

AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

**HA BAC NITROGENOUS FERTILIZER AND
CHEMICALS JOINT STOCK COMPANY**

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HABAC NITROGENOUS FERTILIZER AND CHEMICALS JOINT STOCK COMPANY

REPORT OF THE BOARD OF MANAGEMENT

For the financial year ended 31 December 2024

The Board of Management of Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company has the honor of submitting this Report together with the audited Financial Statements for the financial year ended 31 December 2024.

1. Business highlights

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 November 2024.

Form of ownership:

Joint Stock Company

The Company's business activities:

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

2. Financial position and results of operation

The Company's financial position and the results of its operation during the period are presented in the accompanying financial statements.

3. Members of the Board of Directors, Board of Supervisors, Board of Management and Chief Accountant

Members of the Board of Directors, Board of Supervisors, Board of Management and Chief Accountant during the period and at the date of the financial statements include:

Board of Directors

Mr.	Nguyen Van Thieu	Chairman	
Mr.	Nguyen Duc Ninh	Member	Resigned on 24/4/2024
Mr.	Pham Van Trung	Member	
Mr.	Nguyen Van Dung	Member	
Mr.	Nguyen Dinh Hong	Member	Appointed on 24/4/2024
Mr.	Nguyen Phung Hung	Member	Resigned on 24/4/2024
Ms.	Nguyen Tuyen Anh	Member	Appointed on 24/4/2024
Mr.	Dang Xuan Thuy	In charge of administration	

Board of Supervisors

Mr.	Ha Xuan Han	Head of the Board of Supervisors	
Ms.	Dang Thi Minh Ly	Member	
Mr.	Le Anh Tuan	Member	

Board of Management and Chief Accountant

Mr.	Nguyen Duc Ninh	General Director	Retirement on 01/11/2024
Mr.	Nguyen Van Dung	General Director	Appointed on 01/11/2024
Mr.	Pham Van Trung	Deputy General Director	
Mr.	Nguyen Dinh Hong	Deputy General Director	
Mr.	Le Anh Tuan	Chief Accountant	

INDEPENDENT AUDITOR'S REPORT

**To: Shareholders, Board of Directors and Board of Management
Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company**

We have audited the accompanying Financial Statements of Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company as prepared on 03 March 2025 from pages 05 to 37, which comprise the Balance Sheet as at 31 December 2024, Income Statement, Cash Flow Statement for the year then ended, and Notes to the Financial Statements.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and fair presentation of the Financial Statements in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and prevailing regulations applicable to the preparation and presentation of the Financial Statements and also for the internal control which the Board of Management considers necessary for the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Management 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 qualified audit opinion.

Basis for qualified opinion

- The Company recorded the original cost and depreciated the fixed assets of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project based on the completed project finalization report prepared by the investor on 01 December 2017 when there was insufficient A-B finalization of packages 10, 14, 8 and the consulting contract to check the completion construction documents with contractors and approval of the completion finalization by the competent authority. This resulted in liabilities on the foreign contractors and other liabilities (see details in notes V.3; V.5; V.12; V.16 and VII.1)

Based on the evidence obtained and other alternative audit procedures, we do not have sufficient basis to confirm the existence and completeness of the aforementioned liabilities, as well as potential liabilities that may arise in the future related to the finalization of the above-mentioned project.

Auditor's qualified opinion

In our opinion, except for the effects of the matter described in "Basis of qualified opinion" paragraph, the Financial Statements give a true and fair view, in all material respects, on the financial position of Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company as at 31 December 2024 as well as its operating results and cash flows for the financial year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting Regime and other relevant statutory requirements related to preparation and presentation of the Financial Statements.

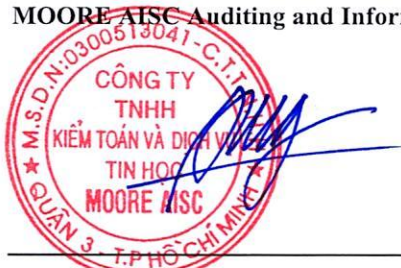
Emphasis of matter

In Note V.9, the Company has temporarily recorded and depreciated the tangible fixed assets of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project under the completed project finalization report prepared by the investor on 01 December 2017.

In Notes IV.8, V.11, the Company records the suspended depreciation expenses of the year 2017, 2018, 2019 on the Long-term prepaid expenses - Code 261 on the Balance Sheet as at 31 December 2024.

Ho Chi Minh City, 03 March 2025

MOORE AISC Auditing and Informatics Services Co., Ltd



NGUYEN THI PHUONG

Deputy Director

Audit Practising Registration Certificate No. 4945-2024-005-1

Issued by Vietnam's Ministry of Finance

PHAN CONG VAN

Auditor

Audit Practising Registration Certificate No. 5298-2021-005-1

Issued by Vietnam's Ministry of Finance

BALANCE SHEET

As at 31 December 2024

Unit: VND

ASSETS	Code	Notes	31/12/2024	01/01/2024
A. CURRENT ASSETS	100		1,280,654,453,806	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	539,114,396,425	606,416,719,831
1. Inventories	141		539,114,396,425	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		68,712,842,567	10,754,647,734
3. Taxes and other receivables from the State	153	V.14	0	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 amortization	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		6,247,664,946,511	6,745,865,006,033

BALANCE SHEET

As at 31 December 2024

Unit: VND

RESOURCES	Code	Notes	31/12/2024	01/01/2024
C. LIABILITIES	300		5,629,212,667,649	6,134,258,143,777
I. Current 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. 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	618,452,278,862	611,606,862,256
I. Owners' equity	410		618,452,278,862	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		(2,103,547,721,138)	(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		6,845,416,606	858,284,451,090
TOTAL RESOURCES	440		6,247,664,946,511	6,745,865,006,033



Nguyen Thi Hong Nhung
Preparer
Bac Giang, 03 March 2025



Le Anh Tuan
Chief Accountant

Nguyen Van Dung
General Director

INCOME STATEMENT

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Year 2024	Year 2023
1. Revenue from goods sold and services rendered	01	VI.1	4,439,477,098,072	4,413,475,970,445
2. Revenue deductions	02		0	0
3. Net revenue from goods sold and services rendered	10		4,439,477,098,072	4,413,475,970,445
4. Cost of goods sold	11	VI.2	4,161,818,996,381	4,428,747,705,041
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		277,658,101,691	(15,271,734,596)
6. Financial income	21	VI.3	26,898,387,016	12,246,233,322
7. Financial expenses	22	VI.4	272,936,421,195	690,364,050,440
<i>In which: Interest expenses</i>	23		<i>203,307,955,862</i>	<i>642,445,738,924</i>
8. Selling expenses	25	VI.5a	86,347,980,481	94,768,244,031
9. General and administrative expenses	26	VI.5b	135,824,364,153	156,638,227,377
10. Net profit from operating activities (30 = 20 + (21 - 22) - (25 + 26))	30		(190,552,277,122)	(944,796,023,122)
11. Other income	31	VI.6	248,982,692,225	1,803,845,265,031
12. Other expenses	32	VI.7	51,584,998,497	764,790,819
13. Other profit (40 = 31 - 32)	40		197,397,693,728	1,803,080,474,212
14. Total accounting profit before tax (50 = 30 + 40)	50		6,845,416,606	858,284,451,090
15. Current Corporate income tax expense	51	VI.9	0	0
16. Profit after Corporate income tax (60 = 50 - 51 - 52)	60		6,845,416,606	858,284,451,090
17. Basic earnings per share	70	VI.10	25.15	3,153.14



Nguyen Thi Hong Nhung
Preparer
Bac Giang, 03 March 2025



Le Anh Tuan
Chief Accountant



Nguyen Van Dung
General Director

CASH FLOW STATEMENT

(Under indirect method)

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Year 2024	Year 2023
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Profit before tax	01		6,845,416,606	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		(134,000,000)	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		(6,879,249,927)	(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		897,481,427,836	2,164,073,071,510
- Increase (-)/ decrease (+) in receivables	09		(76,945,856,939)	59,200,704,924
- Increase (-)/ decrease (+) in inventories	10		67,302,323,406	240,943,050,661
- Increase (+)/ decrease (-) in payables (Other than interest payables, income tax payable)	11		(420,259,550,735)	(1,760,922,188,908)
- Increase (-)/ decrease (+) in prepaid expenses	12		(1,360,767,775)	17,849,618,387
- Interest expense paid	14		(203,668,168,862)	(233,668,733,275)
Net cash flows from operating activities	20		262,545,075,613	487,475,523,299
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1. Purchase and construction of fixed assets and other long-term assets	21		(45,500,014,919)	(9,724,189,483)
2. Proceeds from disposals of fixed assets and other long-term assets	22		232,933,333	0
3. Loans granted, purchases of debt instruments of other entities	23		(30,000,000,000)	0
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		0	15,000,000,000
5. Proceeds from loan interest, dividends and profit received	27		6,248,371,388	8,737,615,812
Net cash flows from investing activities	30		(69,018,710,198)	14,013,426,329

CASH FLOW STATEMENT

(Under indirect method)

For the financial year ended 31 December 2024

Unit: VND

ITEMS	Code	Notes	Year 2024	Year 2023
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		(2,034,721,862,012)	(2,035,282,588,604)
Net cash flows from financing activities	40		(144,539,165,741)	(385,129,248,399)
Net cash flows in the year (50 = 20+ 30 + 40)	50		48,987,199,674	116,359,701,229
Cash and cash equivalents at the beginning of the year	60		321,675,669,771	207,176,087,962
Effect of exchange rate fluctuations	61		1,152,626,624	(1,860,119,420)
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	V.1	371,815,496,069	321,675,669,771



Nguyen Thi Hong Nhung
Preparer
Bac Giang, 03 March 2025





Le Anh Tuan
Chief Accountant

Nguyen Van Dung
General Director

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 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 November 2024.

Form of ownership:

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, electricity, 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 Company 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. Total employees as at 31 December 2024: 1,263 persons.*(As at 31 December 2023: 1,238 persons)***7. 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>Principal 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 trading of CO ₂	36.00%	36.00%	36.00%

8. 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. Financial year**

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

2. Currency unit used in accounting

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

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND***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.

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.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND***3. Principles for accounting financial investments (continued)****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 the financial and operating policies.

Investments in subsidiaries, joint ventures, associates are initially recognized at 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 bankruptcy, 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 and provision for obsolete and deteriorated inventories.

The 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 direct raw materials, direct labor, and manufacturing overheads incurred during the production process.

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.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND***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 after initial recognition are only capitalized if they generate future economic benefits 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 fixed assets 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.

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>

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.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND***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; suspended 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, organizations, 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 are monitored in detail for each creditor, loan agreement and borrowed asset.

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).

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND***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.

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.

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND***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, which sets 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.

19. Principles for recording basic earnings per share

Earnings Per Share (EPS) is calculated by dividing the profit or loss attributable to common shareholders, after deducting the Bonus and Welfare Fund established during the period, by the weighted-average number of common shares outstanding during that period.

Diluted EPS is calculated by dividing profit or loss after tax attributable to common shareholders (after adjusting for dividends on preferred convertible shares) by the weighted average number of common shares outstanding during 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 06 November 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, financial assets are recognized at cost plus directly related transaction costs.

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

Financial liabilities

Financial liabilities under Circular 210, for financial statement disclosure purposes, are appropriately classified into financial liabilities recognized through the Income Statement and financial liabilities measured at amortized cost. The Company determines the classification of financial liabilities at the time of initial recognition.

All financial liabilities are initially recognized at cost plus directly related transaction costs.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

20. Financial instruments (continued)**Value after initial recognition**

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

Offsetting of 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.

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 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	01/01/2024
Cash	371,815,496,069	321,675,669,771
Cash on hand	3,725,588,904	4,733,275,554
Demand deposits	368,089,907,165	316,942,394,217
a. Demand deposits in Vietnamese Dong	125,641,227,689	137,826,813,684
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade – Bac Giang Branch</i>	79,544,148,778	77,757,183,576
<i>Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Tay Ho Branch</i>	20,167,403,466	3,542,388,829
<i>Maritime Commercial Joint Stock Bank - Bac Giang Branch</i>	21,200,365,843	27,764,222,112
<i>Other banks</i>	4,729,309,602	28,763,019,167
b. Demand deposits in foreign currency (USD)	242,448,679,476	179,115,580,533
<i>Vietnam Joint Stock Commercial Bank for Industry and Trade – Bac Giang Branch</i>	242,341,481,358	159,472,248,224
<i>Other banks</i>	107,198,118	19,643,332,309
Total	371,815,496,069	321,675,669,771

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

2. Financial investments

a. Short-term financial statements

	31/12/2024		01/01/2024	
	Cost	Book value	Cost	Book value
a1. Short-term	48,000,000,000	48,000,000,000	18,000,000,000	18,000,000,000
- Term deposits (*)	48,000,000,000	48,000,000,000	18,000,000,000	18,000,000,000
Total	48,000,000,000	48,000,000,000	18,000,000,000	18,000,000,000

(*) Term deposits in detail as of December 31, 2024

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	06 months	2.90%	11/3/2025
HDTG280/2021/22746	10,000,000,000	12 months	4.20%	22/7/2025
HDTG280/2024/67809	15,000,000,000	06 months	3.80%	25/1/2025
HDTG280/2024/669347	15,000,000,000	06 months	3.80%	7/2/2025
Total	48,000,000,000			

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

2. Financial investments (continued)

b. Equity investments in other entities

	31/12/2024			01/01/2024		
	Cost	Fair value (*)	Provision	Cost	Fair value	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	5,820,000,000	0	3,556,066,097	5,320,000,000	0
Ha Bac Hung Phat Chemical Joint Stock Company	3,556,066,097	5,820,000,000	0	3,556,066,097	5,320,000,000	0
Total	13,218,878,465	5,820,000,000	0	13,218,878,465	5,320,000,000	0

(*) The fair value of Ha Bac Hung Phat Chemical Joint Stock Company was determined based on the average reference price of VND 14,550 per share for the 30 consecutive trading days preceding the date of the financial statements on UPCOM, as quoted by the Vietnam Exchange.

(*) The fair value of the investment in Habac Liquefied Gas Joint Stock Company has not been determined because Vietnamese Accounting Standards and Vietnamese Corporate Accounting Regime do not have specific guidance on determining fair value.

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. (Details in Note VII.2).

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 in Ha Bac Hung Phat Chemical Joint Stock Company of 400,000 shares, equivalent to VND 3,556,066,097 or 4.76% of its charter capital. The business activities of Ha Bac Hung Phat Chemical Joint Stock Company during the period are the production and trading of H2O2.

Transactions with joint ventures and affiliated companies during the year:

Habac Liquefied Gas Joint Stock Company

Selling goods

Dividend received

	Year 2024	Year 2023
Selling goods	9,340,474,270	902,310,017
Dividend received	5,189,436,000	0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

3. Trade receivables	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
a. Short-term	194,518,231,831	0	200,035,369,805	0
Wuhuan Engineering Co., Ltd - Project Management Office in Bac Giang (*)	54,084,783,360	0	54,084,783,360	0
SAMSUNG C AND T SINGAPORE PTE LTD	49,868,750,000	0	0	0
Thanh Son General Trading and Service Company Limited	33,427,000,000	0	22,558,800,000	0
Long Bien Industrial Gas Joint Stock Company	4,873,630,520	0	44,414,335,960	0
Habac Liquefied Gas Joint Stock Company	902,310,017	0	1,070,230,779	0
Dongwha International Co., Limited	0	0	30,498,352,500	0
Thuy Ngan Trading Company Limited	0	0	28,246,400,000	0
Others	51,361,757,934	0	19,162,467,206	0
Total	194,518,231,831	0	200,035,369,805	0
b. Trade receivables from related parties				
Habac Liquefied Gas Joint Stock Company	902,310,017	0	1,070,230,779	0
Total	902,310,017	0	1,070,230,779	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-HDCVHM/NHCT280-DHB dated 4 July 2024 of Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

4. Prepayments to suppliers	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
a. Short-term	37,973,043,906	0	18,432,123,924	0
Yueyang Dongtian Petrochemical Co.,Ltd, China	26,367,604,217	0	10,505,783,174	0
Hong Phuc Material and Equipment Co., Ltd	6,167,604,000	0	0	0
Hao Thien Dai Duong Engineering Services and Equipment Co., Ltd	310,122,230	0	2,754,299,690	0
Hexun Material and Economy Trading Co., Ltd of Nanning, China	0	0	1,757,947,755	0
Others	5,127,713,459	0	3,414,093,305	0
Total	37,973,043,906	0	18,432,123,924	0
5. Other receivables	31/12/2024		01/01/2024	
	Value	Provision	Value	Provision
a. Short-term	20,053,233,712	(5,210,337,062)	20,098,402,342	(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
Others	7,486,813,405	0	7,531,982,035	(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)	760,902,420,305	(5,344,337,062)

(*): Adjustment to decrease the original cost of fixed assets of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project (See Note V.9)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

6. Bad debts

	31/12/2024			01/01/2024		
	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
<i>Constrexim-MECO Joint Stock Company -Advance payment for site clearance of the resettlement project.</i>	5,210,337,062	(5,210,337,062)	0	5,210,337,062	(5,210,337,062)	0
<i>People's Committee of Tran Nguyen Han Ward</i>	0	0	0	134,000,000	(134,000,000)	0

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

7. Inventories	31/12/2024		01/01/2024	
	Cost	Provision	Cost	Provision
Raw materials	519,918,637,465	0	488,687,422,241	0
Tools, instruments	469,867,445	0	443,452,851	0
Work in progress	15,964,483,881	0	20,306,728,918	0
Finished products	2,761,407,634	0	96,979,115,821	0
Total	539,114,396,425	0	606,416,719,831	0

All inventory is mortgaged under short-term loan contract No. 01/2024-HĐCVHM/NHCT280-DHB dated 4 July 2024 of Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch.

8. Long-term assets in progress	31/12/2024		01/01/2024	
	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	71,775,784,658	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	879,825,338	0
Total	92,343,894,458	0	71,809,337,198	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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

9. Tangible fixed assets

Items	Buildings, structures	Machinery, equipment	Means of transportation	Total
Original cost (*)				
Opening balance	2,037,571,475,009	7,750,930,160,294	30,719,351,313	9,819,220,986,616
<i>Complete construction</i>	2,948,015,644	15,217,853,630	0	18,165,869,274
<i>Purchased during the period</i>	0	0	6,799,588,385	6,799,588,385
<i>Disposals, resales</i>	0	0	(1,452,208,312)	(1,452,208,312)
Closing balance	2,040,519,490,653	7,766,148,013,924	36,066,731,386	9,842,734,235,963
Accumulated depreciation				
Opening balance	918,372,912,943	4,810,739,129,616	27,261,031,921	5,756,373,074,480
<i>Depreciated for the year</i>	69,497,588,069	472,431,060,346	1,046,466,686	542,975,115,101
<i>Disposals, resales</i>	0	0	(1,452,208,312)	(1,452,208,312)
Closing balance	987,870,501,012	5,283,170,189,962	26,855,290,295	6,297,895,981,269
Net book value				
Opening balance	1,119,198,562,066	2,940,191,030,678	3,458,319,392	4,062,847,912,136
Closing balance	1,052,648,989,641	2,482,977,823,962	9,211,441,091	3,544,838,254,694

(*) The original cost of fixed assets includes the value of fixed assets of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project. This project has been temporarily recorded as an increase in fixed assets since April 2015 with a total cost of VND 9,578,015,411,146. In 2017, based on the completed project finalization report prepared on 01 December 2017, the Company adjusted to decrease the original cost of fixed assets formed from this project by VND 731,345,834,964, the new original cost was determined to be VND 8,846,669,576,182 and depreciated the fixed assets under the new original cost. The reduced value is mainly associated with the materials and equipment of package 8 implemented by Wuhuan Engineering Co., Ltd, so the Company recorded the receivable from the contractor. Currently, the Company is waiting for approval of completion finalization from the competent authority, and the lack of A-B finalization may lead to a contractual dispute with the contractor.

- In which:

+ Net book value of tangible fixed assets used as mortgage or pledge to secure loans: VND 3,526,309,223,586.

+ Original cost of tangible fixed assets at the end of the year fully depreciated but still in use: VND 918,634,004,746.

10. Intangible fixed assets

Items	Computer software	Total
Original cost		
Opening balance	13,226,611,293	13,226,611,293
Closing balance	13,226,611,293	13,226,611,293
Accumulated amortization		
Opening balance	11,991,526,622	11,991,526,622
<i>Amortization for the year</i>	1,235,084,671	1,235,084,671
Closing balance	13,226,611,293	13,226,611,293
Net book value		
Opening balance	1,235,084,671	1,235,084,671
Closing balance	0	0

* Original cost of intangible fixed assets at the end of the period fully amortized but still in use: VND 13,226,611,293.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

11. Prepaid expenses	31/12/2024	01/01/2024
Short-term prepaid expenses	5,677,546,358	5,463,108,399
Insurance costs	3,771,776,209	3,649,621,730
Others	1,905,770,149	1,813,486,669
Long-term prepaid expenses	575,805,447,125	658,732,152,102
Business advantages when equitizing	18,835,350,028	37,670,700,057
Land rental fee (*)	52,413,103,238	54,022,307,654
Fixed asset depreciation is suspended under Notice No. 947/HCVN-TCKT	484,255,807,694	566,719,638,071
Major fixed assets repair cost	20,053,784,534	0
Others	247,401,631	319,506,320
Total	581,482,993,483	664,195,260,501

(*) 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.

12. Trade payables	31/12/2024		01/01/2024	
	Value	Recoverable amount	Value	Recoverable amount
a. Short-term	386,144,351,853	386,144,351,853	414,511,282,093	414,511,282,093
Wuhuan Engineering Co., Ltd (*)	235,876,130,842	235,876,130,842	225,664,114,513	225,664,114,513
Vietnam National Coal & Mineral Industries Holding Corporation Limited	70,144,912,245	70,144,912,245	129,266,744,720	129,266,744,720
Hoang Gia Trading & Service Company Limited	20,904,085,125	20,904,085,125	4,124,224,500	4,124,224,500
THAHUSA Group Joint Stock Company	15,711,522,750	15,711,522,750	0	0
Ha Long Investment Co., Ltd	15,228,241,875	15,228,241,875	0	0
DANKA Minerals Joint Stock Company	0	0	18,135,406,608	18,135,406,608
Payable to other suppliers related to the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	2,476,959,000	2,476,959,000	4,048,922,302	4,048,922,302
Others	25,802,500,016	25,802,500,016	33,271,869,450	33,271,869,450
Total	386,144,351,853	386,144,351,853	414,511,282,093	414,511,282,093

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

		31/12/2024		01/01/2024	
		Value	Recoverable amount	Value	Recoverable amount
12. Trade payables (continued)					
b. Trade payables to related parties					
	Vietnam Institute of Industrial Chemistry	358,930,000	358,930,000	2,696,540,000	2,696,540,000
	Total	358,930,000	358,930,000	2,696,540,000	2,696,540,000
13. Advances from customers					
		31/12/2024		01/01/2024	
a. Short-term					
	Thuy Ngan Trading Company Limited	117,549,295,214		9,071,721,825	
	Toan Van General Trading Joint Stock Company	27,145,500,000			0
	Cuong Lien Agricultural Materials Company Limited	18,850,780,941			0
	Bac Giang Fertilizer Export Import Joint Stock Company	17,367,100,000			0
	Duc Giang Lao Cai Chemicals Limited Company	13,135,807,383			0
	Huynh Thanh Manufacturing Service and Trading Company Limited	0		3,713,845,300	
	Hai Phong Agricultural Material and Construction Joint Stock Company	0		1,172,402,952	
	Lam Thao Fertilizers and Chemicals Joint Stock Company	0		1,170,600,000	
	Others	0		46,600,000	
	Total	117,549,295,214		9,071,721,825	
b. Advances from customers from related parties					
	Lam Thao Fertilizers and Chemicals Joint Stock Company			0	46,600,000
	Total			0	46,600,000
14. Taxes and payables to the State					
		01/01/2024	Payables in the year	Paid in the year	31/12/2024
a. Payables					
	Output VAT	0	123,780	123,780	0
	VAT on imported goods	0	3,802,442,342	3,802,442,342	0
	Import and export tax	324,736,000	53,381,160,050	53,705,896,050	0
	Personal income tax	343,089,204	2,804,215,846	3,099,941,113	47,363,937
	Natural resources tax	68,535,900	1,284,060,195	1,205,912,655	146,683,440
	Housing tax and land rental fee	0	7,228,933,593	7,228,933,593	0
	Business license fee	0	3,000,000	3,000,000	0
	Fees, charges and other payables	375,917,988	1,603,963,005	1,673,762,163	306,118,830
	Total	1,112,279,092	70,107,898,811	70,720,011,696	500,166,207
b. Receivables					
	Land rental fee	1,685,918,754	1,685,918,754	-	-
	Total	1,685,918,754	1,685,918,754	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

	31/12/2024	01/01/2024
15. Accrued expenses		
a. Short-term	576,813,743	8,998,258,018
Interest expense	554,659,849	914,872,849
Others	22,153,894	8,083,385,169
Total	576,813,743	8,998,258,018
16. Other payables	31/12/2024	01/01/2024
a. Short-term		
Trade union fees	462,403,256	1,010,624,685
Loan interest payable to Vietnam Development Bank - North Northeast Area Branch (*)	130,000,000,000	130,000,000,000
Payable to Vietnam National Chemical Group for proceeds from liquidation of unused materials when equitization	1,693,506,388	5,289,270,000
Materials are warehoused but not yet recorded as liabilities	31,368,869,800	14,054,845,152
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	5,055,746,828	12,714,356,220
Total	208,448,097,686	202,936,667,471
b. Long-term		
Loan interest payable to Vietnam Development Bank - North Northeast Area Branch (*)	2,015,355,825,646	2,388,202,596,753
Long-term deposits and collaterals	3,549,496,985	83,406,683,441
Collection of land use fees for the resettlement project (**)	66,809,800,000	66,809,800,000
Total	2,085,715,122,631	2,538,419,080,194
c. Other payables from related parties		
Payable to Vietnam National Chemical Group for proceeds from liquidation of unused materials when equitization	1,693,506,388	5,289,270,000
Total	1,693,506,388	5,289,270,000

(*) The interest payable to Vietnam Development Bank - North Northeast Area Branch has its interest payment term adjusted under the amended and supplemented Contract No. 02/2023/HDTDDT-NHPT dated 21 December 2023.

(**): Amounts collected to implement resettlement investment construction project for Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project

- The above amounts are used to cover the technical infrastructure construction cost and are monitored in the construction in progress of about VND 70.9 billion; other receivables are about VND 1.9 billion. The difference between income/expenditures will be finalized with the State.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

17. Borrowings and finance lease liabilities

	31/12/2024		During the year		01/01/2024	
	Value	Recoverable amount	Increase	Decrease	Value	Recoverable amount
a. Short-term borrowings	415,263,223,306	415,263,223,306	1,990,182,696,271	1,948,924,422,012	374,004,949,047	374,004,949,047
<i>Short-term borrowings from Banks</i>	<i>415,263,223,306</i>	<i>415,263,223,306</i>	<i>1,990,182,696,271</i>	<i>1,948,924,422,012</i>	<i>374,004,949,047</i>	<i>374,004,949,047</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Bac Giang Branch (1)	300,805,453,819	300,805,453,819	1,872,724,926,784	1,845,924,422,012	274,004,949,047	274,004,949,047
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - 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	100,000,000,000	103,000,000,000	100,000,000,000	100,000,000,000
b. Long-term borrowings	2,369,906,200,000	2,369,906,200,000	97,877,700,001	243,045,990,001	2,515,074,490,000	2,515,074,490,000
<i>Long-term borrowings from Banks</i>	<i>2,369,906,200,000</i>	<i>2,369,906,200,000</i>	<i>97,877,700,001</i>	<i>243,033,500,001</i>	<i>2,515,062,000,000</i>	<i>2,515,062,000,000</i>
Vietinbank - Bac Giang Branch and co-financing banks (3)	1,299,319,200,000	1,299,319,200,000	97,877,700,001	143,033,500,001	1,344,475,000,000	1,344,475,000,000
Vietnam Development Bank - North Northeast Area Branch (4)	1,070,587,000,000	1,070,587,000,000	0	100,000,000,000	1,170,587,000,000	1,170,587,000,000
<i>Long-term borrowings from individuals</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>12,490,000</i>	<i>12,490,000</i>	<i>12,490,000</i>
Borrowings from staff	0	0	0	12,490,000	12,490,000	12,490,000
Total	2,785,169,423,306	2,785,169,423,306	2,088,060,396,272	2,191,970,412,013	2,889,079,439,047	2,889,079,439,047

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

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 04/07/2024	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	The Company's entire inventory, address: Tran Nguyen Han Street, Tho Xuong Ward, Bac Giang City and customer receivables
Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV) - Kinh Bac Branch (2)						
Credit contract No. 0101/2024/413162/HDTD dated 15/11/2024	From 15/11/2023 to 15/03/2025	As per each indebtedness certificate	17,457,769,487	17,457,769,487	Payment for coal and transportation costs.	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 ngày 06/8/2010	Until 2031	4,5%/year	192 triệu USD	50.850.000 USD	Investment of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	Assets formed from loan capital
				<i>VND converted</i>	1,299,319,200,000	
Vietnam Development Bank - North Northeast Area Branch (4)						
Credit contract No. 45/2008/HDTDDT-NHPT dated 11/9/2008 and annexes	Until 2031	8,55%/year	4,125,000,000,000	1,167,587,000,000	Investment of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	Assets formed from loan capital
Total				2,785,169,423,306		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

18. Owners' equity

a. Reconciliation table of changes in Owners' equity

Items	Owners' contributed capital	Undistributed Profit after tax	Total
Previous year opening balance	2,722,000,000,000	(2,974,183,682,269)	(252,183,682,269)
Profit	0	858,284,451,090	858,284,451,090
Other increases	0	5,506,093,435	5,506,093,435
Previous year closing balance	2,722,000,000,000	(2,110,393,137,744)	611,606,862,256
Current year opening balance	2,722,000,000,000	(2,110,393,137,744)	611,606,862,256
Profit	0	6,845,416,606	6,845,416,606
Current year closing balance	2,722,000,000,000	(2,103,547,721,138)	618,452,278,862

b. Owners' contributed capital in detail

	Capital contribution ratio	31/12/2024	01/01/2024
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	100.00%	2,722,000,000,000	2,722,000,000,000

c. Capital transactions with owners and distribution of dividends, profit

	Year 2024	Year 2023
Contributed capital of owners	2,722,000,000,000	2,722,000,000,000
At the beginning of the year	2,722,000,000,000	2,722,000,000,000
Capital increase during the year	0	0
Capital decrease during the year	0	0
At the end of the year	2,722,000,000,000	2,722,000,000,000

d. Shares

	31/12/2024	01/01/2024
Number of registered shares	272,200,000	272,200,000
Number of registered shares sold out to public	272,200,000	272,200,000
Common shares	272,200,000	272,200,000
Number of treasury shares	0	0
Common shares	0	0
Number of shares in circulation	272,200,000	272,200,000
Common shares	272,200,000	272,200,000
Par value of share in circulation: VND per share	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

19. 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.

In addition, the Company signed a land lease contract in Tran Quang Dieu Ward, Quy Nhon City, Binh Dinh Province, to serve as the Company's representative office in Binh Dinh Province from 2001 to 2045. The leased land area is 349m2. According to current state regulations, the Company must pay annual land rent until the contract maturity date.

b. Foreign currencies

	31/12/2024		01/01/2024	
	Original currency	VND converted	Original currency	VND converted
USD	9,675,035.93	244,294,657,234	7,534,702.72	180,870,412,162
Total	9,675,035.93	244,294,657,234	7,534,702.72	180,870,412,162

c. Other items

	31/12/2024	01/01/2024
Accounts receivable have been written off	134,000,000	0
Total	134,000,000	0

VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT

1. Net revenue from goods sold and services rendered

	Year 2024	Year 2023
Net revenue from goods, products sold	4,439,477,098,072	4,413,475,970,445
Total	4,439,477,098,072	4,413,475,970,445

2. Cost of goods sold

	Year 2024	Year 2023
Cost of goods, products sold	4,161,818,996,381	4,428,747,705,041
Total	4,161,818,996,381	4,428,747,705,041

3. Financial income

	Year 2024	Year 2023
Interest from loans, deposits	1,456,880,594	3,121,556,949
Dividends, profit received	5,189,436,000	5,861,889,000
Foreign exchange gain during the period	20,252,070,422	3,170,702,735
Others	0	92,084,638
Total	26,898,387,016	12,246,233,322

4. Financial expenses

	Year 2024	Year 2023
Loan interest expense	203,307,955,862	642,445,738,924
Foreign exchange loss during the period	1,961,190,187	359,372,234
Foreign exchange loss due to revaluation	67,667,275,146	47,558,939,282
Total	272,936,421,195	690,364,050,440

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

	Year 2024	Year 2023
5. Selling expenses and General and administrative expenses		
a. Selling expenses		
Raw materials	2,367,015,194	2,844,537,756
Other costs in cash (transportation, advertisements,...)	83,980,965,287	91,923,706,275
Total	86,347,980,481	94,768,244,031
b. General and administrative expenses		
Staff cost	41,676,087,556	53,783,861,842
Management material costs	9,144,790,826	8,044,105,119
Fixed asset depreciation	14,097,140,318	13,801,805,265
Taxes, fees, charges	8,074,400,720	4,899,129,922
External services	6,766,547,235	8,556,057,989
Other costs in cash	56,065,397,498	67,553,267,240
Total	135,824,364,153	156,638,227,377
6. Other income	Year 2024	Year 2023
Proceed from leasing assets	260,244,371	231,685,823
Income from interest expenses written off, reduced interest rate (*)	242,846,771,107	1,802,057,603,374
Income from inventory discrepancies	4,438,999,198	0
Income from asset liquidation	232,933,333	0
Others	1,203,744,216	1,555,975,834
Total	248,982,692,225	1,803,845,265,031
(*) The Company is allowed to write off the interest on the overdue debt that has not been collected until 21 December 2023 at the Vietnam Development Bank - Northeast Branch, as per Notice No. 53/TB-NHPT.BDB dated 31 January 2024. The written-off and reduced interest amount is recognized as other income during the year.		
7. Other expenses	Year 2024	Year 2023
Depreciation of assets suspended for repairs	50,534,133,496	0
Others	1,050,865,001	764,790,819
Total	51,584,998,497	764,790,819
8. Business costs by factor	Year 2024	Year 2023
Raw material cost	2,683,463,701,968	2,827,340,939,546
Labor cost	201,258,479,552	267,046,334,800
Fixed asset depreciation	576,139,896,653	624,767,388,163
External services	436,203,019,558	346,719,988,638
Other costs in cash	388,398,682,382	441,334,007,178
Total	4,285,463,780,113	4,507,208,658,325

NOTES TO THE FINANCIAL STATEMENTS*For the financial year ended 31 December 2024**Unit: VND*

9. Current Corporate income tax expense	Year 2024	Year 2023
Total accounting profit before tax	6,845,416,606	858,284,451,090
Adjustments to increase	172,050,000	609,513,728
- Non-deductible expenses	32,000,000	515,013,728
- Remuneration of non-executive Board of Directors and Board of Supervisors	140,050,000	94,500,000
Adjustments to decrease	(5,189,436,000)	(5,861,889,000)
- Dividends, profit received	(5,189,436,000)	(5,861,889,000)
Loss from previous years carried forward	(1,828,030,606)	(853,032,075,818)
Taxable income	0	0
Tax rate	20%	20%
Total current Corporate income tax expense	0	0
	<u>0</u>	<u>0</u>
10. Basic earnings per share	Year 2024	Year 2023
Accounting profit after corporate income tax	6,845,416,606	858,284,451,090
Adjustments to increase or decrease	0	0
Profit or loss allocated to common shareholders	6,845,416,606	858,284,451,090
Average common shares outstanding during the period	272,200,000	272,200,000
Basic earnings per share	25.15	3,153.14

11. 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:

11.1 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

11.2 Credit risk

Credit risk is the risk that one party to a financial instrument or customer contract will cause a financial loss for the other party by failing to discharge an obligation. The Company bears credit risks from operating activities (mainly trade receivables) and from its financial activities including bank deposits, foreign exchange operations 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.

11.3 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.

The following table summarizes liquidity deadline of the Company's financial liabilities on the basis of estimated payments in accordance with contract which are not discounted:

As at 31/12/2024	<i>Less than 1 year</i>	<i>Over 1 year</i>	<i>Total</i>
Borrowings and liabilities	415,263,223,306	2,369,906,200,000	2,785,169,423,306
Trade payables	386,144,351,853	0	386,144,351,853
Accrued expenses	576,813,743	0	576,813,743
Other short-term payables	206,292,188,042	2,085,715,122,631	2,292,007,310,673
Total	1,008,276,576,944	4,455,621,322,631	5,463,897,899,575
As at 01 January 2024			
Borrowings and liabilities	374,004,949,047	2,515,074,490,000	2,889,079,439,047
Trade payables	414,511,282,093	0	414,511,282,093
Accrued expenses	8,998,258,018	0	8,998,258,018
Other short-term payables	196,636,772,786	2,538,419,080,194	2,735,055,852,980
Total	994,151,261,944	5,053,493,570,194	6,047,644,832,138

The Company can access capital sources and loans due within 12 months can be rolled over with existing lenders.

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 FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

12. Financial assets and liabilities

The fair value of financial assets and financial liabilities is stated at the value that the financial instruments are convertible in present transaction among partners, except for compulsory sale or disposal.

The Company uses the following methods and assumptions to estimate the fair value:

The fair value of cash on hand and short-term deposits, trade receivables, trade payables and other short-term liabilities is equivalent to the book value of these items because these instruments are in short-term.

The following table presents the book value and fair value of financial instruments presented in the Company's Financial Statements:

	Book value				Fair value	
	31/12/2024		01/01/2024		31/12/2024	01/01/2024
	Value	Provision	Value	Provision	Value	Value
Financial assets						
- Cash and cash equivalents	371,815,496,069	0	321,675,669,771	0	371,815,496,069	321,675,669,771
- Short-term held-to-maturity investments	48,000,000,000	0	18,000,000,000	0	48,000,000,000	18,000,000,000
- Other long-term investments	3,556,066,097	0	3,556,066,097	0	5,820,000,000	5,320,000,000
- Trade receivables	194,518,231,831	0	200,035,369,805	0	194,518,231,831	200,035,369,805
- Other receivables	760,857,251,675	(5,210,337,062)	760,902,420,305	(5,344,337,062)	755,646,914,613	755,558,083,243
TOTAL	1,378,747,045,672	(5,210,337,062)	1,304,169,525,978	(5,344,337,062)	1,375,800,642,513	1,300,589,122,819
Financial liabilities						
- Borrowings and liabilities	2,785,169,423,306	0	2,889,079,439,047	0	2,785,169,423,306	2,889,079,439,047
- Trade payables	386,144,351,853	0	414,511,282,093	0	386,144,351,853	414,511,282,093
- Accrued expenses	576,813,743	0	8,998,258,018	0	576,813,743	8,998,258,018
- Other payables	2,292,007,310,673	0	2,735,055,852,980	0	2,292,007,310,673	2,735,055,852,980
TOTAL	5,463,897,899,575	0	6,047,644,832,138	0	5,463,897,899,575	6,047,644,832,138

These notes are an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 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.

Accumulated loss of VND 669,733,694,565 from the time of determining the enterprise value to the time of official conversion to a joint stock company (from 01 January 2015 to 31 December 2015) was transferred to the joint stock company based on Disclosure of the initial share offering of Ha Bac Nitrogenous Fertilizer and Chemicals Company Limited and Decision No. 15/QD-HCVN dated 6 January 2017 of Vietnam National Chemical Group on approving the final settlement of equitization of Ha Bac Nitrogenous Fertilizer and Chemicals Company Limited at the time of conversion.

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	Revenue and expenditure from liquidation of unused assets upon equitization	0	(1,693,506,388)
DAP - Vinachem Joint Stock Company	Same parent company	Selling goods	29,258,400,000	0
DAP2 - Vinachem Joint Stock Company	Same parent company	Selling goods	64,167,480,000	0
Habac Liquefied Gas Joint Stock Company	Associate	Selling goods	9,340,474,270	902,310,017
		Dividend receipt	5,189,436,000	0
Vietnam Institute of Industrial Chemistry	Same parent company	Purchase of chemicals	0	(358,930,000)

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

Name	Position	Content	Year 2024
Nguyen Van Thieu	Chairman of the Board of Directors	Remuneration of the Board of Directors and other income	82,625,000
Nguyen Duc Ninh	General Director (Retirement on 01/11/2024)	Salary, remuneration of the Board of Directors and other income	363,477,000
Nguyen Van Dung	General Director (Appointed on 01/11/2024)	Salary, remuneration of the Board of Directors and other income	397,786,800
Pham Van Trung	Deputy General Director	Salary, remuneration of the Board of Directors and other income	390,046,800
Nguyen Dinh Hong	Deputy General Director	Salary, remuneration of the Board of Directors and other income	349,766,600
Nguyen Phung Hung	Member of the Board of Directors (from January 2024 to April 23, 2024)	Salary, remuneration of the Board of Directors and other income	31,770,000
Nguyen Tuyen Anh	Member of the Board of Directors	Remuneration of the Board of Directors and other income	38,455,000
Ha Xuan Han	Head of the Board of Supervisors	Salary and other income	304,210,200
Le Anh Tuan	Member of the Board of Supervisors	Remuneration of the Board of Supervisors and other income	57,425,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

Unit: VND

2. Transaction with related parties (continued)

Name	Position	Content	Year 2024
Dang Thi Minh Ly	Member of the Board of Supervisors	Remuneration of the Board of Supervisors and other income	57,425,000
Le Anh Tuan	Chief Accountant	Salary and other income	304,210,200

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

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

4. Information on the going-concern operation

The Company will continue operating in the future.

5. Comparative figures

Comparative figures as at 01 January 2024 on the Balance Sheet and in 2023 on the Income Statement and Cash Flow Statement taken from the Company's Financial Statements for the financial year ended 31 December 2023 were audited by MOORE AISC Auditing and Informatics Services Co., Ltd.

6. Events occurred after the balance sheet date

There are no significant events occurring after the end of the accounting period that require adjustment and presentation in this financial statements. *chung*

[Signature]

Nguyen Thi Hong Nhung
Preparer

Bac Giang, 03 March 2025

[Signature]

Le Anh Tuan
Chief Accountant



[Signature]
Nguyen Van Dung
General Director