

ANNUAL REPORT

HOANG GIA PRODUCTION AND INVESTMENT JOINT STOCK COMPANY

(Business Registration Certificate No. 3501459505, initially issued by the Department of Planning and Investment of Dong Nai Province on January 20, 2010, and amended for the 15th time on July 4, 2024)

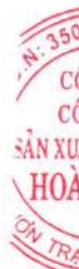


Dong Nai, April 20, 2025



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I. GENERAL INFORMATION

1. Overview Information

- Trading Name: Royal Investment and Production Joint Stock Company.
- Enterprise Registration Certificate No.: 3501459505, initially issued by the Department of Planning and Investment of Dong Nai Province on January 20, 2010, and amended for the 15th time on July 4, 2024.
- Charter Capital: 450,000,000,000 VND.
- Head Office Address: Road No. 8, Nhon Trach II – Nhon Phu Industrial Zone, Hiep Phuoc Town, Nhon Trach District, Dong Nai Province, Vietnam.
- Telephone: (0251) 3569 918 Fax: (0251) 3569 879
- Website: <https://royaltiles.vn/>
- Legal Representative: Mr. Dinh Viet Anh – Chairman of the Board of Directors.
- Primary Business Activity: Manufacture of building materials from clay (Production of ceramic and granite tiles).
- Stock Code: RYG.
- Logo: 

2. Formation and Development

2009: In September 2009, Royal Production and Investment Joint Stock Company was established with a charter capital of VND 49.3 billion. In October 2009, the Company increased its charter capital to VND 58 billion through a private placement of shares to one founding shareholder and two new shareholders. In December 2009, the Company raised its charter capital to VND 73.5 billion through a private placement of shares to strategic partners, founding shareholders, and existing shareholders.

2010: The Company exported its products to the United States for the first time.

2011: The Company increased its charter capital to VND 100 billion through a private placement of shares to existing shareholders.

2014: The Company increased its charter capital to VND 120 billion through a private placement of shares to existing shareholders.

2019: The Company was granted the ISO 13006:2018 conformity certification by the Vietnam Institute for Building Materials and the conformity certificate for QCVN 16:2017/BXD.

2021: The Company increased its charter capital to VND 214.52 billion by issuing stock dividends.

2021: The Company further increased its charter capital to VND 360 billion through a private placement of shares to existing shareholders and recorded its first-ever annual revenue exceeding VND 1,000 billion.

2023: The Company increased its charter capital to VND 450 billion through an initial public offering. As of October 20, 2023, the Company officially became a public company pursuant to Official Dispatch No. 7079/UBCK-QLCB dated October 20, 2023, issued by the State Securities Commission of Vietnam.

2024: On October 31, 2024, the Company successfully listed its common shares on the Ho Chi Minh City Stock Exchange in accordance with Decision No. 610/QĐ-SGDHCM issued by the Ho Chi Minh City Stock Exchange. The Company's stock under the ticker symbol "RYG" was officially traded on December 12, 2024, as announced in Notice No. 1962/TB-SGDHCM dated November 26, 2024, of the Ho Chi Minh City Stock Exchange

❖ Awards and certificates achieved:

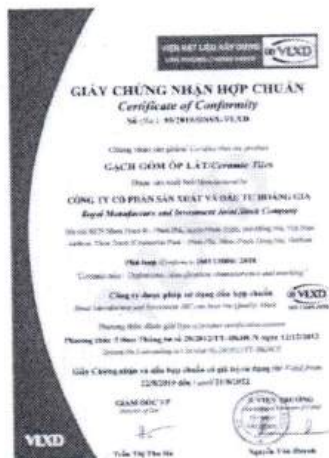
ISO 14001:2015 certificate



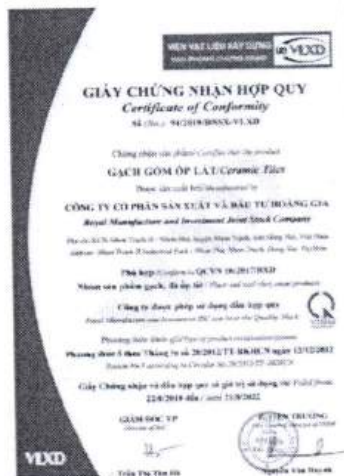
Confirm product compliance with European standards



Certificate Ceramic tiles conform to standards



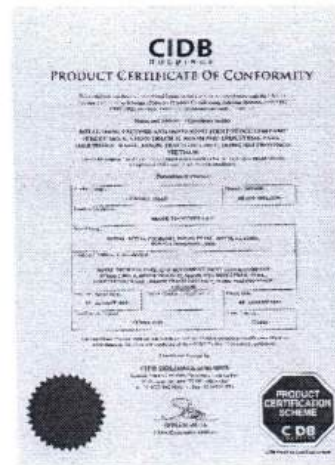
Certificate of Conformity
of Ceramic Tiles



GREENGUARD Certificate of Compliance



CIDB Certificate of
Conformity



CIDB

3. Business Lines and Business Locations

Pursuant to Enterprise Registration Certificate No. 3501459505 issued by the Department of Planning and Investment of Dong Nai Province, initially granted on January 20, 2010, and amended for the 15th time on July 4, 2024, the Company's business lines include:

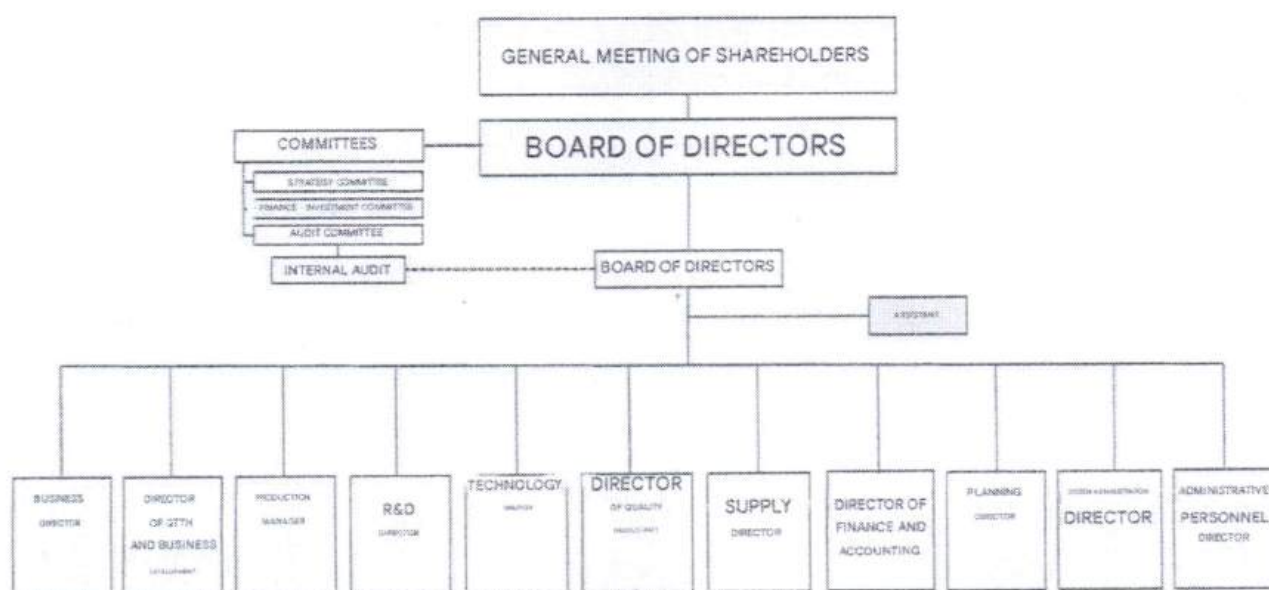
No.	Industry name	Industry code
1	Manufacturing of construction materials from clay: Production of ceramic and granite tiles	2392
2	Manufacture of other general-purpose machinery: Manufacture of industrial machinery and equipment	2819

3	Manufacture of beds, wardrobes, tables, and chairs: Manufacture of wood products (including furniture, handicrafts, and antique-style reproductions)	3100
4	Residential construction	4101
5	Construction of non-residential buildings	4102
6	Construction of other civil engineering works	4299
7	Wholesale of materials and other installation equipment in construction	4663
8	Road freight transport (operates only upon meeting all business conditions as prescribed by law)	4933
9	Warehousing and Storage of Goods	5210
10	Cargo handling services Details: container loading and unloading services; including cargo handling services for railway transport, maritime transport, and air transport.	5224
11	Other supporting services related to transportation Details: Excluding activities related to air transportation; excluding “services for the establishment, operation, maintenance, and repair of maritime signaling systems, water areas, navigable areas, public maritime channels, and maritime routes; services for surveying water areas, navigable areas, public maritime channels, and maritime routes for the purpose of issuing maritime notices; services for surveying, producing, and publishing nautical charts of water areas, seaports, maritime channels, and maritime routes”; and “services for regulating and ensuring maritime safety in water areas, navigable areas, and public maritime channels; maritime radio communication services”.	5229
12	The rental of motor vehicles (only operates when the business conditions required by law are met).	7710

- ❖ **Business Activities:** The main business activity of the Company is the production of building materials from clay, including ceramic tiles, granite production; providing wall tiles, floor tiles, decorative tiles, and high-grade glazed tiles for construction projects ranging from residential to industrial and commercial sectors.
- ❖ **Establishment of Domestic Distribution System:** The Company has established a domestic distribution system with 14 warehouses and over 3,000 agents spread across Vietnam.
- ❖ **Export:** The products are exported to many countries around the world (USA, Taiwan, South Korea, Japan, Australia, etc.).
- ❖ **Establishment of Domestic Distribution System:** The Company has set up a domestic distribution system with 14 warehouses and over 3,000 agents across various provinces and cities in Vietnam. Additionally, the products are exported to several countries worldwide, such as the USA, Taiwan, South Korea, Japan, Australia, etc.

4. Information on the governance model, business organization, and management structure.

- ❖ **Organizational chart of the governance structure and management apparatus of the Company:**



a) General Shareholders' Meeting:

The General Shareholders' Meeting consists of all shareholders with voting rights and is the highest decision-making body of the Joint-Stock Company. The General Shareholders' Meeting convenes annually or extraordinarily, at least once a year, to decide the Company's development strategy, annual production and business plans, and to approve resolutions on matters such as amendments and supplements to the Charter, types of shares and the number of shares issued, the dividend rate paid to shareholders annually, remuneration for members of the Board of Directors, etc. The General Shareholders' Meeting has the authority to elect, dismiss, and replace members of the Board of Directors

b) Board of Directors (BOD):

The Board of Directors is elected by the General Meeting of Shareholders and has full authority to act on behalf of the Company to decide on matters related to the Company's purposes and interests, except for those matters that fall within the authority of the General Meeting of Shareholders. The Board of Directors plays a key role in setting strategic direction, planning annual activities, and directing and overseeing the Company's operations through the General Director.

No.	Full name	Position in the BOD
1	Mr. Dinh Viet Anh	Founder and Chairman of the Board of Directors.
2	Mr. Pham Huu Phu	Independent Member of the Board of Directors.
3	Mr. Trinh Xuan Hung	Member of the Board of Directors.

c) Committees:

- **Strategic Committee:** The Strategic Committee is a committee under the Board of Directors (BOD), responsible for formulating development strategies, evaluating the results of business strategy implementation, and proposing changes to the Company's business strategy; promoting the implementation of the Company's strategies and development plans; The Strategic Committee consists of three to five members. The members of the Strategic Committee are appointed by the BOD for each term, in alignment with the BOD's term.
- **Finance – Investment Committee:** The Finance – Investment Committee is a committee under the BOD, responsible for advising and assisting the Executive Board on financial, accounting, capital management, asset management, ensuring the balance of capital sources for business operations, large-scale investment, and development investment for the

Company's activities, formulating investment strategies, and developing policies and principles for short, medium, and long-term investments; researching, appraising, and evaluating investment projects within the BOD's authority.

- **Audit Committee:** The Audit Committee is a specialized body under the Board of Directors. The Audit Committee has at least two members. The Chairman of the Audit Committee must be an independent member of the Board of Directors. The other members of the Audit Committee must be non-executive members of the Board of Directors.
- **Internal Audit:** Internal Audit is an advisory department that contributes to enhancing value, achieving goals, and improving the organization's operations in an independent and objective manner.

d) The Board of General Directors:

The Board of General Directors of the Company consists of 01 Chief Executive Officer (CEO) and Deputy Chief Executive Officers (DCEOs).

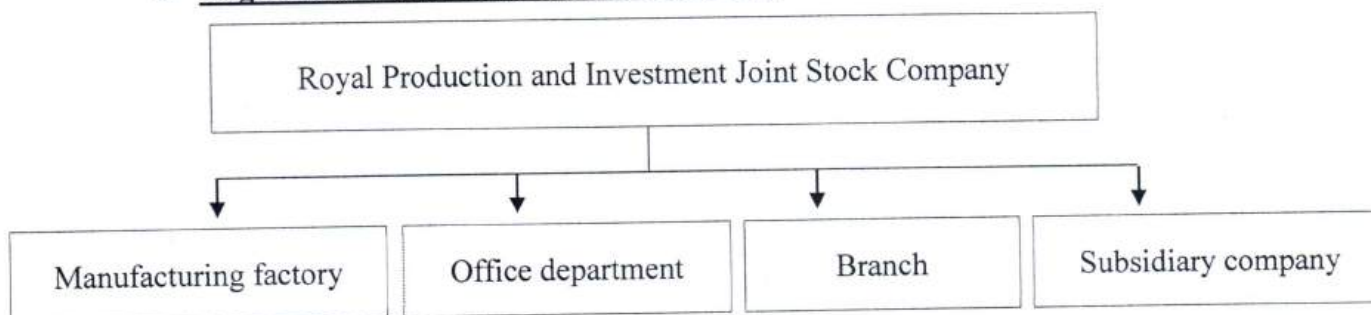
The CEO is responsible for managing the daily business operations of the Company, subject to the supervision of the Board of Directors, and is accountable to the Board of Directors for the execution of the rights and duties assigned. The DCEOs assist the CEO and are accountable to the CEO for the tasks assigned; they perform the duties of the CEO when authorized. They participate in and organize the development of plans, strategies, production, and business methods; monitor and inspect the implementation of these activities. They make decisions within the scope of authority delegated by the CEO.

The Assistant Department: Provides support to the Board of General Directors in daily operations. The Assistant Department reports its work results directly to the CEO of the Company.

e) Functional Departments:

The Company comprises 11 functional divisions, each headed by a Director.

❖ **Organizational Structure of the Company:**



Currently, the organizational structure of Hoang Gia Production and Investment Joint Stock Company consists of a production division and an office division. The Company has one subsidiary and one associated company. It also operates a branch located at 720A Nguyen Thi Dinh Street, Thanh My Loi Ward, Thu Duc City, Ho Chi Minh City.

- **Office Division:** Comprising 11 functional departments responsible for supporting the Company's business development activities and internal management.
- **Production Division:** Comprising one manufacturing plant responsible for producing the Company's core tile products.

❖ Subsidiaries and Associates

As of December 31, 2024, Royal Manufacturing and Investment Joint Stock Company has member companies operating in two main sectors: the production of large-format 4.0 porcelain slabs; and the manufacturing and finishing of engineered quartz stone products.

a) Subsidiaries:

Company Name	Address	Main Business Sector	Charter Capital (VND million)	Ownership Ratio
Royal Sintered Stone Production and Investment Joint Stock Company	Nhon Trach II - Nhon Phu Industrial Park, Hiep Phuoc Town, Nhon Trach District, Dong Nai Province, Vietnam	Manufacture of construction materials from clay	120.000	88,17%

b) Associated and Joint Ventures

Company Name	Address	Main Business Activities	Charter Capital (million VND)	Ownership Percentage
Royal House Production and Investment Joint Stock Company	Nhon Trach II - Nhon Phu Industrial Park, Hiep Phuoc Town, Nhon Trach District, Dong Nai Province, Vietnam	Manufacturing of clay-based construction materials	200.000	45%

5. Development orientation

a) Company Development Strategy

The strategic orientation of Hoàng Gia is to maintain growth based on core operations, invest in infrastructure upgrades to expand the production of the most advanced products, and simultaneously transition the business strategy toward digitalization.

The company will focus on high-end product lines and develop new product ranges while reducing the contribution ratio of common, low-profit products to increase gross profit margins. From 2025, the company will concentrate on strategic product lines that are unique to Hoàng Gia, offering differentiation from traditional product lines.

The Sintered Stone product line is produced using the most advanced Neolith sintering technology, highly valued by experts and has revolutionized the field of artificial stone manufacturing.

The new 15-20mm thick product line will be the first type of ceramic tile produced in Vietnam, catering to the needs for durable surfaces in garages and gardens.

The company's R&D department will continue to research and launch Hoàng Gia's unique products, such as engraved stone lines, surface effect finishes like gloss and matte, with a warranty on the surface of up to 15 years.

In the coming years, the focus will shift towards products in the higher market segment, competing with superior product quality in terms of durability, a variety of modern color designs.

To implement this strategy, in 2023, Royal Sintered Stone Manufacturing and Investment Joint Stock Company (a subsidiary of the aforementioned company) commenced the construction of a 4.0 large-format porcelain slab manufacturing plant (sintered stone) with a capacity of 3,000,000 m² per year.

The 4.0 project employs the most advanced technology in the industry, with outstanding features starting from a highly automated machinery system aimed at enhancing productivity and product quality, to design technology that creates patterns embedded within the tile body; leading towards an intelligent management program optimizing production operations and plant management; a green and energy-saving production system to help protect the environment and reduce production costs. The 4.0 plant represents a significant advancement in manufacturing and a breakthrough in technological investment.

Sintered stone is strategically placed at the center of the company's development orientation in the upcoming years through the 4.0 Project. By applying advanced production technology, it is possible to create large-format porcelain slabs, sized up to 1.8m x 3.6m, with various thicknesses catering to multiple purposes: from enhancing the high-end segment of traditional tiles to recreating and replacing natural stone slabs as well as other types of artificial stones.

As a product in the higher segment, sintered stone boasts superior characteristics in terms of load and heat resistance, excellent waterproofing inherent to quartz stone, while being environmentally friendly. Sintered stone is produced using heat and pressure instead of chemical adhesives, significantly reducing pollution during production, and importantly, the product can be fully recycled. Combined with high durability over time, it emerges as a top choice for consumers as the "green" trend continues to strengthen.

Currently, sintered stone is popular and widely used in the European market, gradually gaining traction in North America. The U.S. represents a target market that the company is focused on for development investment, and capturing the vast potential demand from customers in this region presents a significant growth opportunity for the company. Additionally, in the Asian market, thanks to a wide network of relationships with large distributors and the advantage of new technology from the Sacmi production line (Italy) under the 4.0 Project, the company can establish a competitive edge. In Vietnam, the company currently leads the production of sintered stone products, creating opportunities to enhance brand recognition among domestic consumers. Investment in Royal House, a company producing artificial quartz stone with its own fabrication workshop, will also be an advantage for the company to proactively meet various customer needs and launch products in the interior design sector.

b) Sustainable Development Strategy

Evaluation of alignment with industry orientation and state policies:

The current global trend in the ceramic tile industry is increasingly directed towards high-value-added products with superior quality that ensure aesthetics and durability over time. Therefore, high-end tile products are increasingly penetrating the market and replacing traditional ceramics.

On August 18, 2020, the Prime Minister issued Decision No. 1266/QĐ-TTg approving the development strategy for construction materials in Vietnam for the period 2021-2030, with a vision to 2050, which includes the following:

"1. 2021 - 2030 phase a) Regarding investment:

- Invest in depth, innovate technology, diversify designs, enhance product quantity and quality, and save materials and fuels, meeting all technology and environmental standards.
- Limit new investments in ceramic tile production facilities. b) Regarding products: Invest in producing thin, large-sized, high-quality products with diverse types and designs; develop special-function coating materials with high abrasion resistance, color durability, stain resistance, preventing mold development, to meet the increasingly high demands of domestic and export consumers."

6. Risk Assessment and Mitigation Measures

1.1. Economic Risks:

The development of the economy is typically assessed through indicators such as economic

growth rates, inflation fluctuations, interest rates, and exchange rates. These factors have a systemic impact on the economy. Unusual fluctuations in these indicators can pose risks to economic participants in general and to the Company specifically. The Company's business operations are situated within the territory of Vietnam; hence, its business activities will be influenced by domestic economic conditions.

Economic growth is one of the important factors that directly affects the growth rate of most sectors and industries within the economy. Generally, economic growth will increase social consumption demand, drive up industrial output, and assist enterprises in expanding their product markets. In recent years, Vietnam's economy has consistently maintained a high and stable growth rate compared to other countries in the region and globally.

Vietnam's socio-economic outlook for 2025 is set against a backdrop of significant challenges in the global economy, characterized by rapid, unpredictable changes and high instability; inflation has risen to its highest level in decades, forcing countries to tighten monetary policies. Trade tensions between the U.S. and China, military conflicts involving Russia and Ukraine, the Palestine-Israel conflict, natural disasters, pandemics, climate change, storms, and droughts have all heightened risks to the financial, monetary, energy security, and global food security markets.

Despite facing challenges, the Vietnamese economy in 2025 is bolstered by the active participation of the entire political system. The Government and the Prime Minister have proactively, flexibly, decisively, and closely directed ministries, sectors, and localities, with the solidarity, trust, and support of the people and the business community implementing various solutions to overcome difficulties, stimulate growth, and maintain macroeconomic stability and the major balances of the economy. As a result, the economy has achieved positive outcomes, indicating a continuing trend of recovery with each consecutive quarter showing higher growth.

General economic trends, as well as developments in specific sectors, always affect the growth of economic components. When the economy is in a growth cycle, well-controlled macroeconomic factors and strong demand can serve as driving forces for business development; conversely, they can also pose significant obstacles to business operations.

As a company primarily involved in the production and trading of construction materials, particularly tiles in the domestic and export markets, the Company is also significantly affected by fluctuations in the domestic and global economy.

1.2. Legal Risks:

As a joint-stock company, the Company's business activities are subject to the Company Law, customs laws, and other legal regulations in Vietnam. Additionally, the Company is governed by legal documents pertaining to its current business sectors, regulations on import and export, and the policies of the countries importing the Company's products. Vietnam is currently a developing country; its legal framework has not kept pace with rapid economic development. Therefore, any changes and interpretations of existing laws may lead to unforeseen consequences that adversely affect the Company's production, business operations, and governance.

1.3. Specific Risks:

Royal Joint Stock Company is engaged in the production, business, and export of ceramic tiles. The Company plans to expand its investments into construction materials such as artificial

quartz stone, large-format porcelain tiles (sintered stone), SPC flooring, high-end granite tiles, Nano Slim technology thin tiles, and various interior design products. These areas of activity carry risks that directly impact the results and effectiveness of the Company's business operations.

a) Risks Related to Fuel and Raw Materials:

Raw material costs constitute the highest proportion of production costs in ceramic tile manufacturing. Currently, inputs like clay, kaolin, and quartz are significant strengths in the Vietnamese tile industry as they can nearly meet all long-term domestic production needs. Thus, supply risks from raw material sources are not high, but price fluctuations pose a potential risk that could significantly affect business performance.

Fuel costs also account for a large portion of production expenses. Currently, the tile production process uses either coal or gas (CNG/LNG) for heating. Coal technology is cheaper but comes with the downside of unstable temperatures and lower output quality, in addition to reducing the lifespan of equipment and facilities. Conversely, gas technology incurs higher costs but provides better quality products and lower repair costs. The Company currently uses low-pressure gas for heating and plans to switch to LNG in the near future. Post-2020, domestic gas supplies may not meet demand, necessitating LNG imports to cover the shortfall and support existing gas-fired power plants. According to gas industry development planning through 2035, Vietnam will require imports of 1-4 billion cubic meters of LNG annually during the 2021-2025 period, increasing to 6-10 billion cubic meters annually after 2026.

The need to import gas from foreign markets may partially affect operational autonomy due to dependence on foreign suppliers, and ceramic tile manufacturers will also be influenced by fuel price volatility.

Mitigation Measures:

Royal closely monitors macroeconomic information from influential markets that affect daily raw material price trends and continuously updates diverse news to respond promptly. Additionally, it develops credit scenarios for commodity price risk management and improves the management of raw material inventories in terms of quantity, adapting effectively to price fluctuations.

b) Production Technology Risks:

The prevailing technology in tile manufacturing plants in Vietnam today is derived from Italy, Spain, and China. However, modernizing technology and equipment remains a challenge, as a significant portion of the production equipment must be imported. Without the effective support of Vietnam's ancillary industry in the near future, the tile industry will not be able to access modern technology at reasonable costs, consequently decreasing operational efficiency and revenue for the sector.

With increasingly stringent consumer demands, products are not only required to be durable but also aesthetically pleasing and artistic. Thus, tile manufacturers will face the risk of technological obsolescence as market demands for product design and quality continuously evolve.

c) Competitive Risks:

Competition in Vietnam's tile industry is at a high level. Barriers to entry are moderate because the tile industry does not require excessively high capital or technological factors. Over the past

25 years of development, the total capacity of Vietnam's tile industry (including ceramic tiles, granite, and cotto) has reached over 800 million square meters, with more than 93 producing units: 66 ceramic tile manufacturers with a total designed capacity of 608.6 million square meters/year; 22 granite manufacturers with a designed capacity of 182 million square meters/year; and 5 cotto manufacturers with a designed capacity of 31 million square meters/year.

In addition to the large number of enterprises in the sector, the lack of significant differentiation among tile products from different companies results in high competitive pressure. Moreover, the group of finished building materials includes many substitutes for ceramic tiles, such as natural wood, engineered wood, natural stone, artificial stone, synthetic plastics, stainless steel, or cement. Hence, competitive pressure from substitute products is significant.

d) Other Risks:

The Company's business operations may be influenced by other risks such as natural disasters, changes in global political and social dynamics, wars, and epidemics. These factors may reduce the Company's profits or diminish traditional customers, resulting in instability in potential markets. Regardless of the scale, these risks will have direct or indirect impacts on the Company's business performance.

1.4. Policy Risks:

For small and medium-sized enterprises, issues concerning access to capital, land, markets, and customers are primary concerns in times of difficulty. For larger enterprises, the risks are more associated with changes in policies and administrative procedures.

Over the past five years, Vietnam's business regulations and policies have changed unexpectedly and rapidly in a short period. Meanwhile, businesses require stable, transparent, long-term policies that are predictable and applied consistently to ensure peace of mind in their production activities.

Measures:

With a proactive adaptation approach, Royal consistently monitors legislative documents from the early stages of public consultations. For example, 11 significant laws and codes were passed by the National Assembly and officially took effect on January 1, 2021. These laws have substantial impacts on society in general and directly affect Hoàng Gia's production and business operations. The Group pays particular attention to the 2019 Labor Code, the 2019 Securities Law, the 2020 Investment Law, the 2020 Enterprise Law, and the revised 2020 Construction Law, along with relevant implementing guidelines. Consequently, from the early stages of the legislative draft discussions, Hoàng Gia has closely analyzed amendments in legal regulations that might affect the Group's operations to predict and develop timely adjustment plans.

1.5. International Trade Risks:

Not only struggling due to the pandemic and economic recession, the export of tiles also faces a series of trade defense lawsuits when entering the global market, placing Vietnam's tile industry in a dual challenge in 2025.

In particular, imported tiles from China at low prices significantly affect domestic consumption. The trend towards protectionism in international markets shows no signs of cooling down, and the domestic real estate and construction markets have yet to show signs of improvement. Nonetheless, this situation presents an opportunity for Hoàng Gia to restructure,



enhance competitiveness, and capture market share.

Measures:

The Vietnam-EU Free Trade Agreement (EVFTA) and the Regional Comprehensive Economic Partnership (RCEP), effective from November 2020, as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), have positively impacted the export market for tiles. Hoàng Gia has also made thorough preparations to seize opportunities and must meet the committed technical standards; understanding the legal framework of the market and technical barriers will allow for more proactive export activities and avoid complications from trade defense lawsuits.

Royal continuously takes proactive measures to enhance competitiveness by reducing costs, improving management capacity, enhancing product quality, and expanding markets. The Group will continue to review and reassess sales policies and distribution systems for suitable adjustments, ensuring increased sales volumes, and building a stable and sustainable distribution system. Alongside this, Hoàng Gia is restructuring production and business operations in response to market signals. In fact, tile exports in 2024 have still increased compared to the previous year, opening up many new markets.

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II. REPORT OF THE BOARD OF GENERAL DIRECTORS ON THE RESULTS OF BUSSINESS OPERATION IN 2024 AND THE BUSSINESS PLAN FOR 2025

A. REPORT ON THE EVALUATION OF THE BUSSINESS PLAN IMPLEMENTATION FOR 2024

1. Overview of the Global and Vietnamese Economic Situation

❖ Highlights of the Global and Vietnamese Economy in 2024

- Global Economy:

In 2024, the global economy continues to face numerous challenges, with slow growth and decreasing inflation being the notable highlights.

- **Economic Growth:** According to the Organisation for Economic Co-operation and Development (OECD), global economic growth in 2024 is projected to reach 2.7%, down from 3.0% in 2023. This marks the lowest growth rate since the global financial crisis, excluding the first year of the COVID-19 pandemic.
- **Inflation:** The International Monetary Fund (IMF) forecasts that global inflation will decrease from 9.4% in Q3 2022 to 3.5% by the end of 2025, thanks to tightened monetary policies and declining energy prices.
- **Global Trade:** Trade growth is expected to slow, impacting developing economies and hindering the income convergence process between nations.
- **Geopolitical Risks:** Trade tensions and geopolitical conflicts, such as the Hamas-Israel conflict and the Russia-Ukraine war, may derail global economic growth and increase inflation.

- VietNam:

- **GDP Growth:** In 2024, Vietnam's GDP is expected to grow by 7.09%, higher than the 5.05% growth in 2023, reaching USD 476.3 billion. This growth is driven by strong exports and stable foreign investment inflows.
- **Imports and Exports:** The export turnover of goods reached USD 405.53 billion, an increase of 14.3% compared to the previous year. Imports increased by 16.7% to USD 380.76 billion, resulting in a trade surplus of USD 24.77 billion.
- **Foreign Investment:** Actual Foreign Direct Investment (FDI) reached USD 25.35 billion, a rise of 9.4% compared to 2023. Total registered FDI was USD 38.23 billion, down slightly by 2.9% from the previous year.
- **Inflation:** The average Consumer Price Index (CPI) for 2024 increased by 3.63%, lower than the National Assembly's target (4-4.5%) but higher than the 3.25% increase in 2023.
- **Consumption and Tourism:** Total retail sales and service revenues increased by 8.8%, driven by a significant rise in tourist numbers and personal consumption recovery. Vietnam welcomed nearly 18 million international visitors, a 39.5% increase compared to 2023, nearing pre-pandemic levels; domestic visitors were estimated at 110 million, an increase of 1.6%; and total tourism revenue was estimated to reach VND 840 trillion, an increase of

23.8% compared to the same period in 2023.

- **Macroeconomic Stability:** Major balances were ensured with public debt around 37% of GDP, foreign debt 33% of GDP, a budget deficit of 3.4% of GDP, and government debt obligations at 21% of GDP, all below the limits set by the National Assembly and lower than the global average and countries with similar credit ratings.

Overall, in 2024, Vietnam's economy achieved impressive growth amid numerous global challenges, thanks to strong exports, stable foreign investment, and effective inflation control.

2. Overview of the Tile Industry

❖ Overview of the Global Tile Market

The global tile market in 2024 shows stable growth, driven by construction demand, urbanization, and innovative design trends. In 2024, the global tile market is valued at approximately USD 358.6 billion and is expected to rise to USD 489.7 billion by 2028, with a compound annual growth rate (CAGR) of around 7.4% from 2023 to 2028. The Asia-Pacific region holds the largest market share (about 50%), thanks to rapid urbanization in China, India, and Southeast Asia. North America and Europe are also significant markets, especially in the premium segment.

China remains the world's largest producer, with an output of approximately 8.5 billion m² per year, accounting for over 50% of global production. While China excels in low-cost tiles, it is now shifting towards high-end products. India follows with an output of about 3.3 billion m² per year, noted for competitively priced ceramic and porcelain tiles, with strong exports to the Middle East and Africa. Brazil ranks third with an output of around 1 billion m² per year, primarily serving the Latin American market. Vietnam is in fourth place, with an output of 831 million m² per year, emerging as a new manufacturing center due to low costs and modern technology. Italy and Spain lead the premium segment, focusing on porcelain and innovative designs, with outputs of approximately 400 million m² and 500 million m² per year, respectively.

The tile market is divided into three main product lines: Ceramic, Porcelain, and Other Stones, with Ceramic tiles holding the largest market share at about 60% due to their low price, suitable for developing markets. Porcelain tiles have been growing rapidly in recent years because of their durability, water resistance, and aesthetic appeal, capturing around 30% of the market. Other stones, including granite, mosaic tiles, and handmade products, cater to the high-end segment, constituting about 10% of the market.

Growth Drivers: The rapid urbanization in Asia, Africa, and Latin America is boosting the demand for residential, office, and infrastructure construction. The global real estate market is recovering post-COVID-19, especially in the U.S., India, and Southeast Asia. Trade agreements such as RCEP and CPTPP are expanding export opportunities, particularly for Vietnam and India.

Forecast to 2030: The global tile market is projected to reach USD 600 billion by 2030, with the Asia-Pacific region continuing to lead. The Porcelain and large-format tile segments are expected to see the strongest growth due to demand from premium commercial and residential projects. Green production technologies and smart tiles (integrating sensors and temperature control) will shape the future of the industry.

The global tile market is on an upward growth trajectory, driven by urbanization, real estate recovery, and modern design trends. However, manufacturers face fierce competition, rising costs, and sustainability pressures. Countries like Vietnam, India, and China continue to strengthen their positions in the low-cost segment, while Italy and Spain excel in quality and innovation. To succeed, companies need to invest in technology, environmentally friendly products, and suitable export strategies.

❖ Overview of the Tile Market Situation in Vietnam

After more than 25 years of construction and development, the total annual production capacity of Vietnam's tile industry (including ceramic tiles, granite, and cotto) currently reaches approximately 831 million m², supported by 83 factories with a total investment of about USD 4 billion. This includes ceramic tiles with a total designed capacity of 600 million m²/year; granite tiles with a total designed capacity of 200 million m²/year; and cotto tiles with a total designed capacity of 31 million m²/year.

With this capacity and production level, Vietnamese tiles have been recognized by the prestigious Ceramic World Review magazine as the fourth largest in the world, following China, India, and Brazil.

By investing in new, synchronized, and modern equipment lines, many factories have produced high-quality products that meet both domestic and export market demands. Vietnam has several internationally recognized ceramic factories, with capacities reaching up to 70 million m²/year. However, some factories in the country still have outdated production lines, operating inefficiently, with low productivity and product quality, resulting in high energy and fuel consumption.

Prior to 2020, the capacity utilization rate of ceramic tile manufacturing facilities was around 90-95% of their designed capacity. However, from 2020 to 2023, due to the impact of the COVID-19 pandemic and the real estate recession, the tile industry faced significant difficulties, achieving only about 85% of installed capacity, equivalent to approximately 660 million m²/year.

The Vietnamese tile market is currently considered to be at a fairly high level of competition, especially in the Ceramic segment. Alongside domestically produced

Tax rates applicable to tile products

Taxes Applicable to Tiles	Tax rate (%)	Applicable
Preferential Import Tax	35	1/1/2014
ASEAN (ATIGA)	5	1/1/2015
ASEAN – China (ACFTA)	20	1/1/2015
ASEAN – South Korea (AKFTA)	10	1/1/2015
ASEAN – Japan (AJCEP)	20	1/4/2015
Vietnam – Japan (VJEPA)	22.5	1/4/2015
ASEAN – Australia and New Zealand (AANZFTA)	10	1/1/2015
ASEAN – India (AIFTA)	22.5	1/1/2015

Nguồn: www.ximang.vn

Recent trade agreements such as the Vietnam-EU Free Trade Agreement, the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), and the Free Trade Agreement between Vietnam and the Eurasian Customs Union (comprising Russia, Belarus, and Kazakhstan) not only do not threaten the tile production industry but also present opportunities for domestic enterprises to open new export markets.

❖ Position of the Company in the Industry

Royal Sintered Stone Manufacturing and Investment Joint Stock Company was established in 2009 with the goal of building a Vietnamese tile brand in the international market. Since its inception, the Company has consistently developed its brand through credibility, sincerity, and a commitment to quality in every product produced. After continuous efforts, the Company has achieved significant results and is recognized as one of the largest tile manufacturing enterprises in Vietnam.

The Company places a strong emphasis on research and development of new products. Over the past 10 years, with the ability to adopt technology from leading countries in the industry such as Italy, Spain, and China, along with advantages in equipment and technology, the Company has launched distinctive product lines that carry its unique signature.

In the domestic market, the Company has established a distribution system that spans from North to South Vietnam, with over 3,000 stores, dealers, and showrooms.

On the international market, the Company's products have been exported to many countries and regions, including Northeast Asia (Taiwan, South Korea), Southeast Asia (Cambodia, Thailand, Malaysia, Myanmar, the Philippines), the U.S., and the Middle East.

Comparison Table of Business Results of Several Companies in the Same Industry for 2024

No	Company	Stock Code	Shareholder's Equity (billion VND)	Revenue (billion VND)	Net Profit (billion VND)	Net Profit Margin	EPS (thousand VND/share)
1	CMC Joint Stock Company (HSX)	CVT	971	1,712	60	3.5%	1.629
2	Trung Đô Joint Stock Company (UpCOM)	TDF	765	480	14	2.8%	0.453
3	VICOSTONE Joint Stock Company (HNX)	VCS	5,109	4,322	807	18.7%	5.044
4	Taicera Ceramic Industry Joint Stock Company (HOSE)	TCR	365	909	(61)	-6.7%	-1.356
5	Viglacera Corporation - JSC (HOSE)	VGC	9,953	11,906	1,104	9.3%	2.462
6	Viglacera Tiên Sơn Joint Stock Company (HNX)	VIT	630	2,143	52	2.4%	1.040
7	Thanh Thanh Ceramic Tiles Joint Stock Company (HNX)	TTC	116	172	3	1.7%	0.500
8	Royal Sintered Stone Manufacturing and Investment Joint Stock Company	RYG	747	1,692	68	4.0%	1.500
9	Viglacera Thăng Long Joint Stock Company (UpCOM)	TLT	93	630	12	1.9%	1.714
10	Viglacera Hanoi Joint Stock Company (UpCOM)	VIH	79	561	5	0.9%	0.946

Source: cafef; Audited consolidated financial report for 2024 of Royal Sintered Stone Manufacturing and Investment Joint Stock Company.

The market size of the tile industry in 2024 is expected to reach 146.5 trillion VND, equivalent to 5.86 billion USD, reflecting a growth of 13.6% compared to 2023, when the total market revenue is estimated at approximately 5.16 billion USD. The compound annual growth rate (CAGR) is projected to be 13.64% during the forecast period from 2024 to 2029 (Data reported by Mordor Intelligence).

The Vietnamese tile market currently comprises three main types of tiles: ceramic, porcelain, and granite. According to reports, the domestic tile market is facing an oversupply situation coupled with rising prices and declining income, leading to an overall downward trend in total tile consumption.

Recognizing the fierce competition in the low-end segment, the company has shifted towards mid-range and high-end product lines, which face less price competition. By adopting the latest technologies from Italy and Spain, the company designs products that align with the most modern design trends, allowing its products to nearly lead the domestic market in quality, aesthetics, and to compete fairly with imported products from European countries.

3. Bussiness Operations

Product Output:

❖ Main Products, Production and Business Processes, Product Output:

- Main Products

- The company offers a diverse range of products from the low-end segment to the high-end segment, with revenue proportions in each segment being: low-end segment (35%), mid-range segment (28%), and high-end segment (37%).
- For the low-end segment: the main products are ceramic tiles, with average sizes of 40cm x 40cm and 50cm x 50cm.
- For the mid-range segment: the best-selling product is digital-printed ceramic tiles sized at 30cm x 60cm.
- For the high-end segment: a significant portion of revenue comes from polished tiles, wood-look tiles, and semi-porcelain tiles, with average sizes of 30cm x 60cm, 60cm x 60cm, 40cm x 80cm, 80cm x 80cm, and 60cm x 120cm.

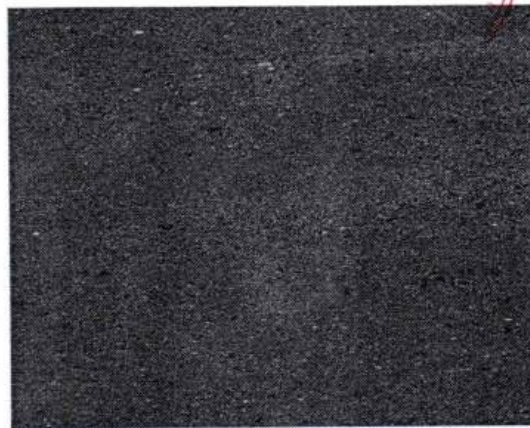
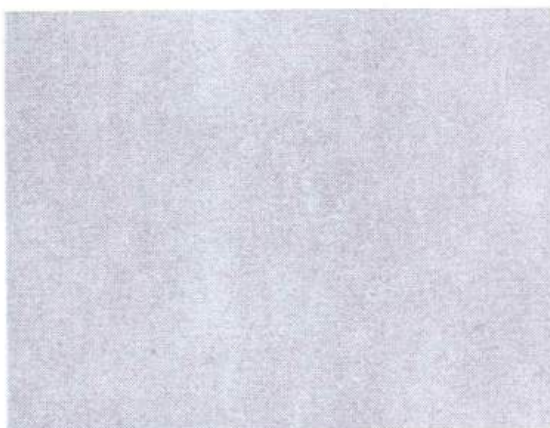
The differentiation of the company's products compared to others in the market is created through the design and product development processes. The product development cycle lasts about one year before new design samples are launched. Therefore, to continuously create product differentiation and maintain its market position, the company strengthens its research and development activities and focuses on product design.



COLOR BODY tiles from the AMAZON collection



PAVER tiles



- **Product Output:**

Unit of measurement: m²

Indicator	Year 2022		Year 2023		Year 2024	
	Value	Share	Value	Share	Value	Share
Ceramic Tiles	13.404.134	79,69%	9.403.683	75,09%	9.312.249	65,92%
Porcelain Tiles	3.416.212	20,31%	3.119.646	24,91%	4.813.679	34,07%
Total	16.820.346	100%	12.523.329	100%	14.125.926	100%

Source: Royal Sintered Stone Manufacturing and Investment Joint Stock Company.

Business Results:

Table of Net Revenue Breakdown for the Company from 2022 to 2024

Unit of measurement: million VND

Indicator	Year 2022 (Standalone)		Year 2022 (Consolidated)		Year 2023 (Standalone)		Year 2023 (Consolidated)		Year 2024 (Standalone)		Year 2024 (Consolidated)	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)	Value	Share (%)
Ceramic Tiles	883.214	63,23	883.214	63,23	686.509	49,19	686.509	49,19	670.655	39,59	670.655	39,64
Porcelain Tiles	408.612	29,25	408.612	29,25	424.666	30,43	424.666	30,43	491.011	28,99	487.156	28,79
Other Products	104.965	7,52	104.965	7,52	284.385	20,38	284.385	20,38	532.225	31,42	534.257	31,57
Total	1.396.792	100	1.396.792	100	1.395.561	100	1.395.561	100	1.693.891	100	1.692.068	100

Source: Royal Sintered Stone Manufacturing and Investment Joint Stock Company.

The net revenue of the parent company in 2024 reached 1.694 trillion VND, equivalent to 121.3% of the actual figure for 2024 and 105.8% of the 2024 plan. For the consolidated revenue, in 2024, it reached 1.692 trillion VND, which is equal to the parent company's revenue due to the elimination of internal revenue with subsidiary companies.

Some Key Indicators of Business Results for 2024

Unit: million VND

No.	Indicator	Actual 2023	Plan 2024	Actual 2024	% Actual 2024 / Actual 2023	% Actual 2024 / Plan 2024
1	Revenue:					

-	Parent Company (according to standalone financial statements)	1.395.561	1.400.000	1.693.891	121,4%	121,0%
-	Consolidated (according to consolidated financial statements)	1.395.561	2.082.000	1.692.068	121.2%	81.3%
2	Net Profit after Corporate Income Tax:					
-	Parent Company (according to standalone financial statements)	76.452	70.000	54.735	71,6%	78,2%
-	Consolidated (according to consolidated financial statements)	102.276	120.000	67.733	66,2%	56,4%
3	Dividend (% of charter capital)	10%	10%			

The net profit after tax of the parent company in 2024 reached 54.73 billion VND, a decrease of 28.4% compared to the actual figure for 2023 and a decrease of 21.8% compared to the 2024 plan. For the consolidated net profit after tax, it reached 67.73 billion VND in 2024, a decrease of 33.7% compared to the actual figure for 2023 and a decrease of 43.5% compared to the plan.

In 2024, a dividend of 10% on charter capital is expected to be distributed (with the charter capital at the end of 2024 being 450 billion VND), while in 2023, the company distributed a dividend of 10%

- **Gross Profit:**

Table of Gross Profit Structure from 2022 to 2024

Unit of measurement: million VND

Indicator	Year 2022 (Standalone)		Year 2022 (Consolidated)		Year 2023 (Standalone)		Year 2023 (Consolidated)		Year 2024 (Standalone)		Year 2024 (Consolidated)	
	Value	Share (%)	Value	Share (%)	Value	Share (%)	Giá trị	Value	Share (%)	Value	Share (%)	Value
Ceramic Tiles	147.523	10,56	147.523	10,56	144.045	10,32	144.045	10,32	125.257	7,38	123.206	7,28
Porcelain Tiles	88.709	6,35	88.709	6,35	137.351	9,84	137.351	9,84	130.275	7,69	131.138	7,75
Other Products	19.297	1,38	17.606	1,36	14.006	1,00	10.019	0,72	15.461	0,91	11.795	0,70
Total	255.529	18,29	253.838	18,17	295.402	21,17	291.415	20,88	270.793	18,29	266.139	18,29

Source: Royal Sintered Stone Manufacturing and Investment Joint Stock Company

In 2024, the company's gross profit reached 270.8 billion VND, a decrease of 24.6 billion VND, corresponding to an 8.3% decrease compared to 2023. Among this, the gross profit from ceramic tile products decreased by 18.79 billion VND (equating to a decrease of 13.04%), and the gross profit from porcelain tile products decreased by 7.1 billion VND (equating to a decrease of 5.2%). Meanwhile, the gross profit from other products increased by 1.4 billion VND (equating to an increase of 10%).

In 2024, the gross profit margin (gross profit/net revenue) of the company reached 18.29%, down from 21.17% in 2023. The gross profit margin for ceramic tile products remained the highest among the company's tile product lines but experienced a slight decrease in 2023

4. Financial Position (according to the Consolidated Balance Sheet)

Condensed Consolidated Balance Sheet for 2024

Unit of measurement: million VND

No.	Indicator	As of January 1, 2024	As of December 31, 2024	Increase (+) / Decrease (-)	
				Amount	%
A.	CURRENT ASSETS	1.125.007	1.526.028	401.020	35,6%
I.	Cash and cash equivalents	17.926	42.243	24.317	135,7%
II.	Short-term financial investments	22.500	158.436	135.936	604,2%
III.	Short-term receivables	674.862	598.537	-76.325	-11,3%
1.	Short-term receivables from customers	498.822	479.338	-19.484	-3,9%
2.	Short-term advances to suppliers	129.256	80.307	-48.949	-37,9%
3.	Other short-term receivables	46.784	38.892	-7.892	-16,9%
IV.	Inventory	389.075	683.944	294.869	75,8%
1.	Inventory	389.075	683.944	294.869	75,8%
V.	Other current assets	20.645	42.868	22.223	107,6%
B.	NON-CURRENT ASSETS	556.633	945.184	388.551	69,8%
I.	Long-term receivables	2.611	6.247	3.636	139,2%
1.	Other long-term receivables	2.611	6.247	3.636	139,2%
II.	Fixed assets	331.159	293.145	-38.014	-11,5%
IV.	Long-term unfinished assets	38.931	460.417	421.486	1082,6%
V.	Long-term financial investments	114.999	131.032	16.033	13,9%
1.	Investments in subsidiaries				
2.	Investments in joint ventures and associates	111.499	128.032	16.533	14,8%
3.	Investments held to maturity	3.500	3.000	-500	-14,3%
VI.	Other long-term assets	68.932	54.342	-14.590	-21,2%
1.	Long-term prepaid expenses	61.071	47.037	-14.034	-23,0%
2.	Goodwill	7.860	6.936	-924	-11,8%
	TOTAL ASSETS	1.681.640	2.471.212	789.572	47,0%

No.	Indicator	As of January 1, 2024	As of December 31, 2024	Increase (+) / Decrease (-)	
				Amount	Amount
C.	LIABILITIES				
	Current Liabilities				
I.	Accounts payable	951.757	1.723.494	771.737	81,1%
1.	Short-term accounts payable to suppliers	206.916	278.616	71.700	34,7%
2.	Advances from customers (short-term)	65.450	68.040	2.590	4,0%

3.	Taxes and other obligations payable to the state budget	21.982	21.123	-859	-3,9%
4.	Payables to employees	13.764	16.602	2.838	20,6%
5.	Accrued expenses (short-term)	11.650	14.450	2.800	24,0%
6.	Other short-term payables	12.588	61.230	48.642	386,4%
7.	Short-term loans and financial lease liabilities	580.658	864.219	283.561	48,8%
8.	Bonus and welfare funds	621	14.003	13.382	2155,9%
II.	Long-term Liabilities	38.127	385.209	347.082	910,3%
D.	EQUITY	729.884	747.718	17.834	2,5%
I.	Shareholders' Equity	729.884	747.718	17.834	2,5%
1.	Owner's contributions	450.000	450.000		
2.	Additional paid-in capital	40.010	40.010		
3.	Undistributed earnings after tax	218.347	163.415	-54.932	-25,1%
4.	Non-controlling interest	21.526	36.940	15.414	71,6%
	TOTAL SOURCES OF FUNDS	1.681.640	2.471.212	789.572	47,0%

Source: Calculated based on the audited financial statements for the years 2022, 2023, and 2024.

As of December 31, 2024, total assets reached 2.471 trillion VND, an increase of 789.57 billion VND compared to the beginning of the year (equivalent to an increase of 46.95%). Among these, some key indicators with significant fluctuations are as follows:

a) Current Assets:

Inventory as of December 31, 2024, is 683 billion VND, an increase of 294 billion VND (equivalent to 75.57%). This increase is primarily due to:

- Machinery and equipment imports of 102 billion VND,
- Increased raw material stock for production of 56 billion VND,
- Increased finished goods inventory of 72 billion VND

b) Non-Current Assets:

Compared to the beginning of the year, construction in progress increased by 422 billion VND, mainly due to recognized costs for construction and machinery from the company's 4.0 project.

c) Liabilities:

Total liabilities as of December 31, 2024, are 1.723.4 trillion VND, an increase of 34.6% compared to the beginning of the year. This includes:

- Accounts payable at the end of the year of 278.6 billion VND, an increase of 53.5% compared to the beginning of the year.
- Short-term loans at the end of the year are 864.2 billion VND, an increase of 48.3% compared to the beginning of the year.

d) Shareholders' Equity:

- Development investment fund: 57 billion VND
- Undistributed earnings after tax increased by 67.5 billion VND from profits in 2024, bringing total undistributed earnings up to 163.4 billion VND (after profit distribution to shareholding funds, Board of Directors remuneration, and dividend payment for 2023).

- Thus, total shareholders' equity at the end of the year is 747.8 billion VND, an increase of 17.8 billion VND (equivalent to an increase of 2.4% compared to the beginning of the year).

5. Management of Production and Business:

5.1. Business Operations and Sales:

In 2024, in response to fluctuations in domestic and foreign markets, the Board of Directors implemented a series of solutions aimed at developing business activities, expanding the market, and optimizing sales efficiency. Key solutions include:

- **Standardizing and Enhancing Brand Recognition:**

The company continues to standardize the Royal brand identity system at showrooms, product display centers, and sales points nationwide. This helps enhance brand visibility, improve customer experience, and create consistency in brand image.

- **Strong Development of Export Markets:**

- Strengthening trade promotion programs, participating in international construction material exhibitions, especially in the U.S. with major events such as Coverings.
- Expanding the distributor system in the U.S., particularly in states with high demand for premium building materials.
- Strengthening relationships with existing customers in APAC and Southeast Asia, implementing strategic customer care programs to maintain and grow market share in these regions.

- **Optimizing Domestic Sales Strategy:**

- Continuously improving sales policies to ensure flexibility and alignment with market dynamics.
- Intensifying cooperation with strategic partners through joint selling programs to expand the retail chain and increase customer access.
- Strongly developing project sales channels, focusing on high-end constructions, hotels, resorts, and shopping centers.

- **Enhancing Product Capacity and Business Portfolio:**

- Launching high-end product collections to meet the increasing demands of domestic and international customers.
- Improving the product portfolio, adjusting the product structure towards focusing on higher-value-added lines to enhance profit margins.

- **Applying Digital Technology in Marketing and Customer Care:**

- Implementing digital tools in marketing, such as marketing automation and AI-driven customer insights to enhance the effectiveness of communication campaigns.
- Building a multi-channel customer care system to increase personalized experiences for each customer segment.

- **Effectively Controlling Inventory and Accounts Receivable:**

- Establishing optimal inventory levels for each product line, minimizing slow-moving stock.

- Improving the Sales & Operations Planning (S&OP) process, ensuring a balance between supply and demand, thus optimizing the supply chain.
- Tight control of the order fulfillment process, from ordering to delivery, helping shorten delivery times and enhance customer satisfaction.

Thanks to these solutions, the company achieved stable growth in business operations, strengthened its position in both domestic and international markets, and created a solid foundation for continued expansion in the coming years.

5.2. Production Activities:

In 2024, the company focused on implementing strategic solutions to optimize the supply chain, ensure stable raw material sources, and improve logistics efficiency. Key activities include:

- **Strategic Cooperation with Raw Material Suppliers:**
 - Signing long-term supply contracts with strategic suppliers for key raw materials such as clay, kaolin, and feldspar to ensure a stable supply, reduce price volatility risks, and enable more proactive production planning.
 - Negotiating terms for large volume commitments to give the company a pricing advantage and optimize input costs.
 - Implementing cooperation agreements for raw material extraction and investing in storage facilities to enhance raw material autonomy and minimize the impact of external factors.
- **Optimizing Import-Export Operations and Selecting Logistics Service Providers:**
 - Strictly controlling the import processes of machinery, equipment, and raw materials to ensure compliance with customs regulations, shorten clearance times, and avoid production interruptions.
 - Seeking and partnering with reputable logistics service providers that have good transportation capabilities and competitive costs to ensure timely delivery.
 - Improving the logistics cost management process to minimize unnecessary fees and optimize operational efficiency.
- **Planning and Optimizing Warehouse Systems:**
 - Re-planning the raw materials and finished goods warehouse systems to optimize storage area, reduce rental costs, and enhance warehouse utilization efficiency.
 - Improving the methods of transporting raw materials and finished products between warehouses to minimize internal transportation costs and optimize the goods coordination process.
 - Enhancing warehouse utilization, ensuring flexible storage capacity according to production and sales needs, and reducing unnecessary inventory.
- **Applying Digital Technology in Supply and Logistics Management:**
 - Implementing digital solutions in warehouse management and logistics services, such as integrating ERP systems and using real-time inventory tracking tools.

- Applying QR Code/RFID technology to increase accuracy in inventory counting, helping to reduce errors in warehouse management.
- Improving the demand forecasting system and planning for inventory based on actual consumption data, enabling the company to maintain optimal inventory levels and avoid shortages or excess raw materials.

Thanks to these solutions, the company has enhanced its proactivity in raw material sourcing, optimized logistics costs, and significantly improved supply chain operational efficiency, thereby contributing to heightened production and business effectiveness.

5.3. Supply Activities:

In 2024, the company focused on implementing strategic solutions to optimize the supply chain, ensure stable raw material sources, and improve logistics efficiency. Key activities include:

- **Strategic Cooperation with Raw Material Suppliers:**
 - Signing long-term supply contracts with strategic suppliers for key raw materials such as clay, kaolin, and feldspar to ensure stable supply, reduce price fluctuation risks, and enable more proactive production planning.
 - Negotiating terms for large volume commitments to provide the company with pricing advantages and optimize input costs.
 - Implementing cooperation agreements for raw material extraction and investing in storage facilities to enhance raw material autonomy and minimize the impact of external factors.
- **Optimizing Import-Export Operations and Selecting Logistics Service Suppliers:**
 - Strictly controlling the import processes for machinery, equipment, and raw materials to ensure compliance with customs regulations, shorten clearance times, and avoid production disruptions.
 - Seeking and cooperating with reputable logistics service providers that have strong transportation capabilities and competitive costs to ensure timely deliveries.
 - Improving the logistics cost management process to minimize unnecessary fees and optimize operational efficiency.
- **Planning and Optimizing Warehouse Systems:**
 - Re-planning the raw material and finished goods warehouse systems to optimize storage space, reduce rental costs, and enhance warehouse utilization efficiency.
 - Improving the methods of transporting raw materials and finished goods between warehouses to minimize internal transportation costs and optimize the goods coordination process.
 - Enhancing warehouse utilization efficiency, ensuring flexible storage capacity according to production and sales needs, and reducing unnecessary inventory.
- **Applying Digital Technology in Supply and Logistics Management:**
 - Implementing digitization solutions in warehouse management and logistics services, such as integrating ERP systems and using real-time inventory tracking tools.
 - Utilizing QR Code/RFID technology to increase accuracy in inventory counting, helping to reduce errors in warehouse management.
 - Improving the demand forecasting system and planning for inventory purchases based on actual consumption data, enabling the company to maintain optimal inventory levels and avoid shortages or excess raw materials.

Thanks to these solutions, the company has enhanced its proactivity in raw material sourcing, optimized logistics costs, and significantly improved supply chain operational efficiency, thereby contributing to enhanced production and business effectiveness.

5.4. Hoạt động tài chính:

- In 2024, the company completed its capital contribution to Royal Sintered Stone Manufacturing and Investment Joint Stock Company, raising the total equity investment to 275 billion VND, corresponding to an ownership rate of 88.17%. This investment is part of the strategy to expand production and business in the field of premium building materials, especially sintered stone, to meet the increasing demand of both domestic and export markets.
- The total short-term loans added for working capital in 2024 reached 283.56 billion VND. In the context of a loosening monetary policy, bank loan interest rates in the last months of the year trended down from the beginning of the year, helping to reduce financial costs for the company. Specifically, the average interest rate at the end of 2024 was 7.29%, significantly lower than the 8.06% rate at the start of the year. This situation facilitates the company in optimizing capital usage costs.
- The Board of Directors has implemented various financial solutions to ensure liquidity of cash flow, balance capital sources for production and business, and maintain the ability to repay bank loans on time. As a result, the company ensured a stable supply of raw materials to meet production needs and maintain effective business operations. Additionally, effective cash flow management also contributed to the company meeting its financial obligations to suppliers in a timely manner, thereby sustaining long-term and sustainable cooperative relationships.

5.5. Administrative and Human Resources Activities and Other Functional Activities:

- Streamlining the Organization, Optimizing Personnel: The company continues to implement the staff streamlining program, optimizing work efficiency and organizational structure. By the end of 2024, the total number of employees in the company is 658 (up from 614 at the beginning of the year).
- Digital Transformation: The company is strengthening its digital transformation roadmap in management activities, expanding the application of technology to enhance efficiency and accuracy in operations. In 2024, alongside the areas that were implemented in 2023 such as warehouse management, supply services, marketing, customer care, and administrative human resources management, the company has integrated an ERP system to synchronize data and optimize financial-accounting management, cost control, and more effective cash flow management.
- Developing Corporate Culture: The company continues to build and promote Royal culture, fostering a spirit of teamwork, responsibility, and creativity among all employees. In 2024, the company organized various internal training programs, team-building activities, and initiatives aimed at enhancing work spirit, contributing to sustainable development motivation.

6. Progress of IPO and Stock Listing:

On October 31, 2024, Royal Manufacturing and Investment Joint Stock Company was approved by the Ho Chi Minh City Stock Exchange (HOSE) for the listing of its shares pursuant to Decision No. 610/QĐ-SGDHCM, with the following key details:

- + Security name: **Royal Manufacturing and Investment Joint Stock Company**
- + Ticker symbol: **RYG**

- + Type of security: **Common shares**
 - + ISIN code: **VN00000RYG5**
 - + Number of shares registered for listing: **45,000,000 shares**
 - + Par value per share: **10,000 VND**
 - + Total par value of listed shares: **450,000,000,000 VND**
- On December 12, 2024, the ticker symbol 'RYG' of Royal Manufacturing and Investment Joint Stock Company was officially traded on the stock exchange in accordance with Notice No. 1962/TB-SGDHCM dated November 26, 2024, on the initial listing and trading issued by the Ho Chi Minh City Stock Exchange.

7. Implementation of Investment Project:

- The Sintered Stone Plant project was initiated in 2023 with the goal of producing and supplying high-quality sintered stone to meet domestic and export demands. This is one of the company's key projects aimed at enhancing production capacity, expanding the market, and increasing brand value.
- **Project Overview:**
 - **Investor:** Royal Sintered Stone Manufacturing and Investment Joint Stock Company
 - **Location:** Nhơn Trạch II Industrial Park – Nhơn Phú, Hiệp Phước Town, Nhơn Trạch District, Đồng Nai Province
 - **Total Adjusted Registered Investment Capital:** Over 785 billion VND
 - **Area Size:** 32,000 m² (3.2 hectares)
 - **Design Capacity:** 3,000,000 m² per year
 - **Production Technology:** Utilizing modern machinery imported from Italy, applying advanced sintering technology to ensure international quality standards.
- **Investment Progress:**
 - As of December 31, 2024:
 - Completed all legal documentation related to the project.
 - Finished basic construction items, including the main factory, raw materials warehouse, operational office, and auxiliary facilities.
 - Currently installing production machinery and equipment as planned.
 - Expected by March 31, 2025:
 - Complete the remaining investment items and equipment installation.
 - Conduct trial runs of the production line, check the operation of systems, and fine-tune technical parameters.
 - Expected from April 2025:
 - The factory will officially begin operations, bringing products to market and gradually expanding distribution channels.
 - Focus on exporting 70% of production to the U.S. market while capturing a 30% market share for premium domestic projects.

The Sintered Stone Plant project is a significant advancement in the company's development strategy, helping to enhance production capacity, meet the increasing market demand, and create a solid foundation for sustainable development in the future.

8. Income of the Board of Directors and Other Managers in 2024:

Unit of measurement: VND" (Vietnamese Dong)

No.	Full Name	Position	Income
1	Trịnh Xuân Hùng	General Director	402.713.050
2	Phan Bá Hiệu	Deputy General Director	705.073.140
3	Nguyễn Anh Bình	Deputy General Director	396.403.150
4	Trương Văn Việt	Deputy General Director	737.299.610
5	Nguyễn Thị Kim Loan	Chief Accountant	625.677.500
Total			2.867.166.450

B. BUSINESS PRODUCTION PLAN FOR 2025

1. Economic Prospects for the World and Vietnam in 2025

Global Outlook:

Forecasts for 2025 indicate that the global economic situation will continue to be complex and unpredictable, with global GDP growth projected to increase by 2.7% to 3.2%. This is more stable compared to 2024 but still lower than the long-term average of 3.5% due to geopolitical tensions, protectionist policies, and a slowdown in some major economies. The WTO predicts that merchandise trade growth will reach 3.3%, supporting economic recovery.

According to the IMF's forecast, global inflation is expected to decrease from 5.8% in 2024 to 4.3% in 2025, with developed countries projected to achieve inflation rates of around 2%. This creates conditions for central banks to ease monetary policies, stimulating investment and consumption.

Vietnam Outlook:

It is anticipated that in 2025, thanks to flexible macroeconomic policies, the government will maintain economic stability, coordinate fiscal and monetary policies, and enhance public investment to achieve an 8% GDP growth rate in line with the government's resolution.

According to the ADB, Vietnam's economy is expected to remain robust and recover quickly in the near future due to strong domestic consumption, supported by moderate inflation. Business loan interest rates are trending down, positively supporting production activities, accelerating public investment disbursement, and improving trade activities, along with other sectors expected to grow healthily. Domestic consumption will be supported by moderate inflation and continued growth.

The strategy will focus on developing a strong domestic market while expanding and diversifying international markets to enhance product quality. The company will work to rehabilitate and develop various markets, including corporate bonds, land use rights, real estate, labor, and science and technology. Emphasis will be placed on building and developing a modern, synchronized strategic infrastructure system, especially highways, upgrading airports, ports, urban infrastructure, and inter-regional connections.

The focus will be on recovering and developing strong industries, particularly in processing, manufacturing, and semiconductor production, while deeply integrating into the global supply chain.

2. Key Planned Indicators for 2025:

Production and Business Plan - Parent Company

Unit of measurement: million VND

No.	Content	Actual 2023	Actual 2024	Plan 2025	% Increase/Decrease Compared to 2024
1	Net Revenue	1.395.561	1.693.891	1.680.645	-1%
2	Net Profit after Tax	76.452	54.735	40.510	-26%
3	Shareholders' Equity	681.188	670.841	696.350	4%
4	Net Profit after Tax / Net Revenue Ratio	5,5%	3,2%	2.4%	
5	Net Profit after Tax / Shareholders' Equity Ratio	11,2%	8,2%	5.8%	
6	Dividend Rate	10%	10%(expected)		

Consolidated Production and Business Plan

Unit of measurement: million VND

No.	Content	Actual 2023	Actual 2024	Plan 2025	Inc (
1	Net Revenue	1.395.561	1.692.068	2.220.645	
2	Net Profit after Tax	102.276	67.532	115.912	
3	Shareholders' Equity	729.884	747.718	912.183	
4	Net Profit after Tax / Net Revenue Ratio	7,3%	4,0%	5.2%	
5	Net Profit after Tax / Shareholders' Equity Ratio	14,0%	9,0%	12.7%	
6	Dividend Rate	10%	10%(expected)		

3. Implementation Solutions:

In the 2025 plan, the Board of Directors will implement solutions to achieve the production and business objectives as follows:

3.1. Business Operations:

- Restructuring the sales system, continuing to improve the product ecosystem by gradually increasing high-performing product lines, adding new product lines, and expanding the sales points to enhance market coverage.
- Continuing to improve sales policies, applying digital transformation and AI (artificial intelligence) technology in sales activities to enhance customer experience.
- Expanding distribution channels, focusing on key domestic and international markets, especially those with high demand for premium building materials such as the U.S., EU, and the Middle East.

- Strengthening trade promotion programs and participating in industry exhibitions to increase brand recognition and connect with potential partners.
- Building and implementing flexible pricing strategies that align with market fluctuations to optimize profits by customer segment.
- Strengthening relationships with strategic partners, expanding cooperation with large contractors, real estate companies, and building materials distribution chains to increase sales through project channels.
- Applying digital technology in sales management, implementing a CRM system to optimize customer care processes and enhance sales efficiency.
- Enhancing training and development for the sales team to improve sales and product consulting skills, providing a professional experience for customers.
- Strictly controlling customer accounts receivable, applying measures to limit credit risks, ensuring stable business cash flow.
- Intensifying market research activities, analyzing consumer trends to adjust the product portfolio according to customer needs and preferences.

3.2. Production Activities:

- Continuing to invest in and upgrade equipment to increase productivity, reduce material wastage, optimize costs, and enhance production efficiency.
- Promoting research and development of products to meet customer requirements, comply with technical standards for each market, and aim for green production.
- Adjusting blending formulas, optimizing material and energy consumption standards, and researching the reuse of post-fired waste.
- Improving the production process, streamlining the organization, enhancing operational management skills, and applying IT in production.

3.3. Supply Activities:

In 2025, the company will continue to focus on optimizing the supply chain to enhance operational efficiency and ensure stability of raw material sources for production. Key activities include:

- Improving supply chain operating processes and applying information technology (IT).
 - Extending the ERP system, integrating it more deeply into supply and logistics activities to enhance tracking capabilities, data management, and optimize inventory planning.
 - Applying big data analytics tools to improve raw material demand forecasting, allowing for more flexible inventory purchase planning.
 - Intensifying the application of QR Code/RFID technology in warehouse management to increase accuracy in inventory counts, reducing losses and errors in the inventory management process.
- **Planning and Investing in Warehousing Systems:**
 - Investing in the construction and expansion of raw material and finished goods warehouse systems at strategic locations to reduce transportation costs and enhance the ability to store critical raw materials.

- Implementing smart warehouse models, utilizing automation in storage management and operations to optimize space usage and minimize unnecessary inventory.
- Building regional distribution centers to shorten delivery times and optimize the logistics chain.
- **Developing Raw Material Sources for Sintered Stone Products:**
 - Seeking and evaluating new raw material sources with stable quality to ensure long-term supply for production.
 - Developing collaborative plans with domestic and international raw material suppliers to minimize supply shortage risks.
 - Investing in research and development (R&D) to experiment with new raw materials and optimize production formulas to enhance product quality.
- **Developing the Supplier System and Adjusting Procurement Policies:**
 - Expanding the supplier portfolio to ensure diversity and flexibility in the supply chain.
 - Continuing to negotiate long-term contracts with strategic partners to ensure stable input raw material supply in terms of quantity, quality, and competitive pricing.
 - Improving supplier evaluation criteria to enhance material quality, reduce defect rates, and optimize the inbound quality control process.
 - Building more flexible procurement policies that align with market fluctuations and the company's actual production plans.

3.4. Financial Activities

- Closely monitor the implementation of the production and business plan for 2025 to ensure the achievement of set targets, including: consolidated net revenue reaching 2,632,837 million VND (an increase of 55.6% compared to 2024), consolidated net profit after tax reaching 209,465 million VND (an increase of 210.2% compared to 2024), and maintaining a dividend rate of 10%.
- Implement suitable capital mobilization measures to ensure sufficient financial resources for production and business operations and investment projects in 2025. At the same time, strictly control capital allocation and usage to enhance capital efficiency and ensure financial safety, especially in the context of consolidated shareholders' equity projected to increase by 22% compared to 2024, reaching 912,183 million VND.
- Strengthen budget and cash flow control to ensure liquidity, proactively forecast and respond timely to financial market fluctuations, including risks related to interest rates, exchange rates, and trends in monetary policy adjustments both domestically and internationally.
- Promote solutions for timely debt collection, control inventory to optimize capital turnover and improve cash flow efficiency, supporting the goal of increasing the net profit after tax/shareholders' equity ratio to 23% in the consolidated plan for 2025.
- Rigorously implement information disclosure in accordance with the regulations of the Ministry of Finance and the State Securities Commission, ensuring transparency and timeliness. At the same time, enhance investor relations activities to strengthen investor confidence, contributing to improving the company's image and value in the stock market.

3.5. Administrative and Human Resource Activities and Other Functional Activities:

- Renovation and Upgrading of Facilities: The company continues to refurbish the factory area, enhance greenery, improve working conditions, and ensure security and safety for workers.
- Maintaining and Raising Operational Standards: The company continues to maintain and improve the 6S standards, CTPAT, SEDEX, while implementing plans to achieve BSCI certification and other international standards to meet export requirements and enhance brand reputation.
- Training and Development of Personnel: Maintain training and coaching to enhance working skills and customer service skills for staff and specialists. At the same time, implement a specialized training plan for the management team, enhancing operational capacity and developing succession teams.
- Attracting Talent and Enhancing Compensation: Improve policies for attracting high-quality personnel, adjust welfare policies, and increase income for employees to retain talent and enhance working efficiency.
- Building and Promoting Corporate Culture: Continue to develop and disseminate the Royal culture not only internally but also to customers, shareholders, and partners, contributing to building a sustainable brand.
- Digital Transformation and Technology Application: Enhance the application of information technology in enterprise management, deploy an ERP system to synchronize data, optimize operational processes, and improve management efficiency.
- Social Responsibility and Community Activities: Actively participate in community activities, contributing to enhancing the company's image and fulfilling social responsibility.
- Implementing Tasks According to Strategic Directions: Carry out tasks in accordance with the resolutions of the General Shareholders' Meeting and the Board of Directors to ensure sustainable development and long-term operational effectiveness.

4. List of Shareholders Holding More Than 5% of the Company's Shares, List of Founding Shareholders and Their Shareholding Percentages; Shareholder Structure.

- **List of Shareholders Holding More Than 5% of the Company's Shares as of December 31, 2024**

No.	Shareholder	ID Number	Address	Number of Shares	Percentage
1	Đinh Việt Anh	031065006785	357A/7 Nguyen Trong Tuyen, Ward 1, Tan Binh District, Ho Chi Minh City	9.360.000	20,80%
2	Lê Thị Vi Na	051185010409	Group 6, Hamlet 1B, Phuoc Thai Commune, Long Thanh District, Dong Nai Province	8.874.000	19,72%
3	Nguyễn Thị Lê	051185000050	Phuoc Lap Quarter, My Xuan Ward, Phu My Town, Ba Ria - Vung Tau Province	6.786.000	15,08%

				25.020.000	55,60%
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- List of Founding Shareholders

The founding shareholders of the company are domestic organizations and individuals. According to Business Registration Certificate No. 3501459505 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province on September 1, 2009, and by the Department of Planning and Investment of Dong Nai Province on January 20, 2010, with the 15th amendment issued on July 04, 2024, Royal Sintered Stone Manufacturing and Investment Joint Stock Company was established in 2009. Nearly 15 years later, the shares of the company's founding shareholders are no longer subject to transfer restrictions.

- Shareholder Structure as of December 31, 2024

No.	Shareholder	Number (people)	Number of Shares (shares)	Value (VND)	Percentage
I	Domestic Shareholders	138	45.000.000	450.000.000.000	100%
1	Institutional Shareholders	0	0	0	0%
2	Individual Shareholders	138	45.000.000	450.000.000.000	100%
3	Treasury Shares	0	0	0	0%
II	Foreign Shareholders	0	0	0	0%
1	Institutional Shareholders	0	0	0	0%
2	Individual Shareholders	0	0	0	0%
	Total	138	45.000.000	450.000.000.000	100%

Source: Shareholder Register of Royal Sintered Stone Manufacturing and Investment Joint Stock Company as of December 31, 2024

5. Organizational Structure and Employees:

Number of Employees:

The quality of human resources is one of the key factors determining the development of Royal Sintered Stone Manufacturing and Investment Joint Stock Company. Therefore, the company always prioritizes building a professional workforce as a key element of its development strategy. The average number of employees in the last two years for the parent company is 590 people.

As of December 31, 2024, the total number of employees in the parent company is 588 people.

The labor structure of the parent company is as follows:

No	Qualification	31/12/2022		31/12/2023		31/12/2024	
		Number of People	Percentage (%)	Number of People	Percentage (%)	Number of People	Percentage (%)
I	By Employee Qualifications:	719	100,00	621	100,00	588	100,00
1	Postgraduate	4	0,55	3	0,48	5	0,81
2	University Degree and Equivalent	143	19,89	132	21,26	115	20,77
3	College, Intermediate Level	123	17,11	120	19,32	148	23,82
4	Primary, Secondary, Basic Level	449	62,45	366	58,94	320	51,53
II	By Nature of Employment Contracts:	719	100,00	621	100,00	588	100,00
1	Permanent Contract	326	45,34	269	43,32	256	43,53
2	Fixed-Term Contract	393	54,66	352	56,68	332	56,47
3	Seasonal Contract	0	0,00	0	0,00	0	0,00

Source: Royal Sintered Stone Manufacturing and Investment Joint Stock Company

Training, Salary, and Benefit Policies:

❖ Working Hours:

The company operates 8 hours per day, 6 days a week, with breaks according to labor laws. For direct production staff, the company schedules shifts to ensure production progress and complies with legal regulations. In cases of urgent production or business requirements, the company negotiates with employees for overtime work. The company ensures employee rights as stipulated by the state and provides adequate compensation. Leave time, holidays, and maternity leave are guaranteed per the Labor Code.

❖ Working Conditions:

The company provides a well-equipped office, clean and spacious dining facilities for its workforce. For direct laborers, the company supplies adequate personal protective equipment and strictly adheres to occupational safety principles. Additionally, the company organizes annual health check-ups and occupational disease assessments for all employees to ensure compliance with the production requirements, sick leave, maternity policies, and other employee entitlements as per Labor Law. Notably, the company invests in environmental hygiene by signing contracts annually to measure the quality of the working environment at employee work locations.

❖ Salary Policy:

- The company establishes a salary system that ensures fairness, transparency, and competitiveness, based on principles linking pay to qualifications, capabilities, experience, length of service, and job grade.

- The salary for social insurance contributions for employees is clearly stated in the employment contracts and is guaranteed not to be lower than the regional minimum wage set by the state, along with full payment of allowances and severance pay as per current legal regulations.
- The company implements an annual salary adjustment policy, with a review of salary adjustments planned for the second quarter each year. Depending on the business production situation and legal adjustments to labor laws regarding salaries, the company will evaluate performance and proceed with salary adjustments/promotions based on the results of the evaluation. Evaluation criteria will include, but are not limited to, the following factors:
 - The consistency in fulfilling assigned tasks in terms of quantity, quality, spirit, and work attitude.
 - Compliance with labor discipline according to the Labor Code and company regulations.
 - Length of service at the company.
 - Special contributions of employees that add significant value to the company's production and business operations.

❖ **Bonus Policy:**

- The company implements a bonus policy for employees based on the principles linked to production and business efficiency, individual achievements, and employees' contributions to the company's production and business activities, as well as adherence to company rules and regulations. Bonuses for employees are funded from the following sources:
 - Bonuses from the wage fund for employees with positive and effective contributions to each facility.
 - Bonuses from the reward fund for staff with achievements in work and productivity recognized during the year-end reviews or for outstanding initiatives.

For company leaders: Including members of the Board of Directors, Deputy General Directors, and management personnel who contribute to meeting the company's production and business targets; effective business operations will be reviewed for bonus allocation by the Board of Directors at the annual general shareholders' meeting

❖ **Compensation Policy:**

- Severance/termination/accident compensation will be applied when employees resign or are affected by occupational accidents or diseases, following legal regulations regarding compensation payment.
- Assistance for employees in difficult circumstances: Depending on each case, the company will consider and decide on the appropriate level and form of assistance based on proposals from functional units and validations from the Human Resources department.

❖ **Training Policy:**

- All employees have the opportunity to participate in job-specific training programs according to work requirements and annual development plans; additionally, the company encourages employees to proactively participate in professional development training courses and supports partial or full costs.
- Each year, the company organizes for outstanding employees to participate in supplementary courses to enhance their knowledge for higher-level positions: Management capability enhancement courses, internal trainer training courses, and specialized capability enhancement courses.

- The company pays attention to internal training efforts: Training in strategy development, planning, ISO training, 5S, or soft skills sharing sessions (presentation skills, teamwork skills, etc.). These internal training sessions aim to share knowledge and skills and create stronger connections among employees.

❖ Other Policies and Benefits for Employees:

The company provides support policies and benefits exceeding legal requirements to ensure employees can work with peace of mind and remain loyal to the company:

- Free mid-shift meals, transportation means for employees working at the company.
- Travel allowances, fuel, vehicle, and phone allowances, as well as reasonable expenses, to facilitate work.
- Fully implementing policies for illness inquiries, support for accidents, bereavements, and marriage.
- Providing accident insurance and 24/7 medical services for all employees at the company.
- Fully supporting payment of personal income tax for employees.
- The company participates as a member of SEDEX (a non-profit organization established to improve business ethics and social responsibility in global supply chains) to assess and apply international labor standards to ensure maximum legal rights for employees.

❖ Share Issuance Policy for Employees:

As of now, the company has not conducted any share issuance for employees; therefore, the company has not established a policy for the issuance of shares to employees..

6. Dividend Policy:

According to the charter of Royal Sintered Stone Manufacturing and Investment Joint Stock Company, the General Shareholders' Meeting decides on the dividend payout level and the form of dividend distribution (cash or shares) annually from the company's retained earnings.

The Board of Directors may decide to pay an interim dividend if it deems such payments to be consistent with the company's profitability.

The company does not pay interest on the amount paid as dividends or any payments related to a specific type of share.

The Board of Directors may propose the General Shareholders' Meeting to approve the payment of all or part of the dividend in shares, and the Board of Directors is responsible for executing this decision.

The Board of Directors adopts a resolution to determine a specific date for the closing of the shareholder list (the record date) for dividend distribution. Shareholders listed on the record date are entitled to receive dividends (in cash/shares).

Dividend Rate of the Company for the Period 2020 – 2024

	Year 2020	Year 2021	Year 2022	Year 2023	Year 2024
Payout Ratio	78,77%	0%	0%	10%	10%(expected)
Payment Method	In Shares	-	-	Cash	
Payment Timing	January 2021	-	-	September 2024	

Source: Resolutions of the General Shareholders' Meetings from 2021 to 2024.

III. REPORT ON THE BOARD OF DIRECTORS' ACTIVITIES IN 2024 AND PLAN FOR 2025

A. RESULTS OF ACTIVITIES IN 2024

1. Company Performance in 2024:

In agreement with the evaluation of the Board of Directors, 2024 remained a year where the global economy faced many challenges, especially with slow growth due to the prolonged effects of unstable geopolitical factors such as the Russia-Ukraine conflict and warfare in the Middle East, along with trade protection trends and persistent inflation in many countries. Global GDP growth in 2024 is expected to be around 2.7%, the lowest level in the post-pandemic period (excluding 2020).

In this context, the Vietnamese economy has shown impressive recovery with GDP growth reaching 7.09%, thanks to strong export recovery, stable foreign investment inflows, and effective inflation control. However, while interest rates decreased towards the end of the year, they remained high for most of the time, putting significant financial pressure on businesses.

Amid such volatility, the Board of Directors closely coordinated with the Executive Board to lead and manage the company flexibly and proactively, closely monitoring the market to implement timely solutions to maintain revenue growth and prepare a solid foundation for the next phase of development. Some notable results include:

- Consolidated revenue for 2024 reached 1.692 trillion VND, an increase of 21.2% compared to 2023, achieving 81.3% of the annual plan while the sintered stone plant has not yet officially started commercial operations.
- The parent company's revenue reached 1.694 trillion VND, an increase of 21.4% compared to the previous year, exceeding the proposed plan.
- Consolidated net profit after tax reached 67.5 billion VND, a decrease of 34% compared to the previous year and only achieving 56.3% of the plan, primarily due to investment and operational costs arising while the sintered stone plant has not generated revenue.
- Despite the decline in profit, the company maintained a dividend of 10% on charter capital, demonstrating its commitment to ensuring shareholder rights and long-term financial stability.

In addition, several important milestones in 2024 should also be noted:

- On December 12, 2024, the company's shares were officially listed on the Ho Chi Minh City Stock Exchange (HOSE), marking a significant turning point in its development, opening up opportunities for capital raising and enhancing transparency in management.
- The investment progress of the Royal Sintered Stone Plant is on schedule, with the basic construction completed by the end of the year and equipment being installed, expected to commence commercial operations in April 2025. This project is foundational for a breakthrough growth phase in the medium and long term.
- Organizationally, the company continues to enhance management efficiency, accelerate digital transformation, optimize the supply chain, and develop the export market, especially in the U.S. The proportion of exports in the revenue structure continues to be strengthened, with the goal of accounting for 70% of production output by 2025.
- Regarding personnel, the company has expanded its workforce to a total of 658 employees by the end of 2024, while also implementing various training programs, enhancing corporate culture and the working environment.

Overall, 2024 is a year where the company maintained stability, achieved positive revenue growth, and completed important preparations for sustainable growth in the post-IPO phase. The Board of Directors appreciates the efforts of the Executive Board and all employees and is committed to

continuing to accompany and strategically guide the company towards strong development and optimizing value for shareholders.

Some Key Indicators Achieved in 2024

Unit of measurement: million VND

No.	Indicator	Actual 2023	Plan 2024	Actual 2024	% Actual 2024 / Actual 2023	% Actual 2024 / Plan 2024
1	Revenue:					
-	Parent Company (according to standalone financial statements)	1.395.561	1.400.000	1.693.891	121,4%	121,0%
-	Consolidated (according to consolidated financial statements)	1.395.561	2.082.000	1.692.068	121,2%	81,3%
2	Net Profit after Corporate Income Tax:					
-	Parent Company (according to standalone financial statements)	76.452	70.000	54.735	71,6%	78,2%
-	Consolidated (according to consolidated financial statements)	102.276	120.000	67.704	66,0%	56,3%
3	Dividend (% of charter capital)	10%	10%			

2. Activities of the Board of Directors in 2023:

2.1. Summary of Meetings and Decisions of the Board of Directors:

In 2024, the Board of Directors held meetings and issued 22 resolutions approving various important policies and adjustments concerning the operations and development direction of the company, including the following main content areas:

Number of Resolutions/Decisions Issued	Content Approved
01 Resolutions	Exercise of preemptive rights to purchase newly offered shares to increase the charter capital of Royal Sintered Stone Production and Investment Joint Stock Company.
02 Resolutions	Listing of securities on the Ho Chi Minh City Stock Exchange and approval of the reference price calculation method for the Company's shares on the first trading day.
08 Resolutions	Bank loan financing.

The full list of Resolutions/Decisions issued by the BOD in 2024 is provided in Appendix 02 attached hereto.

2.2. Supervisory Activities of the Board of Directors:

In 2024, the Board of Directors (BOD) fulfilled its supervisory functions in accordance with the provisions of the Enterprise Law, the Company Charter, internal governance regulations, and current legal regulations. The supervisory activities were implemented comprehensively and continuously throughout the year, focusing on ensuring transparency, effectiveness, and compliance in the management of the Executive Board. Specifically:

- Successfully chaired the Annual General Shareholders' Meeting for 2024 on April 7, 2024,

ensuring adherence to procedures, transparency, and effectiveness.

- Supervised the Executive Board in implementing the resolutions of the General Shareholders' Meeting and BOD decisions, ensuring that strategic objectives are specified in practical action plans.
- Directed and supervised compliance with periodic financial reporting requirements, including quarterly, semi-annual, and annual financial reports for 2024; ensuring timelines, accuracy, and conformity with accounting standards and disclosure regulations.
- Chaired regular meetings between the BOD and the Executive Board, requiring reports on the business production plan execution, analyzing operational situations, and cooperating to develop flexible solutions in response to market challenges.
- Closely monitored the implementation of the 4.0 Sintered Stone Production Plant Project, invested by Royal Sintered Stone Manufacturing and Investment Joint Stock Company, ensuring progress, quality, and investment effectiveness according to plan.
- Directed the Executive Board to complete the listing procedures for RYG shares on the Ho Chi Minh City Stock Exchange, marking an important development in the process of enhancing transparency and improving the company's brand reputation in the capital market.
- Reviewed compliance with legal regulations, the Company Charter, and internal governance regulations to enhance discipline and standardize operational activities across the system.
- Oversaw the information disclosure process, ensuring transparency, timeliness, and accuracy in accordance with the requirements of regulatory authorities and the stock market.
- Evaluated the performance of the Executive Board, focusing on business plan execution, enhancing production and financial efficiency, and optimizing resources.

Through these strict supervisory activities, the BOD acknowledges that the Executive Board has provided complete, timely, and responsible reports on the assigned matters. In response to the common difficulties of the economy, the BOD and the Executive Board have closely cooperated with high determination to maintain stable production and business operations, ensuring jobs and income for employees while laying a solid foundation for development in the coming years.

3. Income, Operating Expenses, and Other Benefits of the Board of Directors and Each Member of the Board in 2024:

3.1. Income:

Unit of measurement: VND

No.	Full Name	Position	Income
1	Đinh Việt Anh	Chairman of the Board of Directors	907.774.280
2	Trịnh Xuân Hùng	Member of the Board of Directors	402.713.050
3	Phạm Hữu Phú	Member of the Board of Directors	0
Total			1.310.487.330

3.2. Operating Expenses: None

3.3. Other Benefits: None

4. Activities of Independent Board Members and Their Evaluation of the Board of Directors' Activities:

4.1. Activities of the Independent Board Member:

- The company's Board of Directors currently has 1 independent board member, Mr. Phạm Hữu Phú.
- With extensive expertise and practical experience in corporate management, finance, and strategic development, Mr. Phạm Hữu Phú has made significant contributions by providing advice, conducting reviews, and collaborating with the Board of Directors on important decisions of the company.
- In 2024, the independent board member attended all Board meetings, actively contributed opinions, and exercised voting rights on matters within authority. The effective participation of the independent member helped ensure principles of transparency in governance, control conflicts of interest, and protect the legal rights of the company and its shareholders, especially minority shareholders.

4.2. Evaluation by the Independent Board Member on the Activities of the Board of Directors:

- In 2024, the Board of Directors demonstrated effective leadership and management roles, making flexible and timely decisions to ensure that the company's production and business operations adapt to the fluctuating conditions of the global economic-political environment and the internal challenges of the domestic economy.
- The Board has duly issued all resolutions and decisions within its powers, focusing on directing operations and promptly adjusting business production orientations to align with actual circumstances. Additionally, the Board effectively fulfilled its role in strategic direction and supervision of the Executive Board's activities, ensuring that the implementation of the 2024 business plan was aligned with goals, transparent, and effective.
- With the close collaboration of the Board of Directors, the company has completed many important tasks, notably the successful listing of shares on the HOSE, maintaining revenue growth, ensuring operational cash flow, and preparing a solid foundation for the next phase of development.

5. Supervisory Activities of the Audit Committee (AC) Regarding the Board of Directors and the Executive Board:

In 2024, the Audit Committee (AC) fully performed its supervisory functions in accordance with legal regulations, the Company Charter, and the operational organization regulations of the AC, specifically as follows:

- Directly monitoring the activities of the Board of Directors and the Executive Board by participating in all periodic meetings, while maintaining formal and informal communication channels to promptly understand the operational situation.
- Conducting regular supervision through periodic reports, special reports, as well as direct engagement with the Executive Board and functional departments to evaluate the effectiveness of the company's business operations against the performance indicators approved by the General Shareholders' Meeting.
- Reviewing and monitoring the accuracy, reasonableness, and legal compliance of financial reports, including quarterly, semi-annual, and annual financial statements for 2024, while coordinating with independent auditors during the process of verifying and assessing financial

data.

- Overseeing the organization and conduct of the General Shareholders' Meeting, ensuring compliance with the Company Charter, current legal regulations, and established information disclosure processes; while also conducting independent evaluations of the Executive Board's operational activities.
- Compiling and presenting periodic supervisory reports to the Board of Directors, clearly stating conclusions, recommendations, and proposals to improve internal control mechanisms, risk management, and financial transparency.

The AC acknowledges the active and effective collaboration from the Board of Directors, the Executive Board, and relevant management personnel in executing supervisory functions. The units under supervision have proactively provided complete and timely information and necessary documentation, enabling the AC to successfully fulfill its assigned duties, contributing to enhancing transparency and standards in the company's governance.

B. BUSINESS PLAN FOR 2025

1. Direction of the Company's Activities in 2025:

For the Parent Company - Royal Sintered Stone Manufacturing and Investment Joint Stock Company:

The year 2025 is particularly significant as the company transitions to a post-listing development phase while preparing the necessary conditions to effectively exploit the ecosystem of premium building materials. The Board of Directors has identified the following key directions:

- Continue to maintain stable growth in revenue and profits from traditional tile business operations by restructuring the product portfolio, prioritizing the development of high-value-added product lines that align with consumer trends in both domestic and international markets.
- Quickly bring the Sintered Stone line into production and business operations, gradually capturing market share domestically and internationally. This will be a key product line in the strategy for product expansion and long-term growth of the company.
- Strengthen trade activities and strategic cooperation, intensifying exports, particularly targeting key markets such as the United States, Europe, the Middle East, and Southeast Asia. At the same time, develop a project business model to increase sales from high-end hotel, resort, and commercial center chains.
- Continue to promote comprehensive digital transformation, improving the rollout of the ERP system and modern management tools to optimize production, sales, finance, and customer care operations, aiming for a lean, transparent, and efficient management model.
- Enhance financial capacity, effectively control cash flow, and explore fundraising opportunities in the stock market after the company's shares are officially listed on HOSE at the end of 2024, to support mid to long-term development strategies.

For the Subsidiary - Royal Sintered Stone Manufacturing and Investment Joint Stock Company

Khang:

Build the company into a model for Sintered Stone and a leading Sintered Stone brand in Asia and the world, thereby helping elevate Royal to become a top brand in the region.

2. Planned Indicators for 2024:

Production and Business Plan - Parent Company

Unit of measurement: million VND

No	Content	Actual 2023	Actual 2024	Plan 2025	% Increase/Decrease Compared to 2024
1	Net Revenue	1.395.561	1.693.891	1.680.645	-1%
2	Net Profit after Tax	76.452	54.735	40.510	-26%
3	Shareholders' Equity	681.188	670.841	696.350	4%
4	Net Profit after Tax / Net Revenue Ratio	5,5%	3,2%	2,4%	
5	Net Profit after Tax / Shareholders' Equity Ratio	11,2%	8,2%	5,8%	
6	Dividend Rate	10%			

Production and business plan – Consolidation

Unit of measurement: million VND

No	Content	Actual 2023	Actual 2024	Plan 2025	% Increase/Decrease Compared to 2024
1	Net Revenue	1.395.561	1.692.068	2.220.645	31,2%
2	Net Profit after Tax	102.276	67.532	115.912	71,6%
3	Shareholders' Equity	729.884	747.718	912.183	22%
4	Net Profit after Tax / Net Revenue Ratio	7,3%	4,0%	5,2%	
5	Net Profit after Tax / Shareholders' Equity Ratio	14,0%	9,0%	12,7%	
6	Dividend Rate	10%			

3. Key Responsibilities of the Board of Directors in 2025:

In 2025, the Board of Directors has identified several key responsibilities to ensure the successful achievement of the company's strategic goals and sustainable development plan, as follows:

- Successfully organize the Annual General Shareholders' Meeting in 2025, ensuring compliance with legal regulations and the Company Charter; concurrently, effectively implement the contents approved in the resolutions of the meeting.
- Direct and closely supervise the implementation of the 2025 production and business plan in accordance with the direction approved by the General Shareholders' Meeting, including revenue, profit, financial management goals, and risk control.
- Continue to develop and elevate the Royal brand, intensifying the strategy to build product branding towards "green - ECO," increasing the sustainable value content in each product

line. At the same time, clearly position product segments for each target market to enhance competitiveness, especially in the international market.

- Bring the Royal Sintered Stone Plant investment project into operation on schedule, ensuring quality and investment effectiveness, thereby timely adding a new strategic product line to the business portfolio, creating growth momentum in the medium and long term.
- Continue to review and refine the organizational structure, internal regulation systems, and governance mechanisms towards a lean, transparent, and efficient model, constructing a professional working environment, standardizing decision-making processes and management delegation.
- Strengthen digital transformation activities, complete the implementation of the ERP system, and apply information technology across the entire value chain—from production, supply, and sales to finance and human resource management—to enhance productivity, control costs, and improve operational efficiency.
- Closely monitor developments in domestic and international markets, proactively update macroeconomic conditions, industry trends, and consumer demand to make flexible and timely operational decisions. Maximize competitive advantages and internal resources to maintain the company's position in the market and promote sustainable growth.

CONCLUSION

Above is the report of the Board of Directors on the production and business activities in 2024, as well as the direction and key tasks for 2025, presented for the General Shareholders' Meeting to consider and approve.

The Board of Directors and the Executive Board commit to continuing to accompany, manage, and supervise the company's activities with the highest sense of responsibility, utilizing all resources to overcome challenges and seize opportunities to achieve the goals and plans for 2025 entrusted by the General Shareholders' Meeting.

We sincerely appreciate and hope to continue receiving the trust, support, and valuable contributions from our esteemed shareholders, in order to continuously enhance governance quality, operational efficiency, and build a company that grows stronger and sustainably, while increasing value for shareholders in the long term.

IV. REPORT ON THE ACTIVITIES OF THE INDEPENDENT BOARD MEMBER IN THE AUDIT COMMITTEE IN 2024

A. ACTIVITIES OF THE AUDIT COMMITTEE (AC) IN 2024

1. Structure of the Audit Committee (AC) Personnel

No.	AC Member	Position	Start Date as AC Member
1	Mr. Pham Huu Phu	Chairman of the AC	January 1, 2022
2	Mr. Dinh Viet Anh	AC Member	January 1, 2022

2. Summary of AC Meetings

No.	AC Member	Number of Meetings Attended	Attendance Rate	Voting Rate	Conclusions and Recommendations
1	Mr. Pham Huu Phu	2/2	100%	100%	<ul style="list-style-type: none"> - Meeting on July 5, 2024: Assessment of the implementation of resolutions from the General Shareholders' Meeting and the Board of Directors in the first half of 2024. - Meeting on December 30, 2024: Assessment of the implementation of resolutions from the General Shareholders' Meeting and the Board of Directors in 2024; Evaluation and opinions on related party transactions; Discussion of key working plans for Q1 2025. <p>➤ <i>In all meetings, the AC did not find any irregularities in the company's activities.</i></p>
2	Mr. Dinh Viet Anh	2/2	100%	100%	

3. Evaluation of Transactions Between the Company and Related Parties

In 2024, the Audit Committee (AC) gradually enhanced its supervisory role over transactions between the company, its subsidiaries, and insiders, as well as those related to insiders. It also monitored transactions between the company and organizations where members of the Board of Directors, the General Director, or other executives of the company were founding members or held management positions in the three years prior to the transaction date.

All transactions were carried out in accordance with the legal regulations, the Company Charter, and the internal governance regulations. The AC found that these transactions were disclosed transparently and showed no signs of conflicts of interest or impacts on the legal rights of the company and its shareholders.

Compliance with regulations regarding transactions with related parties contributed to enhancing corporate governance standards, ensuring transparency and fairness in the company's operations.

4. Remuneration, Operating Costs, and Other Benefits of the Audit Committee and Each Member of the Audit Committee in 2024

- **Remuneration:** The AC does not receive any remuneration.
- **Operating Costs:** None.
- **Other Benefits:** None.

5. Results of Supervising Financial Reports, Operational Status, and Financial Condition of the Company

5.1. Results of Supervision Regarding the Preparation of the Company's Financial Reports

In 2024, the Audit Committee (AC) comprehensively supervised the process of preparing and publishing the quarterly, semi-annual, and annual financial reports of the company, including both standalone and consolidated financial statements. The supervision was conducted before the reports were submitted to the Board of Directors, the General Shareholders' Meeting, or released to the public, in accordance with legal regulations. The results of the supervision are as follows:

- The financial reports were prepared and presented truthfully and fairly, and fully complied with Vietnamese Accounting Standards (VAS) and current legal regulations. The Audit Committee agreed with the opinion of the independent auditing firm - AASC Auditing Company Limited - stating that the 2024 financial statements (both standalone and consolidated) accurately and comprehensively reflected the company's financial situation and business results during the period.
- The accounting, record-keeping, documentation, and reporting processes were performed correctly according to procedures and in line with the current enterprise accounting regime and related legal regulations, ensuring transparency and accurately reflecting the company's financial condition.
- Throughout the process of preparing and auditing the financial reports, the Audit Committee regularly maintained close cooperation with the independent auditing firm and the Finance - Accounting Division, exchanging information and promptly reviewing and providing feedback on related matters to ensure the quality of the financial reports prior to publication.
- Through the audit process, the Audit Committee did not find any significant errors, fraud, or potential fraud risks in the preparation and presentation of the 2024 financial statements.
- The company has conducted periodic financial report disclosures on time and with full content in accordance with regulations applicable to large public companies, contributing to enhancing transparency and compliance in financial governance.

5.2. Results of Supervision of Independent Audit Services

In 2024, the Audit Committee supervised the provision of independent audit services for the company, with specific conclusions as follows:

- AASC Auditing Company Limited was selected as the independent auditing firm for the fiscal year 2024, based on meeting all criteria for reputation, professional competence, compliance with professional standards, and ensuring independence, objectivity, and integrity in providing audit opinions. The auditing firm also ensured progress and completion deadlines as per the contractual commitment.
- Throughout the year, the independent auditing firm conducted the semi-annual audit of the financial statements and the audit of the company's financial statements for 2024 (including both standalone and consolidated). The scope, content, method, and timing of the audit were carried out in accordance with the contract agreement, ensuring compliance with Vietnamese auditing standards and international professional practices.
- The Audit Committee maintained regular communication with the independent auditing firm, particularly during the audit report preparation phase, to clarify professional issues and

matters related to the financial reports, thereby ensuring transparency and objectivity before the formal audit report was issued.

- Through the supervision process, the AC highly appreciates the cooperative spirit and professionalism of the independent auditing firm and did not record any unusual issues or violations during the audit service provision.

5.3. Results of Supervising the Company's Operational Status and Financial Condition in 2024

The financial condition of the company has been well maintained. Cost control and asset safety were effectively implemented. The Executive Board and other managing staff of the company have demonstrated a high level of responsibility in management, actively proposing solutions to adapt to the very complex developments of the market economy in 2023, achieving stable business results with a high financial safety ratio.

Some Key Indicators Achieved in 2024

Unit of measurement: million VND

No.	Indicator	Actual 2023	Plan 2024	Actual 2024	% Actual 2024 / Actual 2023	% Actual 2024 / Plan 2024
1	Revenue:					
-	Parent Company (according to standalone financial statements)	1.395.561	1.400.000	1.693.891	121,4%	121,0%
-	Consolidated (according to consolidated financial statements)	1.395.561	2.082.000	1.692.068	121.2%	81.3%
2	Net Profit after Corporate Income Tax:					
-	Parent Company (according to standalone financial statements)	76.452	70.000	54.735	71,6%	78,2%
-	Consolidated (according to consolidated financial statements)	102.276	120.000	67.532	66,0%	56,3%
3	Dividend (% of charter capital)	10%	10%			

6. Evaluation of the Company's Internal Control and Risk Management System

In 2024, the Audit Committee (AC) conducted a periodic evaluation of the company's internal control system and risk management, noting some results as follows:

- The company has issued and strictly adhered to internal control processes and risk management policies in accordance with legal regulations, the Company Charter, and current internal governance documents. The internal control system has effectively supported management, oversight, and risk prevention across the enterprise.
- Awareness of risks and the importance of risk management in production and business operations has significantly improved through internal communication activities, specialized training, and integration into operational processes. However, to achieve sustainable effectiveness, the cultural dissemination of risk management needs to be maintained and

reinforced throughout the system at different levels.

- The risk management framework, key risk categories, and risk assessment matrix have initially been established, fitting the industry characteristics and development phase of the company. However, the pace of implementation needs to be accelerated to comprehensively complete the system for identifying, measuring, monitoring, and responding to risks.
- Internal control and compliance auditing activities have been strengthened in 2024, with added resources and extended audit scopes within functional departments, contributing to enhancing transparency, operational discipline, and legal compliance.
- However, the monitoring and corrective actions post-audit and the early warning mechanisms for risks still have room for improvement, particularly in enhancing feedback on remedial actions, regularly updating prevention measures, and reassessing the effectiveness of the control system after actual implementation.
- The Audit Committee recommends that the Executive Board continue to invest in resources, technology, and training to enhance the effectiveness of the internal control and risk management system, ensuring optimal support for sustainable development goals and governance according to international standards.

7. Results of Supervision of the Board of Directors and the Executive Board

In 2024, the Audit Committee conducted comprehensive supervision of the activities of the Board of Directors (BOD) and the Executive Board through the following methods:

- Direct participation and observation of periodic meetings or special sessions of the BOD and Executive Board.
- Monitoring through reporting systems and direct meetings with the BOD and Executive Board to timely update the status of business production, investment activities, and financial management.
- Reviewing and verifying the accuracy, reasonableness, and legal compliance of audited quarterly, annual financial statements, while working with the Executive Board and independent auditing firms to evaluate operational effectiveness based on the approved plans.
- Overseeing the process of developing and implementing the 2024 business production plan; organizing the General Shareholders' Meeting in compliance with legal regulations and the Company Charter; monitoring compliance with information disclosure regulations and corporate governance issues, as well as the organization of senior management and personnel.
- Collaborating with the BOD and Executive Board to build risk management policies and participate in proposing solutions to address risks arising from the company's operations.
- Preparing and presenting periodic supervisory reports to the BOD as required.

The supervisory results noted:

- The Board of Directors and Executive Board have fully performed their functions and duties as stipulated in the Company Charter and resolutions of the General Shareholders' Meeting, demonstrating their roles in strategic leadership and effective operational management in a fluctuating economic environment.
- The meetings of the BOD and Executive Board were conducted in accordance with regulations, and the discussed content was focused and relevant to their authority.

- The BOD issued strategic development directions and mid- to long-term investment plans, flexibly directing operations in accordance with market realities and effectively implementing the targets for 2024.
- The Executive Board conducted production and business operations according to the directives of the BOD, actively updating and responding quickly to market developments, especially during the economic slowdown beginning mid-2024.
- The policies and operational decisions were thoroughly analyzed, flexible, and responsive, contributing to sustaining business operations, stabilizing cash flow, maintaining customer trust, and enhancing internal cohesion.
- The BOD and Executive Board have fully executed the resolutions of the General Shareholders' Meeting and the BOD, with no recorded violations or significant errors from government regulatory bodies in 2024.

8. Results of Evaluating the Coordination Between the Audit Committee (AC), the Board of Directors, the Executive Board, and the Shareholders

In 2024, the Audit Committee (AC) maintained close and effective cooperation with the Board of Directors, the Executive Board, and shareholders within the framework of performing its supervisory functions and duties as stipulated by law, the Company Charter, and internal regulations, specifically as follows:

- The AC consistently received positive support from the Board of Directors, the Executive Board, and relevant management personnel, facilitating access to information and documentation, and organizing meetings to ensure that the supervision tasks were completed on time and to the required quality.
- Coordinated with the Board of Directors and the Executive Board to develop action programs aimed at enhancing the effectiveness of the internal control system, strengthening risk management, and perfecting the corporate governance framework, while also contributing opinions on key issues to be addressed in 2024 and subsequent years.
- The Audit Committee reported periodically on the results of its supervision to the Board of Directors, promptly reflecting emerging issues and recommending improvement measures to enhance governance effectiveness, risk control, and compliance throughout the company.
- Through the process of active cooperation, the AC highly appreciates the partnership and collaboration from the Board of Directors, the Executive Board, and the support of shareholders in the supervision activities, contributing to ensuring that the company's governance operations are conducted transparently and effectively, aimed at achieving sustainable development and increasing value for shareholders.

RECOMMENDATIONS FROM THE AUDIT COMMITTEE

Based on the results of monitoring the company's activities in 2024, the Audit Committee recommends that the Board of Directors and the Executive Board continue to implement and enhance the following tasks to improve governance effectiveness, internal control, and risk management in the coming period:

- Complete the system of internal regulations and processes in functional departments, aiming for standardized operations, enhancing professionalism in management, thereby improving work efficiency and minimizing operational risks.
- Strengthen remediation and prevention efforts post-audit, particularly reviewing and reassessing the effectiveness of implemented measures to ensure sustainable efficiency in

internal control and supervision activities.

- Fully implement the model and operational mechanisms of the risk management and compliance monitoring system, applying it not only at the parent company but also across subsidiaries and affiliated units, ensuring coherence and effectiveness throughout the system.
- Enhance legal compliance control, especially in the areas of taxation and financial obligations to the state, ensuring that companies within the system operate according to regulations, limiting legal risks, and protecting brand reputation in the market.
- The Audit Committee believes that, with the close guidance of the Board of Directors and the proactive and decisive management of the Executive Board, these recommendations will be effectively implemented, contributing to enhancing governance quality and operational efficiency for the company in 2025 and the following years.

B. DIRECTIONS FOR THE AUDIT COMMITTEE'S ACTIVITIES IN 2025

- To continue enhancing the quality of supervision and effectively support the Board of Directors in ensuring that corporate governance operations are conducted in compliance with the law, transparently, and effectively, the Audit Committee (AC) outlines the key tasks for 2025 as follows:
- Support the Board of Directors in monitoring and ensuring compliance with legal regulations, the Company Charter, and current corporate governance standards, contributing to enhancing transparency and professionalism in corporate governance activities.
- Carry out inspection and supervision functions regarding the activities of the Board of Directors and the Executive Board, focusing on legal factors, transparency, compliance, and effectiveness in management, ensuring that management operations align with the company's development strategy.
- Monitor the execution of resolutions by the General Shareholders' Meeting and the Board of Directors to ensure that strategic goals and the 2025 production and business plans are implemented correctly, on schedule, and in full compliance with legal regulations, management requirements, and internal rules.
- Continue to propose and support the improvement of the corporate governance system, risk management, and internal control, ensuring alignment with legal regulations, the Company Charter, and advanced governance practices.
- Enhance the capacity and effectiveness of internal audit operations by implementing the approved internal audit plan for 2025, while also reviewing and updating audit processes to suit the company's development direction and operational scale.
- Fully perform the tasks and powers according to the operational regulations of the AC approved by the Board of Directors, ensuring the fulfillment of independent, objective, and effective roles within the company's internal control system.



V. FINANCIAL REPORT

ROYAL SINTERED STONE MANUFACTURING AND INVESTMENT JOINT STOCK COMPANY AND SUBSIDIARIES AND AFFILIATED COMPANIES

Business Registration Certificate No	3501459505	Issued by the Department of Planning and Investment of Dong Nai Province on January 20, 2010, and amended for the 14th time on October 30, 2023
BOARD OF DIRECTORS	<ul style="list-style-type: none">• Mr. Dinh Viet Anh• Mr. Pham Huu Phu• Mr. Trinh Xuan Hung	<ul style="list-style-type: none">• Chairman• Member• Member
EXECUTIVE BOARD	<ul style="list-style-type: none">• Mr. Truong Van Viet• Mr. Phan Ba Hieu• Mr. Nguyen Anh Binh• Ms. Nguyen Thi Kim Loan	<ul style="list-style-type: none">• General Director• Deputy General Director• Deputy General Director• Chief Accountant
AUDIT COMMITTEE	<ul style="list-style-type: none">• Mr. Pham Huu Phu• Mr. Dinh Viet Anh	<ul style="list-style-type: none">• Chairman of the Audit Committee• Member

RESPONSIBILITIES OF THE EXECUTIVE BOARD FOR THE CONSOLIDATED FINANCIAL REPORT

The Executive Board is responsible for preparing the consolidated financial statements of Royal Sintered Stone Manufacturing and Investment Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which fairly and accurately reflect the consolidated financial position of the Group as of December 31, 2024, as well as the consolidated results of operations and cash flows for the year then ended. In the process of preparing these consolidated financial statements, the Executive Board must:

- Select appropriate accounting policies and apply them consistently;
- Make reasonable and prudent judgments and estimates; and
- Prepare the consolidated financial statements on a going concern basis unless this basis is not appropriate.

The Executive Board is responsible for ensuring that proper accounting records have been maintained to reflect the consolidated financial position of the Group with a reasonable degree of accuracy at any given time and ensuring that the consolidated financial statements are presented in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting Regime, and relevant legal regulations governing the preparation and presentation of financial statements. The Executive Board is also responsible for managing the Group's assets, and therefore must implement appropriate measures to prevent and detect fraudulent acts and other violations.

APPROVAL OF THE CONSOLIDATED FINANCIAL REPORT

The Executive Board is responsible for preparing the consolidated financial statements of Royal Sintered Stone Manufacturing and Investment Joint Stock Company (“the Company”) and its subsidiaries (collectively referred to as “the Group”), which fairly and accurately reflect the consolidated financial position of the Group as of December 31, 2024, as well as the consolidated results of operations and cash flows for the year then ended. In the process of preparing these consolidated financial statements, the Executive Board must:

- Select appropriate accounting policies and apply these policies consistently;

- Make reasonable and prudent judgments and estimates; and
- Prepare the consolidated financial statements on a going concern basis unless this basis is no longer appropriate.

The Executive Board is responsible for ensuring that proper accounting records have been maintained to reflect the consolidated financial position of the Group with a reasonable degree of accuracy at any given time and ensuring that the consolidated financial statements are presented in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting Regime, and relevant legal regulations governing the preparation and presentation of financial statements. The Executive Board is also responsible for managing the Group's assets and must implement appropriate measures to prevent and detect fraudulent acts and other violations.

INDEPENDENT AUDIT REPORT

TO THE SHAREHOLDERS

OF ROYAL SINTERED STONE MANUFACTURING AND INVESTMENT JOINT STOCK COMPANY AND ITS SUBSIDIARIES

We have audited the attached consolidated financial statements of Royal Sintered Stone Manufacturing and Investment Joint Stock Company ("the Company") and its subsidiaries and affiliates (collectively referred to as "the Group"), including the consolidated balance sheet as of December 31, 2024, the consolidated income statement, and the consolidated cash flow statement for the year then ended, along with the accompanying notes approved for issuance by the Company's Executive Board on March 30, 2025, presented from page 06 to page 45.

RESPONSIBILITIES OF THE EXECUTIVE BOARD

The Executive Board of the Company is responsible for preparing and presenting fairly and reasonably the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting Regime, and relevant legal regulations governing the preparation and presentation of financial statements. They are also responsible for the internal control that the Executive Board determines is necessary to ensure that the consolidated financial statements are free from material misstatement due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express an opinion on these consolidated financial statements based on our audit results. We conducted our audit in accordance with Vietnamese Auditing Standards. These standards require us to comply with ethical standards and establish a planning and execution process to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

The audit work includes conducting procedures to collect audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement in the financial statements due to fraud or error. In making these risk assessments, the auditor considers the company's internal control related to the preparation and presentation of financial statements that are free from material misstatement to design appropriate audit procedures for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. The audit work also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the financial statements.

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

AUDITOR'S OPINION



In our opinion, the consolidated financial statements fairly and reasonably reflect, in all material respects, the financial position of Royal Sintered Stone Manufacturing and Investment Joint Stock Company and its subsidiaries as of December 31, 2024, as well as the consolidated results of operations and cash flows for the year then ended, in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting Regime, and relevant legal regulations related to the preparation and presentation of financial statements.

AASC Auditing Company Limited

CONSOLIDATED FINANCIAL STATEMENT AS OF DECEMBER 31, 2024

SEPARATE STATEMENT OF FINANCIAL POSITION

Chỉ tiêu	31/12/2024	01/01/2024
CURRENT ASSETS	1.526.027.552.999	1.125.007.425.186
Cash and cash equivalents	42.242.862.847	17.925.609.914
Cash	42.242.862.847	17.925.609.914
Short-term investments	158.435.580.071	22.500.000.000
Held to maturity investments	22.500.000.000	22.500.000.000
Short-term receivables	598.536.744.324	674.861.964.961
Short-term trade receivables	479.337.975.915	498.822.066.903
Short-term prepayments to suppliers	80.307.254.618	129.256.146.405
Other short-term receivables	38.891.513.791	46.783.751.653
Inventories	683.944.075.529	389.075.060.479
Other short-term assets	42.868.290.228	20.644.789.832
Short-term prepaid expenses	6.582.012.374	5.605.632.347
Deductible VAT	36.286.277.854	15.039.157.485
NON-CURRENT ASSETS	945.184.229.393	556.632.994.621
Long-term receivables	6.246.856.657	2.611.386.300
Other long-term receivables	6.246.856.657	2.611.386.300
Fixed assets	293.145.285.013	331.159.409.367
Tangible fixed assets	174.016.757.053	232.046.840.562
Historical costs	577.478.370.323	623.597.971.567
Accumulated depreciation (*)	(403.461.613.27)	(391.551.131.005)
Finance lease fixed assets	34.315.050.213	34.315.050.213
Historical costs	67.409.423.358	52.411.322.590
Accumulated depreciation (*)	(11.073.352.951)	(18.096.272.377)
Intangible fixed assets	62.792.457.553	64.797.518.592
Historical costs	68.204.471.219	68.204.471.219
Accumulated amortization (*)	(5.412.013.666)	(3.406.952.627)
Long-term assets in progress	460.417.449.070	38.931.017.089
Construction in progress	460.417.449.070	38.931.017.089

Chỉ tiêu	31/12/2024	01/01/2024
Long-term investments	114.999.404.677	114.999.404.677
Investments in joint ventures and associates	128.032.218.869	114.499.404.677
Held to maturity investments	3.000.000.000	3.500.000.000
Other long-term assets	54.342.419.784	68.931.777.188
Long-term prepaid expenses	47.036.738.493	61.071.362.374
Deferred income tax assets	370.021.161	
Good will	6.935.660.130	7.860.414.814
TOTAL ASSETS	2.471.211.782.392	1.681.640.419.807

Chỉ tiêu	31/12/2024	01/01/2024
CAPITAL		
LIABILITIES	1.723.292.419.169	951.756.693.817
Current liabilities	1.338.082.965.264	913.629.200.758
Short-term trade payables	278.615.664.605	206.915.812.157
Short-term prepayments from customers	68.040.488.517	65.450.116.839
Taxes and other payables to State budget	20.921.333.197	21.981.942.951
Payables to employees	16.602.439.323	13.764.330.068
Short-term accrued expenses	14.450.223.537	11.650.121.353
Other short-term payments	61.230.124.075	12.588.153.990
Short-term borrowings and finance lease liabilities	864.219.493.965	580.657.983.239
Bonus and welfare fund	14.003.198.045	620.740.161
Non-current liabilities	385.209.453.905	38.127.493.059
Long-term trade payables	48.552.878.934	
Other long-term payables	150.000.000	1.000.000.000
Long-term borrowings and finance lease liabilities	323.254.050.154	23.452.484.170
Deferred income tax liabilities	13.252.524.817	13.675.008.889
OWNER'S EQUITY	747.718.164.266	729.883.725.990
Owner's equity	450.000.000.000	450.000.000.000

Chỉ tiêu	31/12/2024	01/01/2024
Contributed capital	450.000.000.000	450.000.000.000
Ordinary shares with voting rights	40.010.480.000	40.010.480.000
Share Premium	57.353.390.932	
Development and investment funds	163.414.518.842	218.347.257.811
Retained earnings	95.911.408.995	116.892.000.034
Retained earnings accumulated to previous year	67.503.109.847	101.455.257.777
Retained earnings of the current year	36.939.774.492	21.525.988.179
TOTAL CAPITAL	2.471.211.782.392	1.681.640.419.807

CONSOLIDATED STATEMENT OF INCOME YEAR 2024

Chỉ tiêu	31/12/2024	01/01/2024
Revenue from sales of goods and rendering of services	1.692.068.298.858	1.395.602.106.583
Revenue deductions	231	41.495.344
Net revenue from sales of goods and rendering of services	1.692.068.298.627	1.395.560.611.239
Cost of goods sold and services rendered	1.425.928.927.552	1.104.145.849.664
Gross profit from sales of goods and rendering of services	266.139.371.075	291.414.761.575
Financial income	8.758.836.895	7.189.359.078
Financial expense	61.991.179.349	52.052.133.055
In which: Interest expenses	56.620.018.291	46.381.960.935
Share of joint ventures and associates' profit or loss	16.532.814.192	21.499.404.677
Selling expense	76.190.154.054	79.680.292.168
General and administrative expenses	65.898.742.680	64.130.816.701
Net profit from operating activities	87.350.946.079	124.240.283.406
Other income	1.364.473.885	59.868.072
Other expense	4.895.962.549	1.006.307.303
Other profit	(3.531.488.664)	(946.439.231)
Total net profit before tax	83.819.457.415	123.293.844.175

Chỉ tiêu	31/12/2024	01/01/2024
Current corporate income tax expenses	17.079.838.488	21.440.145.819
Deferred corporate income tax expenses	(792.505.233)	(422.484.072)
Profit after corporate income tax	67.532.124.160	102.276.182.428
Profit after tax attributable to owners of the parent	67.503.109.847	101.455.257.777
Profit after tax attributable to non-controlling interest	29.014.313	820.924.651
Basic earnings per share	1.500	2.680

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR 2024

Chỉ tiêu	31/12/2024	01/01/2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	83.819.457.415	123.293.844.175
Depreciation and amortization of fixed assets and investment properties	37.722.458.641	38.317.417.089
Exchange gains / losses from retranslation of monetary items denominated in foreign currency	2.350.071.344	641.056.935
Gains / losses from investment activities	(20.706.834.883)	(23.604.260.236)
Interest expense	-56.620.018.291	46.381.960.935
Operating profit before changes in working capital	159.805.170.808	185.030.018.898
Increase/decrease in receivables	63.991.230.811	(276.656.521.489)
Increase/decrease in inventories	(294.869.015.050)	(87.196.918.776)
Increase/decrease in payables (excluding interest payable/ corporate income tax payable)	71.738.331.841	80.935.897.319
Increase/decrease in prepaid expenses	13.058.243.854	21.482.474.435
Interest paid	(56.412.344.043)	(46.086.693.555)
Corporate income tax paid	(22.991.558.787)	(13.544.170.553)
Other payments on operating activities	(6.700.000.000)	
Net cash flows from operating activities	(72.379.940.566)	(136.035.913.721)
CASH FLOWS FROM INVESTING ACTIVITIES		

Dong Nai, April 20, 2025

REPRESENTATIVE OF THE ISSUING ORGANIZATION
HOANG GIA PRODUCTION AND INVESTMENT JOINT STOCK COMPANY
CHAIRMAN OF THE BOARD OF DIRECTORS



DINH VIET ANH