguyen Thi Huong	2,208,428,046	-	2,208,428,046	-
Others	3,507,333,891	-	1,813,966,383	136,060,758
<b>TOTAL</b>	<b>11,606,395,633</b>	<b>1,982,295,000</b>	<b>15,272,319,074</b>	<b>4,231,631,233</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 3.20 Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's business segment is derived mainly from sales of products or service provided. Management defines that the Company's geographical segments to be based on the location where its finished goods and merchandises are distributed to customers.

#### 3.21 Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties can be enterprises or individuals, including close members of their families.

### 4. CASH AND CASH EQUIVALENTS

	Currency: VND	
	Ending balance	Beginning balance
Cash on hand	1,144,061,226	448,093,355
Cash at banks	13,567,892,286	16,610,300,951
Cash equivalents (*)	15,000,000,000	16,000,000,000
<b>TOTAL</b>	<b>29,711,953,512</b>	<b>33,058,394,306</b>

(\*) These represent bank deposits dominated in VND, with term of 1 month and earn interest ranging from 3.1 to 4.4% per annum (31 December 2023: from 3.15 to 3.4% per annum).

### 5. SHORT-TERM TRADE RECEIVABLES

	Currency: VND	
	Ending balance	Beginning balance
Trade receivables from other parties	154,221,238,720	367,743,975,756
- Vietnam Import Export and Trading Joint Stock Company	62,316,529,740	256,777,464,990
- Other customers	91,904,708,980	110,966,510,766
Trade receivables from related parties (Note 31)	83,995,917,500	125,127,530
<b>TOTAL</b>	<b>238,217,156,220</b>	<b>367,869,103,286</b>
Provision for doubtful debts	(6,657,121,958)	(8,073,709,166)

50% of the Company's collection rights arising from economic contracts with third parties are used as collaterals for bank loans as presented in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 6. OTHER RECEIVABLES

	Currency: VND			
	Ending balance		Beginning balance	
	Balance	Provision	Balance	Provision
<b>Short-term</b>				
Advances for capital contributions to Philips Carbon Black Vietnam Joint Stock Company	2,966,978,675	(2,966,978,675)	2,966,978,675	(2,966,978,675)
Interest receivables	1,506,087,371	-	234,782,483	-
Deposits	610,060,278	-	61,475,853	-
Others	838,793,447	-	759,693,759	-
<b>TOTAL</b>	<b>5,921,919,771</b>	<b>(2,966,978,675)</b>	<b>4,022,930,770</b>	<b>(2,966,978,675)</b>
<b>Long-term</b>				
Long-term collaterals at Joint Stock Commercial Bank for Investment and Development of Vietnam (i)	97,338,492,816	-	5,496,760,000	-
Other long-term deposits	484,938,134	-	1,017,992,134	-
<b>TOTAL</b>	<b>97,823,430,950</b>	<b>-</b>	<b>6,514,752,134</b>	<b>-</b>

(i) These represent long-term deposits being used as collaterals for credit facilities provided by Joint Stock Commercial Bank for Investment and Development of Vietnam. Terms of these deposits are from 6 to 12 months, earning interest rates from 2.9% to 4.5% per annum, and will be automatically renewed according to the terms of bank's credit agreements.

### 7. BAD DEBTS

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
TMT Motor Joint Stock Company – Hung Yen Branch	91,805,021	-	8,282,945,970	4,095,570,475
Nam Tien Co., Ltd	2,831,850,000	1,982,295,000	119,237,964	83,466,575
Phillips Carbon Black Vietnam Joint Stock Company	2,966,978,675	-	2,966,978,675	-
Ms. Nguyen Thi Huong	2,208,428,046	-	2,208,428,046	-
Others	3,507,333,891	-	1,813,966,383	136,060,758
<b>TOTAL</b>	<b>11,606,395,633</b>	<b>1,982,295,000</b>	<b>15,272,319,074</b>	<b>4,231,631,233</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 8. INVENTORIES

	Currency: VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Goods in transit	1,910,925,768	-	2,069,807,040	-
Raw materials	132,424,692,992	-	108,921,995,513	-
Tools and supplies	2,388,412,028	-	3,159,984,288	-
Work in progress	10,167,740,955	-	8,513,109,503	-
Finished goods	103,422,784,358	(974,286,659)	105,762,739,980	(2,400,213,045)
Merchandise	11,549,979	-	108,296,466	-
Goods on consignment	965,593,529	(2,012,151)	2,442,390,084	(48,236,235)
<b>TOTAL</b>	<b>251,291,699,609</b>	<b>(976,298,810)</b>	<b>230,978,322,874</b>	<b>(2,448,449,280)</b>

Revolving inventories at Thai Binh branch has been used by the Company as collateral for bank loans as presented in Note 19.

Detail of movements of provision for obsolete inventories:

	Currency: VND	
	Current year	Previous year
Beginning balance	2,448,449,280	4,157,372,617
Add: Provision made during the year	1,745,834,442	2,758,057,196
Less: Utilisation and reversal of provision during the year	(3,217,984,912)	(4,466,980,533)
Ending balance	976,298,810	2,448,449,280

## 9. PREPAID EXPENSES

	Currency: VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Fire and explosion insurance	271,208,684	279,801,309
Advertising billboard rental fee	422,554,370	535,662,400
LC fees	125,354,527	2,010,293,259
Other short-term prepaid expenses	129,906,458	109,590,000
<b>TOTAL</b>	<b>949,024,039</b>	<b>2,935,346,968</b>
<b>Long-term</b>		
Tools and supplies	3,123,495,835	3,356,897,840
Prepaid land rental (Note 28)	-	141,070,536,570
<b>TOTAL</b>	<b>3,123,495,835</b>	<b>144,427,434,410</b>

## Sao Vang Rubber Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 10. TANGIBLE FIXED ASSETS

B09-DN

	Currency: VND			
	Buildings, structures	Machinery and equipment	Means of transportation	Office equipment
<b>Cost:</b>				
Beginning balance	115,917,044,294	510,323,910,958	52,723,989,482	786,447,907
- New purchase	-	808,355,252	1,893,280,000	-
- Transferred from construction in progress	426,176,296	-	-	-
Ending balance	116,343,220,590	511,132,266,210	54,617,269,482	786,447,907
<i>In which:</i>				
Fully depreciated	86,024,949,805	488,725,428,911	40,248,253,118	786,447,907
<b>Accumulated depreciation:</b>				
Beginning balance	99,171,679,930	502,279,081,098	41,177,957,406	786,447,907
- Depreciation for the year	1,979,069,780	3,979,106,218	1,713,699,721	-
Ending balance	101,150,749,710	506,258,187,316	42,891,657,127	786,447,907
<b>Net carrying amount:</b>				
Beginning balance	16,745,364,364	8,044,829,860	11,546,032,076	-
Ending balance	15,192,470,880	4,874,078,894	11,725,612,355	-
<b>Total</b>	<b>615,785,079,741</b>	<b>615,785,079,741</b>	<b>615,785,079,741</b>	<b>615,785,079,741</b>

The Company used certain machinery and equipment with net carrying amount as at 31 December 2024 of approximately VND 1.3 billion (31 December 2023: VND 2.9 billion) as collaterals for bank loans as presented in Note 19. The Company has also used a part of its fully depreciated buildings and structures for lease to third parties.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 11. FINANCE LEASES

Currency: VND  
Machinery and equipment

**Cost:**

Beginning balance	16,850,424,239
- Additional leases	3,274,276,103
Ending balance	20,124,700,342

**Accumulated depreciation:**

Beginning balance	4,395,365,281
- Depreciation for the year	2,624,342,354
Ending balance	7,019,707,635

**Net carrying amount:**

Beginning balance	12,455,058,958
Ending balance	13,104,992,707

## 12. INTANGIBLE FIXED ASSETS

Currency: VND

	Infinite land use rights	Finite land use rights	Total
<b>Cost:</b>			
Beginning balance	3,042,378,022	573,345,000	3,615,723,022
Ending balance	3,042,378,022	573,345,000	3,615,723,022
<b>Accumulated amortisation:</b>			
Beginning balance	-	206,404,200	206,404,200
- Amortisation for the year	-	11,466,900	11,466,900
Ending balance	-	217,871,100	217,871,100
<b>Net carrying amount:</b>			
Beginning balance	3,042,378,022	366,940,800	3,409,318,822
Ending balance	3,042,378,022	355,473,900	3,397,851,922

All intangible assets were used as collaterals for bank loans as presented in Note 19.

## 13. CONSTRUCTION IN PROGRESS

Currency: VND

	Ending balance	Beginning balance
Construction costs of warehouse, expanded factory in Xuan Hoa town	1,656,758,754	1,504,049,495
Others	408,850,110	555,325,110
<b>TOTAL</b>	<b>2,065,608,864</b>	<b>2,059,374,605</b>

## Sao Vang Rubber Joint Stock Company

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 14. LONG-TERM INVESTMENTS

Companies	Ending balance		Beginning balance		Fair value	Fair value
	Cost	Provision	Cost	Provision		
Investments in associates (Note 14.1)						
Sao Vang - Hoanh Son Joint Stock Company	375,000,000,000	(1,623,589,689)	(*) 375,000,000,000	-	(*)	(*)
Sao Vang - Hoanh Son Company Limited	130,000,000,000	(2,002,085,335)	(*) 130,000,000,000	(980,089,245)	(*)	(*)
	<b>505,000,000,000</b>	<b>(3,625,675,024)</b>	<b>505,000,000,000</b>	<b>(980,089,245)</b>		
Investment in other entity (Note 14.2)						
Philips Carbon Black Vietnam Joint Stock Company	8,444,062,358	(1,312,898,421)	(*) 8,444,062,358	(1,929,397,028)	(*)	(*)
	<b>8,444,062,358</b>	<b>(1,312,898,421)</b>	<b>8,444,062,358</b>	<b>(1,929,397,028)</b>		
<b>TOTAL</b>	<b>513,444,062,358</b>	<b>(4,938,573,445)</b>	<b>513,444,062,358</b>	<b>(2,909,486,273)</b>		

(\*) The Company is in the process of determining the fair value of these investments.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended**14. LONG-TERM INVESTMENTS (continued)****14.1 Investments in associates**

The details of investments in associates are as follows:

Company	Location	Principal activities	Ownership		Voting rights	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Sao Vang – Hoanh Son Joint Stock Company	Administrative and Service Area - Vung Ang Industrial Zone and Seaport, Ky Loi Commune, Ky Anh Town, Ha Tinh Province, Vietnam	Producing tubes and tires	30.6%	30.6%	30.6%	30.6%
Sao Vang – Hoanh Son Company Limited (Note 18)	No. 231 Nguyen Trai Street, Thuong Dinh Ward, Thanh Xuan District, Hanoi City, Vietnam	Producing rooftop solar power	26.0%	26.0%	26.0%	26.0%

According to the Meeting Minutes No. 96/BB-HDQT of the Board of Directors dated 19 June 2018, the Board of Directors has assigned the Company's General Director to develop a plan to divest the Company's contributed capital in Sao Vang - Hoanh Son Company Limited in accordance with legal regulations and the preservation of investment capital. At the date of these financial statements, the divestment plan is still under the preparation by the Company.

**14.2 Investments in other entity**

Company	Location	Principal activities	Ownership		Voting rights	
			Ending balance	Beginning balance	Ending balance	Beginning balance
Philips Carbon Black Vietnam Joint Stock Company	Lot No. 4, My Xuan A Industrial Park, Phu My Town, Ba Ria - Vung Tau Province.	Coal production	7.0%	7.0%	7.0%	7.0%

As of the date of these financial statements, Philips Carbon Black Vietnam Joint Stock Company is in the progress to complete the dissolution and return contributed capital to its shareholders.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended**15. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS****15.1 Short-term trade payables**

	Currency: VND			
	Ending balance		Beginning balance	
	Amount	Payable amount	Amount	Payable amount
Trade payables to other parties	146,710,122,699	146,710,122,699	92,885,686,236	92,885,686,236
- SAIC Hongyan Motor Co., Ltd	56,212,200,000	56,212,200,000	15,949,494,000	15,949,494,000
- Quang Tri Rubber Co., Ltd	16,684,206,000	16,684,206,000	16,008,300,000	16,008,300,000
- Kim Truong Phuc Co., Ltd	13,185,364,997	13,185,364,997	9,886,987,876	9,886,987,876
- Other suppliers	60,628,351,702	60,628,351,702	51,040,904,360	51,040,904,360
Trade payables to related parties (Note 31)	1,543,045,824	1,543,045,824	659,972,727	659,972,727
<b>TOTAL</b>	<b>148,253,168,523</b>	<b>148,253,168,523</b>	<b>93,545,658,963</b>	<b>93,545,658,963</b>

**15.2 Short-term advances from customers**

	Currency: VND	
	Ending balance	Beginning balance
Advances from other customers	11,457,651,594	8,858,981,197
Advances from related parties (Note 31)	31,087,674,319	64,555,712,596
<b>TOTAL</b>	<b>42,545,325,913</b>	<b>73,414,693,793</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

16. STATUTORY OBLIGATIONS

	Beginning balance		Movement during the year		Ending balance	
	Receivables/ Deductible	Payables	Payable during the year	Payments made during the year	Receivables /Deductible	Payables
Corporate incomes tax	-	1,064,583,721	39,024,747,415	(71,051,162,745)	30,961,831,609	-
Land and housing tax, land rental charges	-	-	14,269,158,214	(14,269,158,214)	-	-
Value added tax	457,652,569	481,991,930	35,401,356,612	(37,171,692,792)	1,952,962,417	206,965,598
Personal income tax	-	46,415,915	796,281,106	(719,665,877)	-	123,031,144
Value added tax on imported goods	-	-	17,013,090,386	(17,013,090,386)	-	-
Other taxes	-	-	584,686,946	(584,686,946)	-	-
<b>TOTAL</b>	<b>457,652,569</b>	<b>1,592,991,566</b>	<b>107,089,320,679</b>	<b>(140,809,456,960)</b>	<b>32,914,794,026</b>	<b>329,996,742</b>

Currency: VND

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

17. SHORT-TERM ACCRUED EXPENSES

	Currency: VND	
	Ending balance	Beginning balance
Recycling obligation payable to Environmental Protection Fund (*)	2,155,063,590	-
Electricity fee	557,052,846	67,518,955
Interest expenses	344,600,000	278,200,000
Other accrued expenses	689,958,710	436,722,094
<b>TOTAL</b>	<b>3,746,675,146</b>	<b>782,441,049</b>

(\*) This represents the financial obligations for recycling products and packaging being accrued in accordance with Decree 08/2022/ND-CP issued by the Government on 10 January 2022 elaborating detailed requirement on certain provisions of the Law on Environmental Protection ("Decree 08").

18. OTHER PAYABLES

	Currency: VND	
	Ending balance	Beginning balance
<b>Short-term</b>		
Payables for bank's LCs for imported goods	-	78,303,636,360
Dividend payables to related parties (Note 31)	1,117,901,958	1,075,017,618
Deposits	3,389,497,355	3,255,964,555
Social insurance	250,121,205	530,765,666
Others	967,994,934	720,204,022
<b>TOTAL</b>	<b>5,725,515,452</b>	<b>83,885,588,221</b>
<b>Long-term</b>		
Payables for business cooperation contract (i) (Note 31)	143,500,000,000	143,500,000,000
<b>TOTAL</b>	<b>143,500,000,000</b>	<b>143,500,000,000</b>

(i) In accordance with the Business cooperation contract No. 18/2016/HDHTDT/SRC-HS dated 15 June 2016 between the Company and Hoanh Son Group Joint Stock Company, the parties concurred to establish Sao Vang - Hoanh Son Company Limited to carry out "Sao Vang - Hoanh Son Commercial and Residential Complex project" at No. 231, Nguyen Trai, Thanh Xuan, Hanoi. According to this contract, capital expenditure in connection to the relocation costs of the factory at 231 Nguyen Trai, Thanh Xuan, Hanoi and investment costs of a new factory with a total estimated amount of VND 435 billion shall be supported and paid by Sao Vang - Hoanh Son Company Limited. Subsequently, the Company received the first and second installments totaling at VND 143.5 billion from this company. However, at the date of these financial statements, a detail reallocation plan of the factory at 231 Nguyen Trai, Thanh Xuan as well as the investment in the new factory have not yet been finalized.

As disclosed in Note 14, the Company is in the process of preparing a divestment plan of its contributed capital in Sao Vang - Hoanh Son Company Limited in accordance with legal regulations and preservation of investment capital, and accordingly, related support costs received from and provided by Sao Vang - Hoanh Son Company Limited shall be finalized between related parties.

The Company has also used the property rights arising from the aforementioned business cooperation contract as collateral for bank loans as presented in Note 19.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 19. LOANS AND FINANCE LEASES

	Beginning balance		Movement during the year			Ending balance	
	Balance	Payable amount	Increase	Decrease	Foreign exchange difference	Balance	Payable amount
<b>Short-term</b>							
Loans from banks (Note 19.1)	335,808,837,780	335,808,837,780	794,678,938,610	(878,504,687,792)	894,381,078	252,877,469,676	252,877,469,676
Current portion of long-term financial lease (Note 19.2)	2,585,476,992	2,585,476,992	3,042,323,155	(2,825,736,660)	-	2,802,063,487	2,802,063,487
	<b>338,394,314,772</b>	<b>338,394,314,772</b>	<b>797,721,261,765</b>	<b>(881,330,424,452)</b>	<b>894,381,078</b>	<b>255,679,533,163</b>	<b>255,679,533,163</b>
<b>Long-term</b>							
Financial lease (Note 19.2)	2,667,334,365	2,667,334,365	3,025,227,045	(3,577,004,155)	-	2,115,557,255	2,115,557,255
Loans to related parties (Note 31)	130,000,000,000	130,000,000,000	-	(130,000,000,000)	-	-	-
	<b>132,667,334,365</b>	<b>132,667,334,365</b>	<b>3,025,227,045</b>	<b>(133,577,004,155)</b>	<b>-</b>	<b>2,115,557,255</b>	<b>2,115,557,255</b>
<b>TOTAL</b>	<b>471,061,649,137</b>	<b>471,061,649,137</b>	<b>800,746,488,810</b>	<b>(1,014,907,428,607)</b>	<b>894,381,078</b>	<b>257,795,090,418</b>	<b>257,795,090,418</b>

Currency: VND

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## Sao Vang Rubber Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 19. LOANS AND FINANCE LEASES (continued)

## 19.1 Short-term loans from banks

Details of short-term loans from banks are as follows:

Banks	Ending balance (VND)	Original amount (USD)	Principal and interest repayment term	Interest rate (per annum)	Description of collateral
Vietnam Joint Stock Commercial Bank for Industry and Trade – Dong Da Branch	29,017,727,595	-	Principal is due according to each withdrawal agreement, with the final installment will be due on 26 June 2025. Interest is payable monthly.	7.0%	- 50% of property rights arising from commercial contracts with third parties - Property right arising from the business cooperation contract with Hoanh Son Group Joint Stock Company
Vietnam Joint Stock Commercial Bank for Industry and Trade – Phuc Yen Branch	47,592,712,725	1,862,655.58	Principal is due according to each withdrawal agreement, with the final installment will be due on 27 June 2025. Interest is payable monthly.	5.3%	- Certain machinery and equipment; and - Land use rights in Hoa Chau commune, Hoa Vang district, Da Nang city
Vietnam Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Noi Branch	38,105,954,552	-	Principal will be paid according to each withdrawal agreement, with the final installment will be due on 27 June 2025. Interest is payable monthly.	7.0%	Revolving inventories and certain machineries at Thai Binh Branch
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Noi Branch	138,161,074,804	-	Principal is due according to each withdrawal agreement, with the final installment will be due on 24 May 2025. Interest is payable monthly.	5.8% - 7.3%	- Deposit contracts under mortgage contracts; and - Land use rights and assets attached on lands of the Company at 231 Nguyen Trai, Thuong Dinh ward, Thanh Xuan district, Hanoi; at 261 Vu Tong Phan, Thanh Xuan district, Hanoi; and at 63, Nguyen Binh Khiem street, District 1, Ho Chi Minh city
<b>TOTAL</b>	<b>252,877,469,676</b>				

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**19. LOANS AND FINANCE LEASES (continued)**

**19.2 Finance leases**

The Company leases machinery and equipment under financial lease agreement. Future obligations due to financial lease agreement as at balance sheet dates were as follows:

	Ending balance		Beginning balance		Currency: VND
	Total minimum lease payments	Finance charges	Total minimum lease payments	Finance charges	
<b>Current liabilities</b>					
Less than 1 year	1,716,101,777	278,179,181	2,912,874,019	327,397,027	2,585,476,992
<b>Non-current liabilities</b>					
From 1-5 years	2,624,937,824	331,060,305	2,793,168,632	125,834,267	2,667,334,365
<b>TOTAL</b>	<b>4,341,039,601</b>	<b>609,239,486</b>	<b>5,706,042,651</b>	<b>453,231,294</b>	<b>5,252,811,357</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**20. SHORT-TERM PROVISION**

This represents provision for warranty claims on tire products sold that may be incurred in the next financial year.

**21. BONUS AND WELFARE FUND**

	Currency: VND	
	Current year	Previous year
Beginning balance	3,727,540,518	6,017,700,977
Increase during the year	2,940,063,570	2,774,125,541
Utilisation during the year	(3,576,571,000)	(5,064,286,000)
Ending balance	<u>3,091,033,088</u>	<u>3,727,540,518</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 22. OWNERS' EQUITY

### 22.1 Increase and decrease in owners' equity

	Share capital	Share premium	Treasury shares	Investment and development fund	Undistributed earnings	Total	Currency: VND	
							Previous year	Current year
Beginning balance	280,657,650,000	-	-	99,692,125,955	59,006,897,854	439,332,707,414		
Net profit for the year	-	3,605	(23,970,000)	-	29,400,635,701	29,400,635,701		
Appropriation to investment and development fund	-	-	-	-	(8,322,376,624)	(8,322,376,624)		
Appropriation to bonus and welfare fund	-	-	-	-	(2,774,125,541)	(2,774,125,541)		
Appropriation to executives' reward fund	-	-	-	-	(159,000,000)	(159,000,000)		
Dividends declared	-	-	-	-	(22,450,694,400)	(22,450,694,400)		
Ending balance	280,657,650,000	3,605	(23,970,000)	108,014,502,579	54,701,336,990	443,349,523,174		
Beginning balance	280,657,650,000	-	-	108,014,502,579	151,640,075,518	151,640,075,518		
Net profit for the year	-	3,605	(23,970,000)	-	8,820,190,710	8,820,190,710		
Appropriation to investment and development fund (*)	-	-	-	-	(2,940,063,570)	(2,940,063,570)		
Appropriation to bonus and welfare fund (*)	-	-	-	-	(156,650,000)	(156,650,000)		
Appropriation to reward fund for executives (*)	-	-	-	-	(16,838,020,800)	(16,838,020,800)		
Dividends declared (*)	-	-	-	-	177,586,487,428	177,586,487,428		
Ending balance	280,657,650,000	3,605	(23,970,000)	116,834,693,289	575,054,864,322	575,054,864,322		

(\*) The Company has made appropriation to investment and development fund; bonus and welfare fund; and executives' reward fund and declared dividend from undistributed earnings up to 31 December 2023 in accordance with the Resolution No. 43/NQ-DHCCD of the Company's Annual General Meeting of shareholders dated 22 April 2024.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

## 22. OWNERS' EQUITY (continued)

### 22.2 Details of owners' shares capital

	Ending balance			Beginning balance		
	Total	Ordinary shares	Preference shares	Total	Ordinary shares	Preference shares
	Unit: Shares					
Hoanh Son Group Joint Stock Company	14,093,290	14,093,290	-	14,093,290	14,093,290	-
Vietnam National Chemical Group	10,104,115	10,104,115	-	10,104,115	10,104,115	-
Other shareholders	3,865,963	3,865,963	-	3,865,963	3,865,963	-
Treasury shares	2,397	2,397	-	2,397	2,397	-
<b>TOTAL</b>	<b>28,065,765</b>	<b>28,065,765</b>	<b>-</b>	<b>28,065,765</b>	<b>28,065,765</b>	<b>-</b>

### 22.3 Capital transactions with owners and distribution of dividends, profits

	Currency: VND	
	Current year	Previous year
<b>Contributed capital</b>		
Beginning balance	280,657,650,000	280,657,650,000
Ending balance	280,657,650,000	280,657,650,000
<b>Dividends declared</b>		
Dividends for 2023: 6% of par value	16,838,020,800	-
Dividends for 2022: 8% of par value	-	22,450,694,400
<b>Dividends paid</b>	16,783,769,520	22,381,914,640

### 22.4 Shares

	Unit: Shares	
	Ending balance	Beginning balance
<b>Authorized shares</b>	<b>28,065,765</b>	<b>28,065,765</b>
<b>Issued shares</b>	<b>28,065,765</b>	<b>28,065,765</b>
Ordinary shares	28,065,765	28,065,765
<b>Treasury shares</b>	<b>2,397</b>	<b>2,397</b>
<b>Shares in circulation</b>	<b>28,063,368</b>	<b>28,063,368</b>
Ordinary shares	28,063,368	28,063,368

The par value of share in circulation: VND 10,000/share (31 December 2023: 10,000 VND/share).

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**23. OFF BALANCE SHEET ITEMS**

ITEM	Ending balance	Beginning balance
Foreign currency		
- US Dollar (USD)	49,195.62	89,796.19
- Russian Rub (RUB)	6,398.11	2,067,637.91

**24. REVENUES****24.1 Revenue from sale of goods and rendering of services**

	Currency: VND	
	Current year	Previous year
<b>Gross revenue</b>	<b>1,063,350,074,195</b>	<b>1,234,494,008,488</b>
<i>In which:</i>		
Sale of finished goods	852,114,555,887	835,131,099,573
Sale of merchandises	192,445,447,986	379,491,570,936
Rendering of services	17,423,601,197	16,459,130,921
Sale of supplies	1,096,002,300	2,862,128,462
Others	270,466,825	550,078,596
<b>Deduction:</b>	<b>(35,570,201,845)</b>	<b>(36,743,900,996)</b>
<b>Net revenue</b>	<b>1,027,779,872,350</b>	<b>1,197,750,107,492</b>
<i>In which:</i>		
Sale of finished goods	816,544,354,042	798,387,198,577
Sale of merchandises	192,445,447,986	379,491,570,936
Rendering of services	17,423,601,197	16,459,130,921
Sale of supplies	1,096,002,300	2,862,128,462
Others	270,466,825	550,078,596
<i>In which:</i>		
Sale to related parties (Note 31)	106,976,346,849	89,718,793,318
Sale to others	920,803,525,501	1,108,031,314,174

**24.2 Finance income**

	Currency: VND	
	Current year	Previous year
Interest income	2,981,238,755	583,339,097
Foreign exchange gains	2,278,864,013	1,066,336,737
<b>TOTAL</b>	<b>5,260,102,768</b>	<b>1,649,675,834</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**25. COST OF GOODS SOLD AND SERVICES RENDERED**

	Currency: VND	
	Current year	Previous year
Cost of finished goods sold	693,140,221,373	671,321,077,471
Cost of merchandise sold	189,162,073,354	360,058,650,517
Cost of services rendered	823,198,460	2,779,990,355
Reversal of provision for obsolete inventories	(1,472,150,470)	(1,708,923,337)
<b>TOTAL</b>	<b>881,653,342,717</b>	<b>1,032,450,795,006</b>

**26. FINANCE EXPENSES**

	Currency: VND	
	Current year	Previous year
Loan interest	15,350,281,706	16,010,130,009
Discounts for early payment	5,499,065,970	4,584,999,100
Foreign exchange losses	1,395,521,030	470,034,322
Provision/(reversal of provision) for diminution in value of long-term investments	2,029,087,172	(114,449,769)
<b>TOTAL</b>	<b>24,273,955,878</b>	<b>20,950,713,662</b>

**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	Currency: VND	
	Current year	Previous year
<b>Selling expenses</b>		
Expenses for external services	23,244,670,407	20,769,044,494
Labour costs	5,448,767,398	5,041,772,962
Depreciation	11,466,900	112,072,130
Advertising costs	1,686,826,325	1,149,745,505
Warranty expenses	3,129,885,295	3,991,447,204
Others	1,949,408,075	2,608,095,340
<b>TOTAL</b>	<b>35,471,024,400</b>	<b>33,672,177,635</b>
<b>General and administrative expenses</b>		
Labour costs	25,601,016,691	22,728,739,578
Land rental expenses	14,269,158,214	26,509,004,246
Expenses for external service	9,110,727,594	13,738,531,643
Professional service fees (*)	621,300,000	461,700,000
Depreciation and amortization	2,148,035,502	1,510,155,454
(Reversal of provision)/Provisions	(1,416,587,208)	3,815,829,156
Others	13,278,076,698	5,902,592,536
<b>TOTAL</b>	<b>63,611,727,491</b>	<b>74,666,552,613</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**27. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES** (continued)

(\*) Included professional service fees with the global network of EY firms ("EY Firms") incurred in the current year with the total amount of VND 480,000,000.

**28. OTHER INCOME AND EXPENSES**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Other income</b>		
Income from the transfer of land lease and infrastructure use rights at Chau Son Industrial Park, Ha Nam province (*)	303,837,948,660	-
Others	3,046,001,994	1,426,797,302
	<b>306,883,950,654</b>	<b>1,426,797,302</b>
<b>Other expenses</b>		
Costs from the transfer of land lease and infrastructure use rights at Chau Son Industrial Park, Ha Nam (*)	143,747,661,057	-
Others	501,391,296	31,263,751
	<b>144,249,052,353</b>	<b>31,263,751</b>
<b>NET OTHER PROFIT</b>	<b>162,634,898,301</b>	<b>1,395,533,551</b>

(\*) These represent the consideration received and expenses paid in relation to the transfer of land lease and infrastructure use rights at land lot No. 03, Chau Son Industrial Park, Chau Son ward, Phu Ly city, Ha Nam province. Such disposal has been proceeded in accordance with the Resolution No. 138/NQ-HDQT of the Board of Directors, which approves the termination of the "Investment in Sao Vang Rubber Factory in Ha Nam" project and the contracts for the transfer of lease rights of land and infrastructure and assets attached to the land with relevant parties.

**29. PRODUCTION AND OPERATING COSTS**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Raw materials	558,898,262,454	468,475,606,489
Labour costs	112,230,123,063	102,636,211,823
Depreciation and amortisation	10,307,684,973	11,668,449,264
Expenses for external services	66,152,249,557	64,054,828,747
Others	44,839,568,183	61,046,591,682
(Reversal of provision)/provisions	(3,000,722,848)	2,092,424,144
<b>TOTAL</b>	<b>789,427,165,382</b>	<b>709,974,112,149</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**30. CORPORATE INCOME TAX**

The statutory corporate income tax ("CIT") applicable to the Company is 20% of taxable income.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

**30.1 CIT expenses**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Current tax expenses	38,027,897,698	9,654,442,260
Adjustment for under accrual of tax from prior years	996,849,717	-
<b>TOTAL</b>	<b>39,024,747,415</b>	<b>9,654,442,260</b>

The reconciliation between the profit before tax and taxable profit is presented below:

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Accounting profit before tax</b>	<b>190,664,822,933</b>	<b>39,055,077,961</b>
<b>At CIT rate of 20% applicable to the Company</b>	<b>38,132,964,586</b>	<b>7,811,015,592</b>
<i>Adjustments to increase/(decrease):</i>		
Other non-deductible expenses	711,871,127	1,836,263,728
Allowance of non-executive members of the Board of Directors and the Supervisory Board	25,200,000	25,200,000
Unrealized foreign exchange differences	(842,138,015)	(18,037,061)
Adjustment for under accrual of tax from prior years	996,849,717	-
<b>Current CIT expense</b>	<b>39,024,747,415</b>	<b>9,654,442,260</b>

**30.2 Current tax**

The current CIT payable is based on taxable profit for the current year. The taxable income of the Company for the period differs from the accounting profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES

The list of related parties over which the Company has control or significant influence and other related parties that have significant transactions at the Company during the year and as of 31 December 2024 is as follows:

No	Related parties	Relationships
1	Hoanh Son Group Joint Stock Company ("HSG")	Parent company
2	Vietnam National Chemical Group ("VNCG")	Major shareholder
3	Sao Vang – Hoanh Son Joint Stock Company	Associate
4	Sao Vang – Hoanh Son Limited Company	Associate
5	Viet Anh Investment Consulting and Construction Trading Joint Stock Company	Company related to the Chairman
6	Hanoi Beer Group Joint Stock Company	Company related to the Chairman
7	Hoanh Son General Trading and International Transportation Company Limited	Affiliate of HSG
8	Hoanh Son Investment and Development Joint Stock Company	Affiliate of HSG
9	Sao Vang Group Beer Alcohol and Beverage Joint Stock Company	Company related to the Chairman
10	Vietnam Apatit Limited Company	Affiliate of VNCG
11	DAP VINACHEM Joint Stock Company	Affiliate of VNCG
12	Viet Tri Chemical Joint Stock Company	Affiliate of VNCG
13	Chemical Industry Engineering Joint Stock Company	Affiliate of VNCG

Individuals who are members of the Board of Directors, Board of Supervision and Management of the company are presented in the General Information section.

Significant transactions with related parties for the current and prior year were as follows:

Currency: VND				
Related party	Relationship	Transactions	Current year	Previous year
Hoanh Son Group Joint Stock Company	Parent company	Sale of goods and rendering services	24,507,442,849	89,407,526,318
		Dividend distribution	8,455,974,000	5,508,920,000
		Dividend payment	8,455,974,000	5,508,920,000
		Repayment of borrowing	130,000,000,000	-
		Offset debt	7,000,000,000	-
Vietnam National Chemical Group	Major shareholder	Dividend distribution	6,062,469,000	8,083,292,000
		Dividend payment	6,062,469,000	8,083,292,000
Viet Tri Chemical Joint Stock Company	Affiliate of VNCG	Sale of goods and rendering services	409,829,000	311,267,000
Hoanh Son General Trading and International Transportation Company Limited	Affiliate of HSG	Sale of merchandise	82,059,075,000	-
Hoanh Son Investment and Development Joint Stock Company	Affiliate of HSG	Purchase of goods	1,872,000,000	-

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 31. TRANSACTIONS WITH RELATED PARTIES (continued)

Significant transactions with related parties for the current and prior year were as follows (continued):

Currency: VND				
Related party	Relationship	Transactions	Current year	Previous year
Sao Vang Group Beer Alcohol and Beverage Joint Stock Company	Company related to the Chairman	Purchase of goods	52,159,091	259,886,364
Viet Anh Investment Consulting and Construction Trading Joint Stock Company	Company related to the Chairman	Purchase of goods and services	660,000,000	600,000,000
Sao Vang – Hoanh Son Limited Company	Associate	Purchase of solar energy	1,117,660,275	-

Terms and conditions of transactions with related parties:

The sales to, purchases of goods and services from related parties are made based on contractual agreements.

Outstanding balances at 31 December 2024 are unsecured, interest free and will be settled in cash. For the year ended 31 December 2024, the Company had not made any provision for doubtful debts to amounts owed by related parties (31 December 2023: VND 58,853,130). This assessment is undertaken each financial year through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due to and due from related parties at the balance sheet dates were as follows:

Currency: VND				
Related party	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term trade receivables (Note 5)</b>				
Hoanh Son General Trading and International Transportation Company Limited	Affiliate of HSG	Sale of merchandise	83,841,817,500	-
Viet Tri Chemical Joint Stock Company	Affiliate of VNCG	Sale of finished goods	143,100,000	55,274,400
Hanoi Beer Group Joint Stock Company	Company related to the Chairman	Rendering of premises	11,000,000	11,000,000
DAP VINACHEM Joint Stock Company	Affiliate of VNCG	Sale of finished goods	-	53,953,130
Apatit Vietnam Company Limited	Affiliate of VNCG	Sale of finished goods	-	4,900,000
<b>TOTAL</b>			<b>83,995,917,500</b>	<b>125,127,530</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

Amounts due to and due from related parties at the balance sheet dates were as follows (continued):

Currency: VND

Related party	Relationship	Transactions	Ending balance	Beginning balance
<b>Short-term trade payables (Note 15.1)</b>				
Sao Vang – Hoanh Son Limited Company	Associate	Purchase of solar power	1,207,073,097	-
Chemical Industry Engineering Joint Stock Company	Affiliate of VNCG	Engineering service	335,972,727	335,972,727
Viet Anh Investment Consulting and Construction Trading Joint Stock Company	Company related to the Chairman	Purchase of services	-	324,000,000
<b>TOTAL</b>			<b>1,543,045,824</b>	<b>659,972,727</b>
<b>Short-term advances from customers (Note 15.2)</b>				
Hoanh Son Group Joint Stock Company	Parent company	Advances for finished goods	31,087,674,319	64,555,712,596
<b>TOTAL</b>			<b>31,087,674,319</b>	<b>64,555,712,596</b>
<b>Other short-term payables (Note 18)</b>				
Other shareholder	Other shareholders	Dividends payable	1,117,901,958	1,075,017,618
<b>TOTAL</b>			<b>1,117,901,958</b>	<b>1,075,017,618</b>
<b>Other long-term payables (Note 18)</b>				
Sao Vang – Hoanh Son Limited Company	Associate	Reallocation support costs	143,500,000,000	143,500,000,000
<b>TOTAL</b>			<b>143,500,000,000</b>	<b>143,500,000,000</b>
<b>Long-term loans (Note 19)</b>				
Hoanh Son Group Joint Stock Company	Parent company	Long-terms loans	-	130,000,000,000
<b>TOTAL</b>			<b>-</b>	<b>130,000,000,000</b>

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

31. TRANSACTIONS WITH RELATED PARTIES (continued)

**Transactions with other related parties**

Allowance to members of the Board of Directors ("BOD") and Board of Supervision ("BOS") during the year:

Currency: VND

Name	Position	Allowance	
		Current year	Previous year
Mr. Pham Hoanh Son	Chairman	60,000,000	60,000,000
Mr. Nguyen Viet Hung	Member of BOD	48,000,000	48,000,000
Mr. Nguyen Thanh Tung	Member of BOD	48,000,000	48,000,000
Mr. Nguyen Dinh Son	Member of BOD	48,000,000	48,000,000
Mr. Luong Xuan Hoang	Member of BOD	48,000,000	48,000,000
Mr. Nguyen Trung Hoa	Head of BOS	48,000,000	48,000,000
Mr. Hoang Van Hoa	Member of BOS	30,000,000	30,000,000
Ms. Vu Thi Mai Nhung	Member of BOS	30,000,000	30,000,000
<b>TOTAL</b>		<b>360,000,000</b>	<b>360,000,000</b>

Remuneration of management and BOS:

Currency: VND

Name	Position	Remuneration (*)	
		Current year	Previous year
Mr. Nguyen Viet Hung	General Director	640,921,200	627,686,874
Mr. Nguyen Thanh Tung	Deputy General Director	534,461,200	522,886,570
Mr. Nguyen Quang Hao	Director	494,500,000	475,541,141
Mr. Nguyen Trung Hoa	Head of BOS	321,839,315	282,099,888
Mr. Hoang Van Hoa	Member of BOS	275,057,009	263,615,002
<b>TOTAL</b>		<b>2,266,778,724</b>	<b>2,171,829,475</b>

(\*) Remuneration includes salary and bonus

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 32. SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the Company's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

#### 32.1 Business segment

The following tables present revenue, profit and certain assets and liabilities information regarding the Company's business segment:

	Currency: VND		
	Manufacturing	Trading	Others
<b>For the year ended 31 December 2024</b>			
Revenue			Total
Revenue from sale of goods and rendering of services	817,640,356,342	192,445,447,986	1,027,779,872,350
Results			
Segment gross profits before tax	119,374,400,525	9,058,061,086	146,126,529,633
Unallocated income (*)			44,538,293,300
Net profit before tax			190,664,822,933
Corporate income tax expense			(39,024,747,415)
Net profit for the year			151,640,075,518
Other segment information			
Capital expenditure on fixed assets			3,529,569,865
Tangible fixed assets			-
Intangible fixed assets			10,296,218,073
Depreciation			7,892,578,742
Amortization/allocation of prepaid expenses			140,709,281,570
Other significant non-cash expenses			
<b>As at 31 December 2024</b>			
Assets and liabilities			
Segment assets			
Unallocated assets (**)	314,370,249,114	166,406,634,935	1,818,686,165
Total assets			1,208,939,314,207
Segment liabilities			
Unallocated liabilities (***)	97,478,225,643	93,307,270,217	12,998,576
Total liabilities			443,085,955,449
			633,884,449,885

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### Sao Vang Rubber Joint Stock Company

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

### 32. SEGMENT INFORMATION (continued)

#### 32.1 Business segment (continued)

The following tables present revenue and profit and certain assets and liabilities information regarding the Company's business segment (continued):

	Currency: VND		
	Manufacturing	Trading	Others
<b>For the year ended 31 December 2023</b>			
Revenue			Total
Revenue from sale of goods and rendering of services	801,249,327,039	379,491,570,936	1,197,750,107,492
Results			
Segment gross profits before tax	126,070,149,243	22,619,953,726	165,299,312,486
Unallocated income/(expenses) (*)			(126,244,234,525)
Net profit before tax			39,055,077,961
Corporate income tax expense			(9,654,442,260)
Net profit for the year			29,400,635,701
Other segment information			
Capital expenditure on fixed assets			16,173,723,558
Tangible fixed assets			-
Intangible fixed assets			11,656,982,364
Depreciation			16,781,460,657
Amortization/allocation of prepaid expenses			
<b>As at 31 December 2023</b>			
Assets and liabilities			
Segment assets			
Unallocated assets (**)	303,459,218,155	288,206,014,755	1,930,338,862
Total assets			593,595,571,772
Segment liabilities			
Unallocated liabilities (***)	80,336,389,524	86,610,064,894	1,346,839,659,024
Total liabilities			166,960,352,756
			736,529,783,094
			903,490,135,850

(\*) Unallocated income/expense primarily includes financial income, financial expenses, selling expenses and administrative expenses, other income and other expenses.

(\*\*) Unallocated assets primarily includes cash and cash equivalents, fixed assets, prepaid expenses, other long-term receivables and investments.

(\*\*\*) Unallocated liabilities primarily includes payables to employees, loan and finance lease obligations, accrual expenses, short-term provision, bonus and welfare fund, scientific and technological development fund and other payables.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**32. SEGMENT INFORMATION** (continued)  
**32.2 Geographical segment**

The following tables present revenue and profit and certain assets and liability information regarding the Company's geographical segment:

	Currency: VND	
	Export	Domestic
	Total	
<b>For the year ended at 31 December 2024</b>		
Revenue		
Revenue from sales of goods and rendering of services	216,890,465,984	810,889,406,366
Capital expenditure on fixed assets		1,027,779,872,350
Tangible fixed assets		3,529,569,865
Intangible fixed assets		-
<b>As at 31 December 2024</b>		
Other segment information		
Segment assets	111,269,011,919	120,291,022,343
Unallocated assets (*)		231,560,034,262
Total asset		977,379,279,945
		1,208,939,314,207
<b>For the year then ended at 31 December 2023</b>		
Revenue		
Revenue from sales of goods and rendering of services	162,622,743,285	1,035,127,364,207
Capital expenditure on fixed assets		
Tangible fixed assets		16,173,723,558
Intangible fixed assets		-
<b>As at 31 December 2023</b>		
Other segment information		
Segment assets	36,000,539,422	323,794,854,698
Unallocated assets (*)		359,795,394,120
Total asset		987,044,264,904
		1,346,839,659,024

(\*) Unallocated assets primarily includes cash and cash equivalents, advance to suppliers, inventory, fixed assets, prepaid expenses, other long-term receivables and investments.

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**33. EARNINGS PER SHARE**

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Currency: VND	
	Current year	Previous year (Restated)
Profit after tax	151,640,075,518	29,400,635,701
Distribution to bonus and welfare fund and executives' reward fund (*)	-	(3,096,713,570)
<b>Net profit attributable to ordinary shareholders</b>	<b>151,640,075,518</b>	<b>26,303,922,131</b>
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	28,063,368	28,063,368
<b>Weighted average number of ordinary shares (excluding treasury shares) adjusted for the effect of dilution</b>	<b>28,063,368</b>	<b>28,063,368</b>
<b>Earnings per share</b>		
- Basic earnings per share	5,403	937
- Diluted earnings per share	5,403	937

Net profit used to compute earnings per share for the year ended 31 December 2023 was restated to reflect the actual appropriation to bonus and welfare fund and executives' reward fund from 2023's profits in accordance with the Resolution No. 43/NQ-DHĐCD dated 22 April 2024 of the 2024 Annual General Meeting of Shareholders.

Net profit used to compute earnings per share for the year ended 31 December 2024 was not adjusted for the appropriation to bonus and welfare fund and executives' reward fund from 2024's profit as the resolution of the shareholders meeting on such distribution of profit of the current year is not yet available.

There has been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)  
as at 31 December 2024 and for the year then ended

**34. COMMITMENTS**

**Operating lease commitment as a lessee**

The Company leases land, offices and stores under operating lease arrangements. The future minimum lease commitments as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	19,949,072,806	23,518,383,538
From 1-5 years	79,796,291,224	94,073,534,152
More than 5 years	492,416,110,153	603,831,938,309
<b>TOTAL</b>	<b>592,161,474,183</b>	<b>721,423,855,999</b>

**Operating lease commitment as a lessor**

The Company lets out warehouses, premises, offices, and kiosks under operating lease arrangements. The future minimum rental receivables as at the balance sheet dates under these operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	7,463,967,273	5,696,258,208
From 1-5 years	1,495,890,411	3,433,530,000
<b>TOTAL</b>	<b>8,959,857,684</b>	<b>9,129,788,208</b>

**35. EVENTS AFTER THE BALANCE SHEET DATE**

There is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the financial statements of the Company.

Hanoi, Vietnam

10 March 2025



Preparer  
Le Lan Phuong



Chief accountant  
Tran Minh Tuan



General Director  
Nguyen Viet Hung

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*Ha Noi, March 28, 2025*

**O/B. BOARD OF DIRECTORS**  
**Chairman**



**Pham Hoanh Son**



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