**DHB: Explanation on the Financial Statements 2023**

On March 18, 2024, Ha Bac Nitrogenous Fertilizer & Chemicals Joint Stock Company announced Official Dispatch No. 413/DHB-KTTC on explaining the business results in 2023 as follows:

1. Explanation on the change of over 10% in the business results of 2023 compared to that of 2022.

The Company's production and business results in 2023 reached a profit of VND 858 Billion, a decrease of VND 921 Billion compared to 2022, the main reasons are as follows:

* The Company's consumption situation faced difficulties due to the sharp decrease in selling prices of Ure and NH3 following world prices and remaining at a low level, with fierce competition between domestic production units and imported products. Revenue from goods sales of 2023 decreased by 31.5% compared to 2022.
* Prices of coal, supplies, and other input materials remained high, coal prices increased by 9% compared to 2022, domestic coal sources are always in short supply, pushing product prices up.
* In 2023, the Project to restructure the Company's investment loans at the Vietnam Development Bank was officially approved by the Government with some basic contents as follows:
* Adjust to reduce lending interest rates for loans at Vietnam Development Bank to 8.55% per year from January 01, 2022;
* Remove interest debt calculated on overdue principal debt and interest debt calculated on late payment interest debt that has not been paid until December 31, 2022;
* Extend loan term for another 8 years (From October 01, 2023 to September 30, 2031);
* Stop calculating interest on late payment interest from December 22, 2023.

After the Project was approved, the total amount accounted for in other income of the Company was VND 1,802 billion. By December 31, 2023, the Company overcame the situation of negative owners’ equity.

1. Explanation on the auditors’ qualified opinion

Moore AISC Auditing and Informatics Services Company Limited gave the qualified opinion on the final settlement of the completion of the renovation and expansion project of Ha Bac Fertilizer and Chemicals Factory.

Following the direction of Vietnam National Chemical Group on the finalization progress of the project to be completed in 2017, on December 01, 2017, the Company completed the Project settlement Report of the completion of the renovation and expansion project of Ha Bac Fertilizer and Chemicals Factory, in which the EPC contract was settled by the Company.

In the past time, the Company continued to coordinate and urge the Contractor to complete the settlement dossiers. However, up to now, the two parties have not agreed on a number of issues. Hence, up to now, the settlement of items of EPC contract has not been finalized, and there is not enough basis for approving the project settlement and the relevant debts have not been confirmed with the Contractor.

1. Explanation on emphasized issues:

Moore AISC Auditing and Informatics Services Company Limited raised an emphasized issue that the Company's Financial Statements 2023 were presented on the basis of a going concern assumption.

In 2023, the project to restructure the Company's investment loans at the Vietnam Development Bank was officially approved by the Government. The Company was able to write off loan interest, reduce loan interest rates and restructure the debt repayment term, the Company's short-term assets guaranteed payment for short-term debts, and the Owner's capital contribution was greater than the accumulated loss by December 31, 2023. Therefore, the Company's Financial Statements 2023 were presented on the basis of a going concern assumption.