



# ANNUAL REPORT 2024

**Pha Le Plastics Manufacturing And Technology Joint Stock Company**



## Table Of Contents

<b>PART I.....</b>	<b>2</b>
<b>OVERVIEW .....</b>	<b>2</b>
COMPANY INFORMATION .....	4
PROCESS OF FORMATION AND DEVELOPMENT .....	6
BUSINESS LINES AND AREAS .....	7
OVERVIEW OF COMPANY PRODUCTS .....	8
ORGANIZATIONAL DIAGRAM.....	9
LIST OF MEMBERS OF THE BOARD OF DIRECTORS, SUPERVISORY BOARD AND BOARD OF DIRECTORS .....	10
ORIENTATION AND DEVELOPMENT STRATEGY .....	13
<b>PART II.....</b>	<b>14</b>
<b>BUSINESS ENVIRONMENT.....</b>	<b>14</b>
MACROECONOMIC CONTEXT .....	15
SPC FLOORING MARKET OUTLOOK.....	17
<b>PART III.....</b>	<b>21</b>
<b>PERFORMANCE RESULTS 2024 .....</b>	<b>21</b>
GENERAL ASSESSMENT OF THE BOARD OF DIRECTORS .....	22
INVESTMENT ACTIVITIES 2024.....	25
FINANCIAL SITUATION.....	27
<b>PART IV.....</b>	<b>30</b>
<b>CORPORATE GOVERNANCE.....</b>	<b>30</b>
BOARD OF DIRECTORS' ACTIVITIES REPORT .....	31
SUPERVISORY BOARD ACTIVITIES REPORT .....	36
REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD .....	39
CONTRACTS, TRANSACTIONS WITH INSIDERS .....	40
RISK MANAGEMENT ACTIVITIES.....	41
STOCK INFORMATION AND INVESTOR RELATIONS ACTIVITIES .....	44
<b>PART V .....</b>	<b>45</b>
<b>SUSTAINABILITY REPORT .....</b>	<b>45</b>
REPORT OVERVIEW .....	46
SUSTAINABLE DEVELOPMENT STRATEGY LINKED TO SK27945 GOAL.....	46
OUTSTANDING RESULTS IN 2024 .....	48
2025 ACTION PLAN.....	51
<b>FINANCIAL REPORT.....</b>	<b>52</b>



# PART I

## OVERVIEW



❖ **Vision:**

To become a pioneer and leader in the field of producing refined products from CaCO<sub>3</sub> stone, creating a solid position in the global value chain.

❖ **Mission:**

Bringing high-quality products by applying advanced technologies.

Ensuring the harmony of the interests of customers and shareholders.

Create a working environment to improve the creativity, responsibility and professionalism of the Company's officers and employees.

❖ **Core Values:**

**Quality on each product:** Product quantity is a vital factor for a business when participating in the global value chain, especially in the field of industrial production. Proactively improving production capacity, always ensuring that the output products are in accordance with standard specifications, each member of Pha Le Plastics strives to complete the assigned work with the highest quality.

**Continuously applying technology to production:** Not only ensuring stable quality, the investment in the application of advanced technology helps to invent new production methods, thereby improving quality while saving costs.

**Sharing and accompanying partners:** Remembering partners as companions to share on the path of business activities, Pha Le Plastics always supports partners in the spirit of successful cooperation, mutual benefit.

**Responsibility to the community:** Not only for the goal of economic development but also to serve consumers, improve and enhance the lives of workers, bring long-term benefits to partners and shareholders, contribute to the common interests of the whole society.



## COMPANY INFORMATION

- ✓ Company name: Pha Le Plastics Manufacturing And Technology Joint Stock Company
- ✓ Abbreviation: PHA LE PLASTICS JSC
- ✓ Stock code: PLP
- ✓ Business Registration Certificate No. 0103018538 issued by the Department of Planning and Investment of Hanoi City for the first time on 18/11/2008, the Department of Planning and Investment of Hai Phong City issued for the 19th amendment on 08/03/2024
- ✓ Head office: Lot CN4.3 MP Dinh Vu Industrial Park, Dinh Vu – Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City
- ✓ Contact address: Hanoi Office - House 4 Row NO 9, Huynh Van Nghe Street, Sai Dong New Urban Area, Viet Hung Ward, Long Bien District, Hanoi City
- ✓ Nghe An Branch: Thung Hung Quarry, Ban Hat Hamlet, Chau Tien Commune, Quy Hop District, Nghe An Province
- ✓ Charter capital: 700.000.000.000 VND
- ✓ Phone: (+84-24) 3555 1669
- ✓ Website : <https://phaleplastics.com.vn/>
- ✓ Legal representative: **Mr Mai Thanh Phuong**
- ✓ Position: Chairman of the Board of Directors

## PHA LE PLASTICS JSC

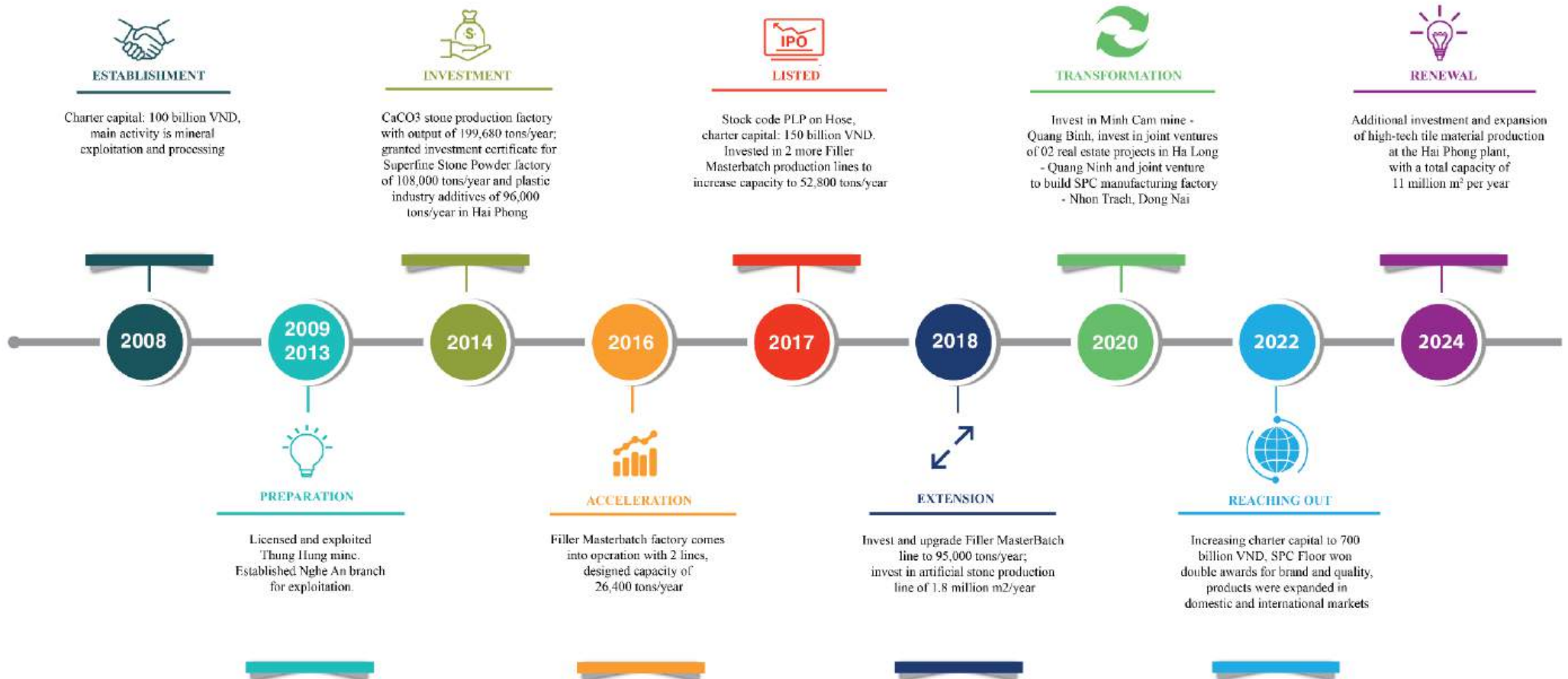
✓ Subsidiaries and associated companies:

Currently, the company has 02 associated companies:

<b>Information</b>	<b>Minh Cam Mineral Joint Stock Company</b>	<b>Tan Viet An Trading and Tourism Joint Stock Company</b>
<b>Relationship</b>	Affiliates	Affiliates
<b>Address</b>	Len Minh Cam quarry, Phong Hoa commune, Tuyen Hoa district, Quang Binh province	No. 84, Logistics Street, Bai Chay Ward, Ha Long City, Quang Ninh Province.
<b>Main Business Activities</b>	Mineral extraction	Real Estate Business
<b>Ownership Rate</b>	45%	49,5%



**PROCESS OF FORMATION AND DEVELOPMENT**



## BUSINESS LINES AND AREAS

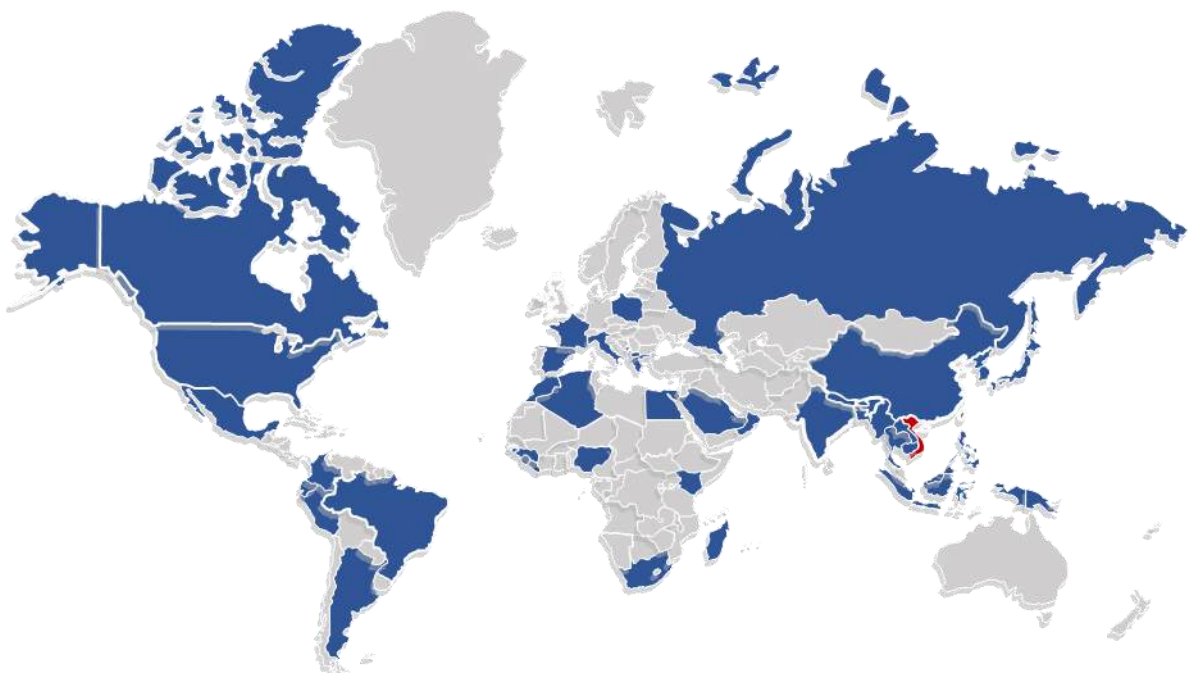
### ❖ Main business lines and fields

- Exploration, exploitation, processing and trading of minerals (except for minerals banned by the State);
- Production of virgin plastic and synthetic rubber;
- Manufacturing products from plastic;
- Production of man-made fibers;
- Production of products from other non-metallic minerals that have not been classified anywhere;
- Import and export of goods of the company;

### ❖ Business area

With a chain of closed production processes, deep processing of non-renewable resources from limestone, lime powder, to filler products, additives in the plastic industry and especially SPC technology flooring products, cornices... With a strict control process, PLP has brought prestige to domestic and foreign customers.

The business area develops with more than 70 countries, spanning all continents and the interior of Vietnam: Domestic, American, European, Asian, South African, etc. Particularly for strategic products of SPC technology stone flooring, PLP focuses on developing in the US market..





## OVERVIEW OF COMPANY PRODUCTS

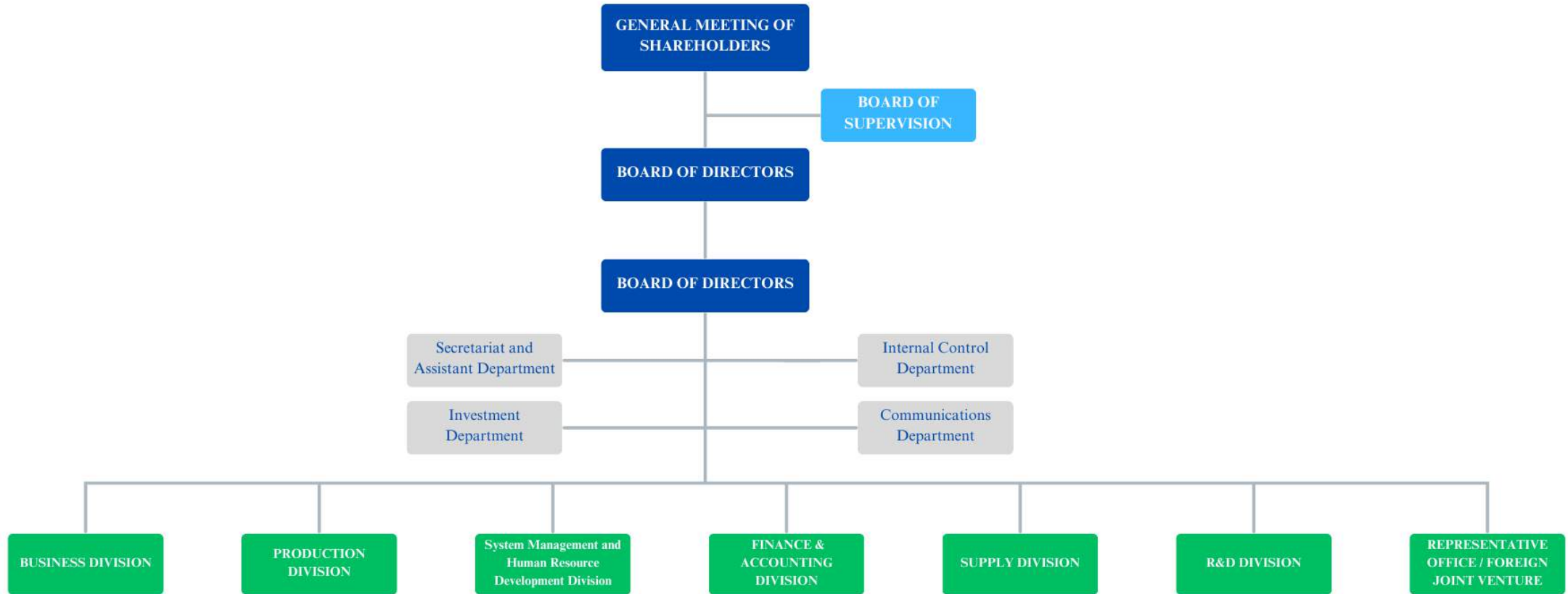
Chain of exploitation - deep processing - production of final products



tarting from a mineral extraction and processing factory, Pha Le Plastic orients and builds a chain of exploitation – deep processing – production of end products, optimally exploiting the value of natural mineral resources. With the orientation of developing products from available resources - CaCO<sub>3</sub> Quarry, in the first stage, the company promotes the mining of stones and stone powder at the mine and develops production for the product of plastic additives Filler MaterBatch - which is a raw material for the production of the plastic industry. with a large constituent density from CaCO<sub>3</sub> stone powder. Because it is an intermediate product in the process of producing finished plastic products, the product profit margin is not of great value, and the market for plastic additives has also entered a saturation period, so the shift and expansion of new product production is inevitable for the company's development.

PLP has always been constantly researching and developing terminal products and in the past 3 years, PLP has made strides in the production of SPC technology flooring products and SPC cornice accessories (with over 75% of the components being CaCO<sub>3</sub> stone powder) - this is also a new trend product, many advantages and great potential in the field of flooring. In the coming period, SPC high-tech flooring products and accompanying accessories will be the focus of Pha Le Plastic's production development.

**ORGANIZATIONAL DIAGRAM**





## LIST OF MEMBERS OF THE BOARD OF DIRECTORS, SUPERVISORY BOARD AND BOARD OF DIRECTORS

### ❖ List of Board Members

#### 1. Mr. Mai Thanh Phuong - Chairman of the Board of Directors

+ **Date of appointment:** 02/2014

+ **Education:** Engineer in Geology; Bachelor of Economics

+ **Experience:** 30 years of experience in production, mineral exploitation and investment management

+ **Ownership:** 14.760.000 PLP shares (21,09 %)

+ **Concurrent position:**

- Vice Chairman of the Board of Directors – Railway Corporation Joint Stock Company (RCC)
- Member of the Board of Directors – Ha Long Construction Joint Stock Company
- Chairman of the Board of Directors – Neo Floor Joint Stock Company

#### 2. Mr. Le Thac Tuan - Independent Member of the Board of Directors

+ **Date of appointment:** 04/ 2017

+ **Education:** Mine Civil Engineer; Bachelor of Economics

+ **Experience:** 30 years of experience in managing mineral production and exploitation enterprises

+ **Ownership:** 0 PLP shares (0%)

+ **Concurrent position:**

- Chairman of the Board of Directors - Hoan Kiem Refrigeration M&E Joint Stock Company

#### 3. Ms. Tran Hai Yen - Member of the Board of Directors

+ **Date of appointment:** 11/2021

+ **Education:** Bachelor of Business Administration

+ **Experience:** 19 years of experience in the field of business administration

+ **Ownership:** 266.640 PLP shares (0,38%)

+ **Concurrent position:**

- General Director - Tan Viet An Trading and Tourism Joint Stock Company

**4. Mr. Cao Van Tho - Member of the Board of Directors**

+ **Date of appointment:** 06/2023

+ **Education:** Bachelor of Economics, Master of Marketing

+ **Experience:** 16 years of experience in the field of financial management

+ **Ownership:** 200.000 PLP shares (0,29%)

+ **Concurrent position:**

- General Director of PLG Vietnam Investment Joint Stock Company
- Chairman of the Board of Directors of Tan Viet An Trading & Tourism Joint Stock Company

❖ **List of Supervisory Board Members**

**1. Mr. Dinh Duc Tuan – Head of the Supervisory Board**

+ **Date of appointment:** 04/2018

+ **Education:** Mining Construction Engineer; Bachelor of Finance – Banking; Bachelor of Foreign Economics

+ **Experience:** 30 years of experience in finance, management and investment

+ **Ownership:** 0 PLP shares (0%)

+ **Concurrent position:** None

**2. Ms. Vu Ngoc Thuy - Member of the Board of Supervisors**

+ **Date of appointment:** 04/2017

+ **Education:** Bachelor of Accounting

+ **Experience:** 10 years of experience in finance and auditing

+ **Sở hữu:** 0 PLP shares PLP (0%)

+ **Concurrent position:**

- Auditor - Mazars Vietnam Co., Ltd., Hanoi

**3. Ms. Mai Thi Thanh Hoa - Member of the Board of Supervisors**

+ **Date of appointment:** 04/ 2018

+ **Education:** Bachelor of Commerce - Foreign Trade

+ **Experience:** 19 years of experience in business administration

+ **Ownership:** 0 0 PLP shares (0%)

+ **Concurrent position:** None

❖ **List of Members of the Board of Directors**



- 1. Bà Trần Hải Yến – Tổng Giám đốc**
    - + **Date of appointment:** 08/2020
    - + **Education:** Bachelor of Business Administration
    - + **Experience:** 19 years of experience in the field of business administration
    - + **Ownership:** 266.640 PLP shares (0,38%)
  - 2. Mr. Nguyen Thanh Binh - Deputy General Director**
    - + **Date of appointment:** 05/2021
    - + **Education:** Bachelor of Economics
    - + **Experience:** 24 years of experience in the manufacturing field
    - + **Ownership:** 0 PLP shares ( 0 %)
  - 3. Mr. Pham Xuan Tri - Chief Financial Officer and Chief Accountant**
    - + **Date of appointment:** 05/2021
    - + **Education:** Master of Economics
    - + **Experience:** 9 years of experience in the field of finance and accounting
    - + **Ownership:** 0 PLP shares (0 %)
- ❖ **Changes in the Board of Directors**

In 2024, the company has no changes in the Board of Directors.

## ORIENTATION AND DEVELOPMENT STRATEGY

### ❖ **Business development orientation**

- ✓ Become a pioneering enterprise, leading in the application of science and technology of materials to transform Vietnamese mineral resources into high-quality consumer products recognized by the domestic and international markets;
- ✓ Succeed in perfectly operating the entire supply chain through the application of the 5S management model, lean and economical production, and application of modern technology automation;
- ✓ Be in the TOP 100 companies with the happiest workplaces in Vietnam.

### ❖ **Strategic goals for the next 3 years:**

- ✓ SK27945 - Parallel development of 2 pillars "Production - Business". Target to achieve export revenue of VND 9,000 billion and floor material output of 45 million m<sup>2</sup> by 2027
- ✓ Top 10 SPC product manufacturers globally
- ✓ Deploy 5S management model for the entire office staff system and all factories at 100% level
- ✓ Deploy employee capacity management system to apply training programs, capacity building and career development for 100% of employees



## **PART II**

# **BUSINESS ENVIRONMENT**



## MACROECONOMIC CONTEXT

### Global Economic Context in 2024

The global economic context in 2024 will witness many important changes, with profound impacts on economies, including Vietnam. Global economic growth continues to be affected by factors such as tight monetary policies in major economies, geopolitical instability, and climate change.

The US economy continues to grow but at a slower pace due to the high interest rate policy of the US Federal Reserve (FED) to control inflation. The Eurozone has witnessed a decline in industrial production and consumer demand, while China - the world's second largest economy - is in the process of adjusting after a period of low growth in 2023. Beijing's economic support policies focus on promoting domestic consumption and public investment, but still face difficulties in restoring investor confidence.

Global energy and raw material prices continue to fluctuate, especially oil and gas due to geopolitical tensions in the Middle East and the prolonged Russia-Ukraine war. This has greatly affected the cost of production and transportation of goods, putting pressure on the global supply chain. In addition, the trend of shifting supply chains away from China has brought opportunities to Southeast Asian countries, of which Vietnam is an important destination for international businesses.

Looking to the future, the world economy in 2024 still has many potential risks but also opens up opportunities for developing economies. Vietnam, as a dynamic and open economy, can take advantage of the trend of investment shifting, expand export markets and improve competitiveness to continue sustainable development in the coming period.

### Vietnam's economic context in 2024

For Vietnam's economy, 2024 will continue to recover strongly after the fluctuations of the previous period, achieving a GDP growth rate of 7.09%, the highest in the past two years. This achievement is thanks to important contributions from the industrial, service and export sectors, in addition to the stability of inflation and foreign investment flows.

Total export turnover of goods in 2024 will reach 405.5 billion USD, up 14.3% over the previous year, while imports will reach 380.76 billion USD, helping Vietnam continue to have a trade surplus of 24.77 billion USD. In particular, the service industry will also witness impressive growth with revenue from service exports reaching 23.85 billion USD, up 17.7%. These are positive signals showing that the competitiveness of Vietnam's economy in the international market remains very strong.

In addition, foreign direct investment (FDI) continued to be a bright spot with disbursement reaching 25.35 billion USD, up 9.4% over the previous year. Vietnam continued to be in the group of 15 developing countries attracting the most FDI in the world, showing the confidence

of international investors in the country's business environment and economic prospects.

Regarding macroeconomic stability, the consumer price index (CPI) in 2024 increased by only 3.45%, showing that the Government's inflation management policy was effective. Prices of essential goods did not fluctuate much, helping to maintain consumers' purchasing power and ensure a stable life.

The industrial and construction sector continued to play a driving role when the industrial production index (IIP) increased by 8.4%, of which the processing and manufacturing industry increased by 9.6%. The service sector also grew strongly, especially tourism with 17.6 million international visitors, up 39.5% over the previous year, contributing greatly to total service revenue.

Despite many achievements, the Vietnamese economy still faces a number of challenges, especially the impact of natural disasters and global economic fluctuations. However, with flexible management policies and strong recovery of key economic sectors, Vietnam aims to achieve GDP growth of 8.0% in 2025 if favorable factors are fully utilized.

In general, Vietnam's macroeconomic context in 2024 reflects an economy on the path of stable development, with high adaptability to global fluctuations. The combination of sustainable growth, strong investment attraction and good inflation control creates a solid foundation for the next steps of the economy in the coming years.

## SPC FLOORING MARKET OUTLOOK

### World and Vietnam SPC Flooring Market

The period 2015 - 2016 marked the birth of SPC flooring, a new type of flooring replacing old flooring materials on the market. SPC flooring has had a strong impact and immediately changed global consumption trends because this type of product possesses superior features compared to conventional flooring such as: long life, easy installation, good for human health, environmentally friendly, non-flammable, not afraid of water or termites... Therefore, not only consumers but also large building materials distributors and retail brands around the world are looking for sources of these products from large-scale manufacturers on a global scale.

#### *Strong growth of SPC flooring*

2019 is the year that witnessed the strong increase of SPC stone flooring in the Vietnamese flooring market. The appeal of this type of flooring lies largely in its absolute water resistance due to the physical properties of plastic, which helps the floor withstand the hot and humid climate of Vietnam, which is difficult for traditional flooring lines to meet. It is also because of this that SPC stone flooring has quickly gained a foothold when it first entered the market.

Currently, SPC is growing strongly in terms of revenue value and taking market share from most other competing products. China is still the leading country in SPC exports. The US is still the leading import market for SPC flooring. In the 3 years from 2019-2021, the growth of LVT and SPC flooring materials reached an average of over 30%/year, and accounted for the second largest market share in flooring materials consumed in the US: 21.5% market share in 2021, equivalent to 7.25 billion USD. This trend has continued to the present and spread to many countries around the world because SPC flooring products have clear advantages in the market: Waterproof, fireproof, aesthetic and durability many times higher than current flooring types, environmentally friendly, safe for health and easy to install, ... especially suitable for hot and humid weather like Vietnam. The SPC flooring market still has great potential for development in the future.

#### *Advantages and development trends*

- ✚ *The trend of manufacturers shifting their supply chains out of China is becoming increasingly evident and Vietnam is one of the countries with advantages in receiving this wave of investment relocation*

Reality shows that relying solely on production activities in China is no longer

considered the safest solution for manufacturers. Because China's position as the "world's factory" is no longer as strong as before:

- Production costs are rising in China. Manufacturing wages in China increased from 2.0 USD/hour in 2010 to 3.9 USD/hour in 2016. This salary is quite high when compared to the average manufacturing wage in Vietnam, which is only about 1 - 1.4 USD/hour. The cost of using industrial real estate in China has also increased sharply following the continuous development of the economy and people's living standards. As a result, foreign investors looking for more cost-effective investment locations will consider Vietnam as an alternative in an effort to cut costs.
- China changes its industrial development orientation. After a long period of growth above 8%, China is moving up the value chain and restructuring its economy towards increasing domestic consumption, focusing on developing services and exporting higher-value goods. This has reoriented foreign investment flows towards industries based on labor, land and other factors.
- The US-China trade war and the Covid-19 pandemic have accelerated the process. The deepening disagreement between the US and China is eroding the relationship between the world's two largest economies, causing Chinese goods to account for the smallest share of US imports in the past 20 years. The shift began in 2018, when the then-Trump administration imposed tariffs on Chinese goods. During the Covid-19 pandemic, shortages of items such as masks and semiconductors have forced companies to reassess their supply chains. It has now become clear to companies that the trade, technology and other conflicts between the US and China will not be resolved soon. Companies are starting to look for ways to reduce risks when investing in China.

Vietnam is becoming one of the most attractive destinations for investors moving away from China.

- With an important strategic location, adjacent to China, a large-scale source of goods and raw materials and a large market, Vietnam has the conditions for investors to reduce transportation costs and stably connect to the supply chain in China. Therefore, Vietnam is considered the top choice in the ASEAN region in this trend.
- Notably, 15 Free Trade Agreements (FTAs) are in effect with Vietnam's manufactured goods entering these markets with zero or very low tariffs, which

will be a great opportunity for investors in Vietnam. Even Chinese investors have been accelerating their move to Vietnam in recent years, especially since the start of the US-China trade war in 2018.

- Along with cheap labor costs, stability in the political, social and macro environment, these factors of Vietnam have been recognized by businesses, seeking opportunities to expand production scale, in order to maintain the export path to the world's number 1 market in the US.

✚ *The construction materials sector is also not out of the shifting trend, especially for SPC products*

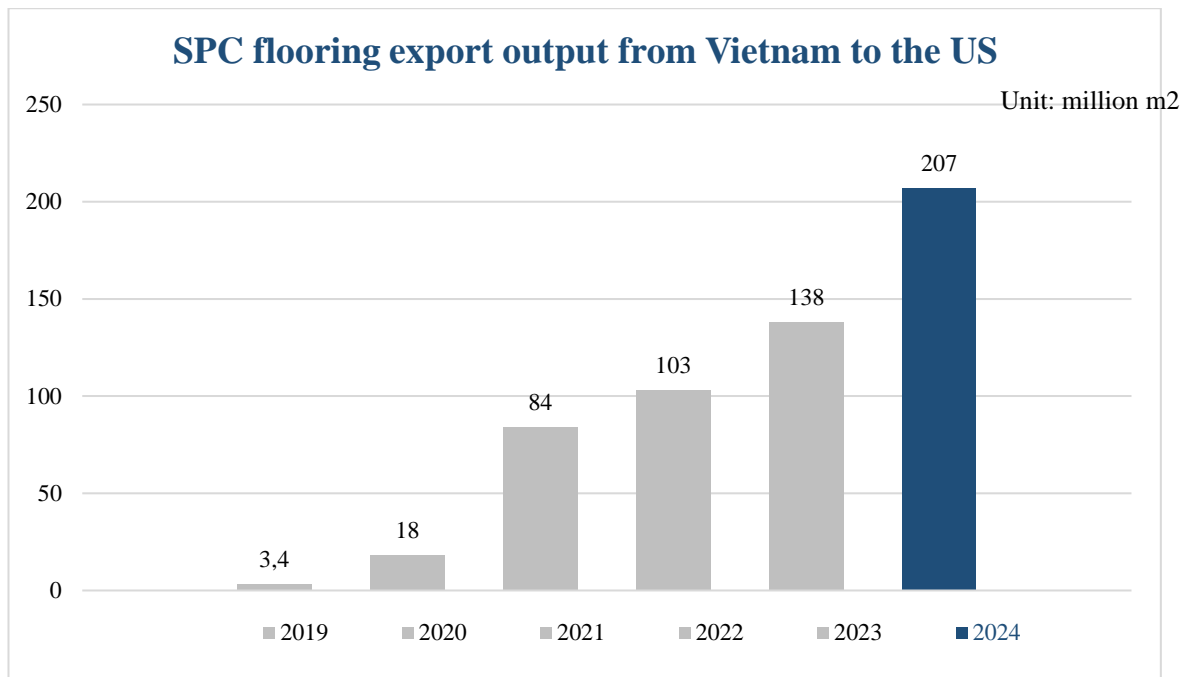
Over the past years, the US has been trying to promote the supply chain and production to leave China through the use of tax incentives and policies to support businesses to move. In addition, US agencies are also studying to identify important sectors, "bottlenecks", consider which manufacturing industries are considered "essential" and how to produce these goods outside of China. Among the selected sectors, the construction materials sector is considered one of the important sectors that need to reduce dependence on the world's second most populous country. In fact, many Chinese construction materials products are currently subject to very high import taxes when sold to the US, typically aluminum, steel, bricks, flooring, etc.

The tax gap is too large, from 25-30%, making the competitiveness of Chinese enterprises no longer maintained as before. In fact, the trend of using non-China products is also spreading in the desires of consumers in the US. Recently, a series of the largest construction materials supermarket chains in the US such as Lowe's, Floor and Décor have held conferences with suppliers and announced plans to completely separate their supply chains from the Chinese market. This has prompted a strong shift away from China that has been in the making since the outbreak of the Covid-19 epidemic. This trend is expected to continue for many years to come until the global market finds destinations large enough to replace the huge supply capacity of the country considered the "world's factory".

### ***Export situation***

The SPC export market from Vietnam has been growing strongly since 2019 (from 3.4 million m<sup>2</sup> in 2019 to 207 million m<sup>2</sup> in 2024). The export output of SPC flooring in 2024 will reach 207 million m<sup>2</sup>, an increase of 50% compared to 2023, equivalent to an export value of about 1,545 million USD.





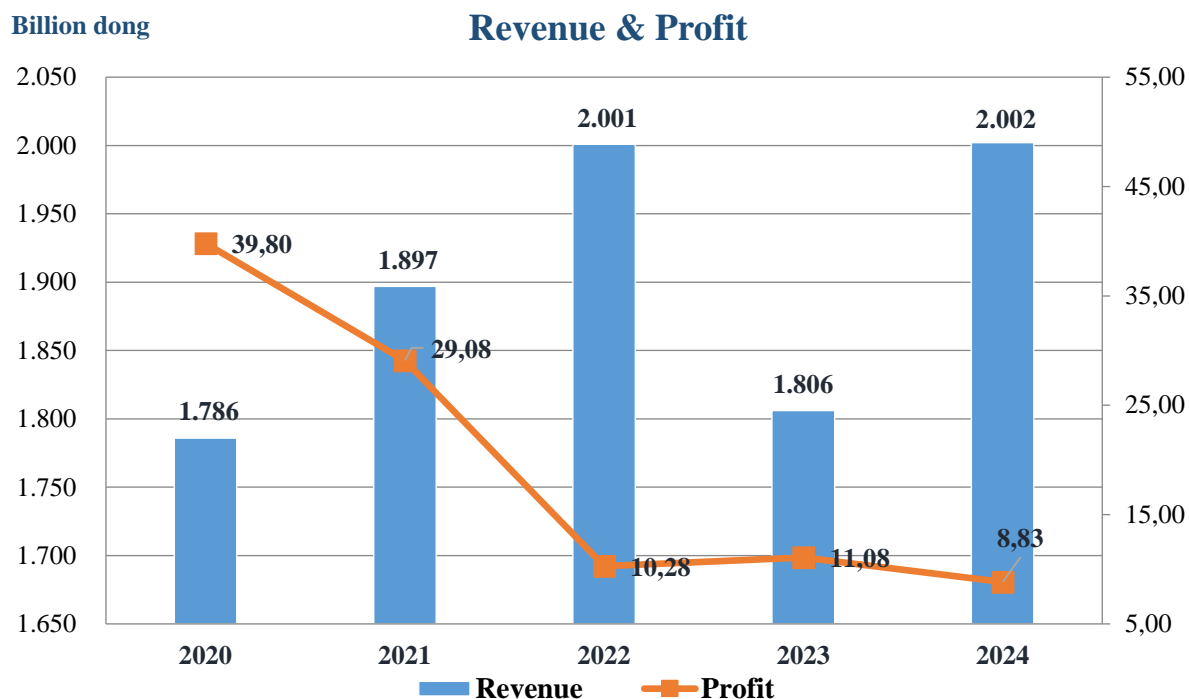
Currently, SPC flooring is still the product with the second largest market share in the US, after carpet materials. This will be a golden opportunity for SPC manufacturers outside of China, which is considered an opportunity that will not appear again for at least 10 years. Although total consumption demand in the US does not grow, the existing opportunity lies in the SPC export output that needs to shift out of China due to the US-China trade war. This is both an opportunity and a challenge for Vietnamese SPC flooring manufacturers. Enterprises must quickly adapt to the market, perfect and make the supply chain transparent, and ensure continuous and effective production operations.

**PART III**

**PERFORMANCE RESULTS 2024**



**GENERAL ASSESSMENT OF THE BOARD OF DIRECTORS**



In 2024, the global economy recorded many highlights with positive recovery but still contained many risks. Although world economic growth slowed down due to tight monetary policy and geopolitical instability, some emerging economies such as Vietnam still maintained impressive growth momentum. That was the mark of a year when the Government was proactive and flexible in managing macroeconomic policies, core inflation was controlled, production recovered impressively, and foreign investment flourished. Enterprises themselves must also quickly adapt to the business environment, restructure operations and take advantage of market opportunities to develop business activities. In that spirit, the Board of Directors and all employees of Pha Le Plastic are always united, striving towards the goal of change and preparing to excel in business activities. In 2024, the company's net revenue reached VND 2,002 billion, an increase of 10.88% compared to 2023. Profit after tax reached VND 8.83 billion, a decrease of 20.34% compared to 2023, due to the fact that in 2024, the company renovated and upgraded the factory, so some additional costs were incurred during the period. Although the company still strived to maintain operations, business revenue was better than the same period last year, however, the market prices of goods and raw materials in the past time fluctuated strongly, causing profits to decrease significantly compared to the same period.

*Đvt: Triệu đồng*

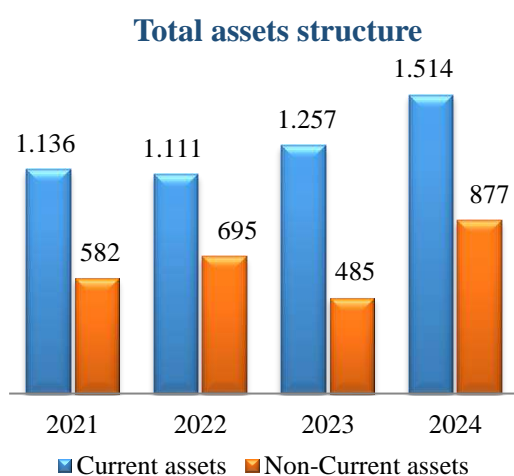
Content	2023	2024	Proportion		Rate of change (%)
			2023	2024	
<b>Total revenue</b>	<b>1.813.429</b>	<b>2.037.262</b>	100,0%	100,00%	12,34%
Net sales revenue	1.806.331	2.002.717	99,6%	99,99%	10,88%
Financial revenue	7.096	34.362	0,4%	1,72%	384,24%
Other income	2	183	0,0%	0,01%	9050,00%
<b>Total expenses</b>	<b>1.769.111</b>	<b>2.028.411</b>	100,0%	100,00%	14,66%
Cost of goods sold	1.669.117	1.877.407	94,3%	92,56%	12,48%
Financial expenses	65.768	58.128	3,9%	2,87%	-11,62%
Insurance and management expenses	24.681	50.646	37,5%	2,50%	105,20%
Other expenses	9.545	42.230	38,7%	2,08%	342,43%
<b>Gross profit</b>	<b>137.214</b>	<b>125.310</b>			-8,68%
<b>Profit before tax</b>	<b>14.976</b>	<b>8.851</b>			-40,90%
Corporate income tax	3.897	25			-99,36%
<b>Profit after tax</b>	<b>11.079</b>	<b>8.826</b>			-20,34%

Implementing the Resolution of the 2023 Annual General Meeting of Shareholders on restructuring the Company's operations, in 2024, the Company focused resources on promoting the rapid implementation of upgrading and renovating the factory to expand the production scale of high-tech tiling materials. In the fourth quarter, the new product production line was officially put into operation and in 2025, it continued to install and run at a maximum capacity of 11,000,000 m<sup>2</sup>/year. The business performance of the new product has not been reflected in the business results in 2024. It is expected that in 2025 and the following years, the flooring production and business segment will bring great prospects to the Company.

*Unit: billion dong*

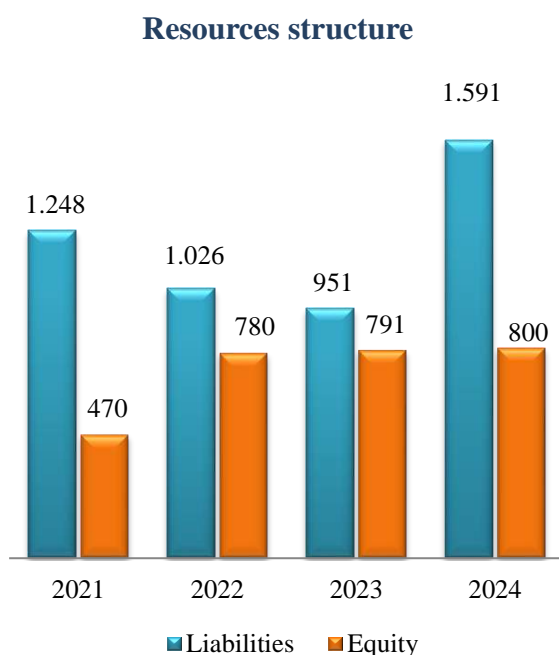
	2022	2023	2024
<b>Revenue</b>	<b>2.001.288</b>	<b>1.806.342</b>	<b>2.002.868</b>
<i>Revenue from semi-finished goods</i>	<i>1.259.251</i>	<i>987.956</i>	<i>308.404</i>
<i>Revenue from merchandise sales</i>	<i>742.036</i>	<i>818.343</i>	<i>1.687.543</i>
<i>Revenue from service provision and other sales</i>	<i>-</i>	<i>42</i>	<i>6.885</i>
<b>Cost of goods sold</b>	<b>1.775.315</b>	<b>1.669.117</b>	<b>1.877.407</b>

	2022	2023	2024
<i>Finished goods</i>	1.045.970	855.495	201.710
<i>Merchandise</i>	729.344	813.621	1.672.584
<i>Services and others</i>	-	-	3.112
<b>Gross profit margin</b>	<b>11,3%</b>	<b>7,6%</b>	<b>6,26%</b>
<i>Finished goods</i>	16,9%	13,4%	34,60%
<i>Merchandise</i>	1,7%	0,6%	0,89%
<i>Services and others</i>	-	-	54,80%



In 2024, the Company invested in renovating the factory and expanding the production scale of flooring products. As a result, current assets increased by more than VND 256 billion, non-current assets increased by VND 392 billion compared to 2023.

The Company's total assets in 2024 increased by 37% compared to 2023.



Liabilities increased by 67% compared to the same period last year. Mainly arising from increased loans to finance the upgrading and renovation of the factory's production scale. In addition, the production of new products began operating from the fourth quarter of 2024, so the payables to sellers and suppliers also increased.

In 2024, the company did not increase resources. Equity in 2024 did not fluctuate much compared to the same period in 2023. It is expected that in 2025, the company will increase capital through private offering of shares.



## INVESTMENT ACTIVITIES 2024

Following the Resolution of the General Meeting of Shareholders on corporate restructuring, the Company has promoted the review and evaluation of investment projects and provided an appropriate roadmap for each project to ensure efficiency in each stage of development.

### ❖ **Expanding production of high-tech tiling materials – Hai Phong**

- ✓ In 2024, Pha Le Plastic has focused all resources to urgently complete the expansion of the production scale of high-tech flooring materials. By the fourth quarter of 2024, the company has completed infrastructure construction items and put into operation 6 high-tech tiling material lines with a capacity of 6.6 million m<sup>2</sup>/year. In 2025, the company continues to install 4 additional lines to increase the total production capacity of tiling materials to 11 million m<sup>2</sup>/year, expected to be completed in the second quarter of 2025.
- ✓ High-tech flooring products are made from virgin Poly Vinyl Chloride (PVC) and superfine nano stone powder, with superior properties such as fire resistance, abrasion resistance, scratch resistance, anti-slip, water resistance, and 100% humidity. Pha Le Plastic has an advantage in developing this product thanks to owning the source of CaCO<sub>3</sub> stone material in Nghe An (stone powder accounts for over 75% of the composition of flooring) and has a lot of experience in operating and managing flooring factory systems at subsidiaries and member companies.

### ❖ **Cao Xanh Ha Khanh A Commercial Housing Project**

- ✓ Contribute capital to a joint venture at Tan Viet An Trading and Tourism Joint Stock Company.
- ✓ The joint venture has been approved by the TMB at a scale of 1/500 to adjust the scale of the project. The project has a total investment of nearly 1,000 billion VND, located in a prime location in the Cao Xanh - Ha Khanh A urban area, near Cua Luc 2 bridge, which is about to be built connecting the two sides of Cua Luc bay. The project is implemented on a land plot of 3,500 m<sup>2</sup>, including a common building with a total floor area of 50,000 m<sup>2</sup>.
- ✓ In recent years, due to the unfavorable economic, financial situation and related policies in the real estate sector, the implementation of real estate projects in general during this period will not be able to promote efficiency. On January 18, 2024, the National Assembly passed the Land Law 2024, effective from January 1, 2025, which is the basis for clearing up the obstacles in the real estate sector in the past time. The company is continuing to complete the legal framework for the project and monitor developments in the real estate market to promote project implementation in the coming time.

### ❖ **Len Minh Cam Stone Quarry – Tuyen Hoa Quang Binh**

## **PHA LE PLASTICS JSC**

- ✓ Contributing capital to a joint venture at Minh Cam Mineral Joint Stock Company. In 2023, Pha Le Plastic transferred some of its shares at Minh Cam Mineral Joint Stock Company, after the transfer, the remaining ownership ratio was 45%.
- ✓ Minh Cam Mineral Joint Stock Company has completed the procedures for applying for an exploitation license with a total exploitation and mining area of 4 hectares, Geological reserves of 1,348,068 m<sup>3</sup>, exploitation period until June 2043.
- ✓ The project has completed legal procedures and is in the process of evaluating investment options suitable for development goals in the coming period.
- ❖ **Quang Hanh mineral water mine – Quang Ninh**
- ✓ Mineral water mine with an area of nearly 1,200 m<sup>2</sup> located in Quang Hanh Ward, Cam Pha City, Quang Ninh Province, with an exploitation capacity of up to 1,100 m<sup>3</sup>/day and a depth of 160 m.
- ✓ The project is currently in the process of completing legal procedures and is being carefully assessed for feasibility for the product business plan.

## FINANCIAL SITUATION

### Some key financial indicators

Indicators	Unit	2023	2024
<b>Liquidity Ratios</b>			
Current ratio	lần	1,34	1,27
Quick ratio	lần	1,03	0,96
<b>Capital Structure Ratios (%)</b>			
Debt/ Total Assets ratio	%	54,60%	66,54%
Debt/ Equity ratio	%	120,27%	198,88%
<b>Efficiency Ratios</b>			
Inventory turnover ratio	lần	5,92	5,74
Net revenue/ Average total assets	lần	1,02	0,97
<b>Profitability Ratios</b>			
Net profit margin	%	0,61%	0,44%
Return on Equity (ROE)	%	1,41%	1,11%
Return on Assets (ROA)	%	0,63%	0,39%
Operating profit margin	%	1,36%	2,54%
Earnings per share (EPS)		158	126

*Source: calculated from audited financial statements in 2024*

In 2024, the company will enter the strategic investment phase with the implementation of renovation, upgrading and construction of new product manufacturing plants, aiming to expand the scale of operations and improve production capacity in the medium and long term. This leads to certain fluctuations in financial indicators, especially capital structure, liquidity and profitability.

## PHA LE PLASTICS JSC

Capital structure indicators increase due to the large capital demand for the investment phase, which is mainly met by medium and long-term loans. However, this is a controlled financial strategy, aiming to optimize capital costs and preserve the ownership ratio of existing shareholders. The new production line will officially operate from the end of the fourth quarter of 2024, so revenue and profit have not been reflected in the period, leading to low profitability indicators. However, the positive point is that the operating profit margin is increasing, showing that internal efficiency is improving, and the prospect is that from 2025 when the production of flooring products is put into stable operation, the indicators of asset efficiency, profitability and liquidity will be significantly improved.

### Accounts receivable situation

*Unit: dong*

ACCOUNT	31/12/2023	31/12/2024
<b>Short-term receivables</b>	<b>893.487.768.596</b>	<b>998.826.186.468</b>
Trade receivables from customers	532.176.185.596	606.874.837.258
Advance payments to suppliers	101.695.490.531	148.865.426.336
Receivables from loans	10.600.000.000	7.200.000.000
Other receivables	253.086.202.232	240.459.108.297
Provision for doubtful debts	(4.070.109.763)	(4.573.185.423)
<b>Long-term receivables</b>	<b>2.752.044.340</b>	<b>13.428.913.877</b>
Other receivables	2.752.044.340	13.428.913.877
<b>Total</b>	<b>896.239.812.936</b>	<b>1.012.255.100.345</b>

*(Source: calculated from audited financial statements in 2024)*

The value of Pha Le Plastic's receivables in 2024 increased by 13% compared to 2023. The increase in receivables in 2024 is a natural consequence of the expansion investment strategy and sales promotion in the early stages of promoting new products. However, the Company has been applying many credit risk control measures, ensuring stable operating cash flow and financial transparency during this time.

## Liabilities situation

Unit: dong

ACCOUNT	31/12/2023	31/12/2024
<b>Current liabilities</b>	<b>937.987.975.719</b>	<b>1.196.801.015.971</b>
Trade payables to suppliers	99.166.783.716	170.476.484.004
Advances from customers	117.552.912.451	202.015.171.831
Taxes and amounts payable to the State	3.804.545.984	2.051.635.257
Payables to employees	1.103.492.342	4.984.989.673
Accrued expenses	2.023.934.853	4.159.222.530
Other payables	5.582.033.805	6.011.992.398
Short-term loans & finance lease liabilities	704.211.401.580	802.667.018.290
Bonus and welfare fund	4.542.870.988	4.434.501.988
<b>Long-term liabilities</b>	<b>13.924.050.941</b>	<b>394.897.711.095</b>
Long-term loans and finance lease liabilities	23.724.970.000	394.897.711.095
<b>Tổng cộng</b>	<b>951.912.026.660</b>	<b>1.591.698.727.066</b>

(Source: calculated from audited financial statements in 2024)

Payables increased by 67% compared to the same period in 2023. The situation of payables in 2024 has a clear increase due to the Company's investment strategy to expand production scale. This growth serves the goal of restructuring the Company's operations, within the approved financial plan, and at the same time demonstrates the Company's proactive balancing of capital sources and effective use of credit policies to ensure sustainable growth in the coming years.





## **PART IV**

# **CORPORATE GOVERNANCE**

## BOARD OF DIRECTORS' ACTIVITIES REPORT

### I/ Board of Directors' activities report

- The Board of Directors of PLP in 2024 has 4 members. The list of Board members is as follows:

STT	Name	Note
1	Mai Thanh Phuong	Executive Board Member
2	Tran Hai Yen	
3	Cao Van Tho	Non-Executive Board Member
4	Le Thac Tuan	Independent Board Member

- The Board of Directors has strictly complied with and fully performed the work according to the Resolution of the 2024 Annual General Meeting of Shareholders, supervising the Board of Directors to well and promptly implement the requirements of shareholders such as organizing, assigning the Board of Directors, organizing regular meetings of the Board of Directors, interacting regularly with the Board of Supervisors, and periodically contacting and informing Investors.
- In 2024, the Board of Directors of the Company held 08 meetings. All meetings were conducted in accordance with the order and procedures prescribed in the Company Charter and the Law on Enterprises. Minutes of the Board of Directors' meetings were prepared in accordance with the form prescribed by law; documents and files were fully sent to the meeting participants for reference and study in advance in accordance with the provisions of the Charter..
- The Board of Directors receives the suggestions and comments of the Board of Management, questions to clarify and promptly respond to the needs of human resources, changes in business policies, expansion investment needs, and policies for employees to create the best development motivation for the Company.
- The Board of Directors receives the suggestions and comments of the Board of Management, questions to clarify and promptly respond to the needs of human

resources, changes in business policies, expansion investment needs, and policies for employees to create the best development motivation for the Company.

## **II./ Assessing activities of the Board of Directors in 2024**

### **1. The company's production and business performance results**

- In 2024, the world economy continues its slow and uneven recovery, with continued improvement towards the end of the year. Many risks persist for international supply chains and commodity prices, although the global inflation level has improved significantly compared to 2023. Many major economies have begun the process of cutting interest rates, helping to loosen financial conditions. The global unemployment rate is now gradually decreasing, even with labor shortages in many places... The tension in international trade, especially between the US and China, Russia and the West, is and will continue to have a negative impact on global economic growth.
- In addition, Vietnam's economy in 2024 continues to maintain impressive growth momentum, despite challenges from the global context. GDP increased by 7.09%, bringing the size of the economy to 476.3 billion USD, thanks to the strong recovery of industrial production, trade and investment. Foreign direct investment continued to be a bright spot with an increase of 9.4%, showing investors' confidence in Vietnam's stable business environment. Inflation was controlled at 3.45%, creating favorable conditions for consumption and investment. The State Bank's flexible monetary policy also contributed to stabilizing the financial market and supporting economic growth. However, the economy still faced some difficulties, such as the impact of Typhoon Yagi - the strongest typhoon in Asia this year, causing great economic damage, affecting infrastructure and agricultural production. Overall, Vietnam continued to demonstrate strong resilience and maintained its position as one of the most dynamically developing economies in the region. Despite many challenges, with a sustainable development strategy, stable macroeconomic policies and active participation in the global supply chain, Vietnam is expected to continue to grow strongly in the coming years.
- Grasping the above difficulties and advantages, PLP's Board of Directors has proactively assessed and analyzed the situation correctly, promptly set goals, and

flexibly set out directions suitable to the actual situation to both optimize its resources and promptly and maximally take advantage of new business opportunities created by both objective and subjective changes in the business environment.

- In 2024, the Board of Directors has operated in accordance with the provisions of law and the charter and brought efficiency to the Company. The contents under the authority of the Board of Directors, strategic supervision, risk management, human resources and remuneration have been implemented comprehensively. On a personal level, all members of the Board of Directors have been proactive and active in performing their responsibilities professionally, making practical and effective contributions to the overall performance of the enterprise.
- 2024 marks the transformation of the Company, focusing on restructuring operations through building and developing a new generation of floor tile production model, restructuring ineffective and low-potential areas of operation. The Company has focused resources to quickly put into operation and produce high-tech tiling materials with a scale of up to 11,000,000 m<sup>2</sup> of products/year, the new production line officially came into operation from the fourth quarter of 2024. Production and trading of old products are maintained at a reasonable scale, the Company has rebalanced resources to focus on developing new potential products. In the coming time, Pha Le Plastic will promote the production of key product lines that bring in the main source of profit for the Company.

## **2. Evaluation of investment work and implementation status of investment projects**

The company aims to develop focused investment projects, divide into phases and carefully evaluate market opportunities to ensure effective investment, not spread out.

### **Promote investment in core business: applied materials technology in the field of construction materials**


- In 2024, the Company has completed the expansion of production of high-tech tiling materials in Hai Phong city with a scale of 11,000,000 m<sup>2</sup>/year. In the coming time, Pha Le will boost the scale of its flooring materials business, focusing on developing the US market. With the goal of exporting products to the US, Pha Le assesses this as the world's leading consumer market, with great potential and very strict product standards. However, this is not the first time Pha Le has exported products to this demanding market. The Company has spent more than 4 years researching and entering the new

technology tiling materials market, starting with SPC accessories (molds, strips). Pha Le Plastic has the advantage of having a foundation in production and business management, extensive experience in developing export markets and supply chain management, advanced technology, all production machinery and equipment are invested in modern technology, optimizing automation in operation and easily integrating with new management applications. In the past time, Pha Le Plastic has actively participated in fair programs and direct meetings with partners across the United States, aiming to open up many close relationships with strategic customers.

### **Completing the legal framework of real estate projects**

- 2024 is an important year for the Vietnamese real estate market thanks to positive changes in policies and legal corridors. In particular, from August 1, 2024, three laws related to the real estate market, namely the Land Law, the Housing Law and the Real Estate Business Law, will officially take effect. Experts expect that the new laws will have a positive impact, removing long-standing legal barriers, creating new momentum to promote the recovery and development of the real estate market in the coming time. The Government has directed to loosen credit for some real estate segments, especially social housing and low-cost commercial housing, and promote the development of transport infrastructure. In general, 2024 will witness a positive recovery of the real estate market thanks to improvements in policies and credit. However, the ability to implement new projects still depends on the implementation of policies in each locality, as well as the adaptability of businesses.
- In 2024, the Apartment Complex project (Low-cost housing) at plot TT1-Cao Xanh Urban Area - Ha Khanh A, Cao Xanh Ward, Ha Long City, Quang Ninh Province is completing basic legal issues to move to the next stages to implement the project construction.

### **3. Board of Directors' assessment of the Executive Board's performance**

-  The Board of Directors and management staff have shown high responsibility in operations, proactively responding to situations that arise. In particular, the task of completing the 2024 task of both renovating the factory, expanding the production of new products, and stabilizing and maintaining old business activities has been completed.



## PHA LE PLASTICS JSC

- ✚ The Board of Directors has fully performed its responsibilities, reporting, explaining, and disclosing information on the production and business situation in a complete and transparent manner. The Board of Directors has complied with the requirements for submitting and seeking opinions on contents under the approval authority of the Board of Directors at regular and extraordinary meetings of the Board of Directors.
- ✚ The coordination of activities between the Board of Directors and the Board of Directors has been carried out in accordance with the provisions of the Company's Charter and the Corporate Governance Regulations.
- ✚ In addition, the Board of Directors also highly appreciated the management work of the Board of Directors, and has full confidence in the management capacity and moral qualities of the Board of Directors' members in implementing the company's strategic orientation.

### **4. 2025 operating plan of the Board of Directors**

- ✚ The Board of Directors strictly performs the work of corporate governance in accordance with the regulations on corporate governance applicable to public companies and the Charter and Governance regulations of Pha Le Plastic;
- ✚ Lead and supervise all activities of the Executive Board on the basis of creating the best conditions in terms of mechanisms, policies, human resources, and facilities to help the Executive Board fulfill its assigned tasks.
- ✚ Cooperate closely with the Supervisory Board, ensure the provision of all necessary documents and information to the Supervisory Board. Coordinate with the Supervisory Board in supervising the correction and handling of violations according to the proposal of the Supervisory Board.

## SUPERVISORY BOARD ACTIVITIES REPORT

In 2024, the Board of Supervisors carried out the following activities:

The Board of Supervisors held 02 meetings and approved many important contents related to the Company's activities to ensure that the Board of Supervisors successfully completed its tasks. In general, the main activities of the Board of Supervisors in 2024 include the following main contents:

- Reviewing the 2023 Financial Report.
- Participating in the Board of Directors' working sessions on the Company's operation plan.
- Participating in a number of meetings of the Company's Board of Directors on the annual production and business activities and reporting on the implementation status.
- Reviewing business performance reports prepared by the Executive Board and the Finance and Accounting Department; Inspecting and supervising the operations of the accounting department.
- Evaluating the implementation of the Board of Directors' Resolutions; Evaluating the coordination between the Board of Directors and the Board of General Directors with the operations of the Board of Supervisors.
- Summary of the Board of Supervisors' activities and other contents.

### **Supervisory activities of the Board of Supervisors over the Board of Directors and Executive Board**

- The Board of Directors and the Executive Board have fully implemented the contents approved in the Resolution of the 2024 General Meeting of Shareholders.
- The Board of Directors operates in accordance with the law and the Company's Charter in the process of directing and supervising the production and business activities of the Board of Directors.
- The Supervisory Board believes that the Board of Directors has demonstrated high responsibility in management and has proactively implemented plans according to the goals set by the Board of Directors and the General Meeting of Shareholders.
- The Supervisory Board agrees with the financial and investment development policies of the Board of Directors, the management decisions and the operation plans of the Executive Board.
- In 2024, the Supervisory Board did not detect any irregularities in the activities of the

members of the Board of Directors, members of the Board of Directors and the Company's management staff, as well as no conflicts between personal interests and the interests of the Company.

**✚ Coordination of activities between the Supervisory Board and the Board of Directors and the Executive Board:**

- The Board of Supervisors has coordinated well with departments to carry out inspection and supervision work at member units. Through inspections, the Board of Supervisors informed the Board of Directors and the Executive Board of the results of the inspection and supervision work to take timely measures to handle existing problems to improve management efficiency.
- The Board of Directors of the Company has promptly and fully provided the Resolutions and Decisions of the Board of Directors to the Board of Supervisors, the Board of General Directors has created conditions for the Board of Supervisors to collect information and documents related to the production and business activities of the Corporation when requested. The Board of Directors of the Corporation, the Board of Supervisors, the Executive Board and the management staff of the Company have had a close coordination relationship in the operation and management of production and business activities.
- The Supervisory Board fully participated in regular and extraordinary meetings of the Board of Directors, attended the company's annual briefing and summary meetings, and discussed daily issues. Accordingly, the Supervisory Board promptly grasped the actual production and business situation, contributed opinions to the Board of Directors and the Executive Board in making decisions and implementing the goals approved by the General Meeting of Shareholders.
- The unit performing the audit of the 2024 financial statements is AFC Vietnam Auditing Company Limited - Ha Thanh Branch, the auditing unit approved by the 2024 General Meeting of Shareholders. After reviewing the audit report, the Supervisory Board agreed with the data and conclusions of the auditing unit.
- The Executive Board has fully performed its responsibilities, reported, explained, and disclosed information on the production and business situation in a complete and transparent manner.

**✚ Board of Supervisors' Operation Plan for 2024**

In 2024, with the goal of promoting its role in monitoring and inspecting compliance

and transparency in the Company's production and business activities, the Supervisory Board plans to continue to promote its activities, focusing more on the following issues:

- Supervising the management and operation activities of the Board of Directors and the Executive Board.
- Appraising the Company's quarterly, 6-month and annual performance reports and financial reports in accordance with the duties of the Supervisory Board.
- Providing professional advice to the Board of Directors and the Executive Board to improve the efficiency of capital and asset use.

## REMUNERATION AND BENEFITS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD

### ✚ Remuneration and other benefits of Board members

No	Name	Position	Remuneration (VND)
1	Mr. Mai Thanh Phuong	Chairman of the BOD	663.600.000
2	Mr. Le Thac Tuan	Independent Member of the BOD	-
3	Ms. Tran Hai Yen	Member of the BOD and General Director	484.800.000
	<b>Total</b>		<b>1.148.400.000</b>

### ✚ Board of Supervisors' remuneration

No	Name	Position	Remuneration (VND)
1	Mr. Dinh Duc Tuan	Head of the BOS	-
2	Ms. Mai Thi Thanh Hoa	Member of the BOS	-
3	Ms. Vu Ngoc Thuy	Member of the BOS	-
	<b>Total</b>		<b>-</b>

## CONTRACTS, TRANSACTIONS WITH INSIDERS

In 2024, the Company did not have any contracts or transactions with Insiders.  
The Company's transactions with related parties are detailed in the 2024 Audited Financial Statements.



## RISK MANAGEMENT ACTIVITIES

### 1. Operational and Business Risks

#### Risks from macroeconomic fluctuations

As an export enterprise, Pha Le Plastic's business activities will be greatly affected by the situation and fluctuations of the macro economy. The development or recession of the global economy will directly affect the purchasing power and consumption needs of customers, especially in industries such as plastics and construction materials. In addition, PLP's export markets may apply trade protection policies, impose higher import taxes or tighten product standards, making exports more difficult.

#### Market and competition risks

The plastics and construction materials industry is facing fierce competition from domestic and international competitors. Large enterprises with advanced technology and large-scale production capabilities can put pressure on PLP's market share. Forcing the company to develop the right development strategy, promptly adapt to market demand, innovate products or improve quality to ensure competitiveness.

#### Exchange rate risks

Exchange rate risks are one of the factors affecting the costs of businesses with import-export activities. Since imported raw materials account for about 60 - 70% of total costs at Pha Le Plastic, any fluctuation in exchange rates will directly affect input costs.

#### Raw material price fluctuation risks

The company's products depend on raw material sources such as CaCO<sub>3</sub> limestone and virgin plastic granules to produce SPC flooring products and filler masterbatches. Raw material prices can fluctuate strongly due to the influence of the world market, especially oil prices (which affect plastic resin prices) and mineral exploitation costs. When raw material prices increase, it will affect product prices, as well as profit margins and competitiveness in the business market.

#### Risks from policies and regulations

Mineral exploitation and plastic production industries are often strictly controlled by environmental regulations. Regulations and policies encouraging the restriction of plastic use or requiring an increase in the rate of recycled plastic use are becoming a trend and require improvements in production technology for the company's

products.

## 2. Risk management

In addition to expanding production, Pha Le Plastic's Board of Directors always focuses on developing a risk management system. Accordingly, the Company's risk management system is organized in 3 lines for many different types of important risks based on the principle that all important risks in the enterprise must have a risk management process. The management process for each type of risk includes 5 basic steps, including: risk identification, risk measurement, risk monitoring, risk reporting and risk handling.

### Risk management from macro factors

The Company always closely monitors the developments of macro factors to have timely and appropriate countermeasures:

- + Regarding exchange rate risks: Continue to use a uniform payment currency (mainly USD) between sales and purchases of raw materials, thereby creating a source of foreign currency for both use and accumulation; Use tools to hedge exchange rate risks, such as forward contracts or foreign currency reserve funds.
- + Regarding competitive pressure: Pha Le Plastic focuses on investing in R&D to develop high-quality products, environmentally friendly raw materials and create specialization compared to other businesses; Expand export markets; Promote marketing, communication, product promotion activities, etc,...
- + Regarding fluctuations in raw material prices: In order to take advantage of avoiding risks from fluctuations in input material prices, the company advocates increasing inventory storage when prices are low, and selling inventory when prices are high; Improve the supply chain, diversify suppliers to optimize the choice of input materials; At the same time, continue to research R&D, solutions to optimize the production process to reduce the amount of raw materials consumed and improve the efficiency of raw material use.
- + Regarding risks from policies and legal regulations: Pha Le Plastic aims to develop products that apply green technology, are environmentally friendly, ensuring environmental regulations and standards, and sustainable development; The company always strictly complies with legal regulations on mineral exploitation and plastic production; Participate in industry associations to grasp policy information and have a voice in the development of regulations.

### Operational risk management

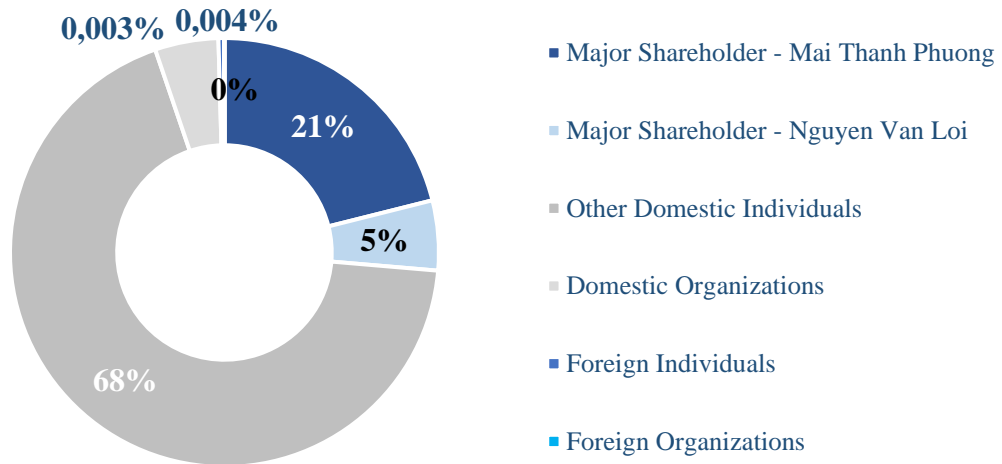
- + Pha Le Plastic has proposed strategies such as: standardizing the inspection and

control system and issuing strict policies, hiring professional consultants to restructure the management model and risk management;

- + Focusing on training and developing employees, especially successor human resources. For important positions, the Company focuses on selecting management and operation positions with many years of experience. For positions with little experience, the Company will organize practical training programs at the actual production unit before officially assigning work. In addition, the Company also focuses on taking good care of employees through salary, bonus, welfare, and treatment policies, fostering talent, creating a favorable working environment and fair promotion opportunities.

**STOCK INFORMATION AND INVESTOR RELATIONS ACTIVITIES**

**Shareholder structure**



*(Source: List of shareholders of the Company as of May 27, 2024)*

❖ **Stock information:**

Total shares:	70.000.000 shares
Number of common shares:	70.000.000 shares
Outstanding shares:	69.999.847 shares
Treasury shares:	153 shares
Restricted shares:	0 shares
Freely transferable shares:	70.000.000 shares

❖ **Treasury stock transactions:**

The Company did not have any treasury stock transactions during the year

❖ **Equity capital increases during the year:**

In 2024, the Company did not increase its charter capital.

**PART V**

**SUSTAINABILITY REPORT**



## REPORT OVERVIEW

The year 2025 marks a strategic transformation of Pha Le Plastic when we clearly establish the pillars of sustainable development associated with business goals and social responsibility. With the SK27945 strategy as a guiding principle, we are committed to creating long-term value not only for shareholders but also for the community, the environment and the Vietnamese economy.

At Pha Le Plastic, sustainable development is no longer the task of a single department but the core business strategy of the entire system. We always strive to harmonize the three pillars: *Economy - Society - Environment* to ensure long-term development.

For us, sustainable development is also a commitment to building long-term, trustworthy relationships with all stakeholders: from shareholders, investors, customers, partners - suppliers, to employees and the community. Through two-way dialogue and concrete actions, Pha Le proactively meets the expectations of each party, ensuring harmony of interests, transparency and social responsibility in all strategic decisions.

## SUSTAINABLE DEVELOPMENT STRATEGY LINKED TO SK27945 GOAL

### 1. Sustainable development is a consistent strategy at Pha Le Plastic

Sustainable development is a long-term orientation integrated into all production and business activities. We actively invest in advanced technology, increase the efficiency of raw materials, apply energy-saving operating processes and promote the spirit of continuous improvement to protect the environment and improve operational efficiency.

### 2. ESG commitment in implementing SK27945

We consider the integration of ESG into the SK27945 strategic project not only a requirement, but also a manifesto of Pha Le Plastic on the development method in the new era - development with responsibility. Below are specific commitments demonstrating our determination:

#### Environment:

Pha Le Plastic is a pioneer in applying circular production solutions, reducing emissions at the source and recycling 100% of raw materials consumed in the production process. We invest in rooftop solar power systems, optimize energy consumption processes, control water usage, and continuously assess environmental impacts periodically. Greening the



factory, waste management and air pollution reduction are included in internal KPI criteria and quarterly factory leadership evaluations.

 **Society:**

People are at the heart of every action strategy. We are committed to improving the material and spiritual lives of employees through a fair compensation system, periodic training programs and building a cohesive - creative - responsible working environment. Pha Le Plastic pays special attention to developing a successor team, ensuring labor safety, and implementing community programs with sustainable impact in the area where the factory operates.

 **Governance:**

With a spirit of transparent and responsible governance, we have built a set of ESG indicators that are applied throughout the system, integrated into the performance assessment of each functional block and middle-level managers and above. The ERP – SAP system is optimized to integrate ESG data, ensuring real-time reporting and making ESG a standard of operation – not just a report.

The ESG commitment in SK27945 not only demonstrates PLP's innovation, but also our strong promise to shareholders, the community and future generations.

## OUTSTANDING RESULTS IN 2024

### Environment



***Completing the water circulation system at Nghe An factory, helping to save more than 15% of water usage.***

The total amount of water used by the Company in 2024 is: 13.450 m<sup>3</sup>.

The Company has organized communication programs and slogans in working areas to remind employees to be aware of saving water and saving energy.



***Total electricity consumption reached 4.02 million kWh.***

Promote the implementation of energy saving measures in all factories:

- Arrange production lines reasonably, maximize equipment capacity, limit equipment and machinery from working under load.
- Arrange lighting grid systems reasonably, focus on necessary points, adjust lighting time appropriately according to the season, make the most of natural light.
- Properly implement periodic inspection and maintenance regimes to keep equipment in good working condition, ensure quality of equipment repair.
- Develop and promulgate regulations on energy saving use in all departments and factories.



***100% of raw materials consumed in production are reused.***

The main raw materials in the Company's production are stone powder and virgin plastic beads. The output of stone powder used in the year is 6.502 tons, plastic beads is 3.959 tons, significantly lower than in 2023 due to reduced production output from factory renovation and upgrading activities.

Always focus on applying improvements in production to minimize the consumption of raw materials, at the same time invest in advanced technology lines, take advantage of raw materials consumed in the production process.



***Total direct and indirect greenhouse gas (GHG) emissions:*** Currently, due to the complexity of production and business activities, the Company has not been able to accurately inventory the total amount of greenhouse gas emissions. However, the Company has identified the sources of greenhouse gas emissions, thereby proposing a number of measures to reduce greenhouse gas emissions as follows:

- Increase the efficiency of using raw materials and energy in production
- Review operating procedures, continuously optimize the production process to increase the efficiency of using raw materials and reduce energy consumption



***Planting hundreds of new trees at the factory campus in Hai Phong and Nghe An.***

The company always complies with environmental protection laws. During the year, there were no violations of environmental laws and regulations.

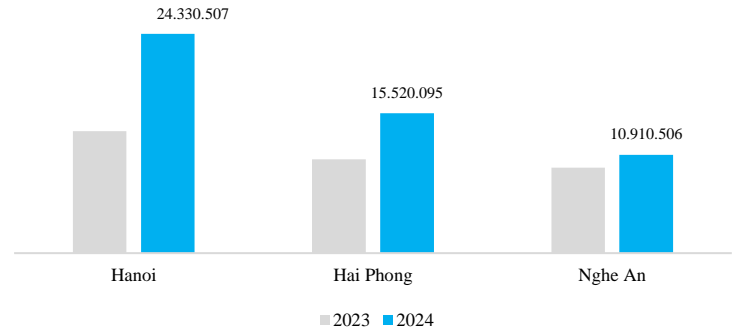
**Society**



*The total number of employees in 2024 is 378 people, an increase of 50% compared to 2023 thanks to the expansion of new product production scale.*

At the same time, improve income and salary of employees in the regions.

**Average monthly salary for employees**



*Internal training reached more than 3,000 hours per year..*

The average number of training hours reached over 13 hours/person with topics ranging from technical, safety to management skills.

Units continuously organize and create conditions for employees to attend training courses to improve professional qualifications such as: business management, warehouse management, business knowledge, occupational safety and hygiene, fire prevention and fighting, etc...



*Periodic health check-ups for all employees, implementation of nutrition care policies, sports and recreation areas in the dormitory.*

Strengthen inspection to ensure occupational safety and food hygiene, implement disease prevention, conduct periodic environmental impact assessment to have preventive measures and improve the working environment.

Organize "Safety Day" seminars. Each month, there is a topic focusing on health and work safety, improving efficiency and productivity.



*Organized 6 community programs at the factory's locality, notably:*



Supported more than 3 billion VND to upgrade the memorial for heroic martyrs in Quynh Hau commune, Quynh Luu district, Nghe An

Donated 300 million VND to support the army and people at Con Co island - Quang Tri....



*Achieved the “Green Credit Index – TOPGreen 2021” Certificate*

## Governance

-  *Issued an internal ESG index, integrated into the management dashboard.*
-  *Completed the first internal audit according to ISO 19011.*
-  *Synchronously deployed ERP – SAP system, connecting data with MES and CR.*
-  *Awarded house – car – life insurance to managers with many years of dedication and contribution to the company*
-  *Achieved TBI 2021 certificate - “Trusted Quality Supplier 2021” certificate*

# ESG

Environmental  
Social  
Governance



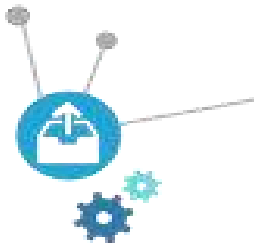
2025 ACTION PLAN

ENVIRONMENT



- **Installing rooftop solar power at factories**  
→ *Goal:* Reduce 20% of electricity production costs, reduce CO<sub>2</sub> emissions, realize the goal of "green factory" in SK27945.
- **Reduce 10% of electricity consumption/ton of product**  
→ *Goal:* Optimize equipment performance, reduce energy consumption through each stage, reduce operating costs.
- **Green month of energy saving (June 2025)**  
→ *Goal:* Stimulate internal saving initiatives, create a competitive atmosphere for green innovation throughout the system.
- **Include environmental criteria in supplier evaluation**  
→ *Goal:* Build an environmentally friendly supply chain, increase the proportion of domestic suppliers & meet ESG standards.

SOCIETY



- **Vocational scholarship program for children of employees**  
→ *Goal:* Contribute to the development of the local workforce, increase community engagement and corporate image with social responsibility.
- **Increase the rate of internal personnel appointments ≥ 65%**  
→ *Goal:* Develop a sustainable succession team, preserve organizational culture and personal development motivation.
- **ESG Value Connection Week (October 2025)**  
→ *Goal:* Connect internally with action values, help each block define its own ESG role and spread organizational culture.
- **eNPS survey & deploy internal Mentors**  
→ *Goal:* Enhance engagement, maintain a culture of companionship, inspire the new generation in the Group.

GOVERNANCE



- **Build an integrated ESG report on DataBoard**  
→ *Goal:* Standardize ESG data, serve GRI-standard sustainable development reports & support strategic management decisions.
- **Attach ESG to functional block KPIs**  
→ *Goal:* Create an operating mechanism that attaches ESG responsibilities to each activity, transparently and measurably.
- **Organize a system-wide ESG Conference (December 2025)**  
→ *Goal:* Communicate throughout the blocks on ESG results - initiatives - barriers. Propose improvements & honor model benchmarks.
- **Integrate ESG into investment appraisal**  
→ *Goal:* Ensure that all new projects are assessed for sustainability risks and opportunities, limiting ESG costs after implementation.



# FINANCIAL REPORT

*(Attached)*

**LEGAL REPRESENTATIVE**



**Mai Thanh Phuong**





**PHALE PLASTICS MANUFACTURING AND  
TECHNOLOGY JOINT STOCK COMPANY**

**Audited financial statements  
for the fiscal year ended as at 31 December 2024**



## TABLE OF CONTENTS

	Page
<b>THE BOARD OF GENERAL DIRECTORS' REPORT</b>	1 - 3
<b>INDEPENDENT AUDITORS' REPORT</b>	4
<b>AUDITED FINANCIAL STATEMENTS</b>	
Balance sheet	5 - 6
Income statement	7
Cash Flow statement	8
Notes to the financial statements	9 - 43

## THE BOARD OF GENERAL DIRECTORS' REPORT

The Board of General Directors of Phale Plastics manufacturing and technology Joint Stock Company ("the Company") presents its report and the audited financial statements for the fiscal year ended as at 31 December 2024

### 1. General information

Phale Plastics Manufacturing and Technology Joint Stock Company (hereinafter referred to as "the Company"), formerly Pha Le Minerals Joint Stock Company, was established under Investment Certificate No. 02221000087 issued by Hai Phong Economic Zone Management Board on 8 October 8 2014, revised on 12 December 2014. The Company operates under the Certificate of Business Registration of a joint stock company first issued by the Hanoi Department of Planning and Investment No. 0103018538 on 18 November 2008.

During operation, the Company was granted the 18th Certificate of Business Registration of a Joint Stock Company by the Department of Planning and Investment of Hai Phong City on 11 December 11 2023. According to the certificate, the Company's charter capital is VND **700,000,000,000** (Seven hundred billion Vietnam Dong).

Charter capital:	700,000,000,000 VND ( <i>Seven hundred billion Vietnam Dong</i> )
Par value of shares:	10,000 VND
Total share:	70,000,000 shares
Stock code:	PLP
Listed on:	HSX

The headquarter of the Company is located Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam.

### 2. The members of the Board of Management, Supervision and General Directors

The members of the Board of Management, Board of Supervision and General Directors who held office during the fiscal year ended as at 31 December 2024 and to the date of this report date are as follows:

#### Board of Management

<u>Name</u>	<u>Position</u>
Mr. Mai Thanh Phuong	Chairman
Mr. Le Thac Tuan	Member
Ms. Tran Hai Yen	Member
Mr. Cao Van Tho	Member

#### Board of Supervision

<u>Name</u>	<u>Position</u>
Mr. Dinh Duc Tuan	Head
Ms. Vu Ngoc Thuy	Member
Ms. Mai Thi Thanh Hoa	Member

#### Board of General Directors

<u>Name</u>	<u>Position</u>
Ms. Tran Hai Yen	General Director
Mr. Nguyen Thanh Binh	Deputy General Director



## THE BOARD OF GENERAL DIRECTORS' REPORT (*Continued*)

### Legal representative

The legal representative persons of the Company who held office during the year and to the date of this report date are as follows: Mr. Mai Thanh Phuong - Chairman

Mr. Mai Thanh Phuong, the legal representative of the Company, authorized Ms. Tran Hai Yen - General Director to sign the financial statements for the fiscal year ending December 31, 2024 under Authorization No. 01/2023/UQ-PL dated 01 January 2023

### 3. The Company's financial position and operating results

The Company's financial position as at 31 December 2024 and its operating result for this fiscal year ended 31 December 2024 are presented in the accompanying financial statements.

### 4. Events subsequent to the balance sheet date

The Board of General Directors ensures that there have been no significant events occurring after the balance sheet date which would require adjustment or disclosure in the notes to the financial statements.

### 5. Auditors

AFC Vietnam Auditing Co., Ltd - Ha Thanh Branch has been appointed to audit the financial statements for the fiscal year ended as at 31 December 2024 of the Company.

### 6. Statement of the Board of General Directors' responsibility in respect of the financial statements

The Board of General Directors is responsible for the financial statements for the fiscal year ended 31 December 2024 which gives a true and fair view of the state of affair of the Company and of its results and cash flows for the fiscal year ended 31 December 2024. In preparing those financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements 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;
- Prepare the financial statements on the going concern basic unless it is inappropriate to presume that the Company will continue in business; and
- Design, implement and maintain the Company's internal control for prevention and detection of fraud and error.

The Board of General Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

The Board of General Directors is responsible for ensuring that the proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of General Director is also responsible for controlling the assets of the Company and therefore has taken the appropriate measures for the prevention and detection of fraud and the statutory requirements relating to the preparation and presentation of financial statements.

In addition, The Board of General Directors confirms that the Company has complied with the requirements under the Circular No.96/2020/TT-BTC dated 11 November 2020 of the Ministry of Finance which provides guidance on disclosure of information on the securities market.

PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY  
Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District,  
Hai Phong City, Vietnam

## THE BOARD OF GENERAL DIRECTORS' REPORT (*Continued*)

### 7. Approval of the financial statements

The Board of General Directors hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2024 and the results of its operations and cash flows of the Company with notes to the financial statement for this fiscal year in accordance with the Vietnamese Accounting Standards, Accounting System for enterprises and legal regulations relating to setting up and preparing the financial statements.

On behalf of the Board of General Directors



**TRAN HAI YEN**  
General Director  
Hai Phong, 31 March 2025





No: 030/2025/BCKT-HT.00149

### INDEPENDENT AUDITOR'S REPORT

To: **Shareholders, the Board of Management and Board of General Directors of Phale Plastics Manufacturing and Technology Joint Stock Company**

We have audited the financial statements of Phale Plastics Manufacturing and Technology Joint Stock Company ("the Company"), prepared on 31 March 2025, as set out on pages 05 to 43, which comprise the balance sheet as at 31 December 2024, and the income statement, the cash flow statement for the fiscal year ended 31 December 2024 and the Notes to the financial statements.

#### Board of General Directors' responsibility

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditor's 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 auditor considers internal control relevant to the Company's preparation 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 Board of General Directors, as well as evaluating the presentation of the financial statements.

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

#### Auditor's Opinion

In our opinion, the financial statements give a true and fair view of, in all material respects, the financial position of Phale Plastics Manufacturing and Technology Joint Stock Company as at 31 December 2024, and of its financial performance and its cash flows for the fiscal year ended 31 December 2024 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial statements.



**TRAN DINH DZUNG**

**Deputy Director**

Audit Practicing Registration Certificate:  
1788-2023-009-1

**AFC VIETNAM AUDITING COMPANY LIMITED - HA THANH BRANCH**

Hanoi, 31 March 2025

**NGUYEN DANG SY**

**Auditor**

Audit Practicing Registration Certificate:  
3725-2021-009-1



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Address: Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**BALANCE SHEET**

31 December 2024

Unit: VND

ASSETS	Code	Note	Ending Balance	Opening Balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>1,514,439,559,341</b>	<b>1,257,807,735,730</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5.1</b>	<b>16,016,322,858</b>	<b>17,033,894,951</b>
1. Cash	111		16,016,322,858	17,033,894,951
<b>II. Short term financial investments</b>	<b>120</b>	<b>5.2</b>	<b>76,328,794,520</b>	<b>47,150,000,000</b>
1. Held-to-maturity investments	123		76,328,794,520	47,150,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>998,826,186,468</b>	<b>893,487,768,596</b>
1. Short-term trade receivables	131	5.3	606,874,837,258	532,176,185,596
2. Short-term advances to suppliers	132	5.4	148,865,426,336	101,695,490,531
3. Receivable from short-term loans	135	5.5	7,200,000,000	10,600,000,000
4. Other short-term receivables	136	5.6	240,459,108,297	253,086,202,232
5. Provision for doubtful short-term debts	137	5.7	(4,573,185,423)	(4,070,109,763)
<b>IV. Inventories</b>	<b>140</b>		<b>366,217,262,792</b>	<b>288,220,450,644</b>
1. Inventories	141	5.8	366,217,262,792	288,220,450,644
<b>V. Other short-term assets</b>	<b>150</b>		<b>57,050,992,703</b>	<b>11,915,621,539</b>
1. Short-term prepayments	151	5.9	3,151,621,836	1,857,428,571
2. VAT deductibles	152		49,932,306,904	9,537,913,065
3. Other receivables from State budget	153	5.17	3,967,063,963	520,279,903
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>877,554,396,048</b>	<b>485,592,088,630</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>13,428,913,877</b>	<b>2,752,044,340</b>
1. Other long-term receivables	216	5.6	13,428,913,877	2,752,044,340
<b>II. Fixed assets</b>	<b>220</b>		<b>557,222,802,707</b>	<b>179,738,992,499</b>
1. Tangible fixed assets	221	5.10	350,109,793,267	167,678,234,896
- Cost	222		450,603,627,514	292,808,762,565
- Accumulated depreciation	223		(100,493,834,247)	(125,130,527,669)
2. Finance leases fixed assets	224	5.11	195,428,171,553	-
- Cost	225		197,369,772,026	-
- Accumulated depreciation	226		(1,941,600,473)	-
3. Intangible fixed assets	227	5.12	11,684,837,887	12,060,757,603
- Cost	228		15,036,788,688	15,036,788,688
- Accumulated depreciation	229		(3,351,950,801)	(2,976,031,085)
<b>III. Investment property</b>	<b>230</b>	<b>5.13</b>	<b>6,548,844,105</b>	<b>-</b>
- Cost	231		6,548,844,105	-
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>69,803,184,796</b>	<b>7,459,272,870</b>
1. Construction in progress	242	5.14	69,803,184,796	7,459,272,870
<b>V. Long term financial investments</b>	<b>250</b>	<b>5.2</b>	<b>206,640,398,456</b>	<b>273,641,712,433</b>
1. Investment in joint ventures, associates	252		209,000,000,000	209,000,000,000
2. Investments in other entities	253		-	65,170,000,000
3. Provision for diminution in value of long-term financial investments	254		(3,659,601,544)	(2,828,287,567)
4. Long-term investments held to maturity	255		1,300,000,000	2,300,000,000
<b>VI. Other long-term assets</b>	<b>260</b>		<b>23,910,252,107</b>	<b>22,000,066,488</b>
1. Long-term prepaid expenses	261	5.9	23,910,252,107	22,000,066,488
<b>TOTAL ASSETS</b>	<b>270</b>		<b>2,391,993,955,389</b>	<b>1,743,399,824,360</b>

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Address: Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**BALANCE SHEET (Continued)**

31 December 2024

Unit: VND

RESOURCES	Code	Note	Ending Balance	Opening Balance
<b>A. LIABILITIES</b>	<b>300</b>		<b>1,591,680,072,520</b>	<b>951,912,026,660</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,196,782,361,425</b>	<b>937,987,975,719</b>
1. Trade payables	311	5.15	170,457,829,458	99,166,783,716
2. Short-term advances from customers	312	5.16	202,015,171,831	117,552,912,451
3. Taxes and payables to State budget	313	5.17	2,051,635,257	3,804,545,984
4. Payables to employees	314		4,984,989,673	1,103,492,342
5. Short-term accrued expenses	315	5.18	4,159,222,530	2,023,934,853
6. Other current payables	319	5.19	6,011,992,398	5,582,033,805
7. Short-term loans and financial lease liabilities	320	5.20	802,667,018,290	704,211,401,580
8. Bonus and welfare funds	322		4,434,501,988	4,542,870,988
<b>II. Long-term liabilities</b>	<b>330</b>		<b>394,897,711,095</b>	<b>13,924,050,941</b>
1. Other long-term payables	337		-	-
2. Long-term loans and finance lease liabilities	338	5.20	394,897,711,095	13,924,050,941
<b>B. EQUITY</b>	<b>400</b>		<b>800,313,882,869</b>	<b>791,487,797,700</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>5.21</b>	<b>800,313,882,869</b>	<b>791,487,797,700</b>
1. Owners' invested capital	411		700,000,000,000	700,000,000,000
- Ordinary shares with voting rights	411a		700,000,000,000	700,000,000,000
2. Share premium	412		(200,000,000)	(200,000,000)
3. Treasury stocks	415		(1,530,000)	(1,530,000)
4. Investment and development fund	418		5,885,826,969	5,885,826,969
5. Retained earnings	421		94,629,585,900	85,803,500,731
- Retained earnings brought forward	421a		85,803,500,731	74,723,420,860
- Retained earnings for the current year	421b		8,826,085,169	11,080,079,871
<b>II. Other resources and other funds</b>	<b>430</b>		-	-
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>2,391,993,955,389</b>	<b>1,743,399,824,360</b>

Hai Phong, 31 March 2025

PREPARER

CHIEF ACCOUNTANT

GENERAL DIRECTOR



TRAN HUU TIN



PHAM XUAN TRI



TRAN HAI YEN



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Address: Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**INCOME STATEMENT**

For fiscal year ended 31 December 2024

Unit: VND

INDEX	Code	Note	This year	Last year
1 Revenue from sales of goods and services rendered	01	6.1	2,002,833,899,638	1,806,342,204,433
2 Less deductions	02	6.2	116,263,226	10,627,200
3 Net revenue from sales of goods and services rendered (10=01-02)	10		2,002,717,636,412	1,806,331,577,233
4 Cost of goods sold	11	6.3	1,877,407,481,444	1,669,117,351,356
5 Gross profit from sales of goods and services rendered (20=10-11)	20		125,310,154,968	137,214,225,877
6 Financial income	21	6.4	34,362,858,595	7,096,303,802
7 Financial expenses	22	6.5	58,128,514,275	65,768,084,658
- In which: Interest expense	23		56,132,803,809	63,339,959,573
8 Selling expenses	24	6.6	21,386,610,523	29,341,689,522
9 General and administration expenses	25	6.7	29,259,746,661	24,681,120,460
10 Operating profit	30		50,898,142,104	24,519,635,039
11 Other income	31	6.8	183,228,708	2,483,924
12 Other expenses	32	6.9	42,230,094,811	9,545,647,022
13 Profit from other activities (40=31-32)	40		(42,046,866,103)	(9,543,163,098)
14 Accounting profit before tax	50		8,851,276,001	14,976,471,941
15 Current corporate income tax expenses	51	6.10	25,190,832	3,897,292,070
16 Deferred corporate income tax expenses	52		-	-
17 Net profit after tax (60=50-51-52)	60		8,826,085,169	11,079,179,871
18 Earning per share	70	6.12	126	158
19 Diluted earnings per share	71		126	158

Hai Phong, 31 March 2025

PREPARER

CHIEF ACCOUNTANT

GENERAL DIRECTOR



TRAN HUU TIN



PHAM XUAN TRI



TRAN HAI YEN

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Address: Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**CASH FLOW STATEMENT (Indirect method)**

For fiscal year ended 31 December 2024

Unit: VND

Index	Code	Note	This year	Last year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1. Accounting profit before tax	01		8,851,276,001	14,976,471,941
<b>2. Adjustments for:</b>				
- Depreciation and amortisation of fixed assets, investment	02		8,413,302,875	22,469,922,319
- Provisions	03		1,334,389,637	1,478,211,839
- Gain, loss foreign exchange rate differences upon revaluation of monetary	04		(24,051,265)	911,236,979
- Gain, loss from investing activities	05		(71,403,918,990)	(3,807,366,114)
- Interest expense	06		56,132,803,809	63,339,959,573
- Other adjustments	07		-	-
<b>3. Operating profit before movements in working capital</b>	<b>08</b>		<b>3,303,802,067</b>	<b>99,368,436,537</b>
- Increase, decrease in receivables	09		(248,188,201,289)	50,068,563,011
- Increase, decrease in inventories	10		(77,996,812,148)	(12,822,375,853)
- Increase, decrease in account payable (not consist of payables of interest expense and CIT)	11		173,234,824,389	6,743,210,405
- Increase, decrease in accrued expenses	12		(3,204,378,884)	4,816,261,109
- Increase, decrease in trading securities	13		-	-
- Interest expense paid	14		(56,119,454,303)	(63,387,881,809)
- Corporate income tax paid	15		(2,955,626,285)	(3,406,953,678)
- Other cash inflows	16		-	-
- Other cash outflows	17		(108,369,000)	(2,400,243,200)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>(212,034,215,453)</b>	<b>78,979,016,522</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Cash outflow for purchasing and construction of fixed assets and other long-term assets	21		(276,501,625,741)	(19,283,378,217)
2. Proceeds from disposal of fixed assets and other long-term assets	22		100,000,000	-
3. Expenditures on loans and equity investment in other entities	23		(44,065,000,000)	(24,500,000,000)
4. Proceeds from lending or equity investment in other entities	24		19,600,000,000	17,973,500,000
5. Investment in other entities	25		-	-
6. Cash recovered from investments in other entities	26		274,311,620,300	37,701,000,000
7. Interest income received, dividends received	27		2,865,697,918	3,251,509,595
<b>Net cashflow used in investing activities</b>	<b>30</b>		<b>(23,689,307,523)</b>	<b>15,142,631,378</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Proceeds from issuing stocks, receiving capital from owners	31		-	-
2. Capital withdrawals, buying treasury shares	33	7.1	2,457,633,983,191	1,645,323,496,787
3. Proceeds from short-term borrowings	34	7.2	(2,183,070,024,161)	(1,726,453,363,217)
4. Repayment of principal and financial principal	35		(39,875,489,313)	-
5. Dividends or profits paid to owners	36		-	-
<b>Net cashflow used in financing activities</b>	<b>40</b>		<b>234,688,469,717</b>	<b>(81,129,866,430)</b>
<b>NET CASH INFLOWS/OUTFLOWS IN THE PERIOD</b>	<b>50</b>		<b>(1,035,053,259)</b>	<b>12,991,781,470</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>60</b>		<b>17,033,894,951</b>	<b>4,042,335,759</b>
Effects of changes in foreign exchange rate	61		17,481,166	(222,278)
<b>Cash and cash equivalents at end of the year</b>	<b>70</b>	<b>5.1</b>	<b>16,016,322,858</b>	<b>17,033,894,951</b>

PREPARER



TRAN HUU TIN

CHIEF ACCOUNTANT



PHAM XUAN TRI

Hai Phong, 31 March 2025

GENERAL DIRECTOR



TRAN HAI YEN



## PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

### NOTES TO THE FINANCIAL STATEMENTS

For the fiscal year ended as at 31 December 2024

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

#### 1. GENERAL INFORMATION

##### 1.1 Forms of ownership

Phale Plastics Manufacturing and Technology Joint Stock Company (hereinafter referred to as "the Company"), formerly Pha Le Minerals Joint Stock Company, was established under Investment Certificate No. 02221000087 issued by Hai Phong Economic Zone Management Board on 8 October 8 2014, revised on 12 December 2014. The Company operates under the Certificate of Business Registration of a joint stock company first issued by the Hanoi Department of Planning and Investment No. 0103018538 on 18 November 2008.

During operation, the Company was granted the 18th Certificate of Business Registration of a Joint Stock Company by the Department of Planning and Investment of Hai Phong City on 11 December 11 2023. According to the certificate, the Company's charter capital is VND **700,000,000,000** (Seven hundred billion Vietnam Dong).

The Company is listed on the Ho Chi Minh Stock Exchange (HOSE). Stock code: PLP

The Company's headquarters and factory are located at Lot CN4.3, MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City.

##### 1.2 Business field

Business fields of the Company are industrial production and commercial business.

##### 1.3 Line of business

Line of business of the Company are:

- Other mineral exploitation not elsewhere classified. Details: exploration, exploitation, processing and trading of minerals (except minerals prohibited by the State);
- Exploitation of stone, sand, gravel, clay; Cutting, shaping and finishing stone;
- Production of plastic and synthetic rubber in primary form; Production of artificial fibers; Production of plastic products;
- Manufacture of other rubber products;
- Other specialized wholesale not elsewhere classified; Wholesale of other construction materials and installation equipment;
- Wholesale of automobiles and other motor vehicles; Sale of spare parts and accessories of automobiles and other motor vehicles; Sale of motorcycles and motorbikes; Sale of spare parts and accessories of motorcycles and motorbikes;
- Production of construction materials from clay;
- Construction of other public works; Construction of hydraulic works; Construction of processing and manufacturing works; Construction of other civil engineering works; Completing construction works; Site preparation; Other specialized construction activities;
- Manufacture of electronic components; Manufacture of communication equipment; Manufacture of consumer electronics products; Manufacture of motors, generators, electric transformers, electrical distribution and control equipment; Manufacture of consumer electrical appliances; Manufacture of other common machines; Manufacture of metal components;
- Mechanical processing; metal treatment and coating;
- Production of animal feed, poultry and aquatic products;
- Yarn production; Raw textile fabric production; Finishing textile products; Knitted, crocheted and other non-woven fabrics production; Ready-made textile products production (except apparel);
- Repair of machinery and equipment; Repair of electrical equipment;

## PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the fiscal year ended as at 31 December 2024

- Installation of industrial machinery and equipment; Production, distribution of steam, hot water, air conditioning and ice production; Recycling of wastes;
- Installation of electrical systems; Installation of water supply and drainage systems, heating and air conditioning systems; Installation of other construction systems;
- Renting of machinery, equipment and other tangible goods without operator;
- Retail sale of hardware, paint, glass and other construction installation equipment in specialized stores.

#### 1.4 Business cycle

Business cycle of the Company is not exceeding 12 months.

#### 1.5 Characteristics of the Company's operations during the period that affect the Financial Statements

In 2024, the Company completed the construction of a high-tech tiling material factory in Hai Phong and put the factory into production.

#### 1.6 Structure of the Company

##### - *Affiliated units:*

Name	Address	Main business activity
Nghe An Branch	Nghe An	Stone mining and production
Representative office in Nghe An	Nghe An	
Representative office in Hanoi	Hanoi	Commercial business

##### - *Associated companies as at 31 December 2024, including:*

Company name	Address	Main business activity	Parent company interest ratio	Voting rights ratio
Tan Viet An Trading and Tourism Joint Stock Company	No. 84 Hau Can Street, Bai Chay Ward, Ha Long City, Quang Ninh Province	Road freight transport	49.50%	49.50%
Minh Cam Minerals Joint Stock Company	Len Minh Cam Quarry, Phong Hoa Commune, Tuyen Hoa District, Quang Binh Province	Stone mining and production	45%	45%

#### 1.7 Employees

As at 31 December 2024, the Group has 133 people (As at 31 December 2023: 243 people).

#### 1.8 Disclosure of information comparability in the financial statements

The figures presented in the Financial Statements for the fiscal year starting from January 1, 2024 and ending December 31, 2024 are comparable with the corresponding figures of the previous year.

## 2. ACCOUNTING PERIOD AND ACCOUNTING CURRENCY

### 2.1. Fiscal year

The financial year of the Company is from 01 January to 31 December annually.



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**2.1 Accounting currency**

The Company maintains its accounting records in Vietnamese Dong (VND) due to the revenues and expenditures are made primarily by currency VND.

**3. STANDARDS AND APPLICABLE ACCOUNTING POLICIES**

**3.1 Standards and applicable accounting policies**

The Company applies the Vietnamese Accounting Standards and Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance and Circular No. 53/2016/TT-BTC dated 31 March 2016 amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC.

**3.2 Comply with the Vietnamese Accounting Standards and Vietnamese Accounting System**

The Board of General Directors is ensure that complied with the Vietnamese Accounting Standards and Vietnamese Accounting Regime under the Circular No. 200/2014/TT-BTC dated 22 December 2014, the Circular No. 75/2015/TT-BTC dated 18 May 2015 and the Circular No. 53/2016/TT-BTC dated 31 March 2016 and as well as the guiding implementation of Vietnamese Accounting Standards issued by the Ministry of Finance in relating to the preparation and presentation of financial statements.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Basis of preparation the separate financial statements**

The separate financial statements are prepared on the accrual basis (except for information relating to cash flows).

The accompanying separate financial statements are not presented the financial position and results fo operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

**4.2 Foreign currency transactions**

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

Foreign exchange differences arising from these transactions are recognised in the separate income statement (financial income or financial expenses). Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Company regularly trades. The increasing or decreasing differences are recorded in the financial income or financial expenses after its are offset.

**4.3 Accounting estimates**

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



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**4.4 Cash and cash equivalents**

Cash comprises cash on hand, cash at banks (demand deposits) and cash in transit. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

**4.5 Financial investments**

**Held-to-maturity investments**

Investments are classified as held to maturity when the Company has the intent and to be ability to hold to maturity. Held to maturity investments include term deposits (including treasury bills, promissory notes), bonds, preference shares which the issuer is required to re-buy them in a certain time in the future and held to maturity loans to earn profits periodically and other held to maturity investments.

Held to maturity investments are initially recognized at cost including purchase price and the expenses related to the purchase of the investments. After initial recognition, these investments are recorded at their recoverable value. Interest income from held to maturity investments after the acquisition date is recognized in income statement on an estimates basis. Income before Company owns is deducted into the cost at acquisition.

When there is evidence surely about a part or all of the investment may be not recoverable and having damage can be measured reliably, the loss is recognized in financial expenses in the year and reduced direct investment values.

**Investments in Associates**

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

Investments in associates are initially recognized at initial cost, including purchase price or capital contributions plus costs directly attributable to the acquisition. In case of investment in non-monetary assets, the cost of the investment is recognized at the fair value of non-monetary assets at arise.

Dividends and profits from previous periods of the investments before purchase are accounted for the decrease in value of the investments. Dividends and profits of the following period are after purchase is recognized in revenue. Dividends received by shares are only followed up by the number of shares increases without recognizing the value of shares/and recorded at face value.

Provision for diminution in value of long-term investments in associates are made when a association get loss at the level of appropriation equivalent to the difference between on associates ' actual investment capital at economic organization and actual equity capital of economic organization multiplying the capital contribution rate of the Company in comparison with in associates ' actual investment capital at economic organization. If the associates are the object up to present the consolidated financial statements, the basis for determining loss is the consolidated financial statements.

Increase or decrease in provision for diminution in value of long-term investments of associates have recorded at the closing day, and is recognized in the financial cost.

**Loan receivables**

Loan receivables are determined at cost less provision for doubtful debts. Provisions for doubtful debts of loans are stated based on the occurred estimated losses.



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**4.6 Receivables**

Trade and other receivables are stated at cost less provision for doubtful debts.

The classification of receivables is trade receivables and other receivables, which is complied with the following principles:

- Trade receivables reflect the nature of the receivables arising from commercial transactions with purchase - sale between the Company and an independent purchaser.
- Other receivables reflect the nature of the receivables arising from non-commercial transactions, and to be related to the purchase - sale transactions.

The provision for doubtful debts represents the estimated loss due to non-payment arising on receivables that were outstanding at the balance sheet date. Increases and decreases to the provision balance are recognised as general and administration expenses in the income statement.

**4.7 Inventories**

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

The cost of inventories is determined as follows:

- Materials and goods: comprising all costs of purchase and related expenses directly incurred in bringing the inventories to their present location and condition.
- Finished goods: including the cost of materials, direct labour and general manufacturing costs related to allocate on normal levels.

Net realizable value represents the estimated selling price of inventory during the normal production and business minus the estimated costs to completion and the estimated costs necessary to consume them.

Cost is determined on a weighted average method/and the perpetual method is used to record inventories.

Provision for impairment of inventories is made for each inventory with the cost greater than the net value realizable. For service in progress, the provision for impairment is calculated for each type of service has a separate price. Increase or decrease in the balance of provision for impairment of inventories should be set aside at the fiscal year end and is recognized in cost of goods sold.

**4.8 Prepaid expenses**

Prepaid expenses relating only to the production and business costs of a financial year or business cycle are recognized as short-term prepaid expenses and included in the production and business expenses in the fiscal year. Expenditures incurred during the financial year but relating to the results of production and business activities of several accounting years are accounted into the long-term prepayment expenses to be gradually allocated to the results of business activities in the financial years.

The calculation and allocation of long-term prepaid expenses into production and business expenses in each accounting period shall be based on the nature and level of each type of expense in order to select the reasonable method and allocated factors. Prepaid expenses are amortized to expenses according to the straight-line method.

**4.9 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures for additions, improvements and renewals are capitalised on fixed assets accounts, expenditures for maintenance and repairs are



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

charged to the income statement. Expenses incurred which do not meet the above conditions are recognized as production and business expenses in the period.

When assets are sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

Depreciation of tangible fixed assets is calculated on a straight-line basis over the estimated useful life of these assets, which are as follows:

<u>Type</u>	<u>Time</u>
Buildings	10 - 22
Machinery and equipment	05 - 15
Vehicles, Transportation equipment	05 - 10
Office equipment	03 - 05

**4.10 Finance lease of fixed assets**

Leases are classified as finance leases if substantially all the risks and rewards incidental to ownership of the asset remain with the lessee. Leased fixed assets are stated at cost less accumulated depreciation. The cost of leased fixed assets is the lower of the fair value of the leased asset at the inception of the lease and the present value of the minimum lease payments. The discount rate used to calculate the present value of the minimum lease payments is the interest rate implicit in the lease or the interest rate stated in the lease. In cases where the interest rate implicit in the lease cannot be determined, the borrowing rate at the inception of the lease is used.

Leased fixed assets are depreciated using the straight-line method over their estimated useful lives. In cases where it is not certain that the Company will obtain ownership of the asset at the end of the lease term, the fixed assets are depreciated over the shorter of the lease term and the estimated useful life. The depreciation years for the types of leased fixed assets are as follows:

<u>Type</u>	<u>Year</u>
Machinery and equipment	10 - 20

**4.11 Intangible fixed assets**

Intangible fixed assets determined at the initial costs less amortization.

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

Costs relating to intangible assets incurred after initial recognition are recognized to the income statement, except for costs which are related to the specific intangible assets and increase benefits economic from these assets.

When assets are sold or liquidated, their cost and accumulated amortisation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the income statement.

The company's intangible fixed assets include:

***Land use rights***

The land use right reflects all the actual expenses related to the used land such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground levelling, registration fees.

The Company's land use rights are amortized as follows:



## PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the fiscal year ended as at 31 December 2024

Land use rights granted by the State with land use fees collected: are depreciated using the straight-line method based on the land allocation period (40 years), indefinite land use rights are not depreciated.

#### 4.12 Investment property

Investment properties including land use right, a building or a part of building, infrastructure held by the company or by the lessee under a financial lease are used to earn rental or for capital appreciation. Investment properties are determined by their historical costs less accumulated depreciation. Historical cost of investment property includes all the expenses paid by the company or the fair value of other consideration given to acquire the assets at the time of its acquisition or construction.

Subsequent expenses relating to an investment property that have already been recognized should be added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the company.

When the investment property is sold, its historical cost and accumulated depreciation are written off, the any gain (loss) arising are posted into the income or the expenses.

Real estate investments held for capital appreciation is not depreciated. Where there is strong evidence showing the investment property held for capital appreciation being dropped against market value and discounts can be measured reliably, the costs of the investment real estate held for capital appreciation are reduced and losses are recorded in cost of sales.

#### 4.13 Construction in progress

Construction in progress includes capital construction in progress of ongoing projects, machinery and equipment in the process of construction or installation, and major asset repair costs. unfinished fixed. These costs are recognized at cost. Depreciation of these assets is applied in the same way as other assets of the business, starting when the assets are ready for use.

#### 4.14 Payables

The classification of liabilities is payable to suppliers and other payables, which complied with the following principles:

a. Trade payables reflect the nature of the payables arising from commercial transactions with purchase of goods, services, property between the Company and sellers (the independent unit of the Company, including amounts between the Parent company and its subsidiaries, joint ventures, affiliate). These payables include amounts payable arising due to importing through trustees (in trust import transactions);

b. Other payables reflects the nature of the payables of non-commercial, not related to the purchase, sale, rendering service transactions:

- Payables related to financial expenses, such as: interest expenses, dividends and profit payables, expenses for financial investment activities to be paid;
- Payables paid by third parties; Amounts entrusted by the recipient to be paid by related parties for payment as indicated in the import-export entrustment transaction;
- Payables are non-commercial, such as having to pay due to borrowed assets, paying for fines, compensations, excess assets awaiting for handling, paying for social insurance, health insurance, unemployment insurance ...

Payables are classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date. Liabilities shall be recognized when there are solid evidences of the possibility of economic loss on a prudent basis.



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

Payables in foreign currencies are revalued at the end of the period when preparing the financial statements. The actual exchange rate when revaluating payables in foreign currencies at the time of preparing the financial statements is the exchange rate announced by the commercial bank, where the entity has regular transactions (selected by Company itself, when dealing with customers).

**4.15 Loans and finance lease liabilities**

The loans and finance lease liabilities are kept records in details according to entities, and classified into short-term liabilities or long-term liabilities based on their payment period. If these payment period is over 12 months from the balance sheet date presented as long-term loans and under 12 months from the balance sheet date presented as short-term loans for set up the payment plan.

Direct expenses concerning to the loans and finance lease liabilities (except interest expense) such as appraisal, auditing, document compilation, bond issuance expenses shall be recorded as financial expenses. Interest expenses arise from loans for purposes of investment, construction or production of assets in progress, they shall be capitalized according to "Borrowing cost" accounting standard.

When preparing the financial statements, the balances of loans in foreign currencies are re-evaluated at the actual exchange rates at the time of preparation of the financial statements. Exchange differences arising from the settlement and final revaluation of loans in foreign currencies are charged to financial income or expenses.

**4.16 Borrowing costs and capitalization**

Borrowing cost consist of interest and other costs that an entity incurs connection with the borrowing of funds. Borrowing costs are recorded as exxpense during the period which they are incurred except to the borrowing costs directly attributable to the acquisition, construction are capitalized according to No.16 VAS - "Borrowings costs".

Borrowings costs are recognized as expenses when incurred. Where the borrowing costs directly attributable to the acquisition, construction or production of uncompleted assets requires a substantial period (over 12 months) to get ready for use or sales, borrowing costs can be capitalized.

Regarding loans serving the construction of fixed assets, investment properties, and the interests shall be capitalized even if the construction duration is under 12 months;

**4.17 Accrued expenses**

Accrued expenses reflect the payables for goods and services received from the seller or provided with the purchaser but have not been paid until having invoices or having insufficient billing records, accounting records, and payables to employees including salary, production costs, sales must accruals.

The recognition of revenues and that of costs must match.

Accrued expenses will be settled at actual costs incurred. The difference between the amount deducted and the actual cost will be reversed.

**4.18 Owners' equity**

Owners' contributed capital is recorded according to the amount actually invested by shareholders.

**Share premium**



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

Share premium is recorded at the difference between the issuance price and the face value upon the initial issuance, additional issuance or the difference between re-issuance price and the net book value of treasury shares. Direct expenses related to additional issuance and re-issuance of treasury shares are recorded as a decrease in share premium.

**Treasury stocks**

When acquiring shares issued by the Company, payables including expenses related to the transaction are recorded as treasury shares and are reflected as a deduction in equity. When reissued, the difference between the price of re-release and the book value of treasury shares are recorded in the item "Share premium".

**4.19 Distribution of net profits**

Profit after tax is distributed to shareholders after an appropriation of funds under the Charter of the Company as same as the law and is approved by the General Meeting of Shareholders.

The distribution of profits to shareholders is considered to non-cash items in undistributed profit may affect cash flow and ability to pay dividends as profit from revaluation of assets contributed as capital, interest due to the revaluation of monetary items, the financial instruments and other non-cash items.

Dividends are recognized as liabilities when approved by the General Meeting of Shareholders.

**4.20 Revenue**

***Revenue from sales of goods***

Sale of merchandise shall be recognized if it simultaneously meets the following five (5) conditions:

- The enterprise has transferred the majority of risks and benefits associated with the right to own the products or goods to the buyer;
- The enterprise no longer holds the right to manage the goods as the goods owner, or the right to control the goods;
- Turnover has been determined with relative certainty;
- The enterprise has gained or will gain economic benefits from the good sale transaction; and
- It is possible to determine the costs related to the goods sale transaction.

***Revenue from sales of service rendered***

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

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The percentage of completion of the transaction at the interim balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

***Revenue from sales of real estate***

Sales of real estate by the Company's investors are recognized when they simultaneously satisfy all of the following conditions:



## PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the fiscal year ended as at 31 December 2024

- Real estate has completed and handed over to the buyers, company has transferred the risks and rewards associated with ownership of the property to the buyer.
- The company no longer holds the management rights of real estate as the owner of real estate or real estate control.
- Revenue can be measured reliably.
- The Company has obtained or will obtain economic benefits from the sale of real estate transactions.
- Determine the costs related to real estate transactions.

#### *Interest*

Interest is recognized on an accrual basis, are determined on the balance of cash in bank and the actual interest rate for each period.

#### **4.21 Cost of goods sold**

This reflects the cost of products, goods and services provided in the period.

The cost of goods sold are recognized in accordance with revenue in the period.

Costs and revenues set up by it must be recorded simultaneously on the principle of conformity. For the value of inventory lost, accountants must account immediately into the cost price of goods sold (after deducting compensation, if any).

#### **4.22 Financial expenses**

Reflecting financial expenses including expenses or losses related to financial investment activities, borrowing and borrowing expenses, expenses for joint venture capital contribution, loss of short-term securities transfer, transaction costs of selling securities; Provision for diminution in value of trading securities, provision for losses on investments in other entities, losses incurred when selling foreign currencies, exchange losses ...

Financial expenses shall not be considered as expenses for EIT calculation according to the provisions of the Tax Law, but they have sufficient invoices and vouchers and have been accurately accounted according to the accounting regime. Adjustment in the CIT finalization to increase the payable CIT.

#### **4.23 Selling expenses and general and administrative expenses**

Selling expenses represent expenses for selling purposes which mainly including salary expenses of selling staff (salary, wages, allowance...); social insurance, labour union fees, unemployment insurance of selling staff, expense of office material, tools and supplies, depreciation of fixed assets use for selling, expenses of offering, introducing, advertising, commission, warranty, package, storage, transporting, etc...

General and administrative expenses represent expenses for administrative purposes which mainly including salary expenses of administrative staff (salary, wages, allowance...); social insurance, labour union fees, unemployment insurance of administrative staff, expenses of office material, tools and supplies, depreciation of fixed assets use for administration, land rental, licence tax, provision for bad debts, utilities (electricity, water, telephone, fax, assets warranty, fire and explosive accidents insurance, etc...) and other cash expenses (entertainment, customer conference, etc...).

#### **4.24 Corporate income tax**

Current income tax is the tax amount is calculated on taxable income. The Company is obliged to pay corporate income tax with the tax rate under regulations of the prevailing Law on corporate income taxes.

The company is enjoying the following tax incentives:



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

According to the First Investment Certificate No. 2111132468 dated December 29, 2023 of the Hai Phong Economic Zone Management Board, the corporate income tax rate applicable to income from the Investment Project "High-tech tiling material factory" is 10% for 15 years, calculated continuously from the first year the enterprise's new investment project has revenue. At the same time, the Company is exempted from corporate income tax for 04 years, and has a 50% reduction in the tax payable for the next 09 years, calculated continuously from the first year the enterprise has taxable income from the new investment project.

According to the first Investment Certificate No. 6007621343 dated August 11, 2010 and the second amended Investment Certificate dated July 21, 2017 of the Department of Planning and Investment of Nghe An province, the corporate income tax rate for income from the investment project "Exploitation and construction of a system of tiled processing factories in Chau Tien commune, Quy Hop district" is entitled to incentives according to the provisions of the Law. This is a new investment project in an area with particularly difficult socio-economic conditions, so it enjoys preferential corporate income tax rates as follows: 10% corporate income tax rate for 15 years, calculated continuously from the first year the enterprise's new investment project has revenue; at the same time, the Company is exempted from corporate income tax for 04 years, and a 50% reduction in the amount of tax payable for the next 09 years, calculated continuously from the first year the enterprise has taxable income from the new investment project.

Corporate income tax rate applicable in 2024:

- The corporate income tax rate for income from the investment project "Exploitation and construction of a system of tiled processing factories in Chau Tien commune, Quy Hop district" is 10% and the tax payable is reduced by 50%. (2024 is the 6th year of enjoying tax incentives);
- Exemption from corporate income tax on income from the Investment Project of the High-tech Tile Material Factory (2024 is the first year to enjoy incentives);
- Tax rate of 20% for remaining activities.

The tax reports of the Company and its subsidiaries will be examined by the tax authorities, Due to the application of tax law to each type of transaction and the interpretation, understanding and approval in many different ways, the figures in the financial statements may differ from those of the tax authorities.

**4.25 Related parties**

Parties are considered a related party of the Company in case that party is able to control the company or to cause material effects on the financial decisions as well as operations of the Company. The parties are also considered to be related if they are jointly controlled or have a significant influence on a third party. These individuals are considered to be related parties: the key members of the Company (including the members of the Board of Directors and the Board of Managements of the Company and these one's enterprises or members of family).

**5. ADDITIONAL INFORMATION TO ITEMS IN BALANCE SHEET****5.1 Cash and cash equivalents**

	Ending balance VND	Opening balance VND
Cash on hand	2,831,670,885	2,509,479,399
Cash at banks	13,184,651,973	14,524,415,552
<b>Total</b>	<b>16,016,322,858</b>	<b>17,033,894,951</b>

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.2 Financial investments**

*a) Held-to-maturity investments*

	Ending balance		Opening balance	
	Cost VND	Book value VND	Cost VND	Book value VND
<b>Short term</b>				
<b>- Term Deposit</b>	<b>76,328,794,520</b>	<b>76,328,794,520</b>	<b>47,150,000,000</b>	<b>47,150,000,000</b>
Tien Phong Commercial Joint Stock Bank - Hai Phong Branch	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thang Long Branch	15,233,136,986	15,233,136,986	5,200,000,000	5,200,000,000
Vietnam Bank for Agriculture and Rural Development - Thu Do Branch	1,615,000,000	1,615,000,000	550,000,000	550,000,000
Vietnam Bank for Agriculture and Rural Development - Thu Do Branch	10,080,657,534	10,080,657,534	-	-
Military Commercial Joint Stock Bank - Hai Ba Trung Branch	-	-	10,000,000,000	10,000,000,000
International Commercial Joint Stock Bank - Transaction Office Branch	26,000,000,000	26,000,000,000	21,000,000,000	21,000,000,000
Joint Stock Commercial Bank for Investment and Development of Vietnam	21,400,000,000	21,400,000,000	8,400,000,000	8,400,000,000
<b>Total</b>	<b>76,328,794,520</b>	<b>76,328,794,520</b>	<b>47,150,000,000</b>	<b>47,150,000,000</b>
<b>Long term</b>				
<b>- Bonds</b>	<b>1,300,000,000</b>	<b>1,300,000,000</b>	<b>2,300,000,000</b>	<b>2,300,000,000</b>
Vietnam Bank for Agriculture and Rural Development - Thu Do Branch (1)	1,300,000,000	1,300,000,000	2,300,000,000	2,300,000,000
<b>Total</b>	<b>1,300,000,000</b>	<b>1,300,000,000</b>	<b>2,300,000,000</b>	<b>2,300,000,000</b>

- (1) Bonds with 7-year and 8-year terms at the Bank for Agriculture and Rural Development of Vietnam are worth VND 2,300,000,000 with interest rates equal to the reference interest rate plus a margin of 1%/year to 1.2%/year.



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

*b) Investments in other entities*

	Ending balance		Opening balance	
	Cost VND	Provision VND	Fair value VND	Cost VND
<i>Investments in associates</i>	<b>209,000,000,000</b>	<b>(3,659,601,544)</b>		<b>209,000,000,000</b>
Tan Viet An Trading and Tourism Joint Stock Company	173,000,000,000	(1,387,164,392)	(*)	173,000,000,000
Minh Cam Minerals Joint Stock Company	36,000,000,000	(2,272,437,152)	(*)	36,000,000,000
<i>Investments in other entities</i>	-	-		<b>65,170,000,000</b>
Royal Crystal Joint Stock Company	-	-		65,170,000,000
<b>Total</b>	<b>209,000,000,000</b>	<b>(3,659,601,544)</b>		<b>274,170,000,000</b>
				<b>(2,828,287,567)</b>

(\*) At the date of prepared these financial statements, the Company has not determined the fair value of these investments for disclosure in the financial statements because these shares have not been listed on the Vietnamese stock market and the Vietnamese Accounting Standards and Vietnamese Enterprise Accounting Regime currently do not provide guidance on how to determination of fair value of shares based on the value methods. The fair value of these investments may differ from their book value.

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.3 Short-term trade receivables**

	Ending balance VND	Opening balance VND
<b>Trade receivables - related parties</b>		
Neo Floor JSC.	106,905,608,651	-
SPC Vietnam Trading Investment JSC.	412,067,635	3,014,450,287
<b>Trade receivables - other customers</b>		
Hoang Gia Pha Le JSC.	-	8,983,848,360
SPC Ha Noi JSC.	97,751,851,926	60,297,581,926
Song Hong Investment and Business Development Co., Ltd	-	221,417,032,590
Vu Hoang Trading Development Co., Ltd	218,614,516,600	120,653,926,600
Hanoi Plastic Trading Co., Ltd	-	38,485,528,022
Minh Hai International JSC.	84,727,111,570	11,839,456,326
Neo Global Production and Trading JSC.	24,785,020,000	-
Binh An Trading Service and Investment Co., Ltd	21,874,478,976	-
Other customers	51,804,181,900	67,484,361,485
<b>Total</b>	<b>606,874,837,258</b>	<b>532,176,185,596</b>

**5.4 Advances to suppliers**

	Ending balance VND	Opening balance VND
<b>Other advances to suppliers</b>		
Harvest Europe Limited	-	125,437,320
An Thanh Bisco Singapore Pte.Ltd	-	792,082,975
Vinomig Singapore Pte.Ltd	18,502,018,002	-
Giant Crown Corporation Limited	21,248,108,665	-
Asia Trading and Business Co., Ltd	11,469,303,742	17,863,237,410
MD Trading Vietnam Co., Ltd.	74,084,044,000	73,899,324,000
Other suppliers	23,561,951,927	9,015,408,826
<b>Total</b>	<b>148,865,426,336</b>	<b>101,695,490,531</b>

**5.5 Short-term loans receivables**

	Ending balance VND	Opening balance VND
<b>Loans receivables - related parties</b>		
Tan Viet An Trading and Tourism., JSC	7,200,000,000	7,200,000,000
Neo Floor, JSC	-	3,400,000,000
<b>Total</b>	<b>7,200,000,000</b>	<b>10,600,000,000</b>

**5.6 Other short-term, long-term receivables**

	Ending balance		Opening balance	
	Amount VND	Provision VND	Amount VND	Provision VND
<b>a) Short-term</b>				
<b>Other receivables - related parties</b>				
Tan Viet An Trading and Tourism, JSC (1)	46,060,650,000	-	7,245,000,000	-
Crystal Holdings, JSC (2)	2,160,000,000	-	2,160,000,000	-



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

	Ending balance		Opening balance	
	Amount VND	Provision VND	Amount VND	Provision VND
<b>Other receivables</b>				
Advance	64,877,299,962	-	1,149,949,373	-
Interest	891,272,996	-	1,129,991,233	-
Other short-term receivables	126,469,885,339	-	250,806,261,626	-
- <i>Crystal Holdings, JSC</i>	-	-	42,858,000,000	-
- <i>Nguyen Thuy Duong (3)</i>	65,356,200,000	-	-	-
- <i>Cao Van Tho (4)</i>	23,579,979,700	-	173,323,800,000	-
- <i>Huynh Canh Phuc (5)</i>	23,985,000,000	-	23,985,000,000	-
- <i>Vietnam Joint Stock Commercial Bank for Foreign Trade Financial Leasing Co, Ltd (6)</i>	12,901,657,029	-	-	-
- <i>Others</i>	647,048,610	-	1,234,461,626	-
<b>Total</b>	<b>240,459,108,297</b>	<b>-</b>	<b>253,086,202,232</b>	<b>-</b>
<b>b) Long-term</b>				
<b>Other receivables - related parties</b>	-	-	-	-
Deposits	13,428,913,877	-	2,752,044,340	-
- <i>Vietnam Joint Stock Commercial Bank for Foreign Trade Financial Leasing Co, Ltd (7)</i>	10,560,000,000	-	-	-
- <i>Others</i>	2,868,913,877	-	2,752,044,340	-
<b>Total</b>	<b>13,428,913,877</b>	<b>-</b>	<b>2,752,044,340</b>	<b>-</b>

- (1) Receivable from Tan Viet An Trading and Tourism Joint Stock Company under interest-free loan contracts, loan term until the Company notifies of repayment, loan purpose is to supplement working capital.
- (2) Receivable from Pha Le Holdings Joint Stock Company under the Loan Agreement dated April 15, 2023, interest-free, loan term from April 15, 2023 until the Company notifies of repayment, loan purpose is to supplement working capital.
- (3) Receivable from Ms, Nguyen Thuy Duong is the transfer fee of all shares of Hoang Gia Pha Le Joint Stock Company according to Share Transfer Contract No. 01/2024/HDCNCP/RCC dated January 8, 2024.
- (4) Receivable from Mr, Cao Van Tho is the transfer fee of shares of Hoang Gia Pha Le Joint Stock Company according to Share Transfer Contract No. 2604/2023/TP/HDCNCP/RCC dated April 26, 2023.
- (5) Receivable from Mr, Huynh Canh Phuc is the transfer fee of shares of Minh Cam Minerals Joint Stock Company according to Share Transfer Contract No. 28122023/HDCN-MC dated December 28, 2023.
- (6) Receivable from Vietnam Joint Stock Commercial Bank for Foreign Trade Leasing Co, Ltd under Import Entrustment Contract No. 111.24.15/UTNK dated February 23, 2024.

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

- (7) Deposit of 5% of the value of the leased asset according to Financial Lease Contract No, 111.24.15/CTTC dated February 23, 2024 signed with MTV Financial Leasing JSC, Bank for Foreign Trade of Vietnam Co, Ltd.

**5.7 Bad debts**

	<b>Ending balance</b>		<b>Opening balance</b>	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
<b>Overdue debt from 6 months to 1 year</b>				
<i>Prepayments to suppliers</i>				
Others	83,418,730	58,393,111	-	-
<b>Overdue debt from 1 year to 2 years</b>				
<i>Trade receivables</i>				
Duc Linh Trading Service JSC,	653,400,000	326,700,000	-	-
TMT Vina Production and Trading JSC,	245,784,000	122,892,000	245,784,000	172,048,800
<i>Prepayments to suppliers</i>				
Others	31,045,000	15,522,500	-	-
<b>Overdue debt from 2 years to 3 years</b>				
<i>Trade receivables</i>				
VLC Packaging JSC,	482,216,048	144,664,814	482,216,048	241,108,024
RC Flooring Distributor Inc	470,319,009	141,095,703	447,330,913	223,665,457
Apollo Flooring Distributor	775,324,514	232,597,354	756,740,570	378,370,285
Havitech Manufacturing JSC,	318,455,477	95,536,643	318,455,477	159,227,739
Others	89,705,041	26,911,512	85,320,468	42,660,234
<i>Prepayments to suppliers</i>				
Bay Vien Mechanical Co, Ltd	278,466,000	83,539,800	278,466,000	139,233,000
<b>Overdue debt for more than 3 years</b>				
<i>Trade receivables</i>				
Duy Anh Production, Trading and Packaging Co, Ltd	188,760,000	-	188,760,000	-
Thin Phat Co, Ltd	444,125,900	-	444,125,900	-
Minerals, Packaging and Plastic JSC,	454,082,750	-	454,082,750	-
PT,GUNAWANFAJAR	405,584,000	-	405,584,000	-
Latca-PM Co, Ltd	444,325,000	-	444,325,000	-
Others	449,016,954	-	449,016,954	-
<i>Prepayments to suppliers</i>				
Chau Thanh Trading JSC,	-	-	445,376,800	-
Others	7,010,437	-	7,010,437	-
<b>Total</b>	<b>5,821,038,860</b>	<b>1,247,853,437</b>	<b>5,426,423,301</b>	<b>1,356,313,538</b>



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.8 Inventories**

	Ending balance		Opening balance	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	-	-	1,171,677,550	-
Raw materials	164,832,561,652	-	245,764,677,124	-
Tools and supplies	3,886,203,562	-	781,672,847	-
Finished goods	146,819,243,949	-	32,341,347,555	-
Goods	50,679,253,629	-	8,161,075,568	-
<b>Total</b>	<b>366,217,262,792</b>	<b>-</b>	<b>288,220,450,644</b>	<b>-</b>

The value of the inventory in circulation, which is financed by loans from Vietnam Prosperity Joint Stock Commercial Bank (VPBank), is pledged as collateral for the bank's loans (See more in note 5.20).

**5.9 Prepaid expenses**

	Ending balance VND	Opening balance VND
<b>a) Short-term</b>		
Tools and equipment	1,274,748,006	486,790,727
Repair and maintenance costs	401,138,739	262,539,829
Insurance costs	537,973,221	453,633,948
Other prepaid expenses	937,761,870	654,464,067
<b>Total</b>	<b>3,151,621,836</b>	<b>1,857,428,571</b>
<b>b) Long-term</b>		
Costs related to granting mining and mineral exploitation licenses	2,639,953,387	2,871,445,423
Input VAT on fixed assets of the project 'Ultra-fine Calcium Carbonate Powder and Plastic Additive Manufacturing Plant' that is non-refundable, according to the tax inspection report	354,831,245	598,777,772
Tools and equipment	3,087,961,625	439,051,404
Land leveling costs	17,454,928,909	17,454,928,909
Other prepaid expenses	372,576,941	635,862,980
<b>Total</b>	<b>23,910,252,107</b>	<b>22,000,066,488</b>

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.10 Tangible fixed asset**

	Buildings, structures VND	Machinery, equipment VND	Transportation VND	Office equipment VND	Total VND
<b>Cost</b>					
As at 01/01/2024	102,359,816,138	163,766,389,799	25,470,676,950	1,211,879,678	<b>292,808,762,565</b>
Increase in year	-	30,966,452,146	9,206,288,228	4,266,903,290	44,439,643,664
Finished constructions	199,306,959,959	-	-	-	199,306,959,959
Transferred to investment property	(6,548,844,105)	-	-	-	(6,548,844,105)
Disposal	(78,376,679,114)	(131,150,000)	(895,065,455)	-	(79,402,894,569)
As at 31/12/2024	216,741,252,878	194,601,691,945	33,781,899,723	5,478,782,968	<b>450,603,627,514</b>
<b>Accumulated depreciation</b>					
As at 01/01/2024	37,131,593,045	76,383,912,495	10,817,068,806	797,953,323	<b>125,130,527,669</b>
Depreciation in year	1,091,962,282	2,873,840,089	1,889,899,538	240,080,777	6,095,782,686
Disposal	(29,724,421,903)	(112,988,750)	(895,065,455)	-	(30,732,476,108)
Other decrease	-	-	-	-	-
As at 31/12/2024	8,499,133,424	79,144,763,834	11,811,902,889	1,038,034,100	<b>100,493,834,247</b>
<b>Net book value</b>					
As at 01/01/2024	65,228,223,093	87,382,477,304	14,653,608,144	413,926,355	<b>167,678,234,896</b>
As at 31/12/2024	208,242,119,454	115,456,928,111	21,969,996,834	4,440,748,868	<b>350,109,793,267</b>

- As at 31 December 2024, net book value of fixed tangible assets which are deposited and mortgaged is 302,860,337,126 VND.

- As at 31 December 2024, cost of fixed tangible assets which are fully depreciated but still in use with amount 23,746,655,768 VND.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

<b>5.11 Finance leasehold assets</b>	<b>Machinery, equipment</b>
	<b>VND</b>
<b>Cost</b>	
As at 01/01/2024	-
Increase in year	197,369,772,026
As at 31/12/2024	<b>197,369,772,026</b>
<b>Accumulated depreciation</b>	
As at 01/01/2024	-
Depreciation in year	1,941,600,473
As at 31/12/2024	<b>1,941,600,473</b>
<b>Net book value</b>	
As at 01/01/2024	-
As at 31/12/2024	<b>195,428,171,553</b>

<b>5.12 Intangible fixed assets</b>	<b>Land use rights</b>
	<b>VND</b>
<b>Cost</b>	
As at 01/01/2024	15,036,788,688
Increase in year	-
As at 31/12/2024	<b>15,036,788,688</b>
<b>Accumulated depreciation</b>	
As at 01/01/2024	2,976,031,085
Depreciation in year	375,919,716
As at 31/12/2024	<b>3,351,950,801</b>
<b>Net book value</b>	
As at 01/01/2024	<b>12,060,757,603</b>
As at 31/12/2024	<b>11,684,837,887</b>

<b>5.13 Investment property</b>	<b>Opening balance</b>	<b>Increase in</b>	<b>Decrease in</b>	<b>Ending balance</b>
	<b>VND</b>	<b>year</b>	<b>year</b>	<b>VND</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>Investment property held for capital appreciation</b>				
<b>Cost</b>				
House and land use rights	-	9,552,706,931	3,003,862,826	6,548,844,105
<b>Impairment loss</b>				
House and land use rights	-	-	-	-
<b>Net book value</b>				
House and land use rights	-	9,552,706,931	3,003,862,826	6,548,844,105



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.14 Construction in progress**

	Opening balance	Increase in year	Transfer to fixed assets in the year	Ending balance
Purchase of fixed assets	6,740,473,524	39,982,411,392	40,661,921,794	6,060,963,122
Factory construction for manufacturing ceramic tiles	-	276,811,478,961	213,868,503,688	62,942,975,273
Other construction in progress costs	718,799,346	80,447,055	-	799,246,401
<b>Total</b>	<b>7,459,272,870</b>	<b>316,874,337,408</b>	<b>254,530,425,482</b>	<b>69,803,184,796</b>

**5.15 Trade payables**

	Ending balance		Opening balance	
	Value	Amount can be paid	Value	Amount can be paid
	VND	VND	VND	VND
<b>Trade payables - related parties</b>				
Railway Construction Investment JSC,	1,660,998,165	1,660,998,165	702,618,565	702,618,565
<b>Other suppliers</b>				
STAVIAN Chemical JSC,	12,100,065,120	12,100,065,120	33,848,450,120	33,848,450,120
2R Vietnam JSC,	-	-	9,161,085,287	9,161,085,287
Song Loc Service and Trading JSC,	15,243,910,000	15,243,910,000	-	-
AHAS Vietnam JSC,	-	-	6,360,770,088	6,360,770,088
Dai A Industrial JSC,	2,779,432,668	2,779,432,668	14,877,961,189	14,877,961,189
Neo Global Production and Trading JSC,	16,340,183,338	16,340,183,338	-	-
Thuan Duc JSC,	34,328,643,800	34,328,643,800	-	-
Hiep Hang Vietnam New Materials Co, Ltd	8,723,533,500	8,723,533,500	-	-
Others	79,281,062,867	79,416,062,867	34,215,898,467	34,215,898,467
<b>Total</b>	<b>170,457,829,458</b>	<b>170,592,829,458</b>	<b>99,166,783,716</b>	<b>99,166,783,716</b>

**5.16 Advances to suppliers**

	Ending balance VND	Opening balance VND
<b>Advances to suppliers - related parties</b>		
Neo Floor JSC,	-	45,167,288,405
<b>Other advances to suppliers</b>		
Song Hong Investment and Business Development Co, Ltd	41,104,503,310	-
Hanoi Plastic Trading JSC,	41,610,298,953	-
Tridentindustry	50,411,474,611	-
Singate International Pte., Ltd	62,830,282,521	66,502,640,715
Others	6,058,612,436	5,882,983,331
<b>Total</b>	<b>202,015,171,831</b>	<b>117,552,912,451</b>

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.17 Taxes and payables to the State Budget**

	Opening balance VND	Taxes payable VND	Amount paid VND	Ending balance VND
<b>a) Taxes payable</b>				
Value added tax	442,543,377	52,023,211,085	52,465,754,462	-
Import - export tax	-	1,175,631,418	1,167,387,460	8,243,958
Corporate income tax	2,881,015,899	25,190,832	2,906,206,731	-
Personal income tax	58,998,091	529,689,688	473,508,566	115,179,213
Resource tax	140,064,000	2,290,988,327	1,273,536,000	1,157,516,327
Fees, other taxes	281,924,617	1,263,694,208	774,923,066	770,695,759
<b>Total</b>	<b>3,804,545,984</b>	<b>57,308,405,558</b>	<b>59,061,316,285</b>	<b>2,051,635,257</b>
<b>b) Taxes receivables</b>				
Value added tax	-	-	3,614,685,074	3,614,685,074
Import - export tax	27,837,954	5,994,174,013	5,982,793,411	16,457,352
Corporate income tax	-	-	49,419,554	49,419,554
Resource tax	118,568,343	-	-	118,568,343
Land and housing tax and rental charge	157,933,045	66,161,420	73,062,015	164,833,640
Fees, other taxes	215,940,561	571,716,441	358,875,880	3,100,000
<b>Total</b>	<b>520,279,903</b>	<b>6,632,051,874</b>	<b>10,078,835,934</b>	<b>3,967,063,963</b>

**5.18 Accrued expenses**

	Ending balance VND	Opening balance VND
<b>Short term</b>		
Interest expenses	921,694,001	908,344,495
License fees for locking system	1,609,851,231	-
Other accrued expenses	1,627,677,298	1,115,590,358
<b>Total</b>	<b>4,159,222,530</b>	<b>2,023,934,853</b>

**5.19 Other payables**

	Ending balance VND	Opening balance VND
<b>Related other payables</b>	-	-
<b>Short-term other payables</b>		
Trade union fees	1,803,193,211	1,450,553,211
Social insurance	624,458,010	154,172,036
Other payables	3,584,341,177	3,977,308,558
- Vu Duc Tien (*)	1,900,000,000	1,900,000,000
- Quy Hop District Tax Department	56,000	432,784,383
- Others	1,684,285,177	1,644,524,175
<b>Total</b>	<b>6,011,992,398</b>	<b>5,582,033,805</b>

(\*) Payable to Mr, Vu Duc Tien for the purchase of shares of Royal Crystal Joint Stock Company according to Share Transfer Agreement No, 01/2021-HĐCNCP dated 02 January 2021.



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

5.20 Loans and financial leases	a) Short-term loans	Opening balance		Increasing in year	Decreasing in year	Closing balance		Unit: VND
		Value	Amount of payable			Value	Amount of payable	
<b>Bank loan</b>								
<b>Short-term loans</b>								
	Vietnam Bank for Agriculture and Rural Development - Hanoi Branch	703,988,817,420	703,988,817,420	2,209,171,965,825	2,129,047,899,747	784,112,883,498	784,112,883,498	
	(i) Vietnam Joint Stock Commercial Bank for Investment and Development - Dong Da Branch	108,057,805,299	108,057,805,299	236,410,545,794	224,484,885,648	119,983,465,445	119,983,465,445	
	(ii) HongLeong Bank (Vietnam) Ltd, - Hanoi Branch	428,994,774,486	428,994,774,486	1,528,984,567,118	1,530,906,152,925	427,073,188,679	427,073,188,679	
	(iii) Vietnam Joint Stock Commercial Bank for Industry and Trade - Hong Bang Branch	23,801,097,421	23,801,097,421	50,704,112,221	56,080,350,683	18,424,858,959	18,424,858,959	
	(iv) Tien Phong Commercial Joint Stock Bank - Hai Phong Branch	49,977,467,076	49,977,467,076	151,771,544,733	107,746,850,932	94,002,160,877	94,002,160,877	
	(v) Vietnam Joint Stock Commercial Bank for Foreign Trade - Thang Long Branch	11,915,130,000	11,915,130,000	23,854,940,081	23,815,496,081	11,954,574,000	11,954,574,000	
	Military Commercial Joint Stock Bank - Hai Ba Trung Branch	19,928,785,791	19,928,785,791	6,561,796,507	26,490,582,298	-	-	
	(vi) International Joint Stock Commercial Bank - Transactional Branch	13,805,726,800	13,805,726,800	-	13,805,726,800	-	-	
	(vii) Vietnam Prosperity Joint Stock Commercial Bank	47,508,030,547	47,508,030,547	157,201,128,972	145,717,854,380	58,991,305,139	58,991,305,139	
	<b>Long-term loan due for repayment</b>							
	Vietnam Prosperity Joint Stock Commercial Bank - Thang Long Branch	222,584,160	222,584,160	333,876,240	333,876,240	18,554,134,792	18,554,134,792	
		222,584,160	222,584,160	333,876,240	333,876,240	18,554,134,792	18,554,134,792	
<b>Total</b>		<b>704,211,401,580</b>	<b>704,211,401,580</b>	<b>2,227,837,392,697</b>	<b>2,129,381,775,987</b>	<b>802,667,018,290</b>	<b>802,667,018,290</b>	



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

- (i) Short-term loan under the credit facility agreement No. 1483-LAV-202400390 signed on October 10, 2024 (including the short-term loans under the credit facility agreement No. 1483-LAV-202300411 signed on July 19, 2023) of Vietnam Bank for Agriculture and Rural Development - Hanoi Branch. The credit facility value is 120 billion VND. The loan interest rate applies to each drawdown. The credit facility term is valid until June 30, 2025. The purpose of the loan is to supplement working capital and open LC (Letter of Credit). Collateral includes a term deposit at Vietnam Bank for Agriculture and Rural Development - Hanoi Branch with an amount of 550,000,000 VND, and assets as per the pledge agreements.
- (ii) Short-term loan under the credit facility agreement No. 01/2024/2878672/HĐTD signed on October 22, 2024 (including the short-term loans under the credit facility agreement No. 01/2023/2878672/HĐTD signed on October 11, 2023) of Vietnam Joint Stock Commercial Bank for Investment and Development - Dong Da Branch. The credit facility value is 595 billion VND, with the loan interest rate applying to each drawdown. The credit facility will remain valid until October 15, 2025. The purpose of the loan is to supplement working capital, provide payment guarantees, and open LC (Letter of Credit) to support production and business activities. Collateral includes all assets as per the pledge agreements.
- (iii) Short-term loan under the credit facility agreement No. HN/2019/01/BCB/HĐTD signed on January 10, 2019, and the supplementary credit agreements, the second signed on April 28, 2021, the third on December 1, 2021, and the fourth on May 19, 2022, of HongLeong Bank (Vietnam) Ltd. - Hanoi Branch. The credit facility value is 3,000,000 USD, with the loan interest rate applying to each drawdown. The credit facility is valid until May 19, 2025. The purpose of the loan is to supplement working capital.
- (iv) Short-term loan under the credit facility agreement No. 01/2024-HĐCVHM/NHCT166-PHALE signed on October 29, 2024 (including the short-term loans under the credit facility agreement No. 01/2023/-HĐCVHM/NHCT166-PLP signed on May 22, 2023) of Vietnam Joint Stock Commercial Bank for Industry and Trade - Hong Bang Branch. The credit facility value is 100 billion VND, with the interest rate specifically defined for each promissory note. The term of the credit facility is 12 months from the date of signing the credit facility agreement. The purpose of the loan is to supplement working capital to support production and business activities. Collateral includes the entire term deposit agreement at Vietnam Joint Stock Commercial Bank for Industry and Trade - Hong Bang Branch.
- (v) Short-term loan under the credit facility agreement No. 361/2024/HĐTD/THU signed on September 17, 2024 (including the short-term loans under the credit facility agreement No. 344/2023/HĐTD/THU signed on August 14, 2023) of Tien Phong Commercial Joint Stock Bank - Hai Phong Branch. The credit facility value is 30 billion VND, with the interest rate specified for each promissory note. The loan facility term is 12 months from the date of signing the agreement. The purpose of the loan is to supplement working capital to support production and business activities. Collateral includes the entire term deposit agreement at Tien Phong Commercial Joint Stock Bank - Hai Phong Branch.
- (vi) Short-term loan under the credit facility agreement No. 3049638.24 signed on July 12, 2024, of International Joint Stock Commercial Bank - Transaction Branch, with the credit facility value of 60 billion VND. The interest rate is specified for each promissory note. The loan facility term is 12 months from the date of signing the agreement. The purpose of the loan is to supplement working capital to support production and business activities. Collateral includes the entire term deposit agreement at International Joint Stock Commercial Bank - Transaction Branch with an amount of 21,000,000,000 VND; the apartment No. 12A15, Tower A, Rivera Park building, 69 Vu Trong Phung, Thanh Xuan, Hanoi, owned by Mrs. Tran Hai Yen.
- (vii) Short-term loan under the credit facility agreement No. BCLC-4068-01 signed on December 16, 2024, of Vietnam Prosperity Joint Stock Commercial Bank (VPBank), with the credit facility value of 420 billion VND. The interest rate is specified for each promissory note. The loan facility term is 12 months from the date of signing the agreement. The purpose of the loan is to supplement working capital to support the production of SPC flooring. Collateral includes the entire term deposit agreement at Vietnam Prosperity Joint Stock Commercial Bank, the value of inventory formed from the loan provided by VPBank, the land use rights and assets attached to the land, as well as machinery and equipment formed from the SPC flooring production project at Lot CN4.3, Dinh Vu Industrial Zone, Dinh Vu-Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, along with third-party collateral as per the collateral agreements.



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**b) Long-term loans and financial lease liabilities**

	Opening balance		Increasing in year	Decreasing in year	Ending balance	
	Value	Amount of payable			Value	Amount of payable
<b><u>Long-term loans</u></b>	<b><u>13,924,050,941</u></b>	<b><u>13,924,050,941</u></b>	<b><u>248,462,017,366</u></b>	<b><u>32,478,185,733</u></b>	<b><u>229,907,882,574</u></b>	<b><u>229,907,882,574</u></b>
<b><u>Long-term loans - related parties</u></b>						
Minh Cam Minerals Joint Stock Company	10,844,970,000	10,844,970,000	-	10,844,970,000	-	-
<b><u>Long-term loans from banks</u></b>						
Vietnam Prosperity Joint Stock Commercial Bank	(i) 3,079,080,941	3,079,080,941	248,462,017,366	21,633,215,733	229,907,882,574	229,907,882,574
<b><u>Long-term financial lease liabilities</u></b>						
Joint Stock Commercial Bank for Foreign Trade of Vietnam Leasing Company Limited	(ii) -	-	<b><u>204,865,317,834</u></b>	<b><u>39,875,489,313</u></b>	<b><u>164,989,828,521</u></b>	<b><u>164,989,828,521</u></b>
<b>Total</b>	<b><u>13,924,050,941</u></b>	<b><u>13,924,050,941</u></b>	<b><u>453,327,335,200</u></b>	<b><u>72,353,675,046</u></b>	<b><u>394,897,711,095</u></b>	<b><u>394,897,711,095</u></b>

Unit: VND

(i) Long-term loan under the credit line contract No. CLC-4970-01 signed on 26/10/2023 of Vietnam Prosperity Joint Stock Commercial Bank - Thang Long Band with the credit value is 3,338,762,461 VND; the interest rate is determined according to each debt receipt. The loan term is 180 months from the date of signing the contract. Loan purpose is buying apartment No. P7-41.OT09 on the 41st floor of Park 7 Apartment Building, Ward 22, Binh Thanh District, Ho Chi Minh City. The loan is secured by the apartment bought from loan capital.

And the long-term loan contract No. BCLC-2471-01 signed on 10/05/2024 of Vietnam Prosperity Joint Stock Commercial Bank with the credit limit value is 425 billion VND, in which the value of phase 1 is 349 billion with a maximum loan term of 06 years, phase 2 is 76 billion with a maximum loan term of 07 years. Loan purpose: to invest in machinery and equipment. The interest rate is for each loan. The loan is secured by all assets formed from loan capital.

(ii) The long-term financial leases of Joint Stock Commercial Bank for Foreign Trade of Vietnam Leasing Company Limited under the finance lease contract No. 111.24.15/CTTC signed on 23/02/2024 with the rental amount equivalent to 6,017,520 USD depending on the exchange rate announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam at the time of disbursement. The lease term is 72 months, the financial leasing interest rate is determined by the ceiling interest rate of 12-month term savings mobilization for individuals + 3.1%/year, adjusted periodically every 3 months. The overdue penalty interest rate is 150% of the in-term leasing interest rate. The deposit amount is 5% of the total value of the official leased asset.

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**5.21 Owners' equity****The table of equity fluctuation**

	Owners' invested capital VND	Share premium VND	Treasury stocks VND	Retained earnings VND	Total VND
<b>Last year's opening balance</b>	<b>700,000,000,000</b>	<b>(200,000,000)</b>	<b>(1,530,000)</b>	<b>74,723,420,860</b>	<b>774,521,890,860</b>
Increase in year	-	-	-	-	-
Profit in year	-	-	-	11,079,179,871	11,079,179,871
Other increase	-	-	-	900,000	900,000
Setting up funds	-	-	-	-	-
<b>Last year's ending balance</b>	<b>700,000,000,000</b>	<b>(200,000,000)</b>	<b>(1,530,000)</b>	<b>85,803,500,731</b>	<b>785,601,970,731</b>
Increase in year	-	-	-	-	-
Profit in year	-	-	-	8,826,085,169	8,826,085,169
Other increase	-	-	-	-	-
Setting up funds	-	-	-	-	-
Allocation to funds	-	-	-	-	-
Other decrease	-	-	-	-	-
<b>This year's ending balance</b>	<b>700,000,000,000</b>	<b>(200,000,000)</b>	<b>(1,530,000)</b>	<b>94,629,585,900</b>	<b>794,428,055,900</b>

**Detail of owners' invested capital**

Owners' equity of company is 700,000,000 VND, which divided into 70,000,000 shares with par value is 10,000 VND per stock. Details of shareholders as of 31/12/2024 are as follows:

Shareholders	Closing balance		Opening balance	
	Value of contributed capital VND	Rate %	Value of contributed capital VND	Rate %
Mr. Mai Thanh Phuong	147,600,000,000	21.09%	147,600,000,000	21.09%
Other shareholders	552,400,000,000	78.91%	552,400,000,000	78.91%
<b>Total</b>	<b>700,000,000,000</b>	<b>100%</b>	<b>700,000,000,000</b>	<b>100%</b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**Capital transactions with owners and distribution of dividends, profits**

	<u>This year</u>	<u>Last year</u>
- Owner's invested capital		
+ At the beginning of year	700,000,000,000	700,000,000,000
+ Increase in the year	-	-
+ Decrease in the year	-	-
+ At the ending of year	700,000,000,000	700,000,000,000
- Dividends, profits divided	-	-

**Share**

	<u>Ending balance</u>	<u>Opening balance</u>
Registered number of issued shares	70,000,000	70,000,000
Number of shares sold to the public	70,000,000	70,000,000
- Ordinary shares	70,000,000	70,000,000
- Preferred share	-	-
Number of repurchased shares (Treasury shares)	153	153
- Ordinary shares	153	153
- Preferred share	-	-
Number of shares in circulation	69,999,847	69,999,847
- Ordinary shares	69,999,847	69,999,847
- Preferred share	-	-

Par value of shares in circulation is 10,000 VND/share.

**Dividends**

- Dividends declared after the balance sheet date:
  - + Dividend declared on common share: 0
  - + Dividends announced on preferred share: 0
- Dividends of cumulative preference shares have not been recognized: 0

**Funds**

	<u>Opening balance VND</u>	<u>Increase VND</u>	<u>Decrease VND</u>	<u>Ending balance VND</u>
Investment and development funds	5,885,826,969	-	-	5,885,826,969
<b>Total</b>	<b>5,885,826,969</b>	<b>-</b>	<b>-</b>	<b>5,885,826,969</b>

**5.22 Items outside the balance sheet**

	<u>Ending balance</u>	<u>Opening balance</u>
<b>Foreign currencies</b>		
United State Dollars (USD)	139.582,3	6.067,72



**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**6. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT****6.1 Revenue from sale of goods and services rendered**

	<b>This year</b> VND	<b>Last year</b> VND
<b>a) Revenue</b>		
Revenue from sales of finished products	308,404,910,268	987,956,919,529
Revenue from sale of goods	1,687,543,606,754	818,343,284,904
Revenue from real estate investment	3,203,382,616	-
Revenue from rendering services	3,682,000,000	42,000,000
<b>Total</b>	<b>2,002,868,339,638</b>	<b>1,806,342,204,433</b>
<b>b) Revenue from related parties: Detail in Note 8.2</b>		

**6.2 The revenue deductions**

	<b>This year</b> VND	<b>Last year</b> VND
Devaluation of sale	98,088,536	10,627,200
Sale returns	18,174,690	-
<b>Total</b>	<b>116,263,226</b>	<b>10,627,200</b>

**6.3 Costs of goods sold**

	<b>This year</b> VND	<b>Last year</b> VND
Costs of finished goods sold	201,710,606,912	855,495,462,082
Costs of goods sold	1,672,584,401,008	813,621,889,274
Cost selling real estate	3,077,428,458	-
Cost of services	35,045,066	-
<b>Total</b>	<b>1,877,407,481,444</b>	<b>1,669,117,351,356</b>

**6.4 Financial income**

	<b>This year</b> VND	<b>Last year</b> VND
Interest on deposits	2,626,979,681	3,136,160,620
Interest on the disposals of investments	29,792,000,000	493,800,000
Interest on bonds	134,540,848	-
Earned foreign exchange difference	1,785,286,501	3,465,512,272
Unearned foreign exchange difference	24,050,265	-
Other financial income	-	830,910
<b>Total</b>	<b>34,362,858,595</b>	<b>7,096,303,802</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

<b>6.5 Financial expenses</b>	<b>This year VND</b>	<b>Last year VND</b>
Interest expenses	56,132,803,809	63,339,959,573
Earned foreign exchange difference	1,116,896,487	1,296,967,105
Unearned foreign exchange difference	-	911,236,979
Losses on disposal of investments	-	15,000,000
Provision / (Reversal of provision) for decline of investment losses	831,313,977	(92,303,266)
Other financial expenses	47,500,002	297,224,267
<b>Total</b>	<b>58,128,514,275</b>	<b>65,768,084,658</b>
<b>6.6 Selling expenses</b>	<b>This year VND</b>	<b>Last year VND</b>
Staff cost	2,350,192,913	3,362,915,842
Outside services rendered	16,854,191,727	24,533,717,460
Other costs	2,182,225,883	1,445,056,220
<b>Total</b>	<b>21,386,610,523</b>	<b>29,341,689,522</b>
<b>6.7 General and administrative expenses</b>	<b>This year VND</b>	<b>Last year VND</b>
Staff cost	5,716,647,682	14,388,192,217
Office supplies costs	3,538,433,830	3,558,349,864
Outside services rendered	12,394,980,535	2,876,569,917
Other costs	7,609,684,614	3,858,008,462
<b>Total</b>	<b>29,259,746,661</b>	<b>24,681,120,460</b>
<b>6.8 Other income</b>	<b>This year VND</b>	<b>Last year VND</b>
Interest on disposal or sale of fixed assets	100,000,000	-
Others	83,228,708	2,483,924
<b>Total</b>	<b>183,228,708</b>	<b>2,483,924</b>
<b>6.9 Other expenses</b>	<b>This year VND</b>	<b>Last year VND</b>
Penalties and late payments	134,464,895	2,036,098,991
Loss on disposal or sales of fixed assets	38,750,398,461	192,405,494
VAT is not deductible	513,747,653	1,095,673,803
Tool cost, depreciation of fixed assets not used	1,065,299,970	6,063,358,696
Others	1,766,183,832	158,110,038
<b>Total</b>	<b>42,230,094,811</b>	<b>9,545,647,022</b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**6.10 Corporate income tax**

**Applicable tax rates**

The corporate income tax rate applicable for 2024 is presented in **note 4.22**.

**Current corporate income tax expense**

	This year VND	Last year VND
Current corporate income expense	25,190,832	3,897,292,070
Adjustments for corporate income expense in previous year to the current year	-	-
<b>Total current corporate income expense</b>	<b>25,190,832</b>	<b>3,897,292,070</b>

**6.11 Production cost according to factors**

	This year VND	Last year VND
Cost of raw materials	388,006,834,897	804,770,843,501
Staff cost	31,091,852,113	38,929,003,895
Depreciation cost	6,471,702,402	22,469,922,319
Outside services rendered	50,676,762,581	48,144,225,140
Other cost	13,000,774,955	15,106,782,538
<b>Total</b>	<b>489,247,926,948</b>	<b>929,420,777,393</b>

**6.12 Earnings per share**

Earnings per share and diluted earnings per share are calculated as follows:

	This year VND	Last year VND
<b>Accounting profit after CIT</b>	<b>8,826,085,169</b>	<b>11,079,179,871</b>
Adjustments to increase / (decrease) in profits to determine the profit attributable to ordinary equity holders of the Parent Company	-	-
<b>Profit used to calculate basic earnings per share</b>	<b>8,826,085,169</b>	<b>11,079,179,871</b>
Weighted average number of ordinary shares circulating during the year	69,999,847	69,999,847
<b>Earnings per share</b>	<b>126</b>	<b>158</b>
<b>Diluted earnings per share</b>	<b>126</b>	<b>158</b>

**7. ADDITIONAL INFORMATION FOR ITEMS IN THE STATEMENT OF CASH FLOWS**

**7.1 Proceeds from borrowings**

	This year VND	Last year VND
Proceeds from loan drawdown confirmation	2,457,633,983,191	1,645,323,496,787



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**7.2 Cash repayments of borrowings**

	<u>This year VND</u>	<u>Last year VND</u>
Cash repayment of loans from borrowings	2,183,070,024,161	1,726,453,363,217

**8. OTHER INFORMATION**

**8.1 Income of Board of Management, Board of Supervision and Board of General Directors**

		<u>This year VND</u>	<u>Last year VND</u>
Mr. Mai Thanh Phuong	Chairman of BOM	663,600,000	674,090,000
Mr. Le Thac Tuan (*)	Member of BOM	-	-
Mr. Cao Van Tho (*)	Member of BOM	-	-
Mrs. Tran Hai Yen	Member of BOM and General Director	484,800,000	541,500,000
Mr. Nguyen Thanh Binh (*)	Vice General Director	-	239,608,333
Mr. Dinh Duc Tuan	Head of Board of Supervision	-	-
Mrs. Vu Ngoc Thuy	Member of Board of Supervision	-	-
Mrs. Mai Thi Thanh Hoa	Member of Board of Supervision	-	-
<b>Total</b>		<u><b>1,148,400,000</b></u>	<u><b>1,455,198,333</b></u>

(\*) Mr. Le Thac Tuan, Mr. Cao Van Tho and Mr. Nguyen Thanh Binh don't generate income because they are paid at other units.

**8.2 Transactions and balance with related parties**

Information on related parties:

<u>Company/subject</u>	<u>Relationship</u>
Minh Cam Minerals Joint Stock Company	Affiliate company
Tan Viet An Trading and Tourism Joint Stock Company	Affiliate company
Neo Floor Joint Stock Company (1)	Related Key Management Members
SPC Vietnam Investment and Trading JSC (2)	Related Key Management Members
Vietnam Railway Construction Investment JSC (2)	Related Key Management Members
Pha Le Holdings Joint Stock Company (1)	Related Key Management Members
Board of Management, Board of Supervision and Board of General Directors	Key management

(1) The company is directed by Mr, Mai Thanh Phuong - Chairman of the Board of Management of Pha Le Plastic Production and Technology Joint Stock Company.

(2) The company is directed by Mr, Le Thac Tuan - Member of the Board of Management of Pha Le Plastic Production and Technology Joint Stock Company.

During the period, the Company had the following transactions with related parties:

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

	Transactions	This year VND	Last year VND
<b>Minh Cam Minerals Joint Stock Company</b>	Pay back the loan	10,844,970,000	12,880,000,000
<b>Tan Viet An Trading and Tourism Joint Stock Company</b>	Lend money	38,815,650,000	4,000,000,000
	Buy services	231,636,933	-
<b>Neo Floor Joint Stock Company</b>	Sell	264,629,395,716	157,827,495,326
	Pay back the loan	3,400,000,000	-
<b>SPC Vietnam Investment and Trading JSC</b>	Buy services	4,431,370,000	-
<b>Vietnam Railway Construction Investment JSC</b>	Sell	381,544,105	96,600,000
<b>Pha Le Holdings Joint Stock Company</b>	Borrow money	-	2,160,000,000

The policy of purchasing and selling goods and raw materials is applied similarly to other units, there is no difference in purchasing and selling prices.

The balances receivable and payable with related parties are as follows:

	Ending balance VND	Opening balance VND
<b>Minh Cam Minerals Joint Stock Company</b>		
- Long - term loan	-	10,844,970,000
<b>Tan Viet An Trading and Tourism Joint Stock Company</b>		
- Other short-term receivables	38,815,650,000	7,245,000,000
- Loans receivable	7,200,000,000	7,200,000,000
<b>Neo Floor Joint Stock Company</b>		
- Trade receivables	106,905,608,651	3,100,000,000
- Advance from customers	-	45,167,288,405
- Advances to suppliers	-	3,244,965,180
<b>SPC Vietnam Investment and Trading JSC</b>		
- Trade receivables	-	3,014,450,287
<b>Vietnam Railway Construction Investment JSC</b>		
- Trade payable	1,660,998,165	702,618,565
<b>Pha Le Holdings Joint Stock Company</b>		
- Other receivables	2,160,000,000	2,160,000,000

**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**

Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**8,3 Segment report**

Segment information has been presented for reporting financial information by line of business and by geographical area, The general expenses are allocated to each segment based on the percentage of revenue of each division,

**Segment report according to geographical area**

<b>Detail revenue by geographical area</b>	<b>Domestic</b>	<b>Exporting</b>	<b>Total</b>
<b>Year 2024</b>			
Net revenue from selling goods outside	1,818,121,164,537	184,596,471,875	2,002,717,636,412
Segment assets	2,364,267,897,960	27,726,057,430	2,391,993,955,389
Total cost of purchasing fixed assets (by the place of assets)	243,746,603,623	-	243,746,603,623
<b>Year 2023</b>			
Net revenue from selling goods outside	1,528,798,686,322	277,532,890,911	1,806,331,577,233
Segment assets	1,730,707,318,173	12,692,506,187	1,743,399,824,360
Total cost of purchasing fixed assets (by the place of assets)	12,377,024,105	-	12,377,024,105





**PHALE PLASTICS MANUFACTURING AND TECHNOLOGY JOINT STOCK COMPANY**  
 Lot CN 4.3 MP Dinh Vu Industrial Park, Dinh Vu - Cat Hai Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City, Vietnam

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

Base on the business lines, the Company's income report for fiscal year ended 31 December 2023 as follows:

	Manufacturing	Trading	Unsegmented operations	Total
	VND	VND	VND	VND
<b>Year 2023</b>				
Net revenue from sales of goods and services rendered outside	987,956,919,529	818,332,657,704	42,000,000	1,806,331,577,233
Net revenue from sales of goods and services rendered other segments	-	-	-	-
Cost of goods sold	855,495,462,082	813,621,889,274	42,000,000	1,669,117,351,356
<b>Gross profit from sales of goods and services rendered</b>	<b>132,461,457,447</b>	<b>4,710,768,430</b>	<b>42,000,000</b>	<b>137,214,225,877</b>
Financial income			7,096,303,802	7,096,303,802
Financial expenses			65,768,084,658	65,768,084,658
Selling expenses			29,341,689,522	29,341,689,522
General and administration expenses			24,681,120,460	24,681,120,460
Other income			2,483,924	2,483,924
Other expenses			9,545,647,022	9,545,647,022
Current corporate income tax expenses			3,897,292,070	3,897,292,070
Deferred corporate income tax expenses			-	-
<b>Net profit after tax</b>				<b>11,079,179,871</b>

The segmented assets and liabilities as 31 December 2023:

Segmented assets	1,089,770,361,667	291,332,018,086	362,297,444,607	1,381,102,379,753
Unsegmented assets	1,089,770,361,667	291,332,018,086	362,297,444,607	1,743,399,824,360
<b>Total assets</b>	<b>2,167,540,723,334</b>	<b>582,664,036,172</b>	<b>724,594,853,214</b>	<b>2,474,800,412,720</b>
Segmented liabilities	216,719,696,167	-	766,875,445,243	983,595,141,410
Unsegmented liabilities	216,719,696,167	-	766,875,445,243	983,595,141,410
<b>Total liabilities</b>	<b>433,439,392,334</b>	<b>-</b>	<b>1,533,750,890,486</b>	<b>1,967,189,282,820</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

For the fiscal year ended as at 31 December 2024

**9. POST BALANCE SHEET EVENTS**

The Board of General Directors ensures that there have been no significant events occurring after the balance sheet date which would require adjustment or disclosure in the notes to the financial statements.

**10. COMPARATIVE FIGURES**

Comparative figures on the balance sheet are the figures from the balance sheet of the Company for the fiscal year ended 31 December 2023 audited.

**TRAN HUU TIN**  
Preparer

**PHAM XUAN TRI**  
Chief Accountant



**TRAN HAI YEN**  
General Director  
Hai Phong, 31 March 2025

