

**VIETNAM NATIONAL CHEMICAL GROUP
HABAC NITROGENOUS FERTILIZER AND CHEMICALS
JOINT STOCK COMPANY**

FINANCIAL STATEMENTS

**For the accounting period
from 01/10/2024 to 31/12/2024**

Bac Giang, January 2025

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INTERIM BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS	Code	Notes	31/12/2024	01/01/2024
A. CURRENT ASSETS	100		1.280.070.417.192	1.197.217.623.498
I. Cash and cash equivalents	110	V.1	371.815.496.069	321.675.669.771
1. Cash	111		371.815.496.069	321.675.669.771
II. Short-term financial investments	120	V.2	48.000.000.000	18.000.000.000
1. Held-to-maturity investments	123		48.000.000.000	18.000.000.000
III. Short-term receivables	130		247.334.172.387	233.221.559.009
1. Short-term trade receivables	131	V.3	194.518.231.831	200.035.369.805
2. Short-term prepayments to suppliers	132	V.4	37.973.043.906	18.432.123.924
3. Other short-term receivables	136	V.5	20.053.233.712	20.098.402.342
4. Provision for short-term doubtful receivables	137	V.3,4,5	(5.210.337.062)	(5.344.337.062)
IV. Inventories	140	V.7	538.530.359.811	606.416.719.831
1. Inventories	141		538.530.359.811	606.416.719.831
V. Other current assets	150		74.390.388.925	17.903.674.887
1. Short-term prepaid expenses	151	V.11a	5.677.546.358	5.463.108.399
2. Deductible value added tax	152	V.14b	68.712.842.567	10.754.647.734
3. Taxes and other receivables from the State	153	V.20		1.685.918.754
B. LONG-TERM ASSETS	200		4.967.010.492.705	5.548.647.382.535
I. Long-term receivables	210		740.804.017.963	740.804.017.963
1. Other long-term receivables	216	V.5	740.804.017.963	740.804.017.963
II. Fixed assets	220		3.544.838.254.694	4.064.082.996.807
1. Tangible fixed assets	221	V.9	3.544.838.254.694	4.062.847.912.136
- Cost	222		9.842.734.235.963	9.819.220.986.616
- Accumulated depreciation	223		(6.297.895.981.269)	(5.756.373.074.480)
2. Intangible fixed assets	227	V.10	0	1.235.084.671
- Cost	228		13.226.611.293	13.226.611.293
- Accumulated depreciation	229		(13.226.611.293)	(11.991.526.622)
III. Long-term assets in progress	240	V.8	92.343.894.458	71.809.337.198
1. Long-term work in progress	241		33.552.540	33.552.540
2. Construction in progress	242		92.310.341.918	71.775.784.658
V. Long-term financial investments	250	V.2	13.218.878.465	13.218.878.465
1. Investments in joint ventures, associates	252		9.662.812.368	9.662.812.368
2. Equity investments in other entities	253		3.556.066.097	3.556.066.097
VI. Other long-term assets	260		575.805.447.125	658.732.152.102
1. Long-term prepaid expenses	261	V.11b	575.805.447.125	658.732.152.102
TOTAL ASSETS	270		6.247.080.909.897	6.745.865.006.033

INTERIM BALANCE SHEET

As at 31 December 2024

Unit: VND

C. RESOURCES	300		5.629.212.667.649	6.134.258.143.777
I. LIABILITIES	310		1.173.591.345.018	1.080.764.573.583
1. Short-term trade payables	311	V.12	386.144.351.853	414.511.282.093
2. Short-term advances from customers	312	V.13	117.549.295.214	9.071.721.825
3. Taxes and payables to the State	313	V.14	500.166.207	1.112.279.092
4. Payables to employees	314		45.049.252.495	70.064.940.205
5. Short-term accrued expenses	315	V.15	576.813.743	8.998.258.018
6. Other short-term payables	319	V.16a	208.448.097.686	202.936.667.471
7. Short-term borrowings and finance lease liabilities	320	V.17a	415.263.223.306	374.004.949.047
8. Provision for short-term payables	321	V.18		
9. Bonus and welfare fund	322		60.144.514	64.475.832
II. Long-term liabilities	330		4.455.621.322.631	5.053.493.570.194
1. Other long-term payables	337	V.16b	2.085.715.122.631	2.538.419.080.194
2. Long-term borrowings and finance lease liabilities	338	V.17b	2.369.906.200.000	2.515.074.490.000
D. OWNERS' EQUITY	400	V.19	617.868.242.248	611.606.862.256
I. Owners' equity	410		617.868.242.248	611.606.862.256
1. Owners' contributed capital	411		2.722.000.000.000	2.722.000.000.000
- Common shares with voting rights	411a		2.722.000.000.000	2.722.000.000.000
2. Undistributed profit after tax	421		(2.104.131.757.752)	(2.110.393.137.744)
- Undistributed profit after tax accumulated to the end of the previous period	421a		(2.110.393.137.744)	(2.968.677.588.834)
- Undistributed profit after tax in the current period	421b		6.261.379.992	858.284.451.090
TOTAL RESOURCES	440		6.247.080.909.897	6.745.865.006.033

Bac Giang, 20 January 2025

Preparer



Nguyen Thi Hong Nhung

Chief Accountant



Le Anh Tuan

General Director




Nguyen Van Dung

INTERIM INCOME STATEMENT

For the accounting period from 01/10/2024 to 31/12/2024

Unit: VND

ITEMS		Notes	Quater IV 2024	Quater IV 2023	Accumulated in 2024	Accumulated in 2023
1.	Revenue from goods sold and services rendered	01 VI.1	1.447.519.906.093	1.189.276.031.758	4.439.477.098.072	4.413.475.970.445
2.	Net revenue from goods sold and services rendered		1.447.519.906.093	1.189.276.031.758	4.439.477.098.072	4.413.475.970.445
3.	Cost of goods sold	11 VI.2	1.232.942.580.799	1.126.121.769.872	4.162.403.032.995	4.428.747.705.041
4.	Gross profit from goods sold and services rendered (20 = 10 - 11)		214.577.325.294	63.154.261.886	277.074.065.077	(15.271.734.596)
5.	Financial income	21 VI.3	10.972.156.527	5.844.612.937	70.563.777.664	21.575.049.544
6.	Financial expenses	22 VI.4	97.991.446.151	136.001.723.156	316.601.811.843	699.692.866.662
	<i>In which: Interest expenses</i>	23	<i>50.523.229.671</i>	<i>136.001.723.156</i>	<i>203.307.955.862</i>	<i>642.445.738.924</i>
7.	Selling expenses	25 VI.5a	31.525.945.567	39.114.571.739	86.347.980.481	94.768.244.031
8.	General and administrative expenses	26 VI.5b	33.048.917.841	50.028.054.088	135.824.364.153	156.638.227.377
9.	Net profit from operating activities (30 = 20 + (21 - 22) - (25 + 26))	30	62.983.172.262	(156.145.474.160)	(191.136.313.736)	(944.796.023.122)
10.	Other income	31 VI.6	5.160.130.920	1.803.256.316.804	248.982.692.225	1.803.845.265.031
11.	Other expenses	32 VI.7	878.530.265	431.601.913	51.584.998.497	764.790.819
12.	Other profit (40 = 31 - 32)	40	4.281.600.655	1.802.824.714.891	197.397.693.728	1.803.080.474.212
13.	Total accounting profit before tax (50 = 30 + 40)	50	67.264.772.917	1.646.679.240.731	6.261.379.992	858.284.451.090
14.	Current Corporate income tax expense	51 VI.9				
15.	Deferred corporate income tax expenses	52				
16.	Profit after Corporate income tax (60 = 50 - 51 - 52)	60	67.264.772.917	1.646.679.240.731	6.261.379.992	858.284.451.090

Preparer



Nguyen Thi Hong Nhung

Chief Accountant



Le Anh Tuan

General Director



Nguyen Van Dung

Bac Giang, 20 January 2025

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INTERIM CASH FLOW STATEMENT

(Under indirect method)

For the accounting period from 01/10/2024 to 31/12/2024

ITEMS	Code	Notes	Accumulated in 2024	Accumulated in 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Profit before tax	01		6.261.379.992	858.284.451.090
2. Adjustments for:				
- Depreciation of fixed assets and investment properties	02	V.9,10	626.674.030.149	624.767.388.163
- Provisions	03		0	0
- Gains/losses from foreign exchange differences upon revaluation of monetary items in foreign currencies	04		67.667.275.146	47.558.939.282
- Gains/losses from investing activities	05		(6.646.316.594)	(8.983.445.949)
- Interest expense	06	VI.4	203.307.955.862	642.445.738.924
3. Profit from operating activities before changes in working capital	08		897.264.324.555	2.164.073.071.510
- Increase (-)/ decrease (+) in receivables	09		(70.648.834.663)	59.200.704.924
- Increase (-)/ decrease (+) in inventories	10		67.886.360.020	240.943.050.661
- Increase (+)/ decrease (-) in payables (Other than payables, income tax payable)	11		(298.510.975.260)	(1.760.922.188.908)
- Increase (-)/ decrease (+) in prepaid expenses	12		(1.360.767.775)	17.849.618.387
- Interest expense paid	14		(333.729.454.763)	(233.668.733.275)
Net cash flow from operating activities	20		260.900.652.114	487.475.523.299
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchase and construction of fixed assets and other long-term assets	21		(24.965.457.659)	(9.724.189.483)
2. Proceeds from disposals of fixed assets and other long-term assets	22			
3. Loans granted, purchases of debt instruments of other entities	23		(30.000.000.000)	
4. Proceeds from lending or equity investment in other entities	24			15.000.000.000
5. Proceeds from disposal of investments in other entities	26			
6. Proceeds from loan interest, dividends and profit received	27		6.646.316.594	8.737.615.812
Net cash flow from investing activities	30		(48.319.141.065)	14.013.426.329
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1. Proceeds from borrowings	33		1.890.182.696.271	1.650.153.340.205
2. Repayments of principal	34		(2.052.357.922.013)	(2.035.282.588.604)
Net cash flow from financing activities	40		(162.175.225.742)	(385.129.248.399)

ITEMS	Code	Notes	Accumulated in 2024	Accumulated in 2023
Net cash flow in the period (50 = 20+ 30 + 40)	50		50.406.285.307	116.359.701.229
Cash and cash equivalents at the beginning of the period	60		321.675.669.771	207.176.087.962
Effect of exchange rate fluctuations	61		(266.459.009)	(1.860.119.420)
Cash and cash equivalents at the end of the period (70 = 50+60+61)	70	V.1	371.815.496.069	321.675.669.771

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Bac Giang, 20 January 2025

Preparer



Nguyen Thi Hong Nhung

Chief Accountant



Le Anh Tuan

General Director




Nguyen Van Dung

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

I. BUSINESS HIGHLIGHTS**1. Establishment:**

Ha Bac Nitrogenous Fertilizer and Chemicals Joint Stock Company (hereinafter referred to as "the Company") is an enterprise equitized from a 100% state-owned company, that was Habac Nitrogenous Fertilizer and Chemicals One Member Limited Liability Company, from 01 January 2016. The Company operates under the first Business Registration Certificate No. 2400120344 dated 21 December 2006 issued by the Department of Planning and Investment of Bac Giang Province, the 14th amended certificate on 06 October 2024.

Form of ownerships:

Joint Stock Company

2. Business sector:

The Company's business sector is industrial production.

3. Business lines

Producing and trading chemical products and fertilizers, specifically: Urea fertilizer, NH₃, CO₂, industrial gas products, etc.

Transaction name in English

Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company

In short:

HANICHEMCO

Listing code:

DHB

Head office:

Tran Nguyen Han Street, Tho Xuong Ward, Bac Giang City, Bac Giang Province

4. Normal operating cycle

Normal operating cycle of the Corporation lasts 12 months of the normal fiscal year beginning from 01 January and ending on 31 December annually.

5. The Company's operations in the financial year affecting the Financial Statements:

None.

6. Enterprise's structure

List of joint ventures and associates

As at 31 December 2024, the Company has one (01) associate as follows:

<i>Name and address</i>	<i>Main business activity</i>	<i>Capital contribution ratio</i>	<i>Ownership ratio</i>	<i>Voting rights ratio</i>
Habac Liquefied Gas Joint Stock Company	Production and sales of CO ₂	36,00%	36,00%	36,00%

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

7. Disclosure on the comparability of information in the Financial Statements:

The selection of figures and information needs to be presented in the Financial Statements based on the principles of comparability among corresponding accounting periods.

II. ACCOUNTING PERIOD AND REPORTING CURRENCY**1. Annual accounting period**

The Company's annual accounting period begins on 01 January and ends on 31 December.

2. Currency unit used in accounting

Vietnamese Dong (VND) is used as a currency unit for accounting records.

III. APPLICABLE ACCOUNTING STANDARDS AND REGIME**1. Applicable accounting regime**

The Company applies the Vietnamese Corporate Accounting Regime as guided in Circular No. 200/2014/TT-BTC dated 22 December 2014 and Circular No. 53/2016/TT-BTC dated 21 March 2016 by the Ministry of Finance on amending and supplementing a number of articles of Circular No. 200/2014/TT-BTC.

2. Disclosure of compliance with Vietnamese Accounting Standards and Regime

We conducted our accounting, preparation, and presentation of the Financial Statements in accordance with Vietnamese Accounting Standards and System and other relevant statutory regulations. The Financial Statements give a true and fair view of the financial position of the Company and the results of its operations as well as its cash flows.

The selection of figures and information presented in the notes to the Financial Statements complies with the material principles in Vietnamese Accounting Standard No. 21 - "Presentation of the financial statements".

IV. APPLICABLE ACCOUNTING POLICIES**1. Types of exchange rates applied in accounting**

The Company converts foreign currencies into Vietnam Dong based on actual exchange rates and book rates.

Principles for determining actual exchange rates

All transactions denominated in foreign currencies that arise during the period (trading foreign currencies, capital contribution or receipt of contributed capital, recording receivables and payables, purchasing assets or expenses immediately paid by foreign currencies) are converted at the actual exchange rates ruling as of the transaction dates.

Closing balance of monetary items (cash, cash equivalents, payables and receivables, except for prepayments to suppliers, advances from customers, pre-paid expenses, deposits and unearned income) denominated in foreign currencies should be revalued at the actual rate ruling at the balance sheet date.

Principles for determining book rates

When recovering receivables, deposits, collaterals or payments for payables in foreign currencies, the Company uses specific identification book rate.

When making payments in foreign currencies, the Company uses a moving weighted average rate.

2. Principles for recording cash and cash equivalents

Cash includes cash on hand, demand deposits.

Cash equivalents comprise term deposits, short-term investments with an original maturity of three months or less since investment date, high liquidity and are able to convert to a known amount of cash and subject to an insignificant risk of changes in value.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

3. Principles for accounting financial investments**Principles for accounting held-to-maturity investments**

Held-to-maturity investments include term deposits.

Held-to-maturity investments are initially recognized at cost, including the purchase price and costs associated with the acquisition of the investments. After initial recognition, if provisions for doubtful debts have not been made as required by law, these investments are evaluated at their recoverable values. When there is firm evidence that part or all of the investment may not be recovered, the loss is recognized as financial expenses during the year and a decrease in the investment value.

Principles of recording financial investments in subsidiaries, joint ventures, associates

The investments in subsidiaries are recognized when the Company holds more than 50% of voting rights and has the power to govern the financial and operating policies in order to obtain economic benefits from the subsidiaries' operation. When the Company ceases to control the subsidiaries, the investment in the subsidiaries will be written down.

The investment in joint ventures is recorded when the Company holds joint control over these entities' financial and operating policies. When the Company ceases to control these entities, the investment will be written down.

The investments in associates are recognized when the Company holds from 20% to less than 50% of the voting rights of those companies and has considerable influence over their decisions on their financial and operating policies.

Investments in subsidiaries, joint ventures, associates are initially recognized under original cost and will not be adjusted thereafter for changes in investors' share of net assets of the investee. The original cost comprises purchase cost and directly attributable expenses to the investment. In a case where the investment is a non-monetary investment, the investment fee is recognized under the fair value of these assets at the date of occurrence.

Provision for loss of investments in subsidiaries, joint ventures, and associates is made when the investee suffers from loss leading to possible loss of capital of investor or the value of the investments is impaired. The basis for making provisions is based on the consolidated financial statements of the investee (if it is a parent company), and the investee's financial statements (if it is an independent enterprise without subsidiaries).

4. Principles for recording trade receivables and other receivables

Principle for recording receivables: At the original cost less provision for doubtful debts.

The classification of the receivables as trade receivables, internal receivables and other receivables depends on the nature of the transaction or relationship between the company and the debtor.

Method of making provision for doubtful receivables: Provision for doubtful debts is estimated for the loss value of the receivables, other held-to-maturity investments similar to doubtful debts that are overdue and undue, but are likely to become possibly irrecoverable due to insolvency of debtors who go bankrupt, making procedures for dissolution, go missing or run away, etc.

5. Principles for recording inventories:

Principle of recording inventories: Inventories are stated at cost less (-) the provision for the devaluation of obsolete and deteriorated inventories.

Original costs of inventories are determined as follows:

- Raw materials, tools and instruments: consist of purchase cost, transportation cost and other directly attributable costs in bringing the inventories to their present location and condition.
- Finished products: include the costs of raw materials, direct labor, and related manufacturing overheads, which are collected based on the actual costs incurred for each production stage.
- Work in progress: includes the cost of major raw materials, direct labor, and manufacturing overheads incurred during the production process.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

5. Principles for recording inventories (continued)

Method of calculating inventories' value: Weighted average cost

Accounting for the inventories: Perpetual method

Method of making provision for the devaluation of inventories: Provision for the devaluation of inventories is made when the net realizable value of inventories is lower than their original cost. Net realizable value is the estimated selling price less the estimated costs of completion and selling expenses. Provision for the devaluation of inventories is the difference between the cost of inventories greater than their net realizable value. Provision for the devaluation of inventories is made for each inventory with the cost greater than the net realizable value.

6. Principles for recording and depreciating fixed assets**6.1 Principles for recording tangible fixed assets**

Tangible fixed assets are stated at the original cost less accumulated depreciation. The original cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred beyond their originally assessed standard of performance are capitalized as an additional cost of tangible fixed assets when they have resulted in an increase in the future economic benefits expected to be obtained from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the period.

When the assets are sold or disposed of, their original costs and the accumulated depreciation which have been written off, and any gain or loss from the disposal of assets are recorded as income or expense during the period.

Determination of original cost in each case:

Tangible fixed assets purchased

The original cost of purchased tangible fixed assets shall consist of the actual purchase price less (-) trade discounts or reduction, taxes (excluding taxes to be refunded) and relevant expenses calculated to the time when such fixed assets are put into operation such as fees for installation and trial operations, specialists and other direct costs.

The original cost of a tangible fixed asset formed from capital construction under the mode of tendering shall be the finalization price of the construction project, other relevant fees plus registration fee (if any).

Fixed assets are buildings, and structures attached to land use rights, the value of land use rights is computed separately and recorded as intangible fixed assets.

6.2 Principles for recording intangible fixed assets:

Intangible fixed assets are stated at the original cost less accumulated amortization. The original cost of an intangible fixed asset comprises all costs incurred by the enterprise to acquire that asset from the date of its operation as expected.

Determination of original cost in each case:

Computer software

Computer software includes all expenses the company incurred to obtain software for use.

6.3 Method of depreciating fixed assets

Fixed assets are depreciated on straight-line basis over their estimated useful lives. Useful life means the duration in which the tangible fixed assets produce their effect on production and business.

T1. Estimated useful lives of the fixed assets are as follows:

<i>Factories and structures</i>	<i>5 - 25 years</i>
<i>Machinery and equipment</i>	<i>5 - 15 years</i>
<i>Means of transportation</i>	<i>6 years</i>
<i>Intangible fixed assets</i>	<i>3 - 8 years</i>

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

6.3 Method of depreciating fixed assets (continued)

Based on Notice No. 947/HCVN-TCKT dated 24 May 2017 of Vietnam Chemical Group, specifically as follows:

- In 2017, the Company depreciated fixed assets by 40% under the straight-line method;
- In 2018 and 2019, the Company depreciated fixed assets by 50% under the straight-line method.

The company records the suspended depreciation costs in the "Long-term prepaid expenses" on the Balance Sheet.

7. Principles for recording construction in progress

Construction in progress is recorded at cost. This cost includes all costs necessary to newly purchase fixed assets, build or repair, renovate, expand or re-equip technical works such as construction costs; equipment costs; compensation, support and resettlement costs; project management costs; construction investment consulting costs and other costs.

This cost is carried forward to increase asset value when the project is completed, the assets are handed over and put into a ready-to-use state.

8. Principles for recording prepaid expenses

The Company's prepaid expenses are all expenses incurred but related to the operating result of several accounting periods. The Company's prepaid expenses include the following expenses: Insurance costs (fire and explosion insurance, car insurance, property insurance, etc.); tools and instruments; fixed asset repair costs; prepaid land rental fee; business advantages; extended depreciation costs, etc.

Method of allocating prepaid expenses: The determination and allocation of prepaid expenses into the operating cost of each period is on a straight-line basis. Based on the nature and level of each expense, the term of allocation is defined as follows: short-term prepaid expenses should be allocated within 12 months; Long-term prepaid expenses should be allocated from 12 months to 36 months. Particularly, business advantages upon equitization are allocated for 10 years; depreciation costs will be suspended for 2 years (for assets with the remaining useful life less than or equal to 2 years) and allocated according to the remaining useful life (for assets with remaining useful life over 2 years).

9. Principles for recording liabilities

Liabilities are recorded at the original cost and not lower than the payment obligation.

The Company classifies liabilities into trade payables, internal payables and other payables depending on the nature of transactions and the relationship between the Company and debtors.

Liabilities must be recorded in detail according to the payment schedule, creditor, original currency (including the revaluation of liabilities that meet the definition of monetary items denominated in foreign currencies) and other factors as per the Company's management

At the reporting date, if it is evident that there is an unavoidable loss, an amount payable will be immediately recorded under prudent principles.

10. Principles for recording borrowings

Borrowings are total amounts the Company owes to banks, institutions, financial companies and other objects (excluding borrowings under the form of bond or preferred stock issuance which require the issuer to repurchase at a certain time in the future).

Borrowings and financial lease liabilities are monitored in detail for each creditor, loan agreement and borrowed asset.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

11. Principles of recording and capitalizing borrowing costs:

Principles for recording borrowing costs: Loan interest and other costs incurred in direct relation to borrowings of an enterprise are recognized as a business and production cost in the period, except where these costs incurred from the borrowings directly related to the construction investment or production of uncompleted assets are computed in these assets' value (capitalized) when they satisfy conditions stipulated in the VAS No. 16 "Borrowing costs".

The capitalization rate is used to determine the borrowing costs capitalized during the period: In the case of joint borrowings involving construction investment purposes or the production of an unfinished asset, the amount of borrowing costs eligible for capitalization in each accounting period is determined based on the capitalization rate for the weighted average accumulated costs incurred for the construction investment or production of that asset. The capitalization rate is calculated based on the weighted average interest rate of the loans outstanding during the period. Borrowing costs capitalized must not exceed the total borrowing costs incurred during that period.

12. Principles for recording accrued expenses

Accrued expenses include loan interest expenses... incurred during the reporting period but have not yet been paid out. These expenses are recorded based on reasonable estimates of the amounts payable under contracts, and agreements,...

13. Principles for recording provisions for payables:

Provisions for payables are only recognized when the following conditions are met: the Company has a present obligation (legal or constructive) as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; And value of the obligation can be estimated reliably.

The amount recognized as a provision for payables should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Provision for payables includes provisions for periodic repair and maintenance of fixed assets (as per technical requirements).

14. Principles for recording owners' equity**Principles for recording owners' contributed capital:**

The owner's contributed capital is the amount that is initially contributed by members and supplemented from the shareholders. The owners' equity will be recorded at the actually contributed capital by cash or assets in the early establishment period or additional mobilization to expand the operation.

Principles for recording undistributed profit:

Undistributed profit after tax is recorded at the profit (loss) from the Company's result of operation after deducting (- the current corporate income tax expense and the adjusted items due to the retroactive application of changes in accounting policy and adjustments for material misstatement of the previous years.

The distribution of profits is based on the Company's charter and approved by the Annual General Shareholders' Meeting.

15. Principles and methods for recording revenues and other income**Principles and methods for recording revenue from goods sold**

Revenue from the sale of goods should be recognized when all five (5) following conditions have been satisfied: 1. The enterprise has transferred to the buyer the significant risks and rewards of ownership of the goods; 2. The enterprise retains neither continuing managerial involvement as an owner nor effective control over the goods sold; 3. The amount of revenue can be measured reliably; When the contract specifies that buyers are entitled to return products, goods they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have right to return products, goods (except for changing to other goods, services) 4. The economic benefits associated with the transaction has flown or will flow to the enterprise; 5. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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15. Principles and methods for recording revenues and other income (continued)**Principles and methods for recording revenue from services rendered**

Revenue from a service rendered is recognized when the transaction results can be measured reliably. In a case where the services are rendered in several periods, the revenue will be recorded by the part of completed works at the end of the period. Revenue from services rendered is recognized when all four (4) of the following conditions are satisfied simultaneously: 1. The revenue is determined firmly. When the contract specifies that buyers are entitled to return the service they have bought under specific conditions, the enterprise will record the revenue only when those conditions no longer exist and the buyers do not have the right to return the service; 2. The economic benefits associated with the transaction have flown or will flow from the supply of the provided service; 3. Part of completed works can be determined at the balance sheet date; 4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

If the contract result cannot be determined reliably, revenue will only be recognized at the recoverable amounts of the recognized costs.

Principles and methods for recording financial income

Financial income reflects income from interest, distributed dividends and profits, and other financial income (foreign change gains), etc.

Revenue from interest, royalties, distributed dividends and profit is recognized when both of the two following conditions are satisfied: 1. It is possible to obtain benefits from the transaction; 2. Revenue is determined with relative certainty.

- Interest income is recognized based on the time and actual interest rates in each period.

- Royalties are recognized on an accrual basis in accordance with agreements.

Dividends and profits distributed are recorded when shareholders are entitled to receive dividends or capital contributors are entitled to receive profits from capital contribution.

When an amount that has been recorded as an income becomes irrecoverable, such irrecoverable or uncertainly recoverable amount must be recorded as an expense incurred in the period, but not recorded as an income decrease.

16. Principles and methods of recording cost of goods sold

Cost of goods sold reflects the cost of products, services, sold during the period and other costs recorded in cost of goods sold or recorded as reductions in cost of goods sold in the reporting period. The cost of goods sold is recorded at the date the transaction incurs or is likely to incur in the future regardless of whether payment has been made or not. The cost of goods sold and revenue shall be recorded simultaneously on the matching principle. Expenses exceeding normal consumption levels are recorded immediately to the cost of goods sold on a prudent principle.

17. Principles and methods for recording financial expenses

Financial expenses include: Lending and borrowing costs; Provision for impairment of financial investments, losses from selling foreign currencies, Foreign exchange losses and other financial expenses.

Financial expenses are recorded in detail for each expense incurred in the period and determined reliably when there is reliable evidence of these expenses.

18. Principles and methods for recording current Corporate income tax expense

Corporate income tax includes current corporate income tax and deferred corporate income tax incurred in the year and set a basis for determining operating results after tax in the current fiscal year.

Current Corporate tax expense is the tax payable on the taxable income and tax rate enacted in the current year.

The tax payables to the State budget will be finalized with the tax office. The difference between the tax payables specified in the book and the tax amounts under finalization will be adjusted when the tax finalization has been issued by the tax office.

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19. Principles for recording basic earnings per share

Basic Earnings per share (EPS) is calculated by distributing profit or loss to the common shareholders after subtracting the Bonus and Welfare Fund created in the period and dividing by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by dividing profit or loss after tax to common shareholders (after adjusting dividends of preferred convertible shares) by the weighted average number of the common shares circulating in the period and the weighted-average number of the common shares will be issued in the case where all dilutive potential common are converted into common shares.

20. Financial instruments**Initial recognition:****Financial assets**

According to Circular No. 210/2009/TT-BTC dated November 06, 2009 (Circular No. 210) by the Ministry of Finance; financial assets are classified properly, for the purpose of presentation in the financial statements, into the financial assets which are stated at fair value through the Income Statement, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The Company decides to classify these assets at the date of initial recognition.

At the date of initial recognition, the financial assets are recognized at cost plus transaction cost that is directly attributable to the acquisition of the financial assets.

Financial assets of the Company comprise cash, short-term deposits, trade receivables and other receivables, loans, listed and unlisted financial instruments and derivative financial instruments.

Financial liabilities

According to Circular No. 210, financial liabilities are classified properly, for the purpose of presentation in the financial statements, into the financial liabilities which are stated through the Income Statement, financial liabilities determined on an allocated cost basis. The Company decides to classify these liabilities at the date of initial recognition.

All the financial liabilities are recognized at cost plus transaction cost that is directly attributable to the acquisition of the financial liabilities.

Financial liabilities of the Company comprise trade payables, other payables, borrowings and liabilities and derivative financial instruments.

Value after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the report on financial position if, and only if, there is a currently enforceable legal right to offset the financial assets against financial liabilities or vice-versal and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously.

21. Related parties

Related parties include enterprises and individuals that directly or indirectly through one or more intermediaries, control, or are under control of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel such as Board of Directors, Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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22. Presentation of assets, revenue and results of operation by segment

Business segment includes segment based on business sector and on geographical area.

A business segment is a distinguishable component of the Company engaged in production or in providing an individual product or service or a group of related products or services and that is subject to risks and rewards that are different from those of other business segments.

A geographical segment is a distinguishable component of the Company engaged in production or providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

Because the company's operations primarily focus on producing and trading fertilizers, with revenue and expenses mainly incurred in Bac Giang province, the company does not prepare segment reports by geographical area and business sector.

V. ADDITIONAL INFORMATION FOR ITEMS IN THE INTERIM BALANCE SHEET**1. Cash and cash equivalents**

	31/12/2024	01/10/2024
Cash	371.815.496.069	259.400.459.343
Cash on hand	3.725.588.904	2.637.864.682
Demand deposits	368.089.907.165	256.762.594.661
Total	371.815.496.069	259.400.459.343

2. Financial investments**a. Short-term financial statements**

	31/12/2024		01/10/2024	
	Cost	Book value	Cost	Book value
	48.000.000.000	48.000.000.000	48.000.000.000	48.000.000.000
- Term deposits (*)	48.000.000.000	48.000.000.000	48.000.000.000	48.000.000.000
Total	48.000.000.000	48.000.000.000	48.000.000.000	48.000.000.000

(*) Term deposits in detail

Contract No.	Balance	Term	Interest rate	Maturity date
Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch				
HDTG280/2019/15293	8.000.000.000	6 months	2.9%/year	11/3/2025
HDTG280/2021/22746	10.000.000.000	1 years	4.2%/year	22/7/2025
HDTG280/2024/67809	15.000.000.000	6 months	3.8%/year	25/1/2025
HDTG280/2024/669347	15.000.000.000	6 months	3.8%/year	7/2/2025

Deposit contracts at Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch are used as collateral to issue guarantees and open Letters of credit.

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b. Equity investments in other entities	31/12/2024		01/10/2024	
	Cost	Provision	Cost	Provision
- Investments in joint ventures, associates	9.662.812.368	0	9.662.812.368	0
Habac Liquefied Gas Joint Stock Company (*)	9.662.812.368	0	9.662.812.368	0
- Other investments	3.556.066.097	0	3.556.066.097	0
Ha Bac Hung Phat Chemical Joint Stock Company (**)	3.556.066.097	0	3.556.066.097	0
Total	13.218.878.465	0	13.218.878.465	0

- Status of operation of associates, other investments, and significant transactions between related parties during the period:

Associate - Habac Liquefied Gas Joint Stock Company

- Habac Liquefied Gas Joint Stock Company operates under the first Business Registration Certificate No. 2400742955 dated 30 October 2014 issued by the Department of Planning and Investment of Bac Giang Province. As at 31 December 2024, the Company recorded an investment of 864,906 shares in the associate, equivalent to VND 9,662,812,368 or 36% of its charter capital. The operations of the associate during the period are the production and trading of CO₂.

Transactions with the associate arising during the period: Sales of water, CO₂, NH₃, refined gas.

Other investments - Ha Bac Hung Phat Chemical Joint Stock Company

Ha Bac Hung Phat Chemical Joint Stock Company operates under first Business Registration Certificate No. 2400395807 dated 01 February 2008 issued by the Department of Planning and Investment of Bac Giang Province, and the fifth amended certificate on 27 October 2022. As at 31 December 2024, the Company recorded an investment of 400,000 shares, equivalent to VND 3,556,066,097 or 4.76% of its charter capital. The Company's operations during the period are the production and trading of H₂O₂.

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Unit: VND

3. Trade receivables	31/12/2024		01/10/2024	
	Value	Provision	Value	Provision
a. Short-term	194.518.231.831	0	206.487.623.227	0
Wuhan Engineering Co., Ltd - Project Management Office in Bac Giang (*)	54.084.783.360	0	54.084.783.360	0
Ha Bac Hung Phat Chemical Joint Stock Company	5.450.582.788	0	4.837.104.753	0
Long Bien Industrial Gas Joint Stock Company	4.873.630.520	0	5.557.487.100	0
Thanh Nam Group Construction Investment Trading Development Joint Stock Company	9.918.200.000	0	0	0
KC Ha Tinh Corporation Joint Stock Company - Central Branch	15.001.025.000	0	17.104.000	0
Thanh Son General Trading and Service Company Limited	33.427.000.000	0	0	0
SAMSUNG C AND T SINGAPORE PTE LTD	49.868.750.000	0	0	0
GYOHA CO.,LTD	7.423.500.000		5.641.442.400	0
VIETIMEX LIMITED COMPANY	10.142.925.000		0	0
Liven Nutrients Pte Ltd	0		60.261.194.653	0
Cuong Lien Agricultural Materials Company Linmited	0		17.777.900.000	0
F.A Joint Stock Company	0		27.230.028.100	
DAP 2 - VINACHEM Joint Stock Company	0		24.084.918.000	
Others	4.327.835.163	0	6.995.660.861	0
Total	194.518.231.831	0	206.487.623.227	0
b. Trade receivables from related parties				
DAP 2 - VINACHEM Joint Stock Company	0	0	24.084.918.000	0
Habac Liquefied Gas Joint Stock Company	902.310.017	0	1.393.407.536	0
Cộng	902.310.017	0	25.478.325.536	0

(*) This is receivable from the contractor related to the trial operation of fixed assets of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project.

All trade receivables are mortgaged under short-term loan contract No. 01/2024/HĐCVHM/NHCT280-ĐHB dated 04 July 2024 of Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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Unit: VND

4. Prepayments to suppliers	31/12/2024		01/10/2024	
	Value	Provision	Value	Provision
a. Short-term	37.973.043.906	0	17.431.214.356	0
Yueyang Dongtian Petrochemical Co.,Ltd, China	26.367.604.217	0	5.844.528.328	0
Hong Phuc Material and Equipment Co., Ltd	6.167.604.000	0	3.546.781.000	0
Hao Thien Dai Duong Engineering Services and Equipment Co., Ltd	310.122.230	0	1.705.899.690	0
ANP TECHNICAL COMPANY LIMITED	1.674.598.000	0	1.674.598.000	0
Others	3.453.115.459	0	4.659.407.338	0
Total	37.973.043.906	0	17.431.214.356	0
5. Other receivables	31/12/2024		01/10/2024	
	Value	Provision	Value	Provision
a. Short-term	20.053.233.712	(5.210.337.062)	21.627.413.829	(5.344.337.062)
Constrexim-MECO Joint Stock Company -Advance payment for site clearance of the resettlement project.	5.210.337.062	(5.210.337.062)	5.210.337.062	(5.210.337.062)
Other receivables related to liabilities of Fertilizer Plant Renovation and Expansion Project	4.654.692.143	0	4.654.692.143	0
Receivables for adjusting compensation costs for pipeline 390,395	2.701.391.102	0	2.701.391.102	0
Advances			1.714.523.600	
Others	7.486.813.405		7.346.469.922	(134.000.000)
b. Long-term	740.804.017.963	0	740.804.017.963	0
Receivable from EPC contractor, package 8 - Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	740.804.017.963	0	740.804.017.963	0
Total	760.857.251.675	(5.210.337.062)	762.431.431.792	(5.344.337.062)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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6. Bad debts	31/12/2024			01/10/2024		
	Cost	Provision	Recoverable amount	Cost	Provision	Recoverable amount
- Total value of receivables, loans that are overdue or not overdue but unlikely to be recovered	5.210.337.062	(5.210.337.062)	0	5.344.337.062	(5.344.337.062)	0
Constrexim-MECO Joint Stock Company - Advance payment for site clearance of the resettlement project.	5.210.337.062	(5.210.337.062)	0	5.210.337.062	(5.210.337.062)	0
People's Committee of Tran Nguyen Han Ward	0	-	0	134.000.000	(134.000.000)	0

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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7. Inventories	31/12/2024		01/10/2024	
	Cost	Provision	Cost	Provision
Raw materials	519.919.797.683	0	262.497.238.653	0
Tools, instruments	469.867.445	0	360.147.849	0
Work in progress	15.375.746.129	0	20.094.899.620	0
Finished products	2.764.948.554	0	204.971.240.003	0
Total	538.530.359.811	0	487.923.526.125	0

All inventories are mortgaged under short-term loan contract No. 01/2024/HĐCVHM/NHCT280-ĐHB dated 04 July 2024 of Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch.

8. Long-term assets in progress	31/12/2024		01/10/2024	
	Value	Provision	Value	Provision
a. Long-term work in progress	33.552.540	0	33.552.540	0
- Research to implement CA topic	33.552.540	0	33.552.540	0
b. Construction in progress	92.310.341.918	0	101.957.307.771	0
- Resettlement project (*)	70.873.660.448	0	70.873.660.448	0
- 130 tons/h steam boiler investment project-Thermal Workshop	11.310.909	0	11.310.909	0
- Limestone grinding system investment project - Thermal workshop	10.987.963	0	10.987.963	0
- Major repair costs of fixed assets	21.414.382.598	0	31.061.348.451	0
Cộng	92.343.894.458	0	101.990.860.311	0

(*) The project is being undertaken by the Ha Bac Nitrogenous Fertilizer and Chemicals Joint Stock Company, with a total investment of 87 billion Vietnamese Dong. The capital source is collected from land use fees when allocating land for resettlement but the Company advanced for implementation. The project is located in Tho Xuong Ward, Bac Giang City, Bac Giang Province, and aims to resettle people affected by Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project. As of now, the project has been basically completed and is awaiting final settlement.

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9. Tangible fixed assets

Items	Buildings, structures	Machinery, equipment	Means of transportation	Total
Original cost (*)				
Opening balance (01/10/2024)	2.038.502.813.603	7.764.000.012.543	34.305.297.778	9.836.808.123.924
<i>Purchased during the period</i>	<i>2.016.677.050</i>	<i>3.904.784.210</i>	<i>4.650.779</i>	<i>5.926.112.039</i>
Closing balance (31/12/2024)	2.040.519.490.653	7.767.904.796.753	34.309.948.557	9.842.734.235.963
Accumulated depreciation				
Opening balance (01/10/2024)	970.397.675.341	5.163.601.560.014	28.259.874.184	6.162.259.109.539
<i>Depreciated during the period</i>	<i>17.520.615.518</i>	<i>119.255.661.600</i>	<i>(1.139.405.388)</i>	<i>135.636.871.730</i>
Closing balance (31/12/2024)	987.918.290.859	5.282.857.221.614	27.120.468.796	6.297.895.981.269
Net book value				
Opening balance (01/10/2024)	1.068.105.138.262	2.600.398.452.529	6.045.423.594	3.674.549.014.385
Closing balance (31/12/2024)	1.052.601.199.794	2.485.047.575.139	7.189.479.761	3.544.838.254.694

10. Intangible fixed assets

Items	Computer software	Total
Original cost		
Opening balance (01/10/2024)	13.226.611.293	13.226.611.293
Closing balance (31/12/2024)	13.226.611.293	13.226.611.293
Accumulated depreciation		
Opening balance (01/10/2024)	12.962.198.771	12.962.198.771
<i>Depreciated during the period</i>	<i>264.412.522</i>	<i>264.412.522</i>
Closing balance (31/12/2024)	13.226.611.293	13.226.611.293
Net book value		
Opening balance (01/10/2024)	587.969.905	264.412.522
Closing balance (31/12/2024)	-	-

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	31/12/2024	01/10/2024
11. Prepaid expenses		
Short-term prepaid expenses	5.677.546.358	4.992.355.560
Insurance costs	3.771.776.207	3.375.207.063
Others	1.905.770.152	1.617.148.498
Long-term prepaid expenses	575.805.447.125	582.132.234.593
Business advantages when equitizing	18.835.350.030	18.835.350.030
Land rental fee (*)	52.413.103.238	53.217.705.446
Fixed asset depreciation is suspended under Notice No. 947/HCVN-TCKT	484.255.807.694	504.838.552.685
Others	20.301.186.163	5.240.626.432
Total	581.482.993.483	587.124.590.153

(*) According to Notice No. 163/TB-STC dated 7 August 2015 of the Department of Finance of Bac Giang province and documents determining the land rental fee to be offset against compensation and site clearance cost of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project by the Tax Department of Bac Giang province, the amount of VND 65,613,266,507 will be deducted from the annual land rental fees of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project in Huong Man village - Xuan Huong commune - Lang Giang district and 02 land lots in Tho Xuong ward - Bac Giang city until 2058. At 31 December 2024, the remaining site clearance amount is offset against the project's land rental fee is VND 52,413,103,238

	31/12/2024		01/10/2024	
	Value	Recoverable amount	Value	Recoverable amount
12. Trade payables				
a. Short-term	386.144.351.853	333.975.135.798	344.717.102.136	344.717.102.136
Wuhuan Engineering Co., Ltd (*)	235.876.130.842	235.876.130.842	228.505.398.189	228.505.398.189
F.A Joint Stock Company		0	0	0
Hoang Gia Trading & Service Company Limited	20.904.085.125	20.904.085.125	28.215.159.500	28.215.159.500
Ha Bac Electromechanical Joint Stock Company	3.317.792.356	3.317.792.356	543.334.521	543.334.521
Payable to other suppliers related to the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	2.476.959.000	2.476.959.000	2.476.959.000	2.476.959.000
LILAMA 69-1 Pha Lai Joint Stock Company	896.326.230	896.326.230	432.528.876	432.528.876
Vietnam National Coal & Mineral Industries Holding Corporation Limited	70.144.912.245	70.144.912.245	27.744.747.802	27.744.747.802
Vietnam Institute of Industrial Chemistry	358.930.000	358.930.000	3.262.820.000	3.262.820.000
Hoang Anh Investment Export Import JSC	28.919.505	28.919.505	2.586.548.051	2.586.548.051
Hai Phong Industrial Technology Joint Stock Company	0	0	7.864.210.504	7.864.210.504
HA LONG INVESTMENT COMPANY LIMITED	15.228.241.875	15.228.241.875	8.188.497.350	8.188.497.350
TRACO TRANSPORT JOINT STOCK CORPORATION NO.1	8.731.501.840	8.731.501.840	4.379.608.368	4.379.608.368
THAHUSA GROUP JOINT STOCK COMPANY	15.711.522.750	15.711.522.750	6.375.309.050	6.375.309.050
Others	12.469.030.085	12.469.030.085	24.141.980.925	24.141.980.925
Total	386.144.351.853	346.444.165.883	344.717.102.136	344.717.102.136

(*) This is payable to contractor related to the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project.

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12. Trade payables (continued)

b. Trade payables to related parties

	31/12/2024		01/10/2024	
	Value	Recoverable amount	Value	Recoverable amount
Vietnam Institute of Industrial Chemistry	358.930.000	358.930.000	3.262.820.000	3.262.820.000
Total	358.930.000	358.930.000	3.262.820.000	3.262.820.000

13. Advances from customers

a. Short-term

	31/12/2024	01/10/2024
Total	117.549.295.214	17.661.399.099
HA ANH EXPORT IMPORT JOINT STOCK COMPANY	10.241.025.000	0
Bac Giang Fertilizer Export Import Joint Stock Company	13.135.807.383	0
Thang Long Technology Mechanism Build Joint Stock Company	3.800.000.000	3.800.000.000
Toan Van General Trading Joint Stock Company	18.850.780.941	8.302.792.983
VIET NAM GOOD AGRICULTURAL PRODUCTS JOINT STOCK COMPANY	69.049.394	2.880.000.000
Cuong Lien Agricultural Materials Company Limited	17.367.100.000	0
THUY NGAN TRADING COMPANY LIMITED	27.145.500.000	0
THANH VINH IMPORT-EXPORT TRADING COMPANY LIMITED	10.635.973.764	0
VIETGRO EXPORT IMPORT COMPANY LIMITED	6.763.567.795	0
Others	9.540.490.937	2.678.606.116
Total	117.549.295.214	17.661.399.099

14. Taxes and payables to the State

	01/10/2024	Payables in the period	Paid in the period	31/12/2024
a. Payables				
VAT on imported goods	0	1.986.058.276	1.986.058.276	0
Import and export tax	0	28.821.281.127	28.821.281.127	0
Personal income tax	37.531.560	135.102.274	125.269.897	47.363.937
Natural resources tax	124.027.875	389.842.065	367.186.500	146.683.440
Housing tax and land rental fee	0	3.588.278.709	3.588.278.709	0
Fees, charges and other payables	320.851.060	306.118.830	320.851.060	306.118.830
Total	482.410.495	34.920.562.451	35.208.925.569	500.166.207

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	31/12/2024	01/10/2024
15. Accrued expenses		
Interest expense	576.813.743	3.212.801.513
Electricity expense		6.487.904.003
Others		152.688.504
Total	576.813.743	9.853.394.020
16. Other payables	31/12/2024	01/10/2024
a. Short-term		
Loan interest payable to Vietnam Development Bank - North Northeast Area Branch	130.000.000.000	105.000.000.000
Payable to Vietnam National Chemical Group for proceeds from liquidation of unused materials during equitization	1.693.506.388	4.761.270.000
Materials are warehoused but not yet recorded as liabilities	31.368.869.800	20.473.879.221
Payables to resettlement project costs	1.911.956.217	1.911.956.217
Funding source for resettlement project granted	2.803.991.000	2.803.991.000
Payables related to the self-settlement of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project.	35.151.624.197	35.151.624.197
Others	5.518.150.084	4.823.873.776
Total	208.448.097.686	174.926.594.411
b. Long-term		
Loan interest payable to Vietnam Development Bank - North Northeast Area Branch	2.015.355.825.646	2.080.355.825.646
Long-term deposits and collaterals	3.549.496.985	37.770.196.031
Land use fee for resettlement project	66.809.800.000	66.809.800.000
Total	2.085.715.122.631	2.184.935.821.677
c. Other payables from related parties		
Payable to Vietnam National Chemical Group for proceeds from liquidation of unused materials during equitization	1.693.506.388	4.761.270.000
Total	1.693.506.388	4.761.270.000

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

17. Borrowings and finance lease liabilities

	31/12/2024		During the period		01/10/2024	
	Value	Recoverable amount	Increase	Decrease	Value	Recoverable amount
a. Short-term borrowings	415.263.223.306	415.263.223.306	787.404.619.458	704.884.071.481	1.563.373.017.807	1.563.373.017.807
<i>Short-term borrowings from Banks</i>	<i>415.263.223.306</i>	<i>415.263.223.306</i>	<i>787.404.619.458</i>	<i>704.884.071.481</i>	<i>1.563.373.017.807</i>	<i>1.563.373.017.807</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Bac Giang Branch (1)	300.805.453.819	300.805.453.819	719.946.849.971	701.884.071.481	282.742.675.329	282.742.675.329
Joint Stock Commercial Bank for Investment and Development of Viet Nam - Kinh Bac Branch (2)	17.457.769.487	17.457.769.487	17.457.769.487	-	-	-
Long-term borrowings due to date	97.000.000.000	97.000.000.000	50.000.000.000	3.000.000.000	50.000.000.000	50.000.000.000
b. Long-term borrowings	2.369.906.200.000	2.369.906.200.000	41.337.700.001	153.445.990.001	1.446.217.287.510	1.446.217.287.510
<i>Long-term borrowings from Banks</i>	<i>2.369.906.200.000</i>	<i>2.369.906.200.000</i>	<i>41.337.700.001</i>	<i>153.433.500.001</i>	<i>2.482.002.000.000</i>	<i>2.482.002.000.000</i>
Vietinbank - Bac Giang Branch and co-financing banks (3)	1.299.319.200.000	1.299.319.200.000	41.337.700.001	103.433.500.001	1.361.415.000.000	1.361.415.000.000
Vietnam Development Bank - North Northeast Area Branch (4)	1.070.587.000.000	1.070.587.000.000		50.000.000.000	1.120.587.000.000	1.120.587.000.000
Borrowings from staff	0	0	0	12.490.000	12.490.000	12.490.000
Borrowings from staff	0	0	0	12.490.000	12.490.000	12.490.000

17. Borrowings and finance lease liabilities (Continued)

Borrowings from banks in detail:

Contract No.	Term	Interest rate	Credit limit	Balance as at 31/12/2024	Loan purpose	Secured assets
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Bac Giang Branch (1)						
Loan Limit Contract No. 01/2024/HDCVHM/NHCT280-DHB dated 04/7/2024	From 04/07/2024 to 04/07/2025	As per each indebtedness certificate	380.000.000.000	300.805.453.819	Serving the production and trading of Urea, Ammonia, CO2	All inventories of the Company, address: Tran Nguyen Han Street, Tho Xuong Ward, Bac Giang City and trade receivables.
Joint Stock Commercial Bank for Investment and Development of Viet Nam - Kinh Bac Branch (2)						
Loan Limit Contract No 01/2024/413162/HDTD dated 15/11/2024	From 15/11/2024 to 15/04/2025	As per each indebtedness certificate	50.000.000.000	17.457.769.487	Supplement working capital, guarantee, issue L/C	Machinery, equipment, buildings, and architectural objects (line 1) are owned by the Company.
Vietinbank - Bac Giang Branch and co-financing banks (3)						
Credit contract No. 01.68/HDTD dated 06/8/2010	Until 2031	6%/year	192 million USD	50,850,000 USD	Investment of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	Assets formed from loan capital
Vietnam Development Bank - North Northeast Area Branch (4)						
Credit contract No. 45/2008/HDTDĐT- NHPT dated 11/9/2008 and annexes	Until 2031	8.55%/year	4.125.000.000.000	1.070.587.000.000	Investment of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	Assets formed from loan capital

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

	31/12/2024	01/10/2024	
18. Provision for payables			
a. Ngắn hạn			
Provision for major repairs of fixed assets in 2024	-	44.927.130.971	
Total	-	44.927.130.971	
19. Owners' equity			
a. Reconciliation table of changes in Owners' equity			
Item	Owners' contributed capital	Undistributed Profit after tax	Total
Balance as of October 01, 2024	2.722.000.000.000	(2.171.396.530.669)	550.603.469.331
Profit		67.264.772.917	67.264.772.917
Balance as of December 31, 2024	2.722.000.000.000	(2.104.131.757.752)	617.868.242.248
b. Owners' contributed capital in detail	Capital contribution ratio	31/12/2024	01/10/2024
Vietnam National Chemical Group	97,66%	2.658.310.000.000	2.658.310.000.000
Other shareholders	2,34%	63.690.000.000	63.690.000.000
Total	100%	2.722.000.000.000	2.722.000.000.000
c. Capital transactions with owners and distribution of dividends, profit		31/12/2024	01/10/2024
Contributed capital of owners		2.722.000.000.000	2.722.000.000.000
<i>At the beginning of the period</i>		2.722.000.000.000	2.722.000.000.000
<i>At the end of the period</i>		2.722.000.000.000	2.722.000.000.000
d. Shares		31/12/2024	01/10/2024
Number of registered shares		272.200.000	272.200.000
Number of registered shares sold out to public		272.200.000	272.200.000
<i>Common shares</i>		272.200.000	272.200.000
Number of treasury shares		0	0
<i>Common shares</i>		0	0
Number of shares in circulation		272.200.000	272.200.000
<i>Common shares</i>		272.200.000	272.200.000
<i>Par value in circulation: VND per share</i>		10.000	10.000

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

20. Off-balance sheet item

a. Outsourced assets

The Company signed land lease agreements in Tho Xuong Ward, Bac Giang City, Bac Giang Province for production and business purposes from 2007 to 2058. The leased land area is 85.51811 ha. According to these agreements, the Company must pay annual land rent until its maturity date following current State regulations.

b. Foreign currencies

	31/12/2024	01/10/2024
USD	9.675.035,93	4.263.276,72
Total	9.675.035,93	4.263.276,72

VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INTERIM INCOME STATEMENT

1. Net revenue from goods sold and services rendered

	Quater IV 2024	Quater IV 2023
Net revenue from goods, products sold	1.447.519.906.093	1.189.276.031.758
Total	1.447.519.906.093	1.189.276.031.758

2. Cost of goods sold

	Quater IV 2024	Quater IV 2023
Cost of goods, products sold	1.232.942.580.799	1.126.121.769.872
Total	1.232.942.580.799	1.126.121.769.872

3. Financial income

	Quater IV 2024	Quater IV 2023
Interest from loans, deposits	496.848.793	417.705.281
Foreign exchange gain due to revaluation		3.755.255.604
Foreign exchange gain during the period	10.475.307.734	1.671.652.052
Total	10.972.156.527	5.844.612.937

4. Financial expenses

	Quater IV 2024	Quater IV 2023
Short-term loan interest	4.437.965.343	4.256.143.858
Long loan interest expense	46.085.264.328	131.745.579.298
Foreign exchange loss during the period	1.050.188.766	
Foreign exchange loss due to revaluation	46.418.027.714	
Total	97.991.446.151	136.001.723.156

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

	Quater IV 2024	Quater IV 2023
5. Selling expenses and General and administrative expenses		
a. Selling expenses		
Urea product cost	24.483.669.149	24.154.002.217
Others NH3 product cost	1.892.230.871	6.153.850.094
Finished product workshop costs	5.048.410.378	8.773.875.428
Others	101.635.169	32.844.000
Total	31.525.945.567	39.114.571.739
b. General and administrative expenses		
Staff cost	8.491.711.487	24.746.383.833
Management material costs	2.248.384.759	1.763.458.948
Office supplies cost		4.712.597.506
Fixed asset depreciation	3.657.710.162	3.483.235.442
Taxes, fees, charges	3.765.465.289	2.411.340.604
External services	2.603.962.884	692.571.946
Other costs in cash	12.281.683.260	12.218.465.809
Total	33.048.917.841	50.028.054.088
6. Other income	Quater IV 2024	Quater IV 2023
Proceed from leasing assets	106.902.893	104.397.339
Others	5.053.228.027	1.803.151.919.465
Total	5.160.130.920	1.803.256.316.804
7. Other expenses	Quater IV 2024	Quater IV 2023
Depreciation of assets suspended for repairs	-	2.106.000
Others	878.530.265	429.495.913
Total	878.530.265	431.601.913
8. Business costs by factor	Quater IV 2024	Quater IV 2023
Raw material cost	721.130.617.041	739.868.696.892
Labor cost	34.463.684.054	91.900.863.410
Fixed asset depreciation	157.936.237.555	156.320.790.069
External services	124.391.721.900	128.291.723.078
Other costs in cash	260.473.713.922	99.313.924.163
Total	1.298.395.974.472	1.215.695.997.612

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

9. Current Corporate income tax expense	Quater IV 2024	Quater IV 2023
Total accounting profit before tax	67.264.772.917	1.646.679.240.731
Adjustments to increase	(67.264.772.917)	(1.646.679.240.731)
Loss from previous years carried forward	(67.264.772.917)	(1.646.679.240.731)
Taxable income	-	-
Tax rate	20%	20%
Total current Corporate income tax expense	0	0

10. Financial risk management policies and objectives

The risks from financial instruments include market risk, credit risk and liquidity risk.

The Board of Management considers the application of management policies for the above risks as follows:

10.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. There are three market risks: interest rate risk, foreign exchange risk and other price risks, for example, risk of stock price. Financial instruments affected by the market risks include borrowings and liabilities, deposits, and available-for-sale investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks due to changes in the interest rate of the Company mainly relate to: borrowings and liabilities, cash, and short-term deposits.

The Company manages the interest rate risk by analyzing the competition status in the market in order to apply the interest rate that brings benefits to the Company while is still within the limit of its risk management.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the exchange rate. The Company bears risks due to changes in the exchange rate of currencies other than VND related directly to the Company's operating activities.

The Company manages foreign currency risk by considering current and expected market conditions when planning future transactions in foreign currencies. The Company does not use any derivative financial instruments to hedge its foreign currency risks.

10.2 Credit risk

Credit risk is the risk due to the uncertainty in the counterparty's ability to meet its obligations causing financial loss. The Company bears credit risks from production and doing business activities (mainly trade receivables) and from its financial activities including deposits, foreign exchange transactions and other financial instruments.

Trade receivables

The Company minimizes the credit risk by only doing business with entities that have a good financial capacity and closely keeping track of the liabilities to speed up the recovery of debts. On the basis of this method and receivables related to different customers, the credit risk does not concentrate on a certain customer.

Bank deposits

The company mainly maintains deposits at large and prestigious banks in Vietnam. The Company finds that the concentration of credit risk on bank deposits is low.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

*Unit: VND***10.3 Liquidity risk**

Liquidity risk is the risk that arises from difficulty in fulfilling financial obligations due to a lack of capital. The liquidity risk of the Company mainly arises from the difference in the maturity of the financial assets and liabilities.

The Company supervises liquidity risk by maintaining an amount of cash, cash equivalents and borrowings from banks at the level that the Board of Management considers sufficient to satisfy the Company's activities and minimize influences of changes in cash flows.

Secured assets

The Company used part of land use rights, bank deposits and cash equivalents, trade receivables, inventories, machinery and equipment, buildings and structures, and land use rights as collateral for short-term and long-term borrowings from banks (Detail in Note "Borrowings and finance lease liabilities").

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Quater IV 2024

Unit: VND

VII. OTHER INFORMATION

1. Contingent liabilities, commitments and other financial information

The Company has been working with the EPC Contractor of Package 8 - Design, procurement of equipment and materials, construction, operation and handover of the factory to settle additional payments for the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project. This may lead to future receivables and payables to the contractor and other related parties.

2. Transaction with related parties

Significant transactions and balances with related parties during the period are as follows:

Related parties	Relation	Nature of transaction	Incurred during the year	Closing balance receivable (payable)
Vietnam National Chemical Group	Parent company	Payment for liquidation of unused assets during equitization		(1.693.506.388)
DAP - VINACHEM Joint Stock Company	Same parent company	Selling goods	11.670.000.000	-
DAP2 - VINACHEM Joint Stock Company	Same parent company	Selling goods	39.227.045.000	-
Habac Liquefied Gas Joint Stock Company	Associate	Selling goods	3.510.738.991	902.310.017
Vietnam Institute of Industrial Chemistry	Same parent company	Purchasing goods	6.936.050.000	(358.930.000)

+ Income of the Board of Directors, Board of Management and Chief Accountant

Name	Position	Content	Quater IV 2024
Nguyen Van Thieu	Chairman of the Board of Directors	Remuneration of the Board of Directors	2.000.000
Nguyen Duc Ninh	General Director (Retired from November 1, 2024)	Salary and bonus	29.330.000
Nguyen Van Dung	General Director (Appointed from November 1, 2024)	Salary, bonus and remuneration of the Board of Directors	81.789.000
Pham Van Trung	Deputy General Director	Salary, bonus and remuneration of the Board of Directors	74.049.000
Nguyen Dinh Hong	Deputy General Director	Salary, bonus and remuneration of the Board of Directors	70.449.000
Nguyen Tuyen Anh	Member of the Board of Directors	Bonus and remuneration of the Board of Directors	2.000.000
Ha Xuan Han	Head of the Board of Supervisors	Salary and bonus	67.749.000
Le Anh Tuan	Member of the Board of Supervisors	Remuneration of the Board of Supervisors	2.000.000
Dang Thi Minh Ly	Member of the Board of Supervisors	Remuneration of the Board of Supervisors	2.000.000
Le Anh Tuan	Chief Accountant	Salary and bonus	67.749.000

3. Presentation of assets, revenue and results of operation by segment

Because the company's operations primarily focus on producing and trading fertilizers, with revenue and expenses mainly incurred in Bac Giang province, the company does not prepare segment reports by geographical area and business sector.

Preparer



Nguyen Thi Hong Nhung

Chief Accountant



Le Anh Tuan

Bac Giang, 20 January 2025

General Director



Nguyen Van Dung