

# **Vicostone Joint Stock Company**

Consolidated financial statements

For the year ended 31 December 2024



# Vicostone Joint Stock Company

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# Vicostone Joint Stock Company

## GENERAL INFORMATION

### THE COMPANY

Vicostone Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate for joint stock company No. 0500469512 issued by the Department of Planning and Investment of Ha Tay province (now known as Hanoi city) on 2 June 2005 and its subsequent amendments with the latest being the 20<sup>th</sup> amendment dated 16 January 2025.

On 5 December 2007, the Company's shares were listed at the Hanoi Stock Exchange (now known as HNX) with the stock code VCS according to the Listing Decision No. 670/QD-TTGDHN with permission of the Hanoi Stock Exchange Center.

The current principal activities of the Company are to manufacture and distribute quartz-based compound stone related products.

The Company's head office is located at Hoa Lac Hi-Tech Park, Thach Hoa commune, Thach That district, Hanoi city, Vietnam.

### BOARD OF DIRECTORS

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

Mr Ho Xuan Nang	Chairman	
Mr Pham Tri Dung	Member	
Ms Tran Lan Phuong	Member	
Mr Nguyen Quang Hung	Member	
Ms Le Thi Minh Thao	Member	Appointed on 12 April 2024
Mr Pham Anh Tuan	Member	Resigned on 12 April 2024

### AUDIT COMMITTEE

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

Mr Nguyen Quang Hung	Head of Audit Committee
Ms Tran Lan Phuong	Member

### MANAGEMENT

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

Mr Pham Tri Dung	General Director	
Mr Nguyen Quang Anh	Deputy General Director	
Mr Luu Cong An	Deputy General Director	
Mr Nguyen Chi Cong	Deputy General Director	
Mr Dong Quang Thuc	Deputy General Director	
Ms Tran Thi Thu Huong	Deputy General Director	Appointed on 25 September 2024

### LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Ho Xuan Nang, Chairman. Mr Pham Tri Dung is authorised by Mr Ho Xuan Nang to sign the accompanying consolidated financial statements for the year ended 31 December 2024 in accordance with the Letter of Authorisation No. 2702/2023/UQ/VCS-CTHĐQT dated 27 February 2023.

### AUDITORS

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

# Vicostone Joint Stock Company

## REPORT OF MANAGEMENT

Management of Vicostone Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiary (collectively referred to as the "Company and its subsidiary") for the year ended 31 December 2024.

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

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Company and its subsidiary and of the consolidated results of its operations and its consolidated cash flows for the year. In preparing those consolidated financial statements, management 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 consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company and its subsidiary will continue its business.

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

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

### STATEMENT BY MANAGEMENT

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

For and on behalf of management:



Phạm Tri Dung  
General Director

Hanoi, Vietnam

28 March 2025

Reference: 11658249/68482270-HN

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders and Board of Directors of Vicostone Joint Stock Company**

We have audited the accompanying consolidated financial statements of Vicostone Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Company and its subsidiary"), as prepared on 28 March 2025 and set out on page 5 to 41 which comprise of the consolidated balance sheet as at 31 December 2024, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

### ***Management's responsibility***

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

### ***Auditors' responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company and its subsidiary's preparation and fair presentation of the consolidated 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 and its subsidiary's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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





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### *Opinion*

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

### **Ernst & Young Vietnam Limited**



Phùng Mạnh Phú  
Deputy General Director  
Audit Practising Registration  
Certificate No. 2598-2023-004-1

Le Thi Thu  
Auditor  
Audit Practising Registration  
Certificate No. 5606-2025-004-1

Hanoi, Vietnam

28 March 2025

CONSOLIDATED BALANCE SHEET  
as at 31 December 2024

Currency: VND

Code	ASSETS	Notes	Ending balance	Beginning balance
<b>100</b>	<b>A. CURRENT ASSETS</b>		<b>5,473,448,538,482</b>	<b>5,515,837,061,167</b>
<b>110</b>	<b>I. Cash and cash equivalents</b>	<b>4</b>	<b>1,583,190,798,036</b>	<b>1,403,055,900,429</b>
111	1. Cash		325,090,798,036	348,555,900,429
112	2. Cash equivalents		1,258,100,000,000	1,054,500,000,000
<b>120</b>	<b>II. Short-term investments</b>	<b>5</b>	<b>670,000,000,000</b>	<b>47,700,000,000</b>
123	1. Held-to-maturity investments		670,000,000,000	47,700,000,000
<b>130</b>	<b>III. Current accounts receivable</b>		<b>1,328,693,368,799</b>	<b>1,217,001,138,364</b>
131	1. Short-term trade receivables	6.1	1,327,073,083,688	1,223,292,160,866
132	2. Short-term advances to suppliers	6.2	19,547,116,693	9,103,586,823
136	3. Other short-term receivables		5,745,573,306	3,074,253,102
137	4. Provision for short-term doubtful receivables	7	(23,672,404,888)	(18,468,862,427)
<b>140</b>	<b>IV. Inventories</b>	<b>8</b>	<b>1,816,451,063,141</b>	<b>2,644,021,541,821</b>
141	1. Inventories		1,854,125,512,763	2,662,013,547,007
149	2. Provision for obsolete inventories		(37,674,449,622)	(17,992,005,186)
<b>150</b>	<b>V. Other current assets</b>		<b>75,113,308,506</b>	<b>204,058,480,553</b>
151	1. Short-term prepaid expenses		3,431,668,832	3,680,963,024
152	2. Deductible value-added tax	14	71,681,639,674	200,377,517,529
<b>200</b>	<b>B. NON-CURRENT ASSETS</b>		<b>993,523,472,901</b>	<b>952,411,723,174</b>
<b>210</b>	<b>I. Long-term receivables</b>		<b>836,798,010</b>	<b>-</b>
216	1. Other long-term receivables		836,798,010	-
<b>220</b>	<b>II. Fixed assets</b>		<b>790,145,802,475</b>	<b>867,639,822,196</b>
221	1. Tangible fixed assets	9	787,334,951,715	865,635,384,164
222	Cost		2,243,751,326,387	2,192,866,677,165
223	Accumulated depreciation		(1,456,416,374,672)	(1,327,231,293,001)
227	2. Intangible fixed assets	10	2,810,850,760	2,004,438,032
228	Cost		32,321,927,247	30,228,958,497
229	Accumulated amortisation		(29,511,076,487)	(28,224,520,465)
<b>240</b>	<b>III. Long-term assets in progress</b>		<b>184,382,312,159</b>	<b>67,337,480,379</b>
242	1. Construction in progress	11	184,382,312,159	67,337,480,379
<b>260</b>	<b>IV. Other long-term assets</b>		<b>18,158,560,257</b>	<b>17,434,420,599</b>
261	1. Long-term prepaid expenses	12	13,551,809,276	13,967,967,410
262	2. Deferred tax assets	24.3	4,606,750,981	3,466,453,189
<b>270</b>	<b>TOTAL ASSETS</b>		<b>6,466,972,011,383</b>	<b>6,468,248,784,341</b>

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CONSOLIDATED BALANCE SHEET (continued)  
as at 31 December 2024

Currency: VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
<b>300</b>	<b>C. LIABILITIES</b>		<b>1,357,349,867,553</b>	<b>1,482,430,376,070</b>
<b>310</b>	<b>I. Current liabilities</b>		<b>1,326,641,808,599</b>	<b>1,440,717,987,416</b>
311	1. Short-term trade payables	13.1	182,811,430,731	118,290,143,449
312	2. Short-term advances from customers	13.2	15,379,988,802	15,139,506,800
313	3. Statutory obligations	14	102,554,763,371	114,372,971,569
314	4. Payables to employees		8,371,060,257	11,074,723,345
315	5. Short-term accrued expenses		4,327,053,635	1,651,512,402
319	6. Other short-term payables		4,873,515,862	4,861,752,844
320	7. Short-term loans	15	934,887,637,213	1,064,487,093,976
322	8. Bonus and welfare fund	16	73,436,358,728	110,840,283,031
<b>330</b>	<b>II. Non-current liabilities</b>		<b>30,708,058,954</b>	<b>41,712,388,654</b>
338	1. Long-term loans	15	28,764,048,954	39,899,263,054
342	2. Long-term provisions		1,944,010,000	1,813,125,600
<b>400</b>	<b>D. OWNERS' EQUITY</b>		<b>5,109,622,143,830</b>	<b>4,985,818,408,271</b>
<b>410</b>	<b>I. Owners' equity</b>	<b>17</b>	<b>5,109,622,143,830</b>	<b>4,985,818,408,271</b>
411	1. Issued share capital		1,600,000,000,000	1,600,000,000,000
411a	- Ordinary shares with voting rights		1,600,000,000,000	1,600,000,000,000
412	2. Share premium		290,584,886	290,584,886
418	3. Investment and development fund		87,711,466,023	88,958,137,122
420	4. Other funds belonging to owners' equity		18,551,233,538	18,551,233,538
421	5. Undistributed earnings		3,403,068,859,383	3,278,018,452,725
421a	- Undistributed earnings by the end of prior year		3,264,512,387,757	3,096,462,138,386
421b	- Undistributed earnings of current year		138,556,471,626	181,556,314,339
<b>440</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>6,466,972,011,383</b>	<b>6,468,248,784,341</b>

Hanoi, Vietnam

28 March 2025

Tran Thi Huong Thu  
Preparer

Nguyen Phuong Anh  
Chief AccountantPham Tri Dung  
General Director



CONSOLIDATED INCOME STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenue from sale of goods	19.1	4,345,179,877,664	4,363,038,846,159
02	2. Deductions	19.1	23,108,484,843	9,177,702,587
10	3. Net revenue from sale of goods (10 = 01 - 02)	19.1	4,322,071,392,821	4,353,861,143,572
11	4. Cost of goods sold	20	3,143,979,224,163	3,132,968,514,512
20	5. Gross profit from sale of goods (20 = 10 - 11)		1,178,092,168,658	1,220,892,629,060
21	6. Finance income	19.2	102,492,688,205	102,570,373,296
22	7. Finance expenses	21	62,367,729,950	101,362,107,133
23	In which: Interest expenses		34,586,850,582	56,637,446,942
25	8. Selling expenses	22	191,654,021,101	156,494,238,157
26	9. General and administrative expenses	22	65,915,265,249	58,714,711,756
30	10. Operating profit {30 = 20 + (21 - 22) - (25 + 26)}		960,647,840,563	1,006,891,945,310
31	11. Other income		852,244,403	738,337,805
32	12. Other expenses		8,155,515,470	8,190,303,720
40	13. Other loss (40 = 31 - 32)		(7,303,271,067)	(7,451,965,915)
50	14. Accounting profit before tax (50 = 30 + 40)		953,344,569,496	999,439,979,395
51	15. Current corporate income tax expenses	24.1	147,362,677,737	154,124,624,117
52	16. Deferred tax income	24.3	(1,140,297,792)	(1,065,074,405)
60	17. Net profit after corporate income tax (60 = 50 - 51 - 52)		807,122,189,551	846,380,429,683
70	18. Basic earnings per share	27	4,824	5,041
71	19. Diluted earnings per share	27	4,824	5,041

Tran Thi Huong Thu  
Preparer

Nguyen Phuong Anh  
Chief Accountant



Pham Tri Dung  
General Director

Hanoi, Vietnam

28 March 2025

CONSOLIDATED CASH FLOW STATEMENT  
for the year ended 31 December 2024

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>		<b>953,344,569,496</b>	<b>999,439,979,395</b>
	<i>Adjustments for:</i>			
02	Depreciation of tangible fixed assets and amortisation of intangible fixed assets and land rental allocation		132,081,235,009	135,807,177,136
03	Provisions		25,016,871,297	4,781,997,662
04	Foreign exchange losses arising from revaluation of monetary accounts denominated in foreign currency		11,632,281,156	2,972,492,165
05	Profits from investing activities		(40,958,736,634)	(25,886,870,267)
06	Interest expenses	21	34,586,850,582	56,637,446,942
08	<b>Operating profit before changes in working capital</b>		<b>1,115,703,070,906</b>	<b>1,173,752,223,033</b>
09	Decrease in receivables		14,458,145,260	437,656,155,991
10	Decrease/(increase) in inventories		807,888,034,244	(67,402,085,855)
11	Increase in payables		49,215,218,611	37,617,253,121
12	Decrease in prepaid expenses		390,719,925	5,328,174,439
14	Interest paid		(34,572,833,234)	(57,615,551,413)
15	Corporate income tax paid	14	(155,784,046,681)	(96,085,399,056)
17	Other cash outflows for operating activities		(80,722,378,295)	(103,808,815,649)
20	<b>Net cash flows from operating activities</b>		<b>1,716,575,930,736</b>	<b>1,329,441,954,611</b>
	<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchase and construction of fixed assets		(159,990,678,055)	(31,368,122,595)
22	Proceeds from disposals of fixed assets		80,000,000	111,387,500
23	Loans to other entities and payments for purchase of debt instruments of other entities		(1,050,000,000,000)	(47,700,000,000)
24	Collections from borrowers and proceeds from sale of debt instruments of other entities		427,700,000,000	50,129,329
27	Interest and dividend received		37,569,880,565	25,926,535,243
30	<b>Net cash flows used in investing activities</b>		<b>(744,640,797,490)</b>	<b>(52,980,070,523)</b>

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

Currency: VND

Code	ITEMS	Notes	Current year	Previous year
	<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Drawdown of borrowings		1,401,357,103,317	2,015,429,362,496
34	Repayment of borrowings		(1,552,945,944,291)	(2,350,412,789,438)
36	Dividends paid to shareholders		(639,827,276,600)	(640,589,431,575)
<b>40</b>	<b>Net cash flows used in financing activities</b>		<b>(791,416,117,574)</b>	<b>(975,572,858,517)</b>
<b>50</b>	<b>Net increase in cash and cash equivalents for the year</b>		<b>180,519,015,672</b>	<b>300,889,025,571</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of year</b>		<b>1,403,055,900,429</b>	<b>1,101,676,090,814</b>
61	Impact of foreign exchange rate fluctuation		(384,118,065)	490,784,044
<b>70</b>	<b>Cash and cash equivalents at end of year</b>	<b>4</b>	<b>1,583,190,798,036</b>	<b>1,403,055,900,429</b>

Hanoi, Vietnam

28 March 2025



Tran Thi Huong Thu  
Preparer



Nguyen Phuong Anh  
Chief Accountant



Pham Tri Dung  
General Director

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

## 1. CORPORATE INFORMATION

Vicostone Joint Stock Company ("the Company") is a joint stock company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate for joint stock company No. 0500469512 issued by the Department of Planning and Investment of Ha Tay Province (now known as Hanoi City) on 2 June 2005 and its subsequent amendments with the latest being the 20<sup>th</sup> amendment dated 16 January 2025.

On 5 December 2007, the Company's shares were listed at the Hanoi Stock Exchange (now known as HNX) with the stock code VCS according to the Listing Decision No. 670/QD-TTGDHN with permission of the Hanoi Stock Exchange Center.

The current principal activities of the Company are to manufacture and distribute quartz-based compound stone related products.

The Company and its subsidiary's normal course of business cycle is 12 months.

The Company's head office is located at Hoa Lac Hi-Tech Park, Thach Hoa commune, Thach That district, Hanoi city, Vietnam.

The Company's total number of employees as at 31 December 2024 is 827 (31 December 2023: 842).

### *Corporate structure*

As at 31 December 2024, the Company has one subsidiary which is Phenikaa Hue Investment and Processing Mineral One Member Company Limited ("Phenikaa Hue Company") (31 December 2023: 1).

Phenikaa Hue Company is a one-member limited liability company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 3301601070 issued by the Department of Planning and Investment of Thua Thien Hue province on 21 December 2016 and the amended Business Registration Certificates with the latest being the 8<sup>th</sup> amendment dated 6 January 2025. The head office of Phenikaa Hue Company is located at Lot CN15 Zone B, Phong Dien Industry Park, Phong Hoa commune, Phong Dien district, Thua Thien Hue province. The principal activities of Phenikaa Hue Company are to invest and process minerals.

As at 31 December 2024, the Company holds 100% equity in this subsidiary.

## 2. BASIS OF PREPARATION

### 2.1 *Accounting standards and system*

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

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

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

**2. BASIS OF PREPARATION (continued)**

**2.1 Accounting standards and system (continued)**

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

**2.2 Applied accounting documentation system**

The Company's applied accounting documentation system is the General Journal system.

**2.3 Fiscal year**

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

**2.4 Accounting currency**

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

**2.5 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary for the year ended 31 December 2024.

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of the subsidiary are prepared for the same reporting year as the Company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealised gains or losses resulting from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and its subsidiary are presented separately in the consolidated income statement and within equity in the consolidated balance sheet, separately from shareholders' equity.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.



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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

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

#### 3.2 *Inventories*

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

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

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

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

Raw materials, tool and equipment and merchandises	-	cost of purchase on a weighted average basis.
Finished goods and work-in-process	-	cost of finished goods and work-in-process on a weighted average basis.

##### *Provision for obsolete inventories*

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

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

#### 3.3 *Receivables*

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

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

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

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

**3.4 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use and the costs of dismantling and removing the asset and restoring the site on which it is located, if any.

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

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

**3.5 Leased assets**

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

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

*Where the Company and its subsidiary are the lessees*

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

**3.6 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

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

Expenditures for additions and improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

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



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

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

**3.7 Depreciation and amortisation**

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

Buildings and structures	4 - 25 years
Machinery and equipment	3 - 20 years
Means of transportation	4 - 10 years
Office equipment	3 - 8 years
Other tangible fixed assets	5 - 9 years
Computer software	3 - 12 years
Other intangible fixed assets	5 years

**3.8 Construction in progress**

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

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

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

**3.9 Borrowing costs**

Borrowing costs consist of interest and other costs that the Company and its subsidiary incur in connection with the borrowing of funds.

Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalised as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

**3.10 Prepaid expenses**

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortised over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expenses and are amortised to the consolidated income statement:

- ▶ Tools and consumables with large value issued into production and can be used for more than one year;
- ▶ Substantial expenditures on fixed asset overhauls incurred one time; and
- ▶ Other prepaid expenses.

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

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

**3.10 *Prepaid expenses* (continued)**

*Prepaid land rental*

The prepaid land rental represents the unamortised balance of advance payment made in accordance with lease contract signed with Bac Phu Cat Industrial Zone on 30 May 2008 for a period of 48 years 7 months 19 days and with Phong Dien Industrial Zone, Thua Thien Hue province on 24 March 2017 for a period of 39 years 9 months 8 days. Such prepaid rental is recognised as long-term prepaid expenses for allocation to the consolidated income statement over the remaining period of the lease contract according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of fixed assets ("Circular 45").

**3.11 *Business combinations and goodwill***

Business combinations are accounted for using the purchase method. The cost of a business combination is measured as the fair value of assets given, liabilities incurred or assumed and equity instruments issued at the date of exchange plus any costs directly attributable to the business combination. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of business combination.

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost the business combination over the Company and its subsidiary's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. If the cost of a business combination is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement. After initial recognition, goodwill is measured at cost less any accumulated amortisation. Goodwill is amortised over 10-year period on a straight-line basis. The parent company conducts the periodical review for impairment of goodwill of investment in subsidiaries. If there are indicators of impairment loss incurred is higher than the yearly allocated amount of goodwill on the straight-line basis, the higher amount will be recorded in the consolidated income statement.

**3.12 *Investments***

*Held-to-maturity investments*

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

**3.13 *Payables and accruals***

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

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

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

**3.14 Accrual for severance pay**

The severance pay to employee is accrued at the end of each reporting year for employees who have been worked for more than 12 months at the Company and its subsidiary. The accrued amount is calculated at the rate of one-half of the average monthly salary for each year of service qualified for severance pay in accordance with the Labor Code and related implementing guidance. The average monthly salary used in this calculation will be adjusted at the end of each reporting year following the average monthly salary of the last 6-month period up to the reporting date. Increase or decrease to the accrued amount other than actual payment to employee will be taken to the consolidated income statement.

This accrued severance pay is used to settle the termination allowance to be paid to employee upon termination of their labor contract following Article 46 of the Labor Code.

**3.15 Foreign currency transactions**

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

- ▶ Transaction resulting in receivables are recorded at the buying exchange rates of the commercial banks where the Company and its subsidiary designated for collections;
- ▶ Transactions resulting in payables are recorded at the selling exchange rates of the commercial banks where the Company and its subsidiary designated for payments; and
- ▶ Transactions for purchasing assets or expenses which were immediately settled (not recorded via liabilities) are recorded at the buying exchange rates of the commercial banks destined for payments.

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

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

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

**3.16 Share capital**

**Ordinary shares**

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

**Share premium**

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

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

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

**3.17 Appropriation of net profits**

Net profit after tax is available for appropriation to shareholders after approval in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company and its subsidiary's Charter and Vietnam's regulatory requirements.

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

*Investment and development fund*

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

*Bonus and welfare fund*

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

**3.18 Revenue recognition**

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

*Sale of goods*

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

*Interest income*

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

**3.19 Taxation**

*Current income tax*

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

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

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

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

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

**3.19 Taxation (continued)**

*Deferred tax*

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

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

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

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

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

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

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

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



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

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

**3.19 Taxation (continued)**

*Deferred tax (continued)*

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

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

**3.20 Earnings per share**

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

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

**3.21 Segment information**

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

The Company's business segment is derived mainly from manufacturing and distributing quartz-based compound stone related products. Management defines the Company's geographical segments to be based on the location where the Company and its subsidiary sell its products.

**3.22 Related parties**

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

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

**4. CASH AND CASH EQUIVALENTS**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	2,504,783,121	1,773,970,179
Cash at banks	322,586,014,915	346,781,930,250
Cash equivalents (*)	1,258,100,000,000	1,054,500,000,000
<b>TOTAL</b>	<b>1,583,190,798,036</b>	<b>1,403,055,900,429</b>

(\*) Cash equivalents as at 31 December 2024 include deposits in VND at banks with original maturity of one month, earning interest rates of from 2.9% to 4.75% per annum (31 December 2023: from 2% to 4.2% per annum).

**5. HELD-TO-MATURITY INVESTMENTS**

Held-to-maturity investments as at 31 December 2024 include deposits in VND at banks with original maturity of six months, earning interest rates of from 5.5% to 6% per annum (31 December 2023: 4.8% per annum).

**6. SHORT-TERM TRADE RECEIVABLES AND ADVANCES TO SUPPLIERS**

**6.1 Short-term trade receivables**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Trade receivables from customers	579,739,326,985	448,693,509,946
- Vicostone Canada Inc	206,819,375,627	174,152,486,941
- Other customers	372,919,951,358	274,541,023,005
Trade receivables from related parties (Note 26)	747,333,756,703	774,598,650,920
<b>TOTAL</b>	<b>1,327,073,083,688</b>	<b>1,223,292,160,866</b>
Provision for short-term doubtful receivables	(23,672,404,888)	(18,468,862,427)

**6.2 Short-term advances to suppliers**

	<i>Currency: VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Supplier 2	2,539,680,000	-
Other suppliers	17,007,436,693	9,103,586,823
<b>TOTAL</b>	<b>19,547,116,693</b>	<b>9,103,586,823</b>



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

**7. PROVISION FOR DOUBTFUL SHORT-TERM RECEIVABLES**

Currency: VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount (*)	Cost	Recoverable amount (*)
Customer 1	8,111,718,515	1,188,148,177	8,100,644,422	3,225,041,112
Customer 2	2,504,732,282	-	2,504,732,282	-
Customer 3	5,531,307,473	-	5,531,307,473	1,659,392,242
Other customers	11,606,707,783	2,893,912,988	9,447,058,950	2,230,447,346
<b>TOTAL</b>	<b>27,754,466,053</b>	<b>4,082,061,165</b>	<b>25,583,743,127</b>	<b>7,114,880,700</b>

(\*) The Company and its subsidiary determine recoverable amount by original amount of receivables minus provisions.

**8. INVENTORIES**

Currency: VND

	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Goods in transit	73,988,061,550	-	19,169,093,749	-
Raw materials	179,882,759,533	-	159,948,823,810	-
Tools and supplies	65,718,972,224	-	80,299,128,106	-
Work-in-process	48,500,707,213	-	25,124,948,522	-
Finished goods	331,323,327,585	(1,897,919,707)	420,447,125,599	(1,869,227,390)
Merchandises	1,154,711,684,658	(35,776,529,915)	1,957,024,427,221	(16,122,777,796)
<b>TOTAL</b>	<b>1,854,125,512,763</b>	<b>(37,674,449,622)</b>	<b>2,662,013,547,007</b>	<b>(17,992,005,186)</b>

**Details of movements of provision for obsolete inventories:**

Currency: VND

	Current year	Previous year
Beginning balance	(17,992,005,186)	(16,952,464,020)
Add: Provision made during the year	(20,215,500,349)	(1,039,541,166)
Less: Utilisation and reversal of provision during the year	533,055,913	-
Ending balance	<u>(37,674,449,622)</u>	<u>(17,992,005,186)</u>

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

9. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Means of transportation	Office equipment	Other tangible fixed assets	Total
Currency: VND						
<b>Cost:</b>						
Beginning balance	297,409,586,170	1,832,462,832,552	42,768,284,984	19,232,827,351	993,146,108	2,192,866,677,165
- Increase in the year	17,344,272,740	36,040,718,948	80,000,000	32,090,909	-	53,497,082,597
- Disposal	-	-	(508,902,999)	-	-	(508,902,999)
- Other reductions	-	(2,103,530,376)	-	-	-	(2,103,530,376)
Ending balance	314,753,858,910	1,866,400,021,124	42,339,381,985	19,264,918,260	993,146,108	2,243,751,326,387
<i>In which:</i>						
Fully depreciated	91,250,728,581	367,143,450,872	24,138,320,298	15,553,254,066	-	498,085,753,817
<b>Accumulated depreciation:</b>						
Beginning balance	183,933,951,366	1,089,883,382,837	34,652,656,942	18,161,276,080	600,025,776	1,327,231,293,001
- Depreciation for the year	16,852,112,382	110,355,105,748	2,513,763,574	674,821,618	124,143,264	130,519,946,586
- Disposal	-	-	(508,902,999)	-	-	(508,902,999)
- Other reductions	-	(825,961,916)	-	-	-	(825,961,916)
Ending balance	200,786,063,748	1,199,412,526,669	36,657,517,517	18,836,097,698	724,169,040	1,456,416,374,672
<b>Net carrying amount:</b>						
Beginning balance	113,475,634,804	742,579,449,715	8,115,628,042	1,071,551,271	393,120,332	865,635,384,164
Ending balance	113,967,795,162	666,987,494,455	5,681,864,468	428,820,562	268,977,068	787,334,951,715

As at 31 December 2024, Phenikaa Hue Company mortgaged all machinery and equipment as well as buildings and structures under the investment project "Cristobalite material factory" located at Lot CN15 Block B, Phong Dien Industrial Park, Phong Hoa Commune, Phong Dien District, Thua Thien Hue Province, Vietnam which are owned by this company with a net carrying amount of VND 385 billion (31 December 2023: VND 417 billion) for long-term bank loans as presented in Note 15.

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

**10. INTANGIBLE FIXED ASSETS**

Currency: VND

	Computer software	Other intangible fixed assets	Total
<b>Cost:</b>			
Beginning balance	30,190,958,497	38,000,000	30,228,958,497
- Increase in the year	2,092,968,750	-	2,092,968,750
Ending balance	32,283,927,247	38,000,000	32,321,927,247
<i>In which:</i>			
Fully amortised	28,428,568,497	38,000,000	28,466,568,497
<b>Accumulated amortisation:</b>			
Beginning balance	28,186,520,465	38,000,000	28,224,520,465
- Amortisation for the year	1,286,556,022	-	1,286,556,022
Ending balance	29,473,076,487	38,000,000	29,511,076,487
<b>Net carrying amount:</b>			
Beginning balance	2,004,438,032	-	2,004,438,032
Ending balance	2,810,850,760	-	2,810,850,760

**11. CONSTRUCTION IN PROGRESS**

Currency: VND

	Ending balance	Beginning balance
Machinery and equipment waiting for installation	75,574,393,349	65,406,198,477
Construction in progress	108,197,121,783	1,822,937,508
Overhaul expenses	610,797,027	108,344,394
<b>TOTAL</b>	<b>184,382,312,159</b>	<b>67,337,480,379</b>

As at 31 December 2024, Phenikaa Hue Company has mortgaged the construction works and machinery for long-term bank loans as presented in Note 15.

**12. LONG-TERM PREPAID EXPENSES**

Currency: VND

	Ending balance	Beginning balance
Prepaid land rental fee	5,013,866,320	5,288,598,721
Tools and supplies	4,648,605,181	4,201,670,850
Others	3,889,337,775	4,477,697,839
<b>TOTAL</b>	<b>13,551,809,276</b>	<b>13,967,967,410</b>

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

### 13. SHORT-TERM TRADE PAYABLES AND ADVANCES FROM CUSTOMERS

#### 13.1 Short-term trade payables

Currency: VND

	Ending balance		Beginning balance	
	Amount	Amount payable	Amount	Amount payable
Supplier 1	21,354,944,240	21,354,944,240	-	-
Other suppliers	151,551,540,968	151,551,540,968	99,499,575,671	99,499,575,671
Trade payables to related parties (Note 26)	9,904,945,523	9,904,945,523	18,790,567,778	18,790,567,778
<b>TOTAL</b>	<b>182,811,430,731</b>	<b>182,811,430,731</b>	<b>118,290,143,449</b>	<b>118,290,143,449</b>

#### 13.2 Short-term advances from customers

Currency: VND

	Ending balance	Beginning balance
Customer 4	6,662,291,923	-
Other customers	8,717,696,879	15,139,506,800
<b>TOTAL</b>	<b>15,379,988,802</b>	<b>15,139,506,800</b>

### 14. STATUTORY OBLIGATIONS

Currency: VND

	Beginning balance	Increase in the year	Decrease in the year	Ending balance
<b>Receivables</b>				
Value-added tax	200,377,517,529	201,718,623,157	(330,414,501,012)	71,681,639,674
<b>TOTAL</b>	<b>200,377,517,529</b>	<b>201,718,623,157</b>	<b>(330,414,501,012)</b>	<b>71,681,639,674</b>
	Beginning balance	Payable for the year	Payment made in the year	Ending balance
<b>Payables</b>				
Corporate income tax	110,381,858,065	147,362,677,737	(155,784,046,681)	101,960,489,121
Value-added tax	3,196,339,936	45,649,705,009	(48,846,044,945)	-
Import, export duties	2,866,874	5,737,826,659	(5,594,571,545)	146,121,988
Personal income tax	791,906,694	11,608,748,082	(11,952,502,514)	448,152,262
Other taxes	-	944,385,009	(944,385,009)	-
<b>TOTAL</b>	<b>114,372,971,569</b>	<b>211,303,342,496</b>	<b>(223,121,550,694)</b>	<b>102,554,763,371</b>

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

**15. LOANS**

	Beginning balance Amount and amount payable	Movement during the year		Ending balance Amount and amount payable	Currency: VND
		Increase	Decrease		
<b>Short-term loans</b>					
Loans from banks (Note 15.1)	1,011,288,076,572	1,383,447,224,474	(1,499,746,926,887)	894,988,374,159	
Current portion of long-term loans (Note 15.2)	53,199,017,404	39,899,263,054	(53,199,017,404)	39,899,263,054	
	1,064,487,093,976	1,423,346,487,528	(1,552,945,944,291)	934,887,637,213	
<b>Long-term loans</b>					
Loans from banks (Note 15.2)	39,899,263,054	28,764,048,954	(39,899,263,054)	28,764,048,954	
	39,899,263,054	28,764,048,954	(39,899,263,054)	28,764,048,954	
<b>TOTAL</b>	<b>1,104,386,357,030</b>	<b>1,452,110,536,482</b>	<b>(1,592,845,207,345)</b>	<b>963,651,686,167</b>	

**15.1 Short-term loans from banks**

Details of unsecured USD loans from banks are as follows:

Bank	Ending balance (VND)	Original amount (USD)
United Overseas Bank – Hanoi branch	53,962,589,034	2,111,956
Asia Commercial Joint Stock Bank – Ha Thanh branch	199,623,809,255	7,811,700
Joint Stock Commercial Bank for Investment and Development of Vietnam – Van Phuc Hanoi branch	296,593,912,818	11,607,918
Joint Stock Commercial Bank for Foreign trade of Vietnam – Thanh Cong branch	198,626,371,589	7,773,722
<b>TOTAL</b>	<b>748,806,682,696</b>	<b>29,305,296</b>

Details of unsecured VND loans from banks are as follows:

Bank	Ending balance (VND)
HSBC Bank (Vietnam) Limited	59,119,070,866
Vietnam International Commercial Joint Stock Bank – Transactional Centre branch	87,062,620,597
<b>TOTAL</b>	<b>146,181,691,463</b>

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

**15. LOANS** (continued)

**15.1 Short-term loans from banks** (continued)

As at 31 December 2024, the short-term loans of the Company and its subsidiary are bearing interest rates of from 3.5% to 3.8% per annum for USD loans and from 3.6% to 4.3% per annum for VND loans. Interest is paid monthly.

**15.2 Long-term loans from banks**

Details of the long-term loans from banks are as follows:

Bank	Ending balance (VND)	Principal and interest repayment term	Interest rate per annum	Description of collaterals
Joint Stock Commercial Bank for Investment and Development of Vietnam – Hue Branch	28,764,048,954	Principal is payable from May 2029 to June 2029. Interest is paid monthly.	1 <sup>st</sup> year: 6.1%; 2 <sup>nd</sup> year: 12-month personal interest + 2.2%; From 3 <sup>rd</sup> year: 12- month personal interest + 2.3%	The assets formed in the future are the construction works and machinery under the project "Additional investing line" with a quality silica sand processing line" with a value of 34.5 billion VND (construction works) and 32.9 billion VND (machinery and equipment).
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thanh Cong Branch	39,899,263,054	Principal is payable on 1 September 2025. Interest is paid monthly.	7.375%	- All factory machinery and equipment under the investment project "Cristobalite material factory" located at Lot CN15 Block B, Phong Dien Industrial Park, Phong Hoa Commune, Phong Dien District, Thua Thien Hue Province
				- Guarantee from A&A Green Phoenix Group Joint Stock Company (parent company) with minimum value of VND 273 billion

**TOTAL**

**68,663,312,008**

In which:

- Current portion  
28,764,048,954  
- Non-current portion  
39,899,263,054

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

**16. BONUS AND WELFARE FUND**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	110,840,283,031	125,349,431,011
Appropriated during the year (Note 17.1)	42,071,782,893	89,299,667,669
Utilised during the year	<u>(79,475,707,196)</u>	<u>(103,808,815,649)</u>
Ending balance	<u>73,436,358,728</u>	<u>110,840,283,031</u>



# Vicostone Joint Stock Company

B09-DN/HN

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

## 17. OWNERS' EQUITY

### 17.1 Increase and decrease in owners' equity

Currency: VND

	Issued share capital	Share premium	Investment and development fund	Other funds belonging to owners' equity	Undistributed earnings	Total
<b>Previous year</b>						
Beginning balance	1,600,000,000,000	290,584,886	88,958,137,122	18,551,233,538	3,160,937,690,711	4,868,737,646,257
- Bonus and welfare fund appropriation	-	-	-	-	(89,299,667,669)	(89,299,667,669)
- Advanced dividends	-	-	-	-	(640,000,000,000)	(640,000,000,000)
- Net profit for the year	-	-	-	-	846,380,429,683	846,380,429,683
Ending balance	1,600,000,000,000	290,584,886	88,958,137,122	18,551,233,538	3,278,018,452,725	4,985,818,408,271
<b>Current year</b>						
Beginning balance	1,600,000,000,000	290,584,886	88,958,137,122	18,551,233,538	3,278,018,452,725	4,985,818,408,271
- Bonus and welfare fund appropriation (*)	-	-	-	-	(42,071,782,893)	(42,071,782,893)
- Investment and development fund utilisation	-	-	(1,246,671,099)	-	-	(1,246,671,099)
- Advanced dividends (**)	-	-	-	-	(640,000,000,000)	(640,000,000,000)
- Net profit for the year	-	-	-	-	807,122,189,551	807,122,189,551
Ending balance	1,600,000,000,000	290,584,886	87,711,466,023	18,551,233,538	3,403,068,859,383	5,109,622,143,830

(\*) During the year, the Company appropriated the bonus and welfare fund from the profit after tax of the year 2024 according to the Resolution No.01/2024/NQ/VCS-ĐHĐCĐ dated 12 April 2024 of the 2024 Annual General Shareholders. The Company's subsidiary also appropriated bonus and welfare fund from profit after tax of the year 2023 according to the Resolution No. 04/2024/NQ-HĐTV of this subsidiary's Members' Council dated 29 January 2024.

(\*\*) During the year, the Company advanced dividends amounting to VND 640 billion to shareholders according to the Resolution No. 08/2024/NQ/VCS-HĐQT dated 7 June 2024 and Resolution No. 16/2024/NQ/VCS-HĐQT dated 3 December 2024 of the Board of Directors.

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

**17. OWNERS' EQUITY (continued)**

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

	Currency: VND	
	Current year	Previous year
<b>Capital contributed by owners</b>		
Beginning balance	1,600,000,000,000	1,600,000,000,000
Ending balance	1,600,000,000,000	1,600,000,000,000

**17.3 Dividends**

	Currency: VND	
	Current year	Previous year
<b>Dividends declared during the year</b>	<b>640,000,000,000</b>	<b>640,000,000,000</b>
<i>Dividends on ordinary shares</i>	<i>640,000,000,000</i>	<i>640,000,000,000</i>
1st advance of cash dividends for 2024 (VND 2,000 per share)	320,000,000,000	-
2nd advance of cash dividends for 2024 (VND 2,000 per share)	320,000,000,000	-
1st advance of cash dividends for 2023 (VND 2,000 per share)	-	320,000,000,000
2nd advance of cash dividends for 2023 (VND 2,000 per share)	-	320,000,000,000
<b>Dividends paid during the year</b>	<b>639,827,276,600</b>	<b>640,589,431,575</b>
<b>Dividends declared after closing date of financial year and not yet recognised as liability</b>	<b>-</b>	<b>-</b>

**17.4 Shares**

	Quantity	
	Ending balance	Beginning balance
<b>Authorised shares</b>	<b>160,000,000</b>	<b>160,000,000</b>
<b>Issued shares</b>	<b>160,000,000</b>	<b>160,000,000</b>
Ordinary shares	160,000,000	160,000,000
Preference shares	-	-
<b>Treasury shares</b>	<b>-</b>	<b>-</b>
Ordinary shares	-	-
Preference shares	-	-
<b>Shares in circulation</b>	<b>160,000,000</b>	<b>160,000,000</b>
Ordinary shares	160,000,000	160,000,000
Preference shares	-	-

Par value of outstanding shares as at 31 December 2024: VND 10,000 per share (31 December 2023: VND 10,000 per share).

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

**18. OFF CONSOLIDATED BALANCE SHEET ITEMS**

	<i>Ending balance</i>		<i>Beginning balance</i>	
	<i>Original currency</i>	<i>VND equivalent</i>	<i>Original currency</i>	<i>VND equivalent</i>
Foreign currencies				
- US Dollar (USD)	6,689,674	169,089,560,899	7,493,693	180,553,367,175
- Euro (EUR)	359,933	9,385,022,351	197,622	5,226,989,970
- Canadian Dollar (CAD)	4,786,316	83,846,330,787	1,742,129	34,544,889,198

**19. REVENUES**

**19.1 Revenue from sale of goods**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
<b>Gross revenue</b>	<b>4,345,179,877,664</b>	<b>4,363,038,846,159</b>
Sale of finished goods and merchandises	4,345,179,877,664	4,363,038,846,159
<b>Deductions</b>	<b>23,108,484,843</b>	<b>9,177,702,587</b>
Trade discounts	23,108,484,843	9,177,702,587
<b>Net revenue</b>	<b>4,322,071,392,821</b>	<b>4,353,861,143,572</b>
<i>In which:</i>		
Sale to related parties (Note 26)	1,504,372,171,198	1,684,453,184,405

**19.2 Finance income**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Foreign exchange gains	61,606,678,844	76,643,838,053
Interest income from bank deposits	40,886,009,361	25,926,535,243
<b>TOTAL</b>	<b>102,492,688,205</b>	<b>102,570,373,296</b>

**20. COST OF GOODS SOLD**

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Cost of finished goods and merchandises sold	3,124,296,779,727	3,131,928,973,346
Provision for obsolete inventories	19,682,444,436	1,039,541,166
<b>TOTAL</b>	<b>3,143,979,224,163</b>	<b>3,132,968,514,512</b>

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

**21. FINANCE EXPENSES**

	Currency: VND	
	Current year	Previous year
Interest expenses	34,586,850,582	56,637,446,942
Foreign exchange losses	27,004,407,164	44,724,660,191
Other finance expenses	776,472,204	-
<b>TOTAL</b>	<b>62,367,729,950</b>	<b>101,362,107,133</b>

**22. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	Currency: VND	
	Current year	Previous year
<b>Selling expenses</b>		
- Loading and delivery costs	118,138,496,163	93,935,568,484
- Packaging costs	20,253,813,818	17,846,780,863
- Labour costs	14,271,723,574	11,677,488,036
- Others	38,989,987,546	33,034,400,774
<b>TOTAL</b>	<b>191,654,021,101</b>	<b>156,494,238,157</b>
<b>General and administrative expenses</b>		
- Labour costs	29,415,964,617	23,649,696,197
- Provision for doubtful debts	5,203,542,461	1,929,330,896
- Depreciation and amortisation	4,828,644,602	7,627,308,715
- Others	26,467,113,569	25,508,375,948
<b>TOTAL</b>	<b>65,915,265,249</b>	<b>58,714,711,756</b>

**23. PRODUCTION AND OPERATING COSTS**

	Currency: VND	
	Current year	Previous year
Raw materials and merchandises (*)	2,885,522,038,008	2,849,447,931,599
Labour costs	117,106,957,785	99,490,855,222
Depreciation and amortisation of fixed assets	130,382,121,964	135,807,177,136
Expenses for external services	178,478,233,484	153,683,725,097
Others	27,018,686,899	25,792,551,167
<b>TOTAL</b>	<b>3,338,508,038,140</b>	<b>3,264,222,240,221</b>

(\*) This cost includes cost of merchandises.

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

## 24. CORPORATE INCOME TAX

The Company and its subsidiary have corporate income tax ("CIT") obligation as follows:

► *Vicostone Joint Stock Company*

*For sale of finished goods of Factory No.1 as the initial investment project:*

The CIT rate applicable to the Company is 20% of taxable income.

*For sale of finished goods of Factory No.2 as the investment expansion project:*

The Factory No.2 project meet the conditions as business expansion as circulated in Circular 96/2015/TT-BTC issued by the Ministry of Finance on 22 June 2015 ("Circular 96"). Accordingly, the Company is entitled to CIT exemption, reduction as the same as a new project located in the same area, which is exemption from CIT for 4 years commencing from the first year of earning taxable profits and a 50% CIT reduction in the following 9 years. The first year of earning taxable profits of the Factory No. 2 is 2014. However, Circular 96 is only applied to the CIT tax year 2015 onwards, thus, the Company is entitled to an exemption from CIT from 2015 to 2017 and a 50% CIT reduction in the following 9 years (from 2018 to 2026). Accordingly, CIT rate applied for income of this activity during the current period is 10% of taxable profit.

*For sale of merchandises and other activities:*

The CIT rate applicable to the Company is 20% of taxable income.

► *Phenikaa Hue Company, the subsidiary*

CIT rate applied for Phenikaa Hue Company is 17% of taxable profit in 10 years commencing from the first year in which this company has revenue from its investment project. Phenikaa Hue Company is entitled to an exemption from CIT for 2 years from the first year of earning taxable income (2019 to 2020) and 50% CIT reduction in the following 4 years (from 2021 to 2024). Accordingly, the CIT applicable to Phenikaa Hue Company during the current year is 8.5% of taxable profit.

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

### 24.1 CIT expense

	Currency: VND	
	Current year	Previous year
Current CIT expense	146,993,197,996	153,227,173,807
Adjustment for under-accrual of CIT in prior years	369,479,741	897,450,310
Deferred tax income	(1,140,297,792)	(1,065,074,405)
<b>TOTAL</b>	<b>146,222,379,945</b>	<b>153,059,549,712</b>

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

**24. CORPORATE INCOME TAX (continued)**

**24.1 CIT expense (continued)**

Reconciliation between CIT expense and the accounting profit before tax multiplied by CIT rate is presented below:

	Currency: VND	
	Current year	Previous year
Accounting profit before tax	953,344,569,496	999,439,979,395
At CIT rates applied to the Company and its subsidiary	191,207,468,249	209,366,647,770
<i>Adjustments:</i>		
Unrealised foreign exchange losses/(gains) in the current year	178,285,006	(393,971,320)
Non-deductible expenses	2,181,605,473	6,269,443,865
Provision during the year	4,003,114,248	411,234,336
Adjustment for under accrual of tax from prior year	369,479,741	897,450,310
Penalty for late payment	16,001,122	313,115
Adjustment for business consolidation	(1,140,297,792)	(1,065,074,405)
Unrealised foreign exchange of previous year realised in the current year	406,340,356	(4,777,917,027)
Reversal of provision in previous year	-	(23,231,265)
Tax exemption, reduction	(50,999,616,458)	(57,625,345,667)
<b>CIT expense</b>	<b>146,222,379,945</b>	<b>153,059,549,712</b>

**24.2 Current tax**

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

**24.3 Deferred tax**

The following are the deferred tax assets recognised by the Company and its subsidiary, and the movements thereon, during the current and previous years:

	Consolidated balance sheet		Consolidated income statement	
	Ending balance	Beginning balance	Current year	Previous year
<b>Deferred tax assets</b>				
Deferred income tax assets are recognised for unrealised profit	4,606,750,981	3,466,453,189	(1,140,297,792)	(1,065,074,405)
	<b>4,606,750,981</b>	<b>3,466,453,189</b>		
<b>Net deferred tax credit to consolidated income statement</b>			<b>(1,140,297,792)</b>	<b>(1,065,074,405)</b>



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

**25. SEGMENT INFORMATION**

The primary segment reporting format is determined to be geographical segments as the Company and its subsidiary's risks and rates of return are affected predominantly by differences in the locations where the Company and its subsidiary sell their products.

The operating businesses are organised and managed separately according to the locations where the Company and its subsidiary operate, with each segment representing a strategic business unit that offers different products.

***Geographical segment***

The following table presents revenue, expenditure and certain asset information regarding to the Company and its subsidiary's geographical segments:

	Domestic activities	Export activities	Currency: VND Total
<b>For the year ended 31 December 2024</b>			
Net revenue			
Sales to external customers	1,111,176,403,565	3,210,894,989,256	4,322,071,392,821
Inter-segment sales	-	-	-
Total net revenue	1,111,176,403,565	3,210,894,989,256	4,322,071,392,821
Results			
Segment gross profit	212,385,742,624	996,102,588,233	1,208,488,330,857
Unallocated cost of sale	-	-	(30,396,162,199)
Gross profit	-	-	1,178,092,168,658
Unallocated income, expense	-	-	(224,747,599,162)
Net profit before corporate income tax	-	-	953,344,569,496
Corporate income tax expense	-	-	(146,222,379,945)
Net profit for the year	-	-	807,122,189,551
Other segment information			
Capital expenditure of fixed assets	-	-	55,590,051,347
Depreciation and amortisation	-	-	131,806,502,608
<b>As at 31 December 2024</b>			
Assets and liabilities			
Segment assets	495,083,794,051	808,316,884,749	1,303,400,678,800
Unallocated assets	-	-	5,163,571,332,583
Total assets	-	-	6,466,972,011,383
Unallocated liabilities	-	-	1,357,349,867,553
Total liabilities	-	-	1,357,349,867,553



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

**25. SEGMENT INFORMATION** (continued)

**Geographical segment** (continued)

The following table presents revenue, expenditure and certain asset information regarding to the Company and its subsidiary's geographical segments:  
(continued)

	Domestic activities	Export activities	Currency: VND Total
<b>For the year ended 31 December 2023</b>			
Net revenue			
Sales to external customers	1,151,278,530,076	3,202,582,613,496	4,353,861,143,572
Inter-segment sales	-	-	-
Total net revenue	1,151,278,530,076	3,202,582,613,496	4,353,861,143,572
Results			
Segment gross profit	254,317,992,657	995,827,165,098	1,250,145,157,755
Unallocated cost of sale	-	-	(29,252,528,695)
Gross profit	-	-	1,220,892,629,060
Unallocated income, expense	-	-	(221,452,649,665)
Net profit before corporate income tax	-	-	999,439,979,395
Corporate income tax expense	-	-	(153,059,549,712)
Net profit for the year	-	-	846,380,429,683
Other segment information			
Capital expenditure of fixed assets	-	-	28,135,784,136
Depreciation and amortisation	-	-	135,807,177,136
<b>As at 31 December 2023</b>			
Assets and liabilities			
Segment assets	633,683,553,134	571,139,745,305	1,204,823,298,439
Unallocated assets	-	-	5,263,425,485,902
Total assets	-	-	6,468,248,784,341
Unallocated liabilities	-	-	1,482,430,376,070
Total liabilities	-	-	1,482,430,376,070

The unallocated cost of goods sold includes the provision/reversal of provisions for obsolete inventories and other cost of goods which cannot be allocated into geographical segments.

Income and expenses except for cost of goods sold, assets except for trade receivables and provision for those trade receivables, and payables, are not allocated into geographical segments as they are not clearly identified for each segment.

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

**26. TRANSACTIONS WITH RELATED PARTIES**

List of related parties that have a controlling relationship with the Company and its subsidiary during the year and as at 31 December 2024 is as follows:

<i>Related party</i>	<i>Relationship</i>
A&A Green Phoenix Group Joint Stock Company	Parent company
Mr Ho Xuan Nang	Chairman has control over the parent company

List of members of the Board of Directors, the Management and the Audit Committee of the Company is presented in General information.

Significant transactions of the Company and its subsidiary with related parties during the year were as follows:

<i>Currency: VND</i>				
<i>Related parties</i>	<i>Relationship</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
A&A Green Phoenix Group Joint Stock Company	Parent company	Sales of materials and consumables	447,521,890,465	539,091,949,735
		Purchase of merchandises and services	467,346,013,959	1,037,553,189,663
		Dividend payable	538,588,328,000	538,588,328,000
		Dividend paid	538,588,328,000	538,588,328,000
Style Stone Joint Stock Company	Fellow subsidiary	Sales of materials and consumables	69,851,065,369	139,831,837,373
		Purchase of merchandises and services	275,276,587,401	709,459,603,360
Stylenquaza LLC	Associate of parent company	Sales of finished goods and consumables	642,069,618,908	764,311,528,658
Vietnam Stone Work - Top Fabrication Joint Stock Company	Fellow subsidiary	Sales of finished goods and consumables	226,896,871,640	144,605,456,165
		Purchase of merchandises and services	410,032,146,729	346,078,034,502
Tran Long Industry Joint Stock Company	Fellow subsidiary	Sales of finished goods and consumables	78,368,596,675	77,870,850,475
		Purchase of merchandises and services	110,352,189,588	95,489,063,801
Sec G3 Centre Joint Stock Company	Fellow subsidiary	Purchase of merchandises and services	7,076,258,893	7,735,143,929
Vinh Thien Medical Joint Stock Company	Fellow subsidiary	Sales of finished goods	36,857,128,141	16,080,281,502
		Purchase of service	550,848,507	-
Phenikaa University	Fellow subsidiary	Sales of finished goods	2,807,000,000	2,661,280,497

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

**26. TRANSACTIONS WITH RELATED PARTIES** (continued)

*Terms and conditions of transactions with related parties*

The sales to and purchases of goods and services with related parties are made based on the negotiated price in the contract.

Except for receivables from related parties and loans from banks that were guaranteed by A&A Green Phoenix Group Joint Stock Company (parent company), other receivables and payables due from/to related parties at the balance sheet date are unsecured, interest free and will be settled in cash or be offset with payable accounts.

For the year ended 31 December 2024, the Company and its subsidiary have not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2023: nil).

As at 31 December 2024, amounts due to and due from related parties were as follows:

				Currency: VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance	
<b>Short-term trade receivables (Note 6)</b>					
Vietnam Stone Work - Top Fabrication Joint Stock Company (*)	Fellow subsidiary	Receivables from sales of finished goods and consumables	284,957,231,743	448,612,004,739	
Stylenquaza LLC	Associate of parent company	Receivables from sales of finished goods and consumables	290,829,375,521	206,340,781,936	
Tran Long Industry Joint Stock Company (*)	Fellow subsidiary	Receivables from sales of finished goods and consumables	90,117,521,868	80,550,224,024	
Vinh Thien Medical Joint Stock Company (*)	Fellow subsidiary	Receivables from sales of finished goods	39,816,212,193	17,366,704,022	
A&A Green Phoenix Group Joint Stock Company	Parent company	Receivables from sales of materials and consumables	38,581,855,378	15,106,340,370	
Phenikaa University	Fellow subsidiary	Receivables from sales of finished goods	3,031,560,000	457,497,549	
Style Stone Joint Stock Company	Fellow subsidiary	Receivables from sales of materials and consumables	-	6,165,098,280	
			<b>747,333,756,703</b>	<b>774,598,650,920</b>	

(\*) Receivables from these related parties are guaranteed by A&A Green Phoenix Group Joint Stock Company.

**Other short-term trade receivables (Code 136)**

Bao Toan A Joint Stock Company	Fellow subsidiary	Other receivables	-	228,000,000	
			-	<b>228,000,000</b>	

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

**26. TRANSACTIONS WITH RELATED PARTIES (continued)**

As at 31 December 2024, amounts due to and due from related parties were as follows (continued):

				Currency: VND	
Related parties	Relationship	Transactions	Ending balance	Beginning balance	
Short-term trade payables (Note 13)					
A&A Green Phoenix Group Joint Stock Company	Parent company	Purchase of merchandises and services	7,239,765,751	14,771,349,327	
Sec G3 Centre Joint Stock Company	Fellow subsidiary	Purchase of merchandises and services	1,318,244,042	1,875,433,651	
Style Stone Joint Stock Company	Fellow subsidiary	Purchase of merchandises and services	796,673,862	2,143,784,800	
Vinh Thien Medical Joint Stock Company	Fellow subsidiary	Purchase of services	546,816,500	-	
Vietnam Stone Work - Top Fabrication Joint Stock Company	Fellow subsidiary	Purchase of merchandises and service	3,445,368	-	
			9,904,945,523	18,790,567,778	

**Transactions with other related parties**

Remuneration to members of the Board of Directors, the Management and the Audit Committee:

Individuals	Position	Currency: VND	
		Remuneration	
		Current year	Previous year
Mr Ho Xuan Nang	Chairman	72,000,000	72,000,000
Mr Pham Tri Dung	General Director (From 27 February 2023)	3,502,080,002	3,083,583,038
	Member of Board of Directors (From 12 April 2023)		
Mr Pham Anh Tuan	General Director (Up to 27 February 2023)	17,500,000	1,035,772,810
	Member of Board of Directors (Up to 12 April 2024)		
Mr Nguyen Quang Hung	Member of Board of Directors	60,000,000	60,000,000
	Head of Audit Committee		
Ms Nguyen Dieu Thuy Ngoc	Member of Board of Directors (Up to 12 April 2023)	-	70,000,000
Ms Tran Lan Phuong	Member of Board of Directors	60,000,000	60,000,000
	Member of Audit Committee (From 13 April 2023)		
Ms Le Thi Minh Thao	Member of Board of Directors (From 12 April 2024)	42,500,000	-
Ms Tran Thi Thu Huong	Deputy General Director (From 25 September 2024)	292,710,951	-
Mr Luu Cong An	Deputy General Director	3,122,472,898	2,870,116,035
Mr Nguyen Chi Cong	Deputy General Director	2,772,391,507	2,671,789,630
Mr Dong Quang Thuc	Deputy General Director	2,252,361,495	1,904,741,128
Mr Nguyen Quang Anh	Deputy General Director (From 22 June 2023)	2,949,826,277	1,120,435,989
		<b>15,143,843,130</b>	<b>12,948,438,630</b>

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

**27. EARNINGS PER SHARE**

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

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Company and its subsidiary by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	<i>Currency: VND</i>	
	<i>Current year</i>	<i>Previous year</i>
Net profit after tax	807,122,189,551	846,380,429,683
Estimated appropriation in bonus and welfare fund (*)	<u>(35,351,338,524)</u>	<u>(39,777,592,187)</u>
<b>Net profit attributable to ordinary equity holders adjusted for the effect of dilution</b>	<b><u>771,770,851,027</u></b>	<b><u>806,602,837,496</u></b>
<b>Weighted average number of ordinary shares adjusted for basic earnings per share</b>	<b>160,000,000</b>	<b>160,000,000</b>
<b>Earnings per share</b>		
- Basic earnings per share	4,824	5,041
- Diluted earnings per share	4,824	5,041

Profits used to calculate earnings per share for the year ended 31 December 2024 have been adjusted for the bonus and welfare fund for the year ended 31 December 2024 in accordance with Resolution No. 01/2024 NQ/VCS-DHDCD of the General Meeting of Shareholders dated 12 April 2024 and the appropriation of bonus and welfare fund of the subsidiary.

There have been no other transaction involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the consolidated financial statements.

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

**28. COMMITMENTS AND CONTINGENCIES**

***Operating lease commitments***

The Company and its subsidiary leases land under operating lease arrangements. The minimum lease commitments as at the balance sheet date under the operating lease agreements are as follows:

	Currency: VND	
	Ending balance	Beginning balance
Less than 1 year	937,335,450	937,335,450
From 1 to 5 years	3,749,341,800	3,749,341,800
More than 5 years	19,949,085,275	20,945,681,100
<b>TOTAL</b>	<b>24,635,762,525</b>	<b>25,632,358,350</b>

The Company also leases 27,451 m<sup>2</sup> land area at Plot 2A, Bac Phu Cat Industrial Zone under the operating lease contract No. 10/VC/HDKT-TLDKCNBPC dated 30 May 2008 with the lease term of 48 years, 7 months and 19 days commencing from the contract date. The fees of land rental are VND 10,000/m<sup>2</sup> per annum and management service charge is VND 3,500/m<sup>2</sup> per annum. The land rental price for the remaining year (from 2043 until the end of the lease term) can be adjusted depending on agreement between the Company and the Industrial Zone management in subsequent discussions.

Phenikaa Hue Company leases 37,300 m<sup>2</sup> land area lot CN15 Zone B, Phong Dien Industry Park, Phong Hoa Commune, Phong Dien District, Thua Thien Hue Province under the operating lease contract No. 2403/2017/HĐTĐ/PHXH-TP dated 24 March 2017 with the lease term of 39 years, 9 months and 8 days commencing from the contract date. The fees of land rental are VND 15,015/m<sup>2</sup> per annum and management service charge of VND 4,050/m<sup>2</sup> per annum (VAT exclusive). Land rental and management fee is paid annually as specified under this contract.

***Commitments relating to operating lease contracts***

The Company and its subsidiary lease land under the operating lease contracts. According to the signed land lease contracts, the Company and its subsidiary are obliged to remove all construction works, architectural objects, equipment, materials on the leased land and restore the site to its original conditions as at the time of receiving the land at the end of the lease period. The Company and its subsidiary's management believes that the effect of this obligation on the current year consolidated financial statements is immaterial. Accordingly, no provision for site restoration obligation has been made in the consolidated financial statements.



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

29. EVENTS AFTER THE BALANCE SHEET DATE

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

Hanoi, Vietnam

28 March 2025



Tran Thi Huong Thu  
Preparer



Nguyen Phuong Anh  
Chief Accountant



Pham Tri Dung  
General Director



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