



ACCOMPANYING ECONOMIC DEVELOPMENT

SOUTH BASIC CHEMICALS JOINT STOCK COMPANY

ANNUAL REPORT 2024

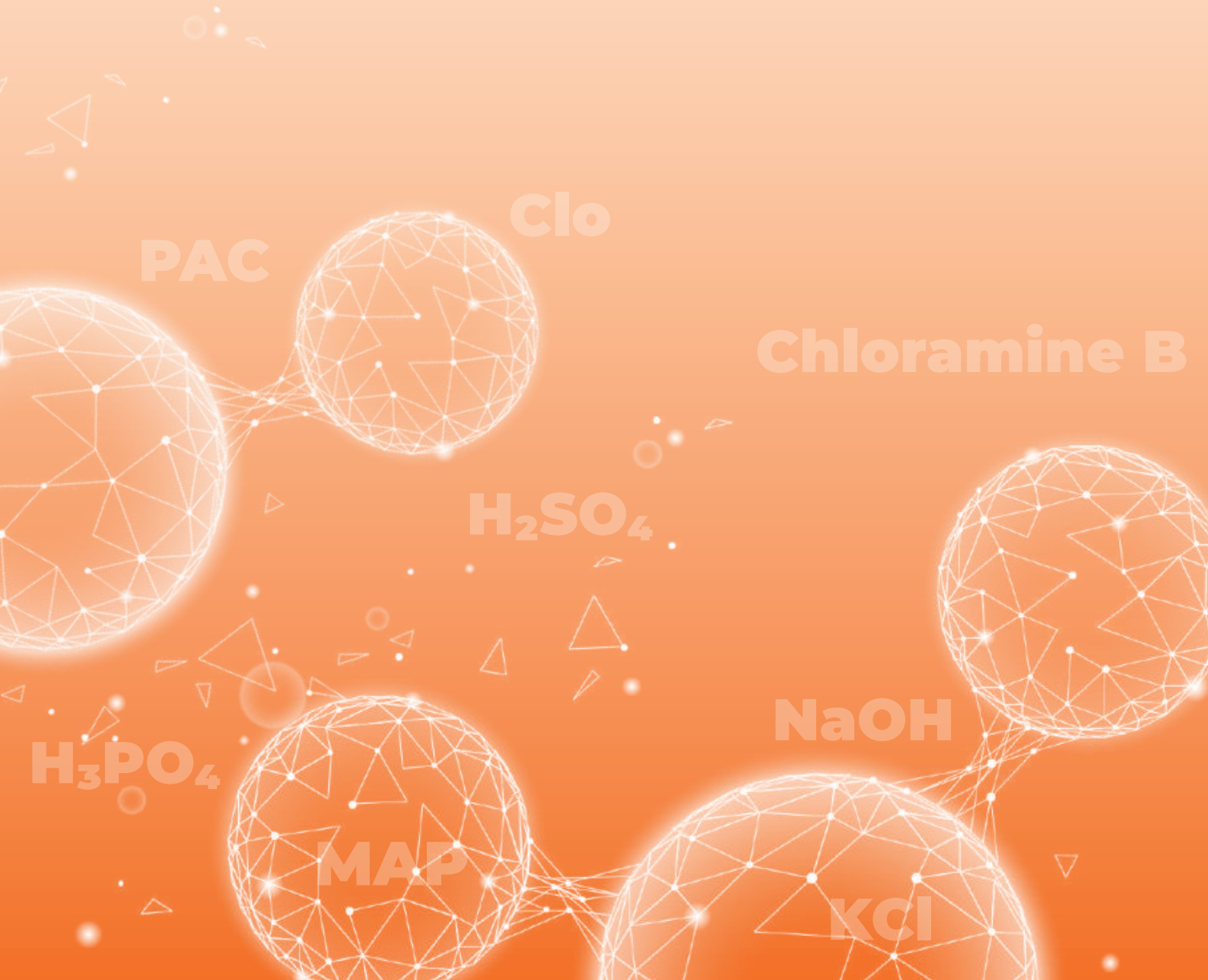
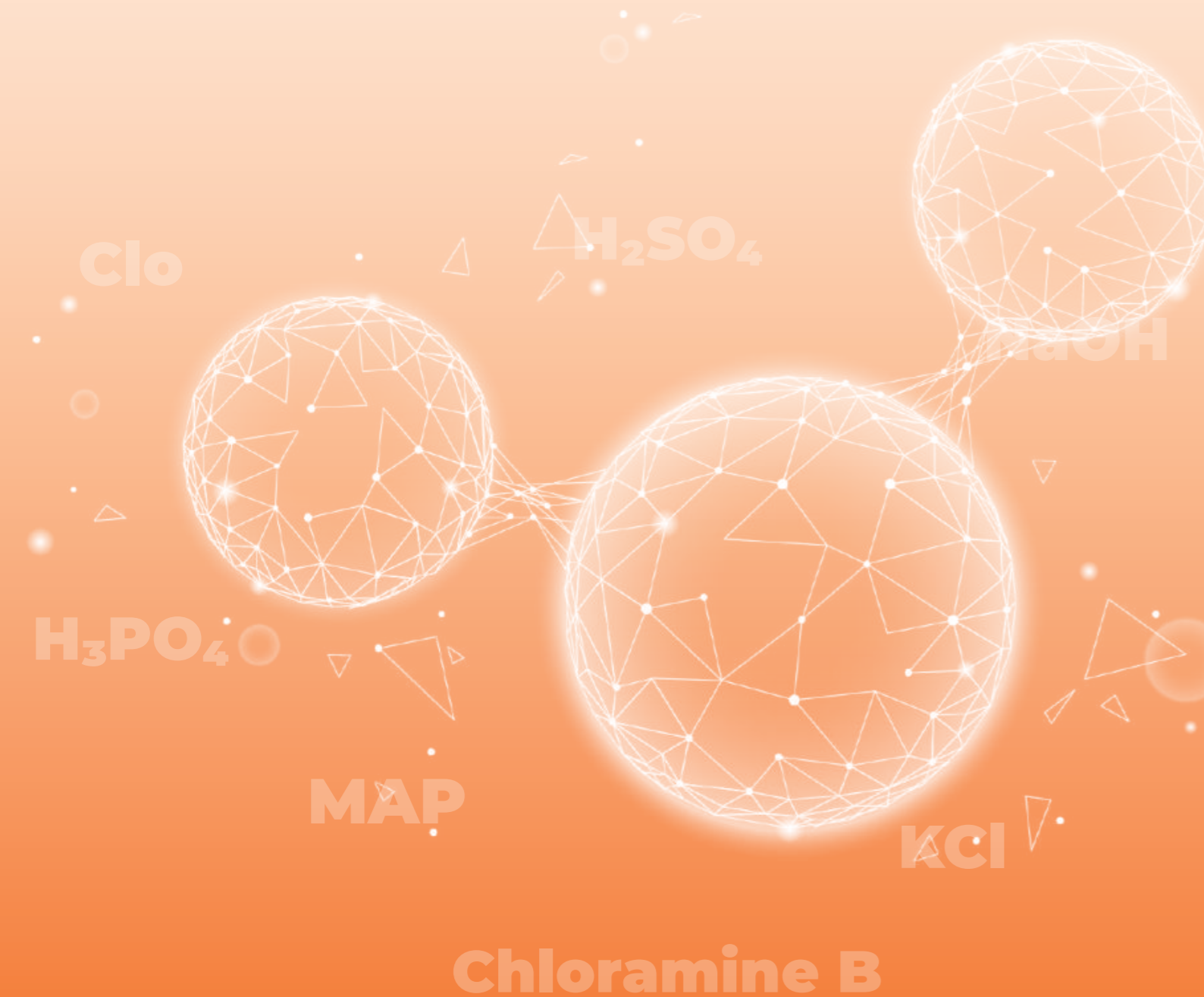


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CHAIRWOMAN'S MESSAGE



CSV identifies that within every difficulty, there are hidden opportunities. This is the time for the company to focus on optimizing existing resources, improving production processes, and enhancing innovation in every activity. From there, it creates opportunities for the company to increase its adaptability to the market, enhance its competitiveness, and strengthen its position in the industry.

Dear Esteemed Shareholders, Customers, Partners, and all Employees!

The year 2024 represents a significant milestone not only for the global economy but also for Vietnam, as trends of recovery and development unfold amid unprecedented economic challenges. The volatility of international markets, the influence of geopolitical factors, along with issues related to supply chains and climate change, have created a highly complex environment. Nevertheless, the Vietnam's economy has continued to demonstrate stable growth, with commendable efforts in pursuing sustainable development and enhancing national competitiveness.

Vietnam's chemical industry is currently facing numerous challenges, while also encountering new opportunities. Key factors such as fluctuations in input material prices, rising energy costs, increasing competition from imported products, and more stringent environmental regulations are directly affecting the sector. This period also presents a critical opportunity for the chemical industry to undertake transformational steps to meet evolving market demands and seize emerging opportunities. A growing number of enterprises within the industry have clearly acknowledged the imperative to shift towards green and sustainable chemical products, in alignment with global trends and heightened environmental expectations.

In the context of global economic fluctuations and challenges in the chemical industry, the Board of Management of South Basic Chemicals Joint Stock Company has implemented timely solutions to ensure the company's sustainable development. We focus on optimizing the production process and controlling costs to minimize the impact of fluctuations in raw material and energy prices. The company continues to invest in advanced technologies and improve production techniques to enhance efficiency and product quality, while minimizing environmental impact.

Additionally, the company's management is focused on directing resources towards strengthening research, innovation, scientific and technological advancements, and digital transformation, as well as developing new products, especially those serving the semiconductor and electronics industries, with the goal of becoming more involved in the value chain of Vietnam's semiconductor industry.

Moreover, the Board of Management places strong emphasis on strengthening human resource capabilities, fostering innovation, and refining operational processes. The Company has implemented comprehensive training and career development programs for its workforce, while enhancing management and supervisory mechanisms to ensure operational excellence and agility in responding to market demands.

With unwavering determination and a clear strategy for sustainable development, the Company remains committed to continuously enhancing its competitiveness and product quality, with the ultimate goal of delivering greater added value to our esteemed partners.

We extend our sincere gratitude for the steadfast support and trust of our valued shareholders, investors, partners, and the entire Employee throughout the Company's development journey. Every contribution and encouragement from you serves as an invaluable source of motivation, empowering the Company to further affirm its position and achieve robust growth in the years ahead.

Respectfully yours !

**Chairwoman of the Board of Directors
Mrs. Nguyen Thi Mai**



VISION, MISSION, CORE VALUES, BUSSINESS PHILOSOPHY



VISION

To become a leading enterprise in the field of basic chemical production, with a commitment to sustainable development, ensuring safety and environmental friendliness, and contributing to the preservation of the nation's precious natural resources.



MISSION

To continuously innovate, research, and develop high-quality chemical products that meet the diverse needs of the market, while creating sustainable value for the community and contributing to the development of the national economy.



CORE VALUES

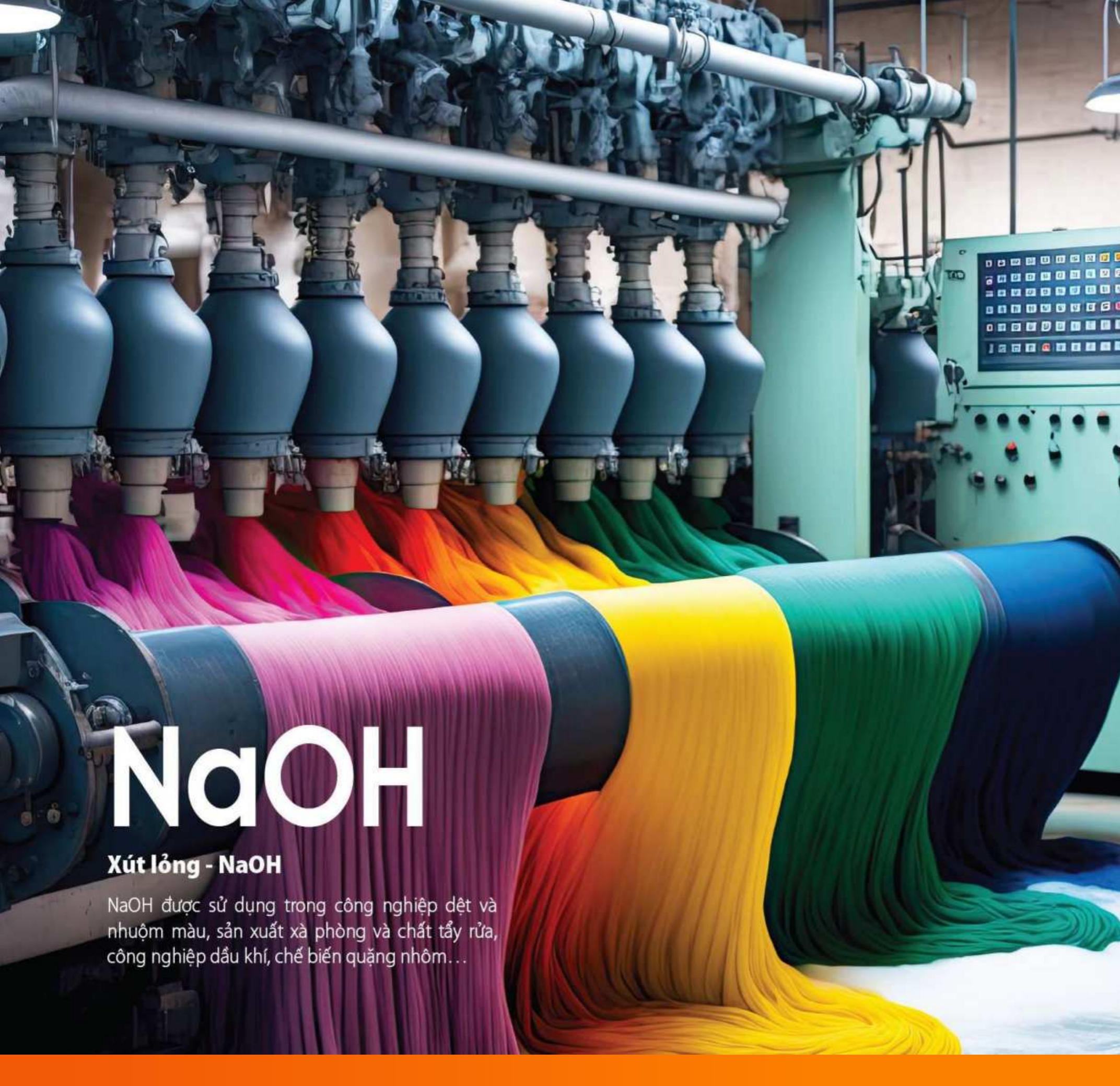
- **Sustainable Development:** Focus on strategic investment and development, ensuring business efficiency alongside social responsibility.
- **Quality and Reputation:** Commitment to product and service quality, maintaining trust with customers and partners.
- **Innovation:** Continuously improve technology, production processes, and management methods.
- **People:** Build a professional, creative working environment, fostering the comprehensive development of employees.
- **Safety and Environment:** Prioritize safety and environmental protection in all activities.



BUSINESS PHILOSOPHY

"Customer satisfaction is the measure of success - Sustainable development is the long-term goal."

We believe that true success comes from creating value for our customers, partners, and society, while maintaining long-term sustainable development.



NaOH

Xút lỏng - NaOH

NaOH được sử dụng trong công nghiệp dệt và nhuộm màu, sản xuất xà phòng và chất tẩy rửa, công nghiệp dầu khí, chế biến quặng nhôm...

01

GENERAL INFORMATION

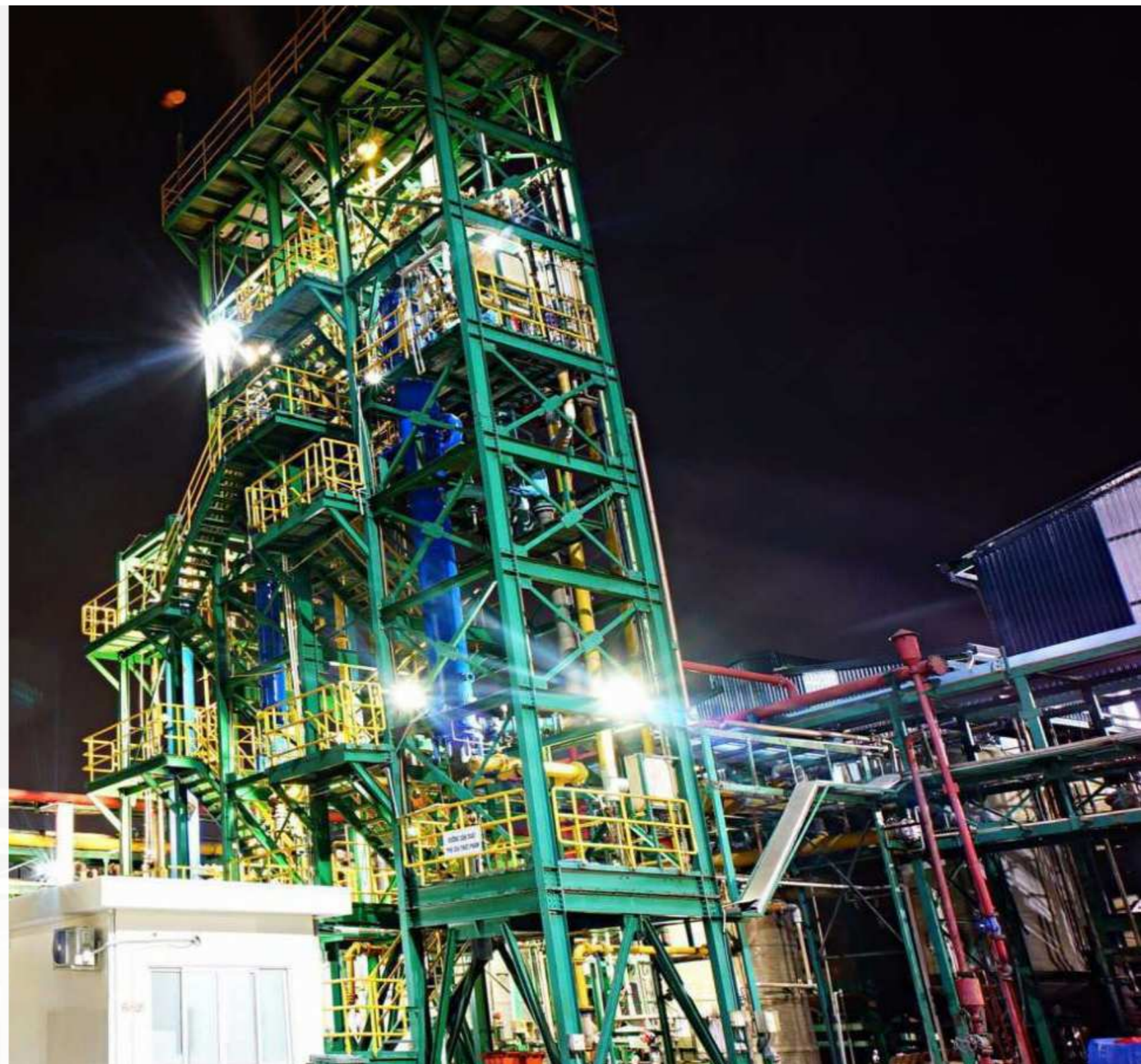
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GENERAL INFORMATION

SOUTH BASIC CHEMICALS JOINT STOCK COMPANY

Trading name	SOUTH BASIC CHEMICALS JOINT STOCK COMPANY
Abbreviation	South Basic Chemicals
Stock symbol	CSV
Stock Exchange	HOSE
Charter capital	1,104,999,100,000 VND
Owner's capital	1,104,999,100,000 VND
Logo	
Address	No. 22 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City
Telephone	(028) 3829 6620 - 3822 5373
Fax	(028) 3824 3166
Website	www.sochemvn.com
Business Registration Certificate No.	0301446260, first issued by the Ho Chi Minh City Department of Planning and Investment on September 24, 2003, and amended for the 11th time on September 11, 2024.





ESTABLISHMENT AND DEVELOPMENT PROCESS

THE BEGINNING

- South Basic Chemicals Company was established on July 21, 1976 under Decision No. 240/HC issued by the General Department of Chemicals, comprising four affiliated units: Bien Hoa Chemical Plant (VICACO), Tan Binh Chemical Plant (COPHATA), Dong Nai Chemical Plant, and Thu Duc Chemical Plant.
- To meet the needs of research, production, and development, the Company established several additional units, including the Bao Loc Bauxite Mine, the Experimental Research Workshop, and the Electromechanical Workshop.



1986 - 2003

MATURITY

- The Company has continuously strived for improvement and innovation to better meet market demands, while also expanding and developing its production activities. Additional units were established, including the Vietnam Phosphorus Plant (2004), which was later restructured as Vietnam Phosphorus Joint Stock Company in 2010, in which the Company holds a 65.05% stake, and Tan Binh Chemical Plant 2 (2009).
- On August 20, 2012, Vietnam National Chemical Group issued Decision No. 243/QĐ-HCVN regarding the equitization of Southern Basic Chemicals One-Member Co., Ltd, setting the enterprise valuation date at 0:00 on October 1, 2012.
- On July 28, 2013, Vietnam National Chemical Group issued Decision No. 248/QĐ-HCVN approving the plan to convert Southern Basic Chemicals One-Member Co., Ltd into South Basic Chemicals Joint Stock Company.
- On December 12, 2013, the General Meeting of Shareholders was convened to officially establish South Basic Chemicals Joint Stock Company.

- On January 2, 2014, the Company officially commenced operations under the name South Basic Chemicals Joint Stock Company. Following its equitization, the Company entered a phase of stable development. During this period, the Company accelerated investments in new machinery and equipment, expanded its production facilities, and prepared for the next stage of growth as the national economy deepened its integration, fully utilizing its production capacity to meet market demands.

2014 - Present

2004 - 2013



- In 2024, the Company issued an additional 66.3 million shares at an execution ratio of 100:150, thereby increasing its charter capital to VND 1,104,999,100,000 from owners' equity. This marked a significant milestone in strengthening the Company's financial foundation, expanding opportunities for sustainable development, and enhancing its market position.

TRANSFORMATION

INNOVATION AND DEVELOPMENT

- During the period when Vietnam's economy began transitioning toward innovation and integration with the market economy, the Company was among the state-owned enterprises permitted to convert into a one-member Co., Ltd. On September 24, 2003, the Department of Planning and Investment issued the Company's first business registration certificate under the official name Southern Basic Chemicals One-Member Co., Ltd.



1976 - 1985



CÁC THÀNH TÍCH NỔI BẬT



2000

Third-class Labor Order



2004

Second-class Labor Order



2016

First-class Labor Order



2015

Emulation Flag from the Prime Minister



2018

Emulation Flag from the Vietnam General Confederation of Labor



2019

Emulation Flag from the Commission for the Management of State Capital at Enterprises (CMSC)



1995

Certificate of Merit from the Vietnam General Confederation of Labor



2006

Certificate of Merit from the Prime Minister



2015

Certificate of Merit from Vietnam National Chemical Group for outstanding achievements in the 90-day year-end emulation movement of 2015 (Second Prize)



2016

- Certificate of Merit from the Vietnam General Confederation of Labor
- Certificate of Merit from Vietnam National Chemical Group



2017

- Certificate of Merit from the Ministry of Industry and Trade
- Certificate of Recognition: "Enterprise for Employees"



2020

- Certificate of Merit from the Vietnam General Confederation of Labor
- Certificate of Merit from the CMSC



2020

Emulation Flag from Vietnam National Chemical Group



2021

- Emulation Flag from the CMSC
- Emulation Flag from Vietnam National Chemical Group



2022

- Emulation Flag from the Prime Minister
- Emulation Flag from the CMSC
- Emulation Flag from the Vietnam General Confederation of Labor
- Emulation Flag from Vietnam National Chemical Group



2023

- Emulation Flag from the CMSC
- Emulation Flag from the Vietnam Trade Union of Industry and Trade



2024

Emulation Flag from the Vietnam Trade Union of Industry and Trade (2024)



CÁC THÀNH TÍCH NỔI BẬT

2015

TOP 50

Environmentally-Friendly Brands

2020

TOP 329

Enterprise with Outstanding Information Disclosure Compliance

Recognized as an Excellent Labor Collective in 2020 by Vietnam National Chemical Group

2022

TOP 42

Mid-Cap Enterprises with the Best Annual Reports (Finalist Round)

TOP 10

Strong ASEAN Brands 2022

ASEAN 2022 High-Quality Product and Service Award

Recognized as an Excellent Labor Collective in 2022 by Vietnam National Chemical Group

2023

Bronze Award

“Vietnam’s No.1 Brand 2023”

by the Asia Business Development Research Center

TOP 5

Most Profitable Units of Vietnam National Chemical Group in 2023

TOP 5

Units with the Highest Return on Equity in Vietnam National Chemical Group in 2023

Recognized as an Excellent Labor Collective in 2023 by Vietnam National Chemical Group

2016

TOP 10

Reputable Brands in Vietnam’s Chemical Industry

2021

Recognized as an Excellent Labor Collective in 2021 by Vietnam National Chemical Group

2017

TOP 50

Leading Brands in Vietnam

2018

TOP 50

Best-Listed Companies in Vietnam

2019

- Certified as a Vietnam Golden Brand
- Recognized as an Excellent Labor Collective in 2019 by Vietnam National Chemical Group



2024

TOP 5

Most Profitable Units of Vietnam National Chemical Group in 2024

TOP 5

Units with the Best Return on Equity in Vietnam National Chemical Group in 2024

TOP 10

Vietnam's leading brands in 2024

Recognized as an Outstanding Unit in the Emulation Movement of Vietnam National Chemical Group in 2024



BUSINESS LINES AND LOCATIONS OF THE BUSINESS

Business lines

- 1

Manufacture of basic chemicals

Details: Production of chemical industry products (excluding highly toxic chemicals; chemical production not conducted within Ho Chi Minh City).
- 2

Manufacture of other chemical products not elsewhere classified

Details: Production of chemicals for industrial purposes; production of food additive chemicals (not conducted at the head office).
- 3

Manufacture of other food products not elsewhere classified

Details: Processing of salt-based products for food use (not conducted at the head office).
- 4

Other specialized wholesale not elsewhere classified

Details: Wholesale of chemicals for industrial use; wholesale of chemicals for food additive purposes.
- 5

Manufacture of fertilizers and nitrogen compounds

(Not conducted within Ho Chi Minh City).
- 6

Scientific research and technological development in the fields of science and technology

Details: Experimental research activities and other related services.

Locations of the business



With a diverse and high-quality portfolio of basic chemical products, the Company has been building a strong distribution network extending from the Central and Central Highlands regions to the Southwestern provinces and Ho Chi Minh City. Not only a trusted domestic partner, the Company is also gradually expanding its presence in international markets, particularly in Southeast Asia. With proven experience and stable production capacity, the Company takes pride in being a reputable enterprise in the chemical industry, always committed to accompanying and contributing to the country's economic development.





SIGNATURE PRODUCTS

Sodium Hydroxide (NaOH)

Used in oil refining, paper industry, textile, food processing, soap and detergent production, aluminum ore processing, etc.



Hydrochloric Acid (HCl)

Used in steel pickling, textile dyeing, and other industrial processes.



Liquid Chlorine (Cl₂)

Applied in water treatment, bleach production, and disinfection.



(Sodium Hypochlorite (NaClO - Javel)

Used in water treatment, paper industry, textile processing, etc.



Disinfectant Preparation - Chloramine B

Used for surface disinfection and sterilization.



Sulfuric Acid (H₂SO₄)

Used in fertilizer and alum production; also serves as an electrolyte in lead-acid batteries.



Yellow Phosphorus (P₄)

Used to produce phosphoric acid (H₃PO₄); also applied in the semiconductor industry and electric vehicle battery production.



Purified Sulfuric Acid

Applied in pharmaceuticals, laboratories, high-quality chemical production, fertilizers, pesticides, synthetic detergents, chemical fibers, plastics, paints, etc.



Poly Aluminium Chloride (Liquid & Powder)

Used as an effective coagulant in paper manufacturing, wastewater treatment, and oil & gas industry; accelerates precipitation of suspended particles.



Axit Phosphoric (H₃PO₄)

Used as raw material in fertilizer, pesticide, animal feed, sugar, cooking oil, monosodium glutamate, phosphate salts for food, biotechnology, etc.





GOVERNANCE MODEL AND MANAGEMENT STRUCTURE

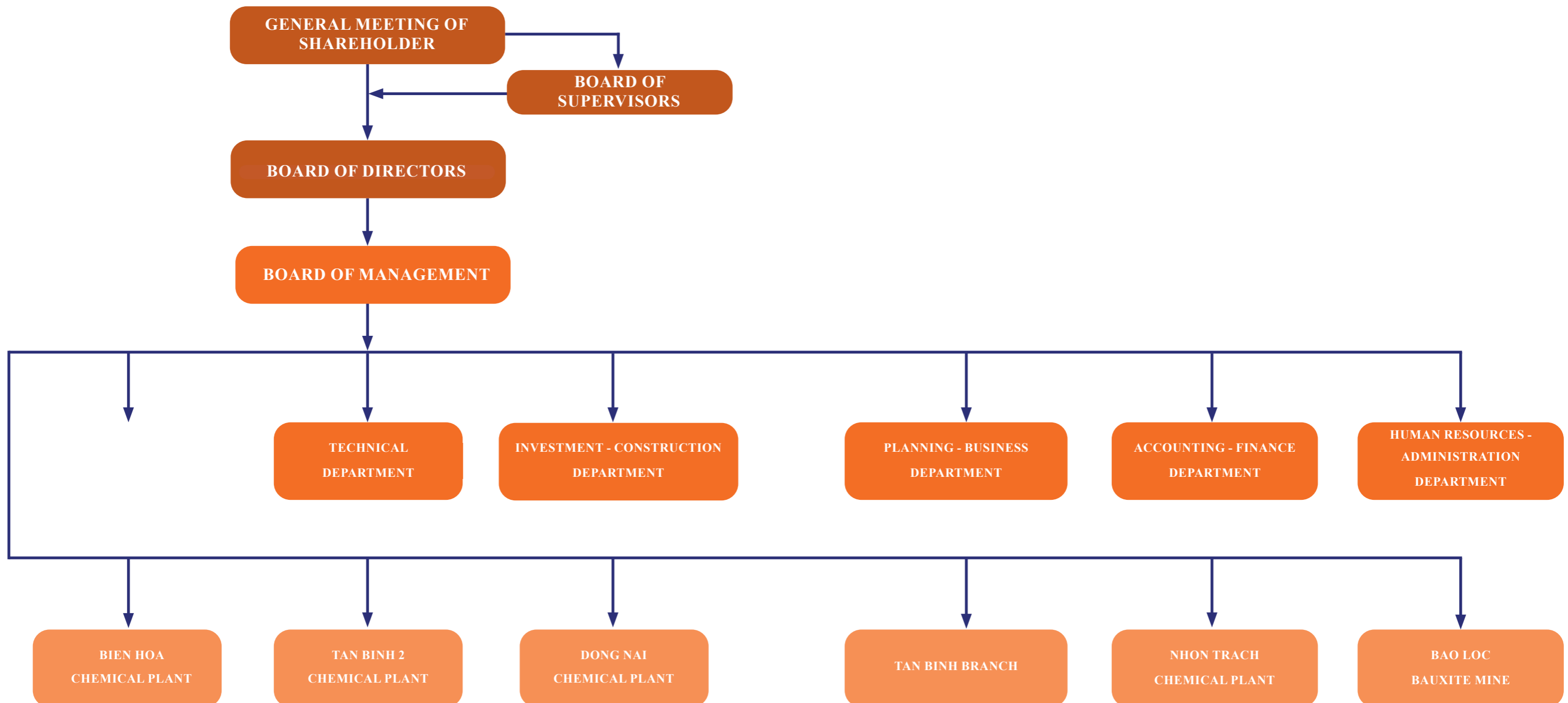


South Basic Chemicals Joint Stock Company currently operates under the Joint Stock Company model, with an efficient organizational structure and a streamlined, capable workforce. This has been a core principle emphasized by the Board of Management since its early days, considered a key factor in ensuring operational efficiency, enhancing brand value and corporate image, and ultimately driving sustainable development.

The Company's governance model includes:

Accordingly, the Company's governance model operates in accordance with Point a, Clause 1, Article 137 of the Law on Enterprises 2020, which stipulates the following:

- General Meeting of Shareholders;
- Board of Directors;
- Board of Supervisors;
- Board of Management.





SUBSIDIARIES, ASSOCIATED COMPANIES



Subsidiaries

Company Name	Address	Main Business Activities	Charter Capital (Million VND)	Company's Ownership Percentage
Vietnam Phosphorus Joint Stock Company	Tang Loong Industrial Park, Tang Loong Town, Bao Thang District, Lao Cai Province.	Production, business, and import-export of yellow phosphorus.	39.345,48	65,05%



Associated companies

None.



Affiliated Units

STT	Company Name	Address	Main Business Activities
1	Bien Hoa Chemical Plant	Road 5, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province.	Production of NaOH – Chlorine and related chemical products, serving various industrial sectors. The plant primarily supplies products to the southern market.
2	Tan Binh 2 Chemical Plant	Road 5, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province.	Production of H ₂ SO ₄ (Sulfuric Acid) and Aluminum Sulfate. The plant primarily supplies products to the southern market.
3	Dong Nai Chemical Plant	Road No. 1, Bien Hoa 1 Industrial Park, An Binh Ward, Bien Hoa City, Dong Nai Province.	Production of technical-grade H ₃ PO ₄ (Phosphoric Acid), food-grade H ₃ PO ₄ , and phosphate-based products. The plant primarily serves industries such as sugar refining, high-quality micronutrient fertilizer production, animal feed processing, food production, cosmetics, beverages, and beer manufacturing
4	Tan Binh Branch	139 Phan Huy Ich Street, Ward 15, Tan Binh District, Ho Chi Minh City.	Trading Al(OH) ₃ (Aluminum Hydroxide), H ₂ SO ₄ (Sulfuric Acid), and Chloramine B. The branch's products are widely used in various industries, including electronics, battery manufacturing, paper production, fertilizers, water treatment, and disinfection.
5	Bao Loc Bauxite Mine	62 Ly Thuong Kiet Street, Bao Loc City, Lam Dong Province.	Ceased operations.
6	Nhon Trach Chemical Plant (*)	Nhon Trach 6 Industrial Park, Long Tho Commune, Nhon Trach District, Dong Nai Province.	(*) The Company is currently planning a relocation project to move Bien Hoa Chemical Plant, Dong Nai Chemical Plant, and Tan Binh 2 Chemical Plant to Nhon Trach Chemical Plant.



DEVELOPMENT ORIENTATIONS

1

• Develop the Company with a market-oriented strategy, linking the value chain with the ecosystem of Vietnam National Chemical Group, aiming to expand the market and become one of the leading basic chemical manufacturers in Vietnam.

2

• Develop the Company in a comprehensive, sustainable manner, with high competitiveness, exploring and covering nationwide markets, aligning with the development plan for the chemical industry in Vietnam.

3

• Treat people as a key factor, forming a highly skilled, responsible workforce with professional attitudes, proactive creativity in their work. Build and develop a reputable and high-quality South Basic Chemicals brand.





MAIN OBJECTIVES OF THE COMPANY

The main objectives to realize the Company's long-term sustainable development strategy, including:

1

Product Development and Market Expansion: Accelerate research, innovation, and enhancement of the chemical product range to broaden the market reach, address the NaOH - Chlorine balance, compete effectively with imported products and other competitors, and deliver high-quality products that contribute positively to society and the community.

2

Effective Capital Management: Safeguard shareholders' legal rights, preserve capital, optimize capital utilization efficiency, and ensure compliance with state obligations.

3

Improving Production Capacity: Focus on investing in, maintaining, and upgrading machinery and equipment to ensure stable production operations, reduce material wastage, and allocate resources efficiently for the timely implementation of the Nhon Trach Chemical Plant project and relocation of production facilities.

4

Sustainable Brand Development: Build and strengthen the Company's brand, while expanding and integrating the development of other product lines in which the Company holds a competitive advantage, thus ensuring a strong foundation for long-term, sustainable growth.

5

Commitment to Green Development: Focus on ensuring safety in production, adopting environmentally friendly practices, and preserving the country's precious natural resources.



DEVELOPMENT STRATEGIES IN MEDIUM AND LONG TERM



Creating Value Through Quality and Innovation

Product Strategy

- **Focus on Core Business Products:** Allocate resources to core products, especially Sodium Hydroxide (NaOH) and Chlorine (Cl₂), with the goal of boosting sales of high-margin products that have strong competitive potential. Sodium Hydroxide and Chlorine are primarily supplied to industries such as steel, electronics, textile dyeing, water treatment, and others with significant growth potential.
- **Product Differentiation:** Focus on enhancing product quality to differentiate from competitors by improving quality standards and obtaining quality certifications and norms recognized both internationally and in Vietnam. The Company is in the process of obtaining BIS certification for H₃PO₄ to ensure product quality meets the standards required for import into the Indian market, expanding the export potential of the Company's products to new international markets.
- **Development of New Products:** Continue to research and explore technology and equipment for producing high-quality sulfuric acid that meets the required specifications for the electronics industry. Begin experimental production of Nano Silica at the plant, ensuring product quality meets technical standards applied in industries such as rubber and plastics production. Additionally, explore methods to utilize by-products in the Nano Silica production process. Collaborate closely with the business and marketing departments to study the specific needs of customer groups (including concentration requirements and specific technical standards), to develop a diverse range of products that fully meet customer demands.

Market Strategy

"Consolidating Traditional Markets, Unlocking Potential in the Electronics Industry"

- In the context of a complex market influenced by macroeconomic factors, the Company adopts a flexible pricing strategy, monitoring daily price fluctuations to offer the most reasonable prices to customers. This approach helps maintain market share and ensures stable revenue.
- The Company conducts research to understand the specific needs of large customer groups (e.g., concentration and technical standards) to produce product lines that meet customer requirements. Specifically, the Company has diversified the concentration and technical standards of its products, such as: NaOH (20% – 50%), HCl (18% - 35%), Javel (40g/l, 100g/l, 120g/l), Liquid PAC (PAC and PAC-F concentrations 10% – 17%), Powder PAC (PAC and PAC-F concentrations 30% - 31%), and Pure H₂SO₄ (30% - 98%), among others
- To expand into the electronics manufacturing sector, the Company continues to research technology for producing high-quality sulfuric acid with product specifications that meet the high-quality standards required for use in the electronics industry.



SUSTAINABLE DEVELOPMENT GOALS



As a leading enterprise in the basic chemical production sector, the Company is building a sustainable supply chain, closely connecting with stakeholders from input to output. In our long-term development strategy, we identify stakeholders as strategic partners with a significant impact on the Company's operations in three key areas: economic, social, and environmental. Through regular consultations and feedback collection, the Company continuously strives to meet the expectations of its stakeholders, including: Customers, Shareholders/Investors, Employees, Government Agencies, the Environment, and the Local Community.

SUSTAINABLE DEVELOPMENT



Customers



Shareholders/Investors



Employees



Government Agencies



Environment and Local Communities

Customers

- Continue to uphold the business philosophy "Customer satisfaction is the Company's success".
- Maintain strong relationships and focus on after-sales service for existing customers, offering appropriate buying and selling policies in the context of intense domestic and international competition on price.
- The Company always aims to develop new products and improve existing ones to promptly meet customer needs.

Shareholders/Investors

- Efficiently manage, utilize, and invest capital with the aim of optimizing long-term shareholder value.
- Address investor inquiries through annual General Meetings of Shareholders and receive feedback via phone and email.
- Disclose information in accordance with applicable regulations.

Employees

- Human resources are the Company's valuable assets. The Company focuses on recruiting qualified professionals who meet the requirements for each position. In addition, to continuously maintain and improve the quality of human resources, the Company develops an annual training plan to align with the Company's growth objectives.
- A healthy, open, comfortable working environment with full facilities is crucial for the well-being and performance of employees. Therefore, alongside creating a quality work environment, the Company ensures timely salary payments, reasonable distribution of the payroll fund, and applies a variety of flexible benefit schemes to encourage employees to enhance their work capacity, contribute, and remain loyal to the Company.
- Develop a corporate culture to drive motivation and strengthen internal unity for the Company's growth.



Government Agencies

- Comply with legal regulations in areas such as safety, environmental protection, and industry-specific chemical regulations.
- Regularly update legal documents to adapt to new regulations, ensuring compliance, particularly in the Company's production and business operations.
- Fulfill financial obligations and tax obligations in accordance with applicable laws.

Environment and Local Communities

- Continuously enhance research, investment, and technology improvements to ensure environmentally responsible production, increase waste treatment processes to reduce environmental pollutants, and apply clean production methods and green chemistry, aiming for sustainable development.
- The Company is fully committed to fulfilling its responsibilities and obligations to the community and society, contributing to building a better and more sustainable society.



RISKS

Economic Risks

The global economic and political situation in 2024 has been marked by complex fluctuations, significantly impacting the world economy. Political conflicts in countries such as Russia – Ukraine, the Red Sea region, the Middle East, and political instability in many European and Asian countries have caused major disruptions in supply chains, hindering trade and commerce in key economic regions. This has led to increased energy prices and raw material costs.

In efforts to stabilize the economy, major central banks around the world, such as the U.S. Federal Reserve (FED), the European Central Bank (ECB), and the People's Bank of China (PBOC), have implemented loose monetary policies to control inflation and stimulate growth. However, the effectiveness of these measures has not met expectations. This is reflected in key economic indicators, such as GDP growth, industrial production index (IIP), purchasing managers' index (PMI), and unemployment rates in major economies, especially in Europe and China. As a result, consumer demand and production activity in many countries have not yet recovered, affecting exports from domestic enterprises.

Operating in the basic chemical production sector with key products like NaOH (Sodium Hydroxide), H₂SO₄ (Sulfuric Acid), HCl (Hydrochloric Acid), H₃PO₄ (Phosphoric Acid), PAC, etc., which are essential raw materials for industries such as fertilizers, paper, textiles, dyeing, pesticides, detergents, water treatment, and steel pickling, any fluctuations in the economy will have an impact on the Company's business operations.

In the current difficult economic environment, the decline in consumer demand and market purchasing power has significantly affected industries that use the Company's products. Notably, the shift in the cosmetics and chemical industry, specifically the transition from powder detergent to liquid detergent and capsules, is expected to reduce the demand for Silicate – one of the Company's flagship products – by 30% to 40% in the near future.

To mitigate the impact of economic risks, the Company continuously monitors and evaluates the market to promptly implement appropriate policies in response to the current developments, particularly in pricing strategies. Additionally, the Company is focusing on researching customer segments, new products, and its own capabilities to best meet customer demands. As a result, the Company has proactive and flexible plans to adapt to both positive and negative market developments

Exchange Rate Risk

In 2024, the foreign exchange market witnessed complex fluctuations, driven by differences in monetary policies between economies. While major central banks maintained tight policies to control inflation, the State Bank of Vietnam chose to keep interest rates low to support economic recovery. This created significant pressure on the USD/VND exchange rate.

Although a trend of easing monetary policy emerged in the second half of the year, particularly with the Federal Reserve's interest rate cuts, the US dollar index continued to rise strongly. Combined with the seasonal demand for foreign currency by businesses to pay for imported raw materials at the end of the year, the USD/VND exchange rate continued to face significant upward pressure.

As a company that imports strategic raw materials such as industrial salt and sulfur, the Company is directly affected by exchange rate fluctuations through input costs and business performance. To effectively manage this risk, the Company has implemented a range of coordinated solutions: maintaining a material reserve policy of 1-3 months, building a flexible import plan, and optimizing payment terms with international partners.

Through these measures, the Company is gradually controlling exchange rate risks effectively, ensuring stability in its business operations, and continuing to refine its risk management strategy in line with market developments.

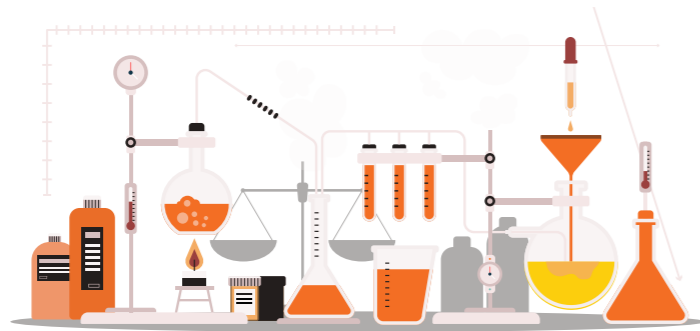




RISKS

Product Development Risk

Research and development of new products is one of the Company's strategic priorities. However, this activity faces significant challenges due to the specific nature of the basic chemical industry. The approval process for new products must undergo strict scrutiny by government regulatory authorities, requiring considerable time and resources. Additionally, developing new products demands significant investment in infrastructure, such as technological production lines and specialized storage systems, placing pressure on both high-quality human resources and financial capital.



Currently, the Company is in the process of relocating three plants from Bien Hoa 1 Industrial Park to Nhon Trach Industrial Park, which presents certain challenges in developing new products at the existing facilities. In response to this situation, the Company has proactively developed a strategy for new product development at the Nhon Trach Chemical Plant. This strategy focuses on researching and developing products derived from Chlorine, Sulfate, and Phosphate compounds. This approach not only optimizes the use of available raw materials and intermediate products but also helps control production costs, enhance business efficiency, and strengthen the Company's competitive ability in the market.

Legal Risk

Legal Risks in Business Operations:

The Company's business operations are governed by a legal framework that includes various laws such as the Enterprise Law, Securities Law, Tax Law, Commercial Law, Chemical Law, Environmental Protection Law, Fire Prevention and Rescue Law, and other relevant decrees, circulars, and legal documents. Vietnam's legal system is undergoing updates and reforms, creating challenges for local businesses to adapt.

Therefore, the Company always takes a proactive approach by regularly updating and researching legal information related to the economy and industry-specific regulations to adjust its operational mechanisms in compliance with the law. This helps minimize potential legal issues that may impact business activities.

Legal Risks in the Construction Investment Sector:

The regulations related to construction investment are often overlapping, conflicting, and lack specific guidance, leading to significant challenges for businesses in complying with the law. This creates delays in project timelines and introduces numerous legal risks in the construction investment sector. The absence of clear and consistent guidelines increases the complexity of navigating legal requirements, often resulting in legal disputes, project delays, and potential financial losses for companies.

Legal Risk:

Construction contracts are governed by multiple legal documents such as the Construction Law, Civil Code, Commercial Law, Bidding Law, and various other detailed guiding documents. The fact that construction contracts are regulated by multiple legal frameworks creates significant challenges and obstacles when implementing these regulations, which often leads to the risk of contract disputes.

Environmental Risk

The basic chemical production industry carries significant environmental risks, especially from wastewater discharge and waste management processes. Aware of these challenges, the Company has implemented a comprehensive environmental management system, including strict compliance with legal regulations, investment in modern treatment technologies, and the implementation of annual environmental insurance.

To respond effectively to environmental incidents, the Company has developed detailed plans in consultation with local regulatory authorities. Regular drills are organized to improve employees' situational handling skills, and the Company enhances coordination with relevant units and local authorities. The Company faces the ongoing challenge of continuously updating to meet new safety and environmental regulations, which requires significant investment in upgrading systems and equipment. In particular, with aging infrastructure, meeting new environmental and working conditions standards poses certain difficulties.

In response to these challenges, the Company is committed to a sustainable development strategy through investments in advanced technologies, enhancing environmental management capabilities, and improving employee awareness through training. These measures aim to ensure a balance between business objectives and environmental protection responsibilities.



Force Majeure Risk

The Company's business operations are exposed to force majeure risks such as natural disasters, floods, epidemics, and geopolitical fluctuations. Although these events are not frequent and are difficult to predict with precision, they can have severe impacts on the Company's production activities, employees, and assets.

To proactively manage these risks, the Company has developed a comprehensive risk management strategy that includes purchasing insurance for employees and assets, and developing contingency and emergency response plans. An early warning system has been established to continuously monitor and assess potential risk indicators, allowing the Company to promptly adjust strategies and implement appropriate response measures, ensuring continuity in business operations.

Fire and Explosion Risk

Due to the nature of the chemical manufacturing industry, fire and explosion risks are inherent and pose significant threats to both human safety and property. Aware of these challenges, the Company has established a comprehensive safety management system, including strict compliance with fire prevention and fighting regulations (PCCC), installation of modern fire protection systems, and implementation of rigorous monitoring procedures for risk factors such as ventilation systems, temperature, humidity in chemical storage areas, and electrical systems.

The Company regularly organizes emergency response drills, provides training to employees, and maintains close coordination with the Fire Prevention and Fighting Police and local authorities. Additionally, the Company carries out comprehensive insurance for assets and goods, including during transportation, to minimize potential losses in the event of an incident.

These proactive measures are part of the Company's commitment to ensuring the safety of its operations, protecting its workforce, and reducing the impact of potential fire or explosion hazards.

KCI

Kali Clorua - KCI

KCI được sử dụng làm chất phụ gia thực phẩm, chất điều vị, nguyên liệu sản xuất phân bón cung cấp Kali cho cây trồng, xử lý nước,...

02

OPERATIONS IN THE YEAR

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SITUATION OF PRODUCTION AND BUSINESS OPERATIONS IN 2024



The year 2024 witnessed many complex fluctuations in the global business environment, with geopolitical and economic instability leading to a decline in trade, investment, and consumption activities. Natural disasters and adverse weather conditions also had a serious impact on production activities and the economic and social life in many countries. Domestically, businesses faced intense competition from imported goods and foreign competitors, making it difficult to find output markets.

Against the backdrop of cautious economic growth, several key industries for the Company, such as steel, textiles, and beer, continued to face many challenges. However, from Q3/2024, the market showed positive signs as the prices of imported NaOH and H₂SO₄ began to rise compared to the beginning of the year, opening up opportunities to improve the Company's business performance in the final months of the year.



Opportunities

Favorable macroeconomic factors include better control of inflation, more flexible monetary policies, and a stable labor market, which are providing a solid foundation for sustainable economic development. In particular, since Q3/2024, the chemical market has seen a rising trend in the prices of strategic products such as imported NaOH and H₂SO₄, opening up opportunities to improve profit margins for the Company.

In the domestic market, the end of the year is marked by a surge in shopping demand during the Lunar New Year period. This creates a boost for trade and production activities within the supply chain, thereby supporting the Company's business operations.

- In addition to the favorable market factors, the Company continues to leverage its internal strengths:
- The Board of Management demonstrates excellent management skills by closely monitoring market trends and promptly adjusting business strategies to align with each stage.
- The production system is maintained steadily through professional and periodic maintenance activities.
- Efficient supply chain management with an optimal inventory policy ensures a continuous supply of raw materials for production activities.

Challenges

- Although the price of NaOH in the global market shows signs of recovery, this is expected to be short-term. Chlorine-based products continue to face significant difficulties as industries that use chlorine have not shown signs of recovery, and selling prices are very low, sometimes even lower than production costs. In 2024, the Company focused its chlorine production mainly on products such as HCl Acid, Liquid Chlorine, and PAC.
- Some industries, such as steel and chitin, have seen a reduction in consumption. On the other hand, due to decreased consumer demand, the cosmetics and other chemical industries have also reduced production. Additionally, as customers change their production methods, the consumption of products like silicate and alum is expected to decline in the coming years.
- Besides market-related impacts, the Company's business performance is heavily affected by rising electricity production costs and high raw material prices, which are expected to continue increasing due to supply chain disruptions caused by global political conflicts. This results in a double negative impact on both the Company's output and input.
- Export continues to face numerous challenges due to fierce competition from similar products from China.
- The price of Yellow Phosphorus has dropped significantly, while the shortage of apatite ore with poor quality (P₂O₅ content from 19% to 24%) has negatively affected the production and business operations of Vietnam Phosphorus Joint Stock Company.



Net revenue

1,855 billion VND

Increase **16.82%** compare to 2023



Profit before tax

328 billion VND

Increase **13.65%** compare to 2023

Unit: Million VND

No.	Indicators	2024	2023	% Increase/Decrease
1	Net revenue	1,855,579	1,588,441	16.82%
2	Gross profit	504,857	409,152	23.39%
3	Profit from business activities	327,233	284,734	14.93%
4	Profit before tax	328,293	288,849	13.66%
5	Profit after tax	258,335	230,619	12.02%
6	Basic earnings per share (VND)	1,970	1,665	18.32%

In the context of the global economy and the basic chemical market facing many challenges, South Basic Chemicals Joint Stock Company has demonstrated its adaptability and achieved remarkable business results. The consolidated net revenue in 2024 reached VND 1,855.58 billion, growing 16.82% compared to 2023. Notably, the gross profit reached VND 504.86 billion, an increase of 23.39%, reflecting the effectiveness in optimizing production costs and improving profit margins. This result helped the Company's after-tax profit reach VND 258.34 billion, up 12.02% from the previous year, while increasing the basic earnings per share to VND 1,970, up 18.32%.

Looking at the results of the parent company, the revenue reached VND 1,411.69 billion, growing 16.71% compared to 2023. Pre-tax profit reached VND 267.64 billion, exceeding the plan by 7%, including dividends received from subsidiaries. Notably, the subsidiary contributed VND 70.5 billion to the consolidated profit, confirming the effectiveness of the investment strategy and expansion of business activities.

The success of the Company in 2024 is proof of the excellent management capacity of the Board of Management in responding to market fluctuations. In the face of the general decline in the industrial production sector and reduced demand for some chlorine-based products, the Company quickly adjusted its business strategy. By flexibly shifting the production ratio toward products with better market advantages and leveraging the seasonal factors at the end of the year, the Company achieved impressive growth in the consumption of key products: NaOH increased by 32%, HCl by 37%, Liquid Chlorine by 33%, and PAC by 45%.

This positive business result is the result of the tireless efforts of all employees, combined with the sound business strategy of the Board of Management. The Company has successfully maintained production efficiency, optimized the supply chain, and adapted flexibly to market conditions. This not only reaffirms the Company's strong position in the basic chemicals industry but also lays a crucial foundation for sustainable development in the coming years.



SITUATION OF PRODUCTION AND BUSINESS OPERATIONS IN 2024

Unit: Million VND

INDICATORS	2024		2023	
	Value	Proportion/ Net Revenue	Value	Proportion/ Net Revenue
Cost of goods sold	1,350,721	72.79%	1,179,290	74.24%
Financial expenses	2,862	0.15%	4,830	0.30%
Selling expenses	111,450	6.01%	82,664	5.20%
Administrative expenses	93,427	5.03%	77,418	4.87%
Other expenses	504	0.03%	165	0.01%
Total expenses	1,558,964	84.02%	1,344,367	84.63%
Net revenue	1,855,579		1,588,441	

In 2024, South Basic Chemicals Joint Stock Company marked a successful year in optimizing and controlling costs, with total expenses reaching VND 1,558.96 billion, accounting for 84.02% of net revenue. This ratio improved compared to 84.63% in 2023, reflecting the effectiveness of the Company's cost management in a market with many fluctuations.

The cost of goods sold remained the largest component of costs, amounting to VND 1,350.72 billion, or 72.79% of net revenue, slightly down from 74.24% in 2023. This result is particularly impressive given the rise in input costs, specifically the 4.8% increase in electricity prices from October 2024, along with fluctuations in the price of industrial salt imported from India due to adverse weather conditions. The ability to maintain the cost of goods sold at a stable proportion reflects the effectiveness of the Company's strategy in raw material stockpiling and inventory management.

Selling expenses and administrative expenses saw slight increases, reaching VND 111.45 billion (6.01% of net revenue) and VND 93.43 billion (5.03% of net revenue), respectively. This increase reflects the Company's focused investment strategy in market development and management capacity enhancement,

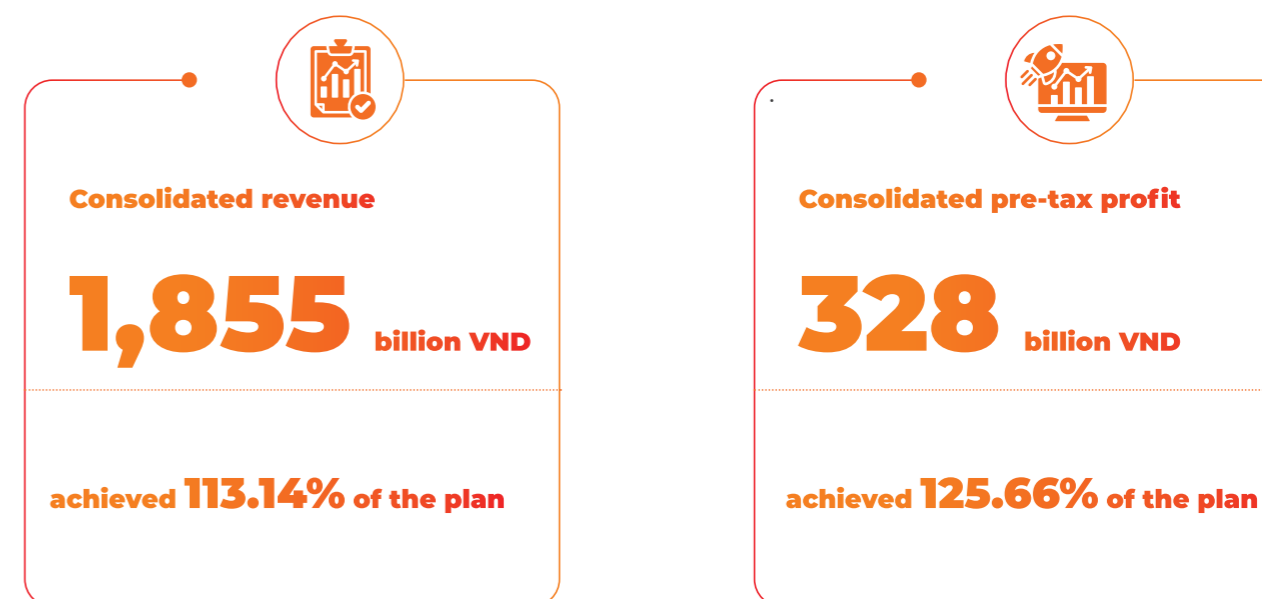
while still maintaining cost control effectiveness. Notably, financial expenses significantly decreased to VND 2.86 billion, accounting for only 0.15% of net revenue, much lower than the VND 4.83 billion of 2023. This result shows that the Company effectively took advantage of the low-interest-rate environment and optimized its financial structure.

The Company's success in cost management stems from its outstanding ability to forecast and mitigate risks related to input material prices, combined with a reasonable inventory policy and strict control of operational expenses. In particular, faced with upward pressure from key input costs such as electricity and industrial salt, the Company proactively implemented a series of synchronized solutions, ranging from optimizing production processes to adopting energy-saving measures.

With a solid cost management foundation, the Company has not only maintained its short-term competitiveness but also laid an important foundation for sustainable development in the future. This confirms the effectiveness of the comprehensive cost management strategy and the excellent leadership ability of the Board of Management in adapting to market challenges.



IMPLEMENTATION SITUATION AGAINST THE PLAN



Unit: Billion VND

No.	Indicators	Plan for 2024	Actual for 2024	% Completion of the Plan
1	Consolidated revenue	1,640,126	1,855,579	113.14%
2	Consolidated pre-tax profit	261,250	328,293	125.66%

Note: Actual performance in 2024 for the Parent Company: Total revenue reached VND 1,449.47 billion, net revenue of the Parent Company reached VND 1,411.69 billion, and pre-tax profit of the Parent Company reached VND 267.64 billion.

Despite facing numerous challenges from both domestic and international markets, which directly impacted business performance, the Company has implemented timely measures to adapt to each market situation, thereby achieving the profit target set at the 2024 Annual General Meeting of Shareholders.

In 2024, South Basic Chemicals Joint Stock Company achieved impressive business results, surpassing the goals set at the Annual General Meeting of Shareholders. The consolidated revenue reached VND 1,855.58 billion, exceeding the plan by 13.14%, while the consolidated pre-tax profit reached VND 328.29 billion, surpassing the target by 25.66%.

This outstanding business performance is a testament to the Company's excellent adaptability and the strategic vision of the Board of Management. In response to the complex market fluctuations, the Company proactively implemented a synchronized set of flexible solutions, including optimizing the product structure, adjusting the business strategy, and enhancing operational management efficiency. Notably, the Company's ability to quickly grasp and react to market developments allowed it not only to overcome difficulties but also to capitalize on business opportunities, successfully achieving the financial targets committed to shareholders.



ORGANIZATION AND HUMAN RESOURCES

No.	Member	Position	Ownership Representation		Individual Ownership	
			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
I Board of Directors						
1	Mrs. Nguyen Thi Mai	Chairman of the Board of Directors	27,627,500	25%	0	0%
2	Mr. Le Thanh Binh	Member of the Board of Directors cum General Director	22,100,000	20%	0	0%
3	Mr. Vu Minh Ngoc	Non-executive Member of the Board of Directors	22,100,000	20%	4,250	0.004%
4	Mr. Le Phuong Dong	Non-executive Member of the Board of Directors	0	0%	0	0%
5	Mrs. Le Thi Ngoc Diep	Independent member of the Board of Directors	0	0%	0	0%
II Board of Supervisors						
1	Mrs. Do Thi Thoa	Head of the Board of Supervisors	0	0%	0	0%
2	Mrs. Nguyen Thi Minh Ha	Member of the Board of Supervisors	0	0%	0	0%
3	Mr. Nguyen Minh Tri	Member of the Board of Supervisors	0	0%	0	0%
III Board of Management						
1	Mr. Le Thanh Binh	Member of the Board of Directors cum General Director	22,100,000	20%	4,250	0.004%
2	Mr. Do Trung Hieu	Deputy General Director	0	0%	0	0%
3	Mr. Vo Dinh Thuy	Deputy General Director	0	0%	0	0%
4	Mr. Le Tung Lam	Deputy General Director	0	0%	0	0%
5	Mrs. Pham Thi Thu Hang	Chief Accountant	0	0%	725	0.00066%

Note: The list of the Board of Management is updated as of the time of the publication of the 2024 Annual Report.



INTRODUCTION OF THE BOARD OF DIRECTORS



Mrs. NGUYEN THI MAI

Chairwoman of the Board of Directors

Date of Birth: 29/04/1976

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0% of the charter capital.
- **Representative:** 27,627,500 shares; accounting for 25% of the charter capital.

Qualifications:

Master of Business Administration, Chemical Engineer.

Period	Position
07/2000 - 10/2004	Engineer, Technology and Technical Department, Hanoi Synthenic Paint Company, now Hanoi Synthetic Paint Joint Stock Company.
10/2004 - 09/2012	Engineer, Planning Department, Hanoi Synthetic Paint Company, now Hanoi Synthetic Paint Joint Stock Company.
03/2006 - 03/2016	Member of the Board of Supervisors, Hanoi Synthenic Paint Joint Stock Company.
09/2012 - 01/2022	Specialist, Technical Board, Vietnam National Chemical Group.
01/2022 - Present	Deputy Head of the Technical Board, Vietnam National Chemical Group.
08/2017 - 12/2019	Representative of Vietnam National Chemical Group at Hanoi Synthetic Paint Joint Stock Company; Member of the Board of Directors of Hanoi Synthetic Paint Joint Stock Company.
04/2018 - 04/2019	Representative of Vietnam National Chemical Group at Vandien Fused Magnesium Phosphate Fertilizer Joint Stock Company; Member of the Board of Directors of Vandien Fused Magnesium Phosphate Fertilizer Joint Stock Company.
06/2020 - Present	Member of the Board of Directors of DAP - Vinachem Joint Stock Company.
01/2025 - Present	Representative of Vietnam National Chemical Group at South Basic Chemicals Joint Stock Company.
02/2025 - Present	Chairman of the Board of Directors South Basic Chemicals Joint Stock Company.

Current position at another organization:

- Deputy Head of the Technical Board, Vietnam National Chemical Group
- Member of the Board of Directors of DAP - Vinachem Joint Stock Company

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mr. LE THANH BINH

Member of the Board of Directors cum General Director

Date of Birth: 31/12/1972

Number of shares currently held:

- **Individual:** 4,250 shares; accounting for 0.00385% of the charter capital.
- **Representative:** 22,100,000 shares; accounting for 20% of the charter capital.

Qualifications: Bachelor of Business Administration.

Period	Position
10/1995 - 12/2001	Specialist of South Basic Stock Company.
01/2002 - 09/2003	Deputy Manager of Planning and Business Department - South Basic Chemicals Joint Stock Company.
10/2003 - 12/2005	Deputy Manager of Planning and Business Department - South Basic Chemicals One Member Co., Ltd.
01/2006 - 12/2013	Manager of Planning and Business Department - South Basic Chemicals One Member Co., Ltd.
01/2014 - 04/2015	Member of the Board of Directors cum Manager of Planning and Business Department - South Basic Chemicals Joint Stock Company.
04/2015 - 04/2019	Deputy General Director - South Basic Chemicals Joint Stock Company.
04/2019 - 09/2019	Member of the Board of Directors cum Deputy General Director - South Basic Chemicals Joint Stock Company.
10/2019 - 03/2021	Member of the Board of Directors cum General Director - South Basic Chemicals Joint Stock Company.
04/2021 - Present	Member of the Board of Directors cum General Director - South Basic Chemicals Joint Stock Company, Chairman of the Board of Directors - Vietnam Phosphorus Joint Stock Company.

Current position at another organization:

- Chairman of the Board of Directors - Vietnam Phosphorus Joint Stock Company.

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mr. VU MINH NGOC

Member of The Board of Directors

Date of Birth: 17/04/1981

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0% of the charter capital.
- **Representative:** 22,100,000 shares; accounting for 20% of the charter capital.

Qualifications: Construction Engineer, Master of Business and Management.

Period	Position
05/2005 - 04/2009	Project Management Specialist at DAP Hai Phong - Vietnam National Chemical Group.
04/2009 - 12/2010	Project Management Specialist at Ninh Binh Urea Plant - Vietnam National Chemical Group.
01/2011 - 04/2019	Construction Investment Specialist - Vietnam National Chemical Group.
04/2019 - 04/2021	Construction Investment Specialist - Vietnam National Chemical Group; Member of the Board of Directors - Chemical Industry Engineering Joint Stock Company.
04/2021 - 01/2025	Specialist, Investment and Construction Department - Vietnam National Chemical Group; Member of the Board of Directors - Chemical Industry Engineering Joint Stock Company; Member of the Board of Directors - South Basic Chemicals Joint Stock Company.
01/2025 - 02/2025	Specialist, Investment and Construction Department - Vietnam National Chemical Group; Chairman of the Board of Directors - South Basic Chemicals Joint Stock Company; Member of the Board of Directors - Chemical Industry Engineering Joint Stock Company.
02/2025 - Present	Specialist, Investment and Construction Department - Vietnam National Chemical Group; Member of the Board of Directors - South Basic Chemicals Joint Stock Company; Member of the Board of Directors - Chemical Industry Engineering Joint Stock Company.

Current position at another organization:

- Specialist, Investment and Construction Department - Vietnam National Chemical Group;
- Member of the Board of Directors - Chemical Industry Engineering Joint Stock Company.

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mr. LE PHUONG DONG

Member of the Board of Directors

Date of Birth: 21/08/1967

Number of shares currently held :

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications:

- Master of Business Administration.
- Engineer in Chemical Engineering Technology.
- Engineer in Mechanical Engineering.

Period	Position
11/1989 - 12/2000	Employee of Tan Binh Chemical Plant under South Basic Chemicals Company.
12/2000 - 06/2001	Technical Manager of Tan Binh Chemical Plant under South Basic Chemicals Company.
06/2001 - 12/2001	Deputy Director of Tan Binh Chemical Plant under South Basic Chemicals Company.
01/2002 - 12/2002	Acting Director of Tan Binh Chemical Plant under South Basic Chemicals Company.
12/2002 - 09/2003	Director of Tan Binh Chemical Plant under South Basic Chemicals Company.
09/2003 - 01/2010	Director of Tan Binh Chemical Plant under South Basic Chemicals One Member Co., Ltd.
01/2010 - 12/2013	Director of Tan Binh Chemical Plant 2 - Branch of South Basic Chemicals One Member Co., Ltd.
01/2014 - 04/2019	Director of Tan Binh Chemical Plant 2 - Branch of South Basic Chemicals Joint Stock Company.
04/2019 - Present	Director of Tan Binh Chemical Plant 2 - Branch of South Basic Chemicals Joint Stock Company; Member of the Board of Directors - South Basic Chemicals Joint Stock Company.

Current position at another organization:

- Director of Tan Binh Chemical Plant 2 – Branch of South Basic Chemicals Joint Stock Company.

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mrs. LE THI NGOC DIEP

Independent Member of the Board of Directors

Date of Birth: 17/03/1965

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications: Bachelor of Economics.

Period	Position
1988 - 1992	Specialist, Planning Department - Lega2, Legamex Corporation.
1992 - 1999	Specialist, Accounting and Finance Department - South Basic Chemicals Company.
2000 - 2002	Chief Accountant, Experimental Research Workshop - South Basic Chemicals Company.
2002 – 09/2003	Specialist, Accounting and Finance Department - South Basic Chemicals Company.
09/2003 - 12/2005	Specialist, Accounting and Finance Department - South Basic Chemicals One Member Co., Ltd.
01/2006 - 07/2011	Deputy Manager of Accounting and Finance Department - South Basic Chemicals One Member Co., Ltd.
08/2011 - 12/2013	Chief Accountant cum Manager of Accounting and Finance Department - South Basic Chemicals One Member Co., Ltd.
01/2014 - 03/2020	Chief Accountant cum Manager of Accounting and Finance Department - South Basic Chemicals Joint Stock Company.
23/4/2024 - Present	Independent Member of the Board of Directors - South Basic Chemicals Joint Stock Company.

Current position at another organization: None.

Number of shares currently held by related individuals:

- Mr. Van Trung Ha, Relationship: Husband; Number of shares: 15,000, accounting for 0.0136% of the charter capital.



ORGANIZATION AND HUMAN RESOURCES

The CV of Mr. Le Thanh Binh can be found in the 'Introduction to the Board of Directors's section.



Mr. DO TRUNG HIEU

Deputy General Director

Date of Birth: 24/10/1970

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications: Chemical Engineer.

Period	Position
12/1993 - 12/1999	Employee, Technical Department, Tan Binh Chemical Plant under South Basic Chemicals Company.
01/2000 - 07/2001	Deputy Manager, Technical Department, Tan Binh Chemical Plant under South Basic Chemicals Company.
08/2001 - 09/2003	Manager, Technical Department, Tan Binh Chemical Plant under South Basic Chemicals Company.
09/2003 - 09/2006	Manager, Technical Department, Tan Binh Chemical Plant under South Basic Chemicals One Member Co., Ltd.
10/2006 - 12/2013	Manager, Technology and Equipment Department - South Basic Chemicals One Member Co., Ltd.
01/2014 - 08/2018	Manager, Technology and Equipment Department - South Basic Chemicals Joint Stock Company.
09/2018 - 05/2019	Assistant to the General Director, Manager of Technology and Equipment Department - South Basic Chemicals Joint Stock Company.
06/2019 - 05/2022	Deputy General Director cum Manager of Technology and Equipment Department - South Basic Chemicals Joint Stock Company.
06/2022 - Present	Deputy General Director - South Basic Chemicals Joint Stock Company.

Current position at another organization: None.

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mr. VO DINH THUY

Deputy General Director

Date of Birth: 14/10/1968

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications: Civil Engineer.

Period	Position
1999 - 08/2000	Employee, Design Department, Son Long Construction Consulting Co., Ltd.
09/2000 - 09/2003	Employee, M&E Department - South Basic Chemicals Company.
09/2003 - 01/2006	Employee, M&E Department - South Basic Chemicals One Member Co., Ltd.
02/2006 - 09/2006	Deputy Manager, M&E Department - South Basic Chemicals One Member Co., Ltd.
10/2006 - 12/2013	Manager, Construction Department - South Basic Chemicals One Member Co., Ltd.
01/2014 - 08/2018	Manager, Construction Department - South Basic Chemicals Joint Stock Company.
09/2018 - 10/2019	Manager, Investment and Construction Department - South Basic Chemicals Joint Stock Company.
11/2019 - 03/2020	Assistant to the General Director cum Manager of Investment and Construction Department - South Basic Chemicals Joint Stock Company.
04/2020 - Present	Deputy General Director - South Basic Chemicals Joint Stock Company.

Current position at another organization: None.

Number of shares currently held by related individuals:

- Mr. Doan Thanh Tan – Relationship: Brother-in-law; 250,000 shares, accounting for 0.226% of the charter capital.



ORGANIZATION AND HUMAN RESOURCES



Mr. LE TUNG LAM

Deputy General Director

Date of Birth: 22/08/1975

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications:

- Bachelor of Economics.
- Bachelor of Accounting
- Bachelor of Law.

Period	Position
08/1997 - 01/1998	Specialist, Market Planning Department - South Basic Chemicals Company.
02/1998 - 03/1998	Specialist in charge of the Finance and Accounting Department at Dong Nai Chemical Plant under South Basic Chemicals Company.
04/1998 - 09/1999	Manager of the Finance and Accounting Department at Dong Nai Chemical Plant under South Basic Chemicals Company.
10/1999 - 10/2001	Specialist, Accounting and Finance Department - South Basic Chemicals Company.
01/2002 - 09/2003	Deputy Manager, Accounting and Finance Department - South Basic Chemicals Company.
09/2003 - 11/2013	Deputy Manager, Accounting and Finance Department - South Basic Chemicals One Member Co., Ltd.
12/2013 - 12/2013	Deputy Manager, Human Resources and Administration - South Basic Chemicals One Member Co., Ltd.
01/2014 - 03/2016	Deputy Manager, Human Resources and Administration, Secretary, Authorized Information Disclosure Officer, Member of the Board of Supervisors, Corporate Governance Officer - South Basic Chemicals Joint Stock Company.
04/2016 - 03/2021	Manager, Human Resources and Administration, Secretary, Authorized Information Disclosure Officer, Corporate Governance Officer, Member of the Board of Supervisors - South Basic Chemicals Joint Stock Company.
04/2021 - Present	Deputy General Director cum Authorized Information Disclosure Officer, Corporate Governance Officer - South Basic Chemicals Joint Stock Company.

Current position at another organization: None.

Number of shares currently held by related individuals:

- Mr. Le Quoc Hung – Sibling: 50 shares, accounting for 0.000045% of the charter capital.



ORGANIZATION AND HUMAN RESOURCES



Mrs. PHAM THI THU HANG

Chief Accountant

Date of Birth: 09/10/1972

Number of shares currently held:

- **Individual:** 725 shares; accounting for 0.00066% of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications: Bachelor of Finance and Accounting.

Period	Position
03/1995 - 09/2003	Employee, Accounting and Finance Department - South Basic Chemicals Company.
09/2003 - 11/2013	Employee, Accounting and Finance Department - South Basic Chemicals One Member Co., Ltd.
12/2013 - 12/2013	Deputy Manager, Accounting and Finance Department - South Basic Chemicals One Member Co., Ltd.
01/2014 - 06/2018	Deputy Manager, Accounting and Finance Department - South Basic Chemicals Joint Stock Company.
07/2018 - 12/2018	Deputy Manager, Accounting and Finance Department - South Basic Chemicals Joint Stock Company cum Chief Accountant, Bien Hoa Chemical Plant.
01/2019 - 03/2020	Deputy Manager, Accounting and Finance Department - South Basic Chemicals Joint Stock Company.
04/2020 - Present	Chief Accountant - South Basic Chemicals Joint Stock Company.

Current position at another organization: None.

Number of shares currently held by related individuals: None.





ORGANIZATION AND HUMAN RESOURCES



Mrs. DO THI THOA

Head of the Board of Supervisors

Date of Birth: 15/09/1974

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications: Bachelor of Accounting and Auditing.

Period	Position
10/1996 - 03/2003	Accountant – South Basic Chemicals Company.
04/2003 - 12/2013	Accountant – South Basic Chemicals One Member Co., Ltd.
01/2014 - 04/2016	Accountant – South Basic Chemicals Joint Stock Company.
05/2016 - Present	Head of the Board of Supervisors – South Basic Chemicals Joint Stock Company.

Current position at another organization: None.

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mr. NGUYEN MINH TRI

Member of the Board of Supervisors

Date of Birth: 07/04/1989

Number of shares currently held:

- **Individual:** 0 shares; accounting for 0 of the charter capital.
- **Representative:** 0 shares; accounting for 0% of the charter capital.

Qualifications:

- Master of Finance.
- Master of Commerce and Business.
- Bachelor of Business Administration.

Period	Position
07/2012 - 07/2014	Customer Relationship Officer, Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch No. 2.
08/2014 - 07/2015	Customer Relationship Officer, Joint Stock Commercial Bank for Foreign Trade of Vietnam – Ho Chi Minh City Branch.
09/2015 - 12/2019	Employee, Planning and Business Department - South Basic Chemicals Joint Stock Company.
01/2020 - 04/2021	Deputy Manager of Planning and Business Department - South Basic Chemicals Joint Stock Company.
04/2021 - Present	Member of the Board of Supervisors - South Basic Chemicals Joint Stock Company; Deputy Manager of Planning and Business Department - South Basic Chemicals Joint Stock Company; Member of the Board of Directors - Vietnam Phosphorus Joint Stock Company.

Current position at another organization:

- Member of the Board of Directors - Vietnam Phosphorus Joint Stock Company.

Number of shares currently held by related individuals: None.



ORGANIZATION AND HUMAN RESOURCES



Mrs. NGUYEN THI MINH HA

Member of the Board of Supervisors

Date of Birth: 27/11/1977

Number of shares currently held:

Individual: 0 shares; accounting for 0 of the charter capital.

Representative: : 0 shares; accounting for 0% of the charter capital.

Qualifications: Bachelor of Accounting and Auditing.

Period	Position
11/1999 - 03/2013	Customer Relationship Officer, Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 2.
04/2013 - 04/2019	Specialist, Finance and Accounting Department - Vietnam National Chemical Group.
04/2019 - Present	Specialist, Finance and Accounting Department - Vietnam National Chemical Group, Member of the Board of Supervisors – South Basic Chemicals Joint Stock Company.

Current position at another organization:

- Specialist in the Finance and Accounting Department - Vietnam National Chemical Group.

Number of shares currently held by related individuals: None.

Changes in the Board of Supervisors and Board of Management: None.

Changes in the Board of Directors:

No.	Name	Position	The date becoming/ceasing to be the member of the BoDs	
			Date of appointment	Date of dismissal
1	Mrs. Nguyen Thi Mai	Chairman of the Board of Directors	28/02/2025	-
2	Mr. Vu Minh Ngoc	Chairman of the Board of Directors	09/01/2025	28/02/2025
		Members of the Board of Directors	23/04/2024	-
3	Mrs. Le Thi Ngoc Diep	Members of the Board of Directors	23/04/2024	-
4	Mr. Nguyen Huu Tu	Chairman of the Board of Directors	23/04/2024	03/01/2025
		Members of the Board of Directors	23/04/2024	28/02/2025
5	Mr. Nguyen Tuan Dung	Chairman of the Board of Directors	28/04/2022	23/04/2024
6	Mrs. Nguyen Thanh Binh	Members of the Board of Directors	24/04/2019	23/04/2024



NUMBER OF EMPLOYEES

Classification	2023		2024	
	Number of people	Proportion (%)	Number of people	Proportion (%)
A According to labor qualifications	644	100.0	635	100.0
1 University degree and above	115	17.9	125	19.68
2 College, intermediate professional level	165	25.6	162	25.51
3 Basic level and technical workers	302	46.9	291	45.83
4 General labor	62	9.6	57	8.98
B According to gender	644	100.0	635	100.0
1 Male	527	81.8	514	80.94
2 Female	117	18.2	121	19.06
C According to employment contract duration	644	100.0	635	100.0
1 Fixed-term contract (1 to 3 years)	127	19.7	126	19.84
2 Unspecified-term contract	517	80.3	509	80.16





HUMAN RESOURCES POLICY



"Human resources are identified as the core driving force in the Company's sustainable development strategy. In the context of an increasingly competitive market, especially with the growing presence of the private sector in the basic chemicals field, having a professional and skilled workforce has become a key competitive advantage, ensuring sustainable business efficiency. The Company not only focuses on developing professional skills but also pays special attention to creating a stable working environment, providing comprehensive welfare policies, and improving the quality of life for its employees. This is not just a human resources policy but also a manifestation of corporate social responsibility, affirming the Company's commitment to sustainable development with the community".

Training

Human resource development is one of the strategic priorities of the Company, with a focus on internal training and promoting young employee to continuously improve their professional competencies. The Company's training strategy aims to build a comprehensive workforce: excellent in expertise, ethical in behavior, professional in work style, and especially passionate about their profession. This orientation not only enhances individual capabilities but also boosts work performance, contributing significantly to the sustainable development of the organization.

As evidence of this commitment, in 2024, the Company successfully implemented 68 specialized training courses. The program attracted 591 employees, including 57 managers (some individuals attended multiple specialized training courses). The total investment for training activities was nearly 1 billion VND, reflecting the Company's strong investment in human resource development.

In parallel with training, the Company also implements flexible and strategic personnel deployment and appointment policies to ensure optimal resource utilization, effectively meeting the production and business requirements at each stage of development.



Recruitment

The company continuously diversifies its human resources by attracting experienced industry experts and young talents with innovative thinking, contributing to a perfect balance between experience and creativity within the workforce. The recruitment process is carried out systematically and transparently, based on the annual approved human resource development plan and strictly adhering to the company's established standards.

The success of this strategy is evidenced by the stable employment of 635 employees in 2024, with full benefits and a professional work environment, providing the best conditions for the comprehensive development of each individual



Work Environment

The company is committed to creating a modern, safe, and friendly work environment, demonstrated by a comprehensive investment in facilities, from offices to factories and branches.

Corporate culture is emphasized through a variety of extracurricular activities and team-building programs. These initiatives are not just about fostering connection but also serve as a foundation for building team spirit, creating a dynamic and positive work environment. As a result, they not only strengthen the bonds between team members but also enhance work performance and inspire long-term dedication among employees.

Regarding occupational safety and health, 2024 marks an important milestone as the company continues to improve its safety management system according to OHSAS 18001 standards and extensively implements the Responsible Care (RC) initiative for the chemical industry. The application of these international standards not only ensures a safe working environment but also reflects the company's strong commitment to occupational health for its employees. Particularly, the RC spirit is defined as a guiding principle in all production and business activities, affirming the company's responsibility toward its workers and the community.



HUMAN RESOURCES POLICY

Salary, Bonus, Benefits, and Compensation

With the motto "People are the most valuable asset," the Board of Management continuously improves the compensation and benefits policy system to ensure optimal benefits for all employees. We not only strictly comply with government regulations regarding social insurance and salary bonuses but also proactively create superior welfare programs based on the collective labor agreement and the company's internal regulations.

The company regularly reviews and adjusts its salary and bonus policies to remain competitive in the market. This mechanism not only ensures fair compensation for employees but also motivates them to contribute confidently and remain committed for the long term. In particular, we implement a multi-level compensation system, which includes:

- Special reward programs for outstanding individuals
- Financial support for enhancing qualifications
- Comprehensive healthcare programs
- A variety of activities to enhance employees's mental well-being

A key highlight in the company's human resources policy is the annual organization of the Workers' Conference. This is not only a forum for dialogue but also an opportunity for employees to contribute ideas for improving the Collective Labor Agreement. As a result, the welfare policies are regularly updated and flexibly adjusted to ensure a balance of interests between employees and the company.

Through this comprehensive compensation and benefits system, the company not only creates a professional work environment but also fosters a strong connection with its workforce. This is considered an essential foundation that drives the sustainable development and collective prosperity of the company in the future.

Average income in 2024

No.	Indicators	2022	2023	2024
1	Total number of employees (people)	652	638	629
2	Average income (million VND/person/month)	18.53	16.87	18.58



INVESTMENT ACTIVITIES, PROJECT IMPLEMENTATION

Investment Projects

In 2024, South Basic Chemicals Joint Stock Company has made significant progress in implementing the Nhon Trach Chemical Plant Project - a strategic project in the Company's long-term development plan. This project is designed to optimize production activities by relocating and consolidating the three factories currently operating in Bien Hoa 1 Industrial Park to the new location in Nhon Trach 6 Industrial Park.

In the project preparation phase, the Company has completed key steps, including:

- Organizing the selection of contractors.
- Signing contracts for the project preparation phase's bid packages.

Subsidiaries, associated companies

In the overall development strategy, the effective management of investments in subsidiaries is identified as one of the top priorities of the Company. We apply a strict investment management model, where every decision is thoroughly evaluated to ensure alignment with the parent company's development direction and to optimize investment efficiency.

In 2024, the dedicated department implemented a comprehensive monitoring system, including: monitoring key performance indicators and analyzing financial reports and periodic operations

Through this monitoring system, the Board of Management can quickly grasp the operational situation, make timely strategic decisions, and implement solutions to improve investment efficiency. This is an important foundation to ensure the sustainable development of the entire Company's system.





FINANCIAL SITUATION

Major financial indicators

Indicators	Unit	2024	2023
Solvency ratio			
Current ratio	Time	4.80	4.56
Quick ratio	Time	3.68	3.28
Capital structure ratio			
Debt/Total assets ratio	%	16.41	16.59
Debt/Owner's Equity ratio	%	19.63	19.89
Operation capability ratio			
Inventory turnover	Turnover	3.83	3.16
Total asset turnover	Turnover	1.04	0.92
Profitability ratio			
Profit after tax/ Net revenue ratio	%	13.92	14.52
Profit after tax/ Total capital ratio	%	17.28	16.10
Profit after tax/ Total assets Ratio	%	14.43	13.41
Profit from business activities/ Net revenue ratio	%	17.64	17.93

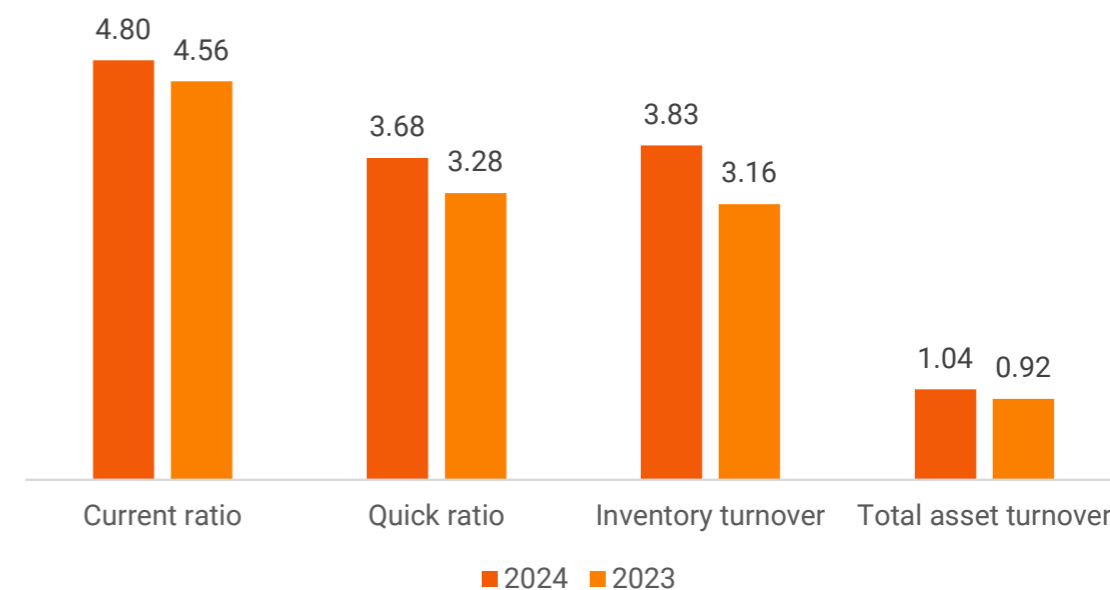


FINANCIAL SITUATION



Solvency ratio

The company's current ratio and quick ratio in 2024 have shown significant improvement compared to 2023. Specifically, the current ratio and quick ratio as of December 31, 2024, reached 4.80 times and 3.68 times, respectively, an increase from 4.56 times and 3.28 times as of December 31, 2023. The company's business operations require importing a diverse range of raw materials from multiple suppliers both domestically and internationally, making stable liquidity a key factor for the company. The current liquidity ratios reflect the company's ability to meet its short-term financial obligations, particularly in paying suppliers and business partners. This provides a solid foundation for continuous and stable production and business operations.



Operation capability ratio

The company's operational capacity in 2024 shows significant improvement through two key indicators. The inventory turnover increased from 3.16 to 3.83 times, reflecting effective inventory management and the ability to maintain stable sales volume despite challenges from the decline in demand from key industries such as textiles, steel, beer, and cosmetics.

The total asset turnover improved from 0.92 to 1.04 times in 2024. This result was achieved thanks to the flexible management strategy of the Board of Management, including reasonable price adjustments and optimizing production capacity in response to market conditions. Notably, the company effectively capitalized on business opportunities in Q4/2024 when the market showed signs of recovery, contributing to the improved asset utilization efficiency.

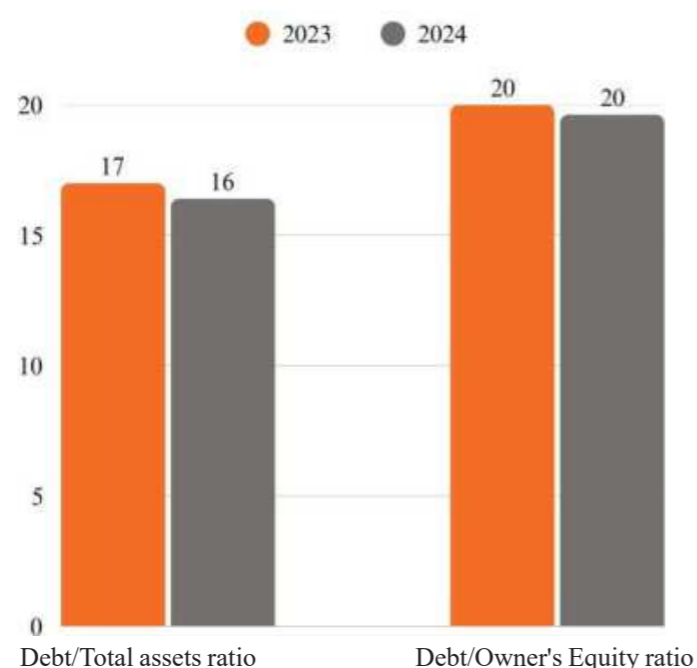


FINANCIAL SITUATION



Capital structure ratio

The company's capital structure in 2024 remains at a safe level with a positive improvement trend, as evidenced by the debt-to-total-assets ratio decreasing from 16.59% to 16.41% and the debt-to-equity ratio dropping from 19.89% to 19.63%. The company's debt structure is entirely short-term debt, including payables to employees, obligations to the government, and other accrued expenses. The strategy of maintaining a low debt ratio helps the company minimize pressure from financial costs, particularly in the context of low interest rates in 2024, while also limiting risks from macroeconomic fluctuations and increasing flexibility in investment and business decisions. This capital structure reflects the company's prudent and sustainable financial policy, prioritizing the use of equity capital in its business operations.



Profitability ratio

The company's profitability indicators in 2024 demonstrate outstanding business performance. The gross profit margin on net revenue reached 27.21%, driven by optimizing input costs through supply diversification, improving production processes, and implementing a flexible pricing strategy. The profit margin from business activities, as well as the profit after tax margin on net revenue, remained high, at 17.64% and 13.92%, respectively, due to strict control over operating costs, benefiting from the low interest rate environment, and the application of digitalization in management. Capital efficiency is confirmed by a ROE of 17.28% and ROA of 14.43%, reflecting success in working capital management, selective investment, and optimizing capital structure.



SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

Charter capital

1.104.999.100.000 VND

Par value of shares

10.000 VND/share

Number of shares issued

110.499.910 shares

Number of outstanding shares

110.499.910 shares

Number of treasury shares

0 shares

Types of floating shares

COMMON STOCK



SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

Classification of Domestic and Foreign Shareholders on February 4, 2025:

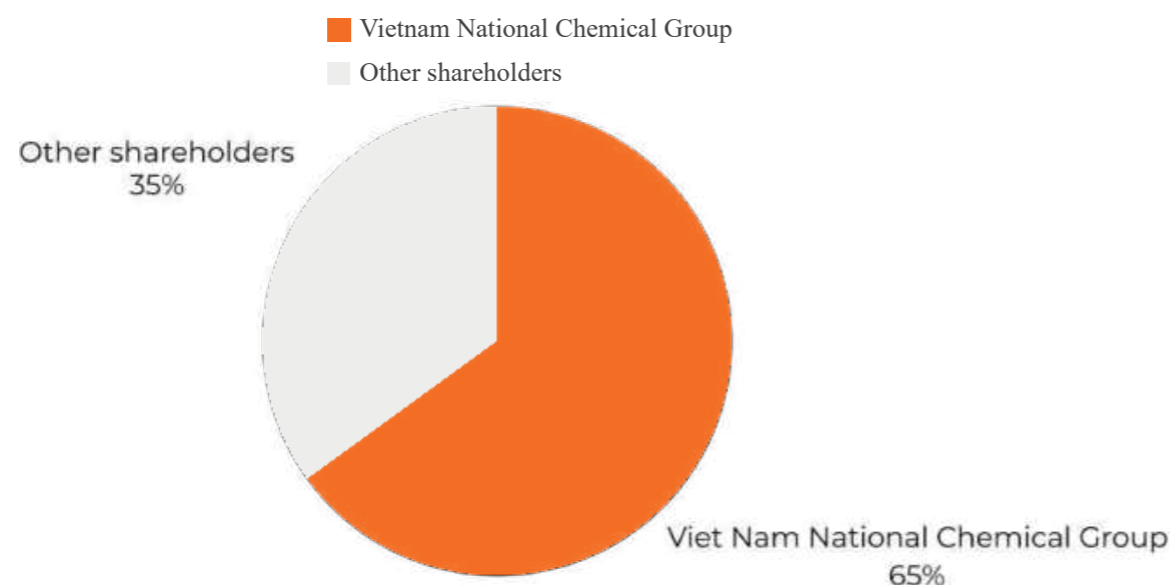
No.	Object	Number of shares	Ownership percentage/ Charter capital(%)	Number of Shareholders	Shareholders structure	
					Organization	Individual
1	State shareholders	71,827,500	65.00%	1	1	-
2	Company Trade Union	400,000	0.36%	1	1	-
3	Treasury stocks	-	-	-	-	-
4	Other shareholders	38,272,410	34.64%	6,602	42	6,560
-	Domestic	35,475,904	32.11%	6,499	23	6,476
-	Foreign	2,796,506	2.53%	103	19	84
TOTAL		110,499,910	100.00%	6,604	44	6,560
In which: - Domestic		107,703,404	97.47%	6,501	25	6,476
- Foreign		2,796,506	2.53%	103	19	84

Based on the shareholder list provided by the Vietnam Securities Depository and Clearing Corporation

Classification according to major shareholders as of February 4, 2025:

No.	Shareholders	Number of shares	Ownership percentage/ Charter capital(%)
1	Vietnam National Chemical Group	71,827,500	65.00%
2	Other shareholders	38,672,410	35.00%
TOTAL		110,499,910	100.00%

According to Official Letter No. 6895/UBCK-PTTT dated November 1, 2021, the maximum foreign ownership ratio of South Basic Chemicals Joint Stock Company is: **50%**.



SHAREHOLDERS STRUCTURE, CHANGE IN THE OWNER'S EQUITY

Change in the owner's equity:

In 2024, the company issued an additional 66.3 million shares, increasing its share capital to 1,104,999,100,000 VND.

No.	Capital Increase Timing	Additional Charter Capital (VND)	Post-Increase Charter Capital (VND)	Form of Capital Increase	Legal Basis
1	Equitization	-	442,000,000,000	-	-
2	2024	662,999,100,000	1,104,999,100,000	Issuance of shares to increase equity capital from owner's equity, at a ratio of 1:1.5	Resolution of the General Meeting of Shareholders No. 01/2024/NQ-DHĐCĐ dated April 23, 2024; Official Letter No. 4423/UBCK-QLCB dated July 16, 2024. Enterprise Registration Certificate No. 0301446260 issued by the Department of Planning and Investment of Ho Chi Minh City, 11th amendment on September 11, 2024.

Transaction of treasury stocks:

During the year, the Company did not engage in any buy/sell transactions of treasury shares. The number of treasury shares currently held by the Company is 0 shares.

Other securities: None.





ENVIRONMENT - SOCIAL - GOVERNANCE REPORT OF THE COMPANY



South Basic Chemicals Joint Stock Company affirms its pioneering role in the green energy transition of the chemical industry, with a strong commitment to sustainable development and environmental protection. The year 2024 marks significant progress in the strategy of greening production through technology modernization and process optimization, contributing to a substantial reduction in greenhouse gas emissions and improving energy efficiency.

The Company's sustainable development strategy is built on three pillars:



Sustainable economic development

Optimize operational efficiency and positively contribute to economic development.



Environmental responsibility

Pioneer the application of green technology and solutions to reduce emissions.



Community development

Focus on social welfare activities and support local communities.



With a long-term vision, the Company continues to strengthen research and the application of green technologies, optimizing the production process in an environmentally friendly direction. Each product and production line is designed to minimize ecological impact, conserve natural resources, and aim for sustainable growth in harmony with nature.

These efforts not only demonstrate the Company's corporate responsibility but also affirm its pioneering role in realizing national sustainable development goals, making a positive contribution to combating climate change, and building a green future for Vietnam's chemical industry.

Environmental impact

Environmental management in the value chain is not only about complying with legal regulations but also reflects the Company's commitment to sustainable development. Through the implementation of comprehensive solutions to minimize environmental impact in all business activities, the Company aims for four strategic goals:

- **Sustainable working environment:** Build a green, clean workspace by closely controlling environmental factors and applying advanced technologies in production, ensuring the quality of life for employees and the surrounding community.
- **Safety and Health:** Establish a comprehensive safety management system, from production processes to waste handling, to protect the health of workers and the local community.
- **Economic efficiency:** Optimize operational costs and minimize environmental risks through the application of clean technologies and advanced production processes, contributing to enhanced competitiveness.
- **Brand reputation:** Affirm the position of a responsible business by meeting strict environmental standards, increasing trust from customers and strategic partners.

These efforts not only bring direct economic benefits but also contribute to the sustainable development of Vietnam's chemical industry, affirming the Company's pioneering role in building a green and responsible production model.

Measures and initiatives to reduce GHG emission:

The Company implements advanced, synchronized solutions to control and minimize greenhouse gas emissions, demonstrating a strong commitment to environmental protection:

Green Production Technology:

- Invest in modern production lines with low-emission technologies.
- Optimize the recovery and reuse of excess heat from the production process.
- Upgrade the heat recovery system from the sulfuric acid production line and integrate it into the internal energy network.

Strict Environmental Control:

- Regularly maintain the exhaust gas treatment system to ensure optimal performance.
- Conduct regular environmental monitoring at the Bien Hoa, Dong Nai, and Tan Binh 2 Chemical plants..

Sustainable Research and Development:

- Promote research and development of environmentally friendly chemical products.
- Optimize the production process to minimize waste.
- Apply efficient fuel reuse technologies.



ENVIRONMENT-SOCIAL-GOVERNANCE REPORT OF THE COMPANY

Management of raw materials

Raw materials and energy are two key elements in the production process of any business. For the Company, raw materials and energy play a particularly important role in determining production efficiency. The main raw materials and energy used for production include: industrial salt (NaCl), white sand, sulfur (S), yellow phosphorus (P4), apatite ore, BaCl2, electricity, etc. Among these, white sand, yellow phosphorus, apatite ore, and electricity are locally available, while the rest are imported. These raw materials have certain environmental impacts, affecting land, water, and air quality. Acknowledging this, the Company has implemented solutions to minimize the environmental impact of the raw materials it uses:

- The Company evaluates and selects raw materials for production that have suitable quality with low waste content, contributing to reducing emissions into the environment.
- The Company has a stable supply source from reputable suppliers in the market. Additionally, the Company benefits from having a subsidiary that produces phosphorus, which also makes it easier to adjust the waste content from this raw material.
- At the same time, the Company focuses on raising employees' awareness of the importance of material conservation. Employees are trained on how to use raw materials efficiently, avoid waste, and contribute to environmental protection.
- Use clean technologies and improve production processes to reduce raw material consumption and emissions into the environment.

Compliance with the law on environmental protection

The Company maintains a strong commitment to strictly complying with environmental protection regulations through the implementation of a comprehensive environmental management system. Specialized departments regularly update and implement new legal documents, while fully completing environmental impact assessment dossiers and detailed environmental protection plans.

Regarding emissions control, the Company has invested in installing a modern collection and treatment system at all production lines, including a 24/7 continuous automatic monitoring system with online monitoring capabilities. Emission quality is strictly controlled, ensuring compliance with QCVN 19:2009/BTNMT Column B, demonstrating the effectiveness of the implemented emission reduction measures.

In parallel, the Company has built an advanced wastewater management system that meets QCVN 40:2011/BTNMT Column A standards at all its subsidiaries. The system is designed with complete separation between domestic and production wastewater, concentrating treatment at the central wastewater treatment plant of each factory. Wastewater quality is strictly controlled before being discharged into the industrial park's treatment system, ensuring strict compliance with environmental regulations.

By maintaining stringent environmental standards and continuously investing in modern treatment technologies, the Company not only fully complies with legal requirements but also affirms its pioneering role in developing green and sustainable industries, actively contributing to the nation's environmental protection efforts.

Solid domestic waste:

The Company has developed and implemented a comprehensive waste management system with professional processes across all units. By applying strict sorting methods at the source and collaborating with licensed treatment units, we ensure the entire waste management process adheres to regulations, with complete documentation and certification as required by law.

To enhance environmental management effectiveness, the Company established a robust internal legal framework by issuing and updating the Environmental Protection Regulations (6/2022), along with the Regulations on Decentralization of Responsibilities for Occupational Safety and Health, Fire Prevention and Fighting, and Environmental Protection. Notably, the application and maintenance of the ISO 14001:2015 standard in environmental management has become a key tool, not only ensuring legal compliance but also optimizing resource utilization in production activities.

These efforts have yielded remarkable results; in 2024, the Company had no violations or penalties related to the environment. This achievement not only affirms the effectiveness of the management system but also reflects the Company's strong commitment to promoting sustainable development and environmental protection.



ENVIRONMENT-SOCIAL-GOVERNANCE REPORT OF THE COMPANY

Energy consumption

Energy saving is a goal set by the Board of Management at the beginning of the year, requiring relevant departments to implement it seriously, with continuous monitoring to check the completion level.

Business production activities are always closely monitored by the Board of Management to optimize, reduce costs, and simultaneously minimize negative environmental impacts. The Company has established energy consumption norms for all offices and factories. These norms are applied and reported regularly, allowing the Company to monitor energy usage and promptly detect and address any errors or losses.

In addition, the Company has intensified internal communication efforts to raise environmental awareness among employees. Communication programs are regularly implemented in various forms and methods.

The energy consumption activities of the factories comply with the necessary energy standards and norms to ensure the system operates efficiently. During the year, the Company implemented many energy-saving solutions, including:

- Replacing old, low-performance equipment with energy-efficient devices.
- Improving production processes to reduce energy consumption.
- Compensating for power factor appropriately and effectively to avoid reactive power purchases.
- Applying technical measures and factory design to maximize natural lighting and ventilation.
- Increasing the use of renewable energy.



Water consumption

In the face of growing environmental challenges, the Company has implemented a comprehensive water management strategy, combining legal compliance with environmental responsibility. Through cooperation with Dong Nai Water Supply Joint Stock Company, we ensure a stable water supply while applying advanced technologies to optimize water use in production.

Regarding wastewater treatment, the Company has invested in a modern system with strict operational and monitoring processes, ensuring that the wastewater quality meets national standards before being discharged into the environment. Simultaneously, we organize training programs to raise awareness about water environmental protection and encourage initiatives for water conservation in production and daily activities.

The Company's factories currently use water supplied by Dong Nai Water Supply Joint Stock Company, as detailed below:

No.	Water supply	Amount of water used (m ³)	Volume of water recycled and reused. (m ³)	Percentage of water recycled and reused (%)
I	Tan Binh 2 Chemical Plant			
	Dong Nai Water Joint Stock Company	58,765	650	1.11
II	Bien Hoa Chemical Plant			
	Dong Nai Water Joint Stock Company	465,011	10,950	2.35
III	Dong Nai Chemicals Plant			
	Dong Nai Water Joint Stock Company	17,441	1,560	8.9



ENVIRONMENT-SOCIAL-GOVERNANCE REPORT OF THE COMPANY

Policies related to employees

The Company always considers human resources as the core element for sustainable development. Therefore, the company has implemented many practical policies to create the best working conditions for employees, aiming to build a sustainable workforce by developing the following solutions:

Labor policies to ensure health, safety and welfare of workers:

The Company applies a salary and bonus policy based on work performance, while fully implementing social insurance, health insurance, and other voluntary insurance regimes. Welfare policies are always prioritized by the Company, not only ensuring a stable life but also improving the quality of life for all employees. In 2024, the Company implemented many activities to care for employees, including:

- To better care for employees' health, the Company has implemented periodic health check-ups for all employees, while conducting annual workplace environment monitoring to prevent occupational accidents and diseases for all Company employees.
- Applying salary and bonus scales and tables aimed at providing competitive market-based salaries, complying with legal regulations and the Company's actual production and business situation.
- Implementing Social Insurance, Health Insurance, Unemployment Insurance, and Occupational Accident Insurance regimes for employees in accordance with the provisions of the Social Insurance Law and Government regulations.
- Implementing other employee support policies such as: leave, sick leave, maternity leave, breakfast and lunch support, travel support, etc.

Occupational safety activities

Operating in the chemical sector and frequently using various equipment and machinery at the factories, the Company understands that ensuring employee safety during work is a top priority. In 2024, the Company continued to strengthen specific measures to ensure occupational safety for employees as follows:

- Conduct regular inspections at factories to detect and promptly address safety risks, while also installing additional sensors and early warning devices in high-risk fire and explosion areas.
- Organize periodic occupational environment monitoring and conduct regular inspections of machinery and equipment with strict occupational safety and health requirements.
- Develop and implement chemical and environmental incident response drills at factories in accordance with regulations.
- Organize training courses on chemical safety, fire prevention and fighting, first aid, and incident response procedures.
- Continue to implement and enhance the occupational safety management system according to ISO 45001:2018, while strictly complying with all legal regulations and safety standards in the chemical sector.

Employee Training Activities

The company consistently strives to enhance qualifications and develop employee work skills through various practical training programs, in addition to ensuring a clear career progression path for all employees. In 2024, the company conducted on-site training for newly recruited and probationary personnel, and professional development training for successor personnel. The content of these programs primarily focuses on:

- Providing specialized skills training for workers and technical staff on topics such as: operation and maintenance of chemical production machinery and equipment; production processes for basic chemicals; inventory management of raw materials and chemical products, safe storage and transportation methods; application of technical standards in production according to ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 regulations.
- Occupational safety and industrial hygiene training for all employees, including: risk identification and preventive measures during production; instructions on using personal protective equipment and handling chemicals; fire prevention and control training, emergency evacuation drills; first aid skills, and handling occupational accidents at the factory.
- Training on technology application and process improvement for all employees, including: applying digital technology in production management and factory operation; using system monitoring software and tracking production processes; techniques for handling environmental incidents and chemical incidents according to regulations.





Report on responsibility for local community

The company prioritizes combining sustainable business development with social responsibility, demonstrated through diverse and practical social welfare activities in 2024. This strategy not only reflects the company's commitment to the community but also contributes to building a sustainable and humane society.

Local Community Support

- Implementing a program to care for disadvantaged children at the Tin Thac Orphanage (Bao Loc, Lam Dong).
- Supporting the Southern Chemical Retirees Association.
- Participating in programs for victims of Agent Orange/dioxin.
- Contributing to the Vietnam National Chemical Group Social Welfare Fund.

Emergency Response and Disaster Relief

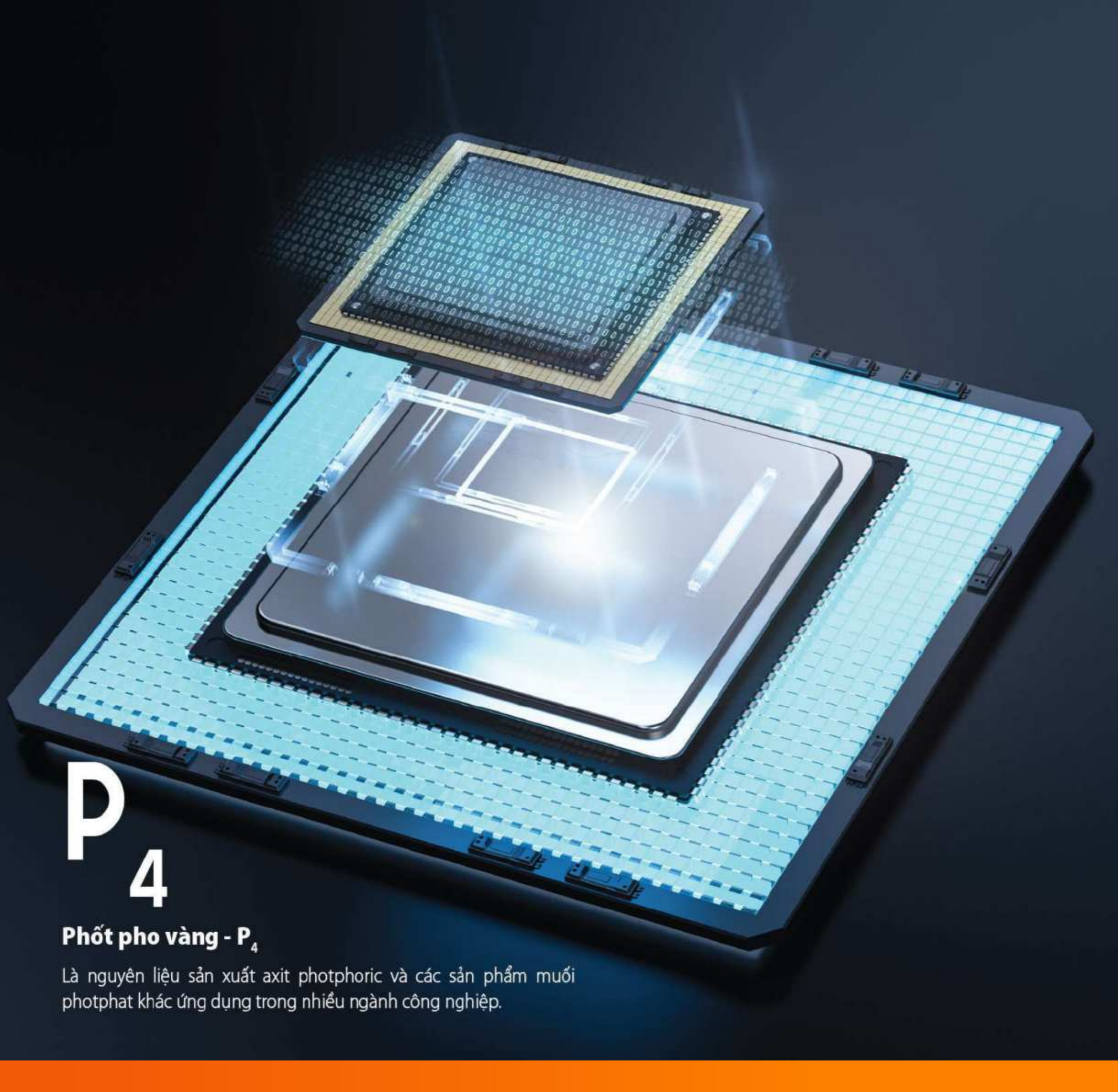
- Supporting the recovery efforts after Typhoon No. 3 (Yagi) through: Financial contributions from the employee salary fund, providing 7.5 tons of Chloramine B for epidemic prevention, and organizing donation drives for essential goods to support affected residents.
- Earthquake victim support in Turkey.

Sustainable Development

- Greening Truong Sa" Program Sponsorship
- Support for Fisheries Surveillance Team No. 3 under the Command of Naval Region 3
- Participation in the "Brand Connection Day" Program.

Total contributions to community activities in 2024 exceeded 1.1 billion VND, excluding the value of donated goods and necessities. These activities demonstrate the Company's strong commitment to contributing to the sustainable development of the community, while affirming the role of businesses in building a more humane and better society.





P₄

Phốt pho vàng - P₄

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03

REPORTS AND ASSESSMENTS OF THE BOARD OF MANAGEMENT

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ASSESSMENT OF OPERATING RESULTS

Business operations in 2024: Steadfast in overcoming challenges

2024 marked a challenging period for the global economy with complex and unpredictable fluctuations. Escalating geopolitical conflicts in Ukraine, the Red Sea, and the Middle East not only destabilized global supply chains but also significantly impacted transportation costs and international trade. Persistent inflation, exchange rate fluctuations, along with risks to energy and food security, created significant pressure on production and business activities globally.

In this context, the domestic market also faced multiple challenges from the instabilities of the global economy and fierce competition from imported goods. Many businesses struggled to find consumer markets and expand market share, leading to a high number of businesses withdrawing from the market in the first months of the year, almost equal to the number of new businesses entering the market.



Difficulties

Regarding the Company's business situation, the Company faced many difficulties such as:

- The selling prices of NaOH and HCl products in the market continuously decreased, putting pressure on the Company's production, consumption, revenue, and profit plans. NaOH prices in the world market continued to decline sharply due to oversupply, at times the selling price was lower than the production cost. HCl consumption faced many difficulties, leading to high inventory levels, resulting in the NaOH production line not operating at full capacity. The inventory of HCl and PAC was high, as the current selling price of HCl is very low, only a few hundred thousand VND/ton (lower than the cost price), and the market price of PAC powder is also very competitive. The Company's products such as liquid chlorine, HCl, PAC, H₂SO₄... faced fierce competition from cheap imports and domestic manufacturers, so prices had to be constantly updated and adjusted downwards.
- The global economic situation continued to be complex. Military tensions between Russia and Ukraine remained high, conflicts in the Red Sea, the Middle East... caused transportation costs to increase, and supply chains were at risk of disruption.
- Currently, due to the pressure to reduce production costs, most companies are looking for cheaper raw materials with lower quality than the Company's products, so in addition to competing for market share, the Company's products constantly face price competition.
- The shortage of apatite ore and poor ore quality affected the production and business efficiency of phosphorus products.

Advantages

However, besides the above challenges, the Company's business activities still had advantages such as:

- The Board of Management was always closely involved, attentive, monitoring, and promptly proposing solutions to adjust production and business strategies in the face of difficulties in trade competition and factors impacting the economy, aiming to maintain growth and production and business efficiency.
- The Company's products are of good quality, meeting diverse customer needs, with appropriate pricing and sales policies, enabling the Company to maintain a stable customer base.
- The Company possesses a team of highly skilled and experienced professionals, adept at adopting advanced scientific and technical achievements. This workforce has contributed significantly to the Company's growth in recent years.
- Maintenance and repair work are prioritized to ensure stable production line capacity.



FINANCIAL SITUATION

Assets status

Unit: Million VND

Indicators	31/12/2024		31/12/2023		% Increase/ Decrease
	Value	Proportion	Value	Proportion	
Short term Asset	1,464,037	78.75%	1,303,628	75.71%	12.30%
Long term Asset	394,961	21.25%	418,327	24.29%	-5.59%
Total Assets	1,858,998	100.00%	1,721,955	100.00%	7.96%

As of 2024-12-31, the Company's total assets reached 1,858.99 billion VND, a 7.96% increase compared to 2023, reflecting a stable growth trend. The asset structure shows a positive shift with current assets increasing from 75.71% to 78.75%, while non-current assets decreased from 24.29% to 21.25%, demonstrating a strategy of optimizing working capital and enhancing liquidity.

Current assets recorded as of 2024-12-31 were 1,464.04 billion VND, a 12.30% increase compared to the same period last year. This increase in current assets is primarily due to the rise in cash, cash equivalents, and short-term financial investments, indicating strong financial capacity and the ability to meet payment obligations effectively. Simultaneously, effective management of inventory and receivables demonstrates sound operational management in the face of market fluctuations.

The Company's non-current assets as of 2024-12-31 reached 394.96 billion VND, accounting for 21.25% of total assets and a decrease of 5.59% compared to 2023. The non-current asset structure primarily consists of long-term prepaid expenses, accounting for 80.07%, representing land and infrastructure lease payments at Nhon Trach Industrial Zone with a term until 2055. Although most fixed assets have been fully depreciated, they maintain operational efficiency, reflecting the company's effective asset management and maintenance policies.



FINANCIAL SITUATION

Liabilities status

Unit: Million VND

Indicators	31/12/2024		31/12/2023		% Increase/ Decrease
	Value	Proportion	Value	Proportion	
Total Liabilities	304,982	16.41%	285,728	16.59%	6.74%
- Short-term Liabilities	304,982	100.00%	285,728	100.00%	6.74%
- Long-term Liabilities	-	-	-	-	-
Owner's equity	1,554,016	83.59%	1,436,227	83.41%	8.20%
Total Liabilities and Owner's equity	1,858,998	100.00%	1,721,955	100.00%	7.96%

Total Liabilities and Owner's equity as of 2024-12-31 reached 1,858.99 billion VND, a 7.96% increase compared to 2023, with a stable and prudent financial structure. Equity continues to maintain a dominant position, accounting for 83.59% (equivalent to 1,554.02 billion VND, an 8.20% increase), while liabilities account for 16.41% (304.98 billion VND, a 6.74% increase).

The Company's liability structure demonstrates flexibility by focusing entirely on short-term debt, primarily from domestic bank loans with preferential interest rates. This not only allows the Company to effectively leverage financial leverage in a low market interest rate environment but also mitigates exchange rate risks.

Notably, the absence of long-term debt reflects an independent financial policy and high autonomy in business operations.

The high proportion Owner's equity (83.59%) demonstrates a strategy focused on utilizing non-interest-bearing capital, ensuring stability and autonomy in operations. This capital structure represents a reasonable balance between financial security and business efficiency, creating a solid foundation for the Company's sustainable development in the future.



1.464
million VND
Short term Asset



395
million VND
Long term Asset



1.859
million VND
Total Assets



305
million VND
Total Liabilities



1.554
million VND
Owner's equity



1.859
million VND
Total Liabilities and
Owner's equity



IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT



Human resource development activities

Training and human resource development

In 2024, the Company continues to promote a comprehensive human resource development strategy, with the vision of building a professional workforce, rich in professional competence and work ethics. Training programs are designed to be multi-dimensional and flexible, meeting the development needs of each target group, while aiming to enhance the business's competitiveness in the context of digital transformation and international integration.

- Professional training: The Company synchronously deploys programs from integration training for new employees to advanced training according to job positions. Special attention is paid to organizing thematic workshops, sharing experiences, and mentoring programs combined with practical training, helping employees constantly update their knowledge, technology trends, and industry practices.
- Soft skills development: The Company focuses on training essential skills such as leadership and management for all levels of staff, communication, presentation, and negotiation skills. At the same time, it focuses on developing teamwork skills, problem-solving, and innovative thinking, meeting the increasing demands of the modern business environment.
- Personal development support: The Company builds a diverse learning environment. In parallel, it actively supports employees to participate in external specialized courses, establishes a clear career development roadmap, and closely links training results with promotion opportunities and compensation policies.

The Company not only enhances its competitiveness but also builds a positive learning culture, creating a solid foundation for sustainable development in the digital age and international integration.



Salary, bonus, benefits, and compensation policy

The Company complies with legal regulations in paying salaries and bonuses to employees. The Company builds and applies a variety of compensation and benefit policies to motivate employees, recognizing the efforts and contributions of individuals and groups. The compensation and benefits include:

- Salary and bonus based on competence and work efficiency.
- Holiday bonuses, Tet bonuses, seniority bonuses,...
- Social insurance, health insurance, unemployment insurance,...
- Group health and accident insurance, periodic health check-ups,...
- Leave policies, sick leave, maternity leave, etc.
- Support policies for breakfast, lunch, travel, etc.
- Training, development, and promotion policies, etc..

The company always creates conditions for employees to enjoy the best welfare policies, thereby promoting employee morale, creating long-term commitment to the collective, and maintaining the company's corporate culture.

Working environment

The Company prioritizes building a professional, safe, and friendly working environment, aiming for the comprehensive development of employees. Specifically:

- At the Office Block: The Company invests synchronously in modern facilities, from scientifically designed workspaces to technological equipment and office utilities. Common areas are arranged reasonably, creating a comfortable and efficient working environment, promoting creativity and interaction among members.
- At the Production Block: The factory system is operated according to modern industrial standards with optimal working conditions in terms of lighting, ventilation, and temperature. Workers are fully equipped with high-quality protective equipment, combined with regular training on occupational safety and operating procedures, ensuring absolute safety in production.
- Safety and Health: The Company strictly implements regular health care programs, accident insurance, and on-site medical care. Regularly assess and improve working conditions, creating a healthy, safe, and professional working environment.





IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

Personnel performance evaluation

The company has successfully built and deployed a comprehensive human resources policy system that meets the basic requirements of a modern enterprise. To improve the effectiveness of human resource management, the company identifies the following key improvement focuses:

- **Training Strategy:** Build a detailed career development roadmap for each position, with specific evaluation milestones and training objectives. Design specialized training programs according to the capacity and potential of each personnel group, combined with periodic assessments to ensure training effectiveness and develop a successor workforce.
- **Corporate Culture:** Diversify internal engagement activities by organizing regular cultural, sports, and team-building events. Build a dynamic, creative, and friendly working environment, strengthening the connection and team spirit among members.
- **Compensation Policy:** Conduct in-depth market research to build a competitive salary, bonus, and benefits system. Develop special compensation programs for talents and key positions, ensuring the attraction and retention of high-quality human resources for the sustainable development of the enterprise.

2

Product quality

- Currently, product quality inspection is carried out at the laboratories of the factories under the company. Among them, the laboratory of Bien Hoa Chemical Factory has been certified to meet ISO 17025:2017 – General requirements for the competence of testing and calibration laboratories.
- Management systems currently applied at the factories under the company, such as ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, ISO 17025:2017, PAS 99:2012, HALAL and KOSHER certifications, NSF certification for PAC 10% HB product, PAC 31% powder product, and PAC 30% HB powder product used in drinking water treatment.
- ISO 22000:2018 Food Safety Management System Certification, HACCP.



3

Technical management

Production organization

The company has monitored and controlled the production activities of technological lines, machinery, and equipment to ensure stable operation, meeting product output and quality requirements. Specifically, the company has implemented the following activities:

- Develop and implement processes and regulations on production management to ensure production activities are carried out in accordance with regulations and standards.
- Organize teams of engineers and technicians specializing in production to monitor and control the production activities of technological lines, machinery, and equipment.
- Equip inspection and monitoring equipment and tools for product quality to ensure that manufactured products meet quality requirements.

Product quota and quality management

Product quota and quality management are carried out regularly and continuously. During the past time, product quotas and quality have always been developed and adjusted to suit the current situation and capacity of the production lines. Specifically, the company has implemented the following activities:

- Develop and implement processes and regulations for managing product norms and quality to ensure management is conducted in accordance with regulations and standards.
- Organize specialized departments for managing product norms and quality to carry out the development and adjustment of product norms and quality.
- Organize training and development activities for staff and workers on product norms and quality to enhance awareness and skills in implementing product norm and quality management.





DEVELOPMENT PLANS IN 2025

Assessment in 2025:

Difficulties

In the context of the global economy experiencing many fluctuations due to trade and political conflicts, domestic chemical enterprises are facing a weakening global situation, causing a decline in orders, negatively impacting businesses, and reducing revenue and profits.

The reopening of the Chinese market from the beginning of 2023 has caused significant fluctuations in the global chemical supply, especially imports into Vietnam; prices of NaOH, Hydrochloric Acid, Sulfuric Acid, and Yellow Phosphorus have decreased sharply due to the dual impact of oversupply and shrinking demand. The company faces difficulties and challenges: maintaining production and business activities of existing units while promoting the implementation of the Nhon Trach Chemical Plant project.

Increased raw material and electricity prices affect production costs, leading to difficulties in competing on selling prices..

For industrial salt, the allocated quota is quite low compared to demand, leading to increased production costs and reduced competitiveness of the company's products. The scarcity and poor quality of apatite ore will affect the achievement of the production and business plan targets of the subsidiary.

Some difficulties the company faces as competitors continuously expand and increase capacity, leading to competition in selling prices and market share, especially for NaOH, PAC, Chlorine, HCl, etc. It is expected that from 2025, some domestic NaOH - Chlorine plant projects will be built and launched into the market.

The high price and scarcity of aluminum powder lead to increased PAC production costs, making it difficult to increase selling prices when competing with northern sources and Chinese imports.

Due to the difficult economic situation, consumer demand and market purchasing power have decreased significantly, and the demand for Silicate used in the company's detergent production has decreased by 30% to 40%.

Domestic raw materials for chemical production are scarce, so they still depend on importing raw materials from abroad, making it difficult to control input costs when raw material prices fluctuate.

Exports continue to face many difficulties due to fierce competition from similar products from China.





DEVELOPMENT PLANS IN 2025

Assessment in 2025:

Advantages

Macro policies are under control and yielding good results.

The supply of the company's main raw materials, such as industrial salt and sulfur, is maintained stably with suitable quality. The company closely monitors the prices of supplies and raw materials to ensure reasonable and effective import prices, benefiting the company's production. At the same time, the company always maintains and monitors reasonable inventory levels, ensuring timely raw material sources for production activities.

The Board of Management closely monitors, addresses, and promptly proposes strategic adjustments to production and business activities in response to trade competition challenges and economic factors, aiming to maintain growth and operational efficiency.

The Company's products maintain high quality, meeting diverse customer needs, with appropriate pricing and sales policies ensuring a stable customer base.

Alongside maintaining strong relationships with existing customers to retain market share amidst intense price competition, the Company actively seeks potential clients to expand its customer base, increasing revenue and profits.

The Company possesses a team of highly skilled and experienced professionals, adept at adopting advanced scientific and technical achievements, contributing significantly to the Company's growth in recent years.

Maintenance and repair work are prioritized to ensure stable production line capacity.





DEVELOPMENT PLANS IN 2025

Production and Business Plan in 2025

Indicators	Unit	Actual in 2024	Plan in 2025
Industrial Production Value	Billion VND	1,966.51	1,847.46
Consolidated Revenue	Billion VND	1,855.58	1,741.87
Consolidated Profit Before Tax	Billion VND	328,293	262,306

Note: The 2025 plan figures are subject to change as the Company is reviewing and adjusting the plan based on actual production and business conditions.

Plan Implementation Solutions

1 Solutions for Organization, Human Resources, and Resource Development

- Focus on recruitment, training, and allocation of human resources for the Nhon Trach Chemical Plant project;
- In 2025, the Company will strengthen recruitment of young, competent, and well-trained personnel to focus on implementing the Nhon Trach Chemical Plant project;
- Young engineers receive on-site training at the factory and production lines; staff in other departments are trained according to the established roadmap and participate in external training courses when necessary.

2 Management and Administration Solutions

- Updating and amending internal regulations to enhance operational efficiency: In 2024, the Company updated and amended regulations on labor and salaries in accordance with regulations. In 2025, the Company plans to continue reviewing and updating previously issued regulations.
- Digital Transformation Application: Expanding the use of work platforms based on Base technology: centralized database management, cloud data management. Monitoring work progress, especially the Nhon Trach Chemical Plant project. Optimizing work efficiency and providing management tools for The Board of Management



3 Production and Business Solutions

- Closely monitor market prices for NaOH, HCl, PAC, and other products.
- Regularly review product floor prices and monitor competitor pricing in the South.
- Promote sales when NaOH prices tend to increase slightly, adjust NaOH selling prices when necessary to maintain market share and sell chlorine-based products.
- In the event of intense competition for HCl, the Company will balance the production of powdered PAC, given the increased demand during the rainy season.
- Continue to promote NaOH sales to TKV Group and partners
- Diversify existing products with various technical standards, concentrations, and qualities to meet customer needs: Some customers require diverse concentrations of pure sulfuric acid for production; the Company has diversified concentrations as requested by customers (32% - 51%) and plans to increase supply from 2025.
- New product research, upgrading the quality of existing products: Continue to explore and research new products to expand the market and balance NaOH - Chlorine: Silica (rubber and plastic manufacturing industry), high-quality sulfuric acid.
- Promote communication and advertising activities; Research new advertising tools according to modern trends in addition to traditional tools:
- Advertising through traditional channels: newspapers, magazines, etc. Sponsorship of community programs;
- Advertising through electronic channels: website, Facebook, etc.;
- Currently, the Company has collaborated with partners to produce TVCs and a new brand identity, enhancing the Company's brand image.
- Strengthen customer relationship activities:
- Maintain relationships and focus on after-sales service for existing customers, offering appropriate sales policies in the context of fierce price competition from domestic and foreign competitors.





Cl₂

Clo lỏng

Clo lỏng được dùng trong khử trùng nước trong nước sinh hoạt, bể bơi, nước thải; sản xuất các hóa chất tẩy rửa, xử lý nước, tẩy trắng,...

04

ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION

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ASSESSMENTS OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATION



Global Economic Context

The first months of 2024 witnessed many complex and unpredictable fluctuations globally. Strategic competition among major powers is intensifying, accompanied by escalating geopolitical tensions and military conflicts in many regions. These factors have negatively impacted global supply chains, directly affecting international trade, investment, and production. In addition, extreme weather events and natural disasters have significantly affected global socio-economic development.

However, positive signs of recovery have emerged as global merchandise trade tends to improve, inflationary pressures gradually decrease, and financial conditions ease. The increasing labor supply also contributes to supporting the recovery process, albeit at a slow pace.



Domestic Market

Vietnam's economy is doubly affected by fluctuations in the international market and competitive pressure from imported goods, creating challenges for businesses in expanding their markets. However, the end of the year recorded positive growth in consumer demand, especially during the Lunar New Year, creating momentum for trade and production activities.



Company's Business Results

Faced with the intertwined advantages and difficulties of the market economy during the year, the Board of Directors, along with the Company's Board of Management, always closely monitored, researched, and applied appropriate sales policies to stabilize production activities and maximize profits. As a result, the Company has achieved many important results in 2024, specifically, consolidated net revenue in 2024 reached 1,855.58 billion VND, an increase of 16.82% compared to 2023, and the Company's profit after tax reached 258.34 billion VND, an increase of 12.02% compared to the previous year.



Production organization activities

- The Company's NaOH – Chlorine and acid production lines utilize advanced technology and equipment, supplied by reputable chemical manufacturers in European/G7 countries. Thanks to modern technology, products such as NaOH, hydrochloric acid, sulfuric acid, and other products of the Company always achieve stable quality, exceeding national standards (TCVN) and meeting the stringent requirements of the food, pharmaceutical, and electronics industries. This has helped the Company gain trust and high appreciation from customers, especially those with high-quality requirements.
- Technical innovation initiatives, production process optimization, and production line improvements have increased labor productivity, reduced production costs, minimized material consumption, lowered product prices, and created competitiveness with similar products in the market. Simultaneously, these initiatives have improved energy efficiency, enhanced operational safety, reduced environmental emissions, and increased production and business efficiency at the factories.



Research and Development Activities

Facing fierce competition from industry rivals, the Company has strategically chosen to differentiate its products, supplying unique and distinctive products to the market. This strategy allows for market share expansion by meeting the demand for high-quality, differentiated products for new manufacturing sectors, enhancing the Company's reputation and satisfying increasingly diverse customer needs, specifically:

- The Company researches and seeks technology and equipment for producing high-quality sulfuric acid with product specifications that meet high-quality requirements for applications in the electronics industry.
- Focusing on effectively implementing scientific and technological activities, initiatives, and improvements for the Company's current production lines has yielded positive results. Numerous solutions have been deployed, saving the Company over 21 billion VND. Simultaneously, these efforts have improved energy efficiency, enhanced operational safety, reduced environmental emissions, and increased production and business efficiency at the factories.





ASSESSMENT OF BOARD OF DIRECTORS ON BOARD OF MANAGEMENT'S PERFORMANCE

Assessment of Board of Directors on Board of Management's performance

- The Company's Board of Directors consistently and closely monitors and promptly addresses emerging issues within its authority to facilitate the Board of Management's operations, in compliance with legal regulations, the Company's Charter, and the Board of Directors' operating regulations.
- The Board of Management has made significant efforts and fulfilled its assigned tasks in 2024 with commendable and encouraging results, despite the challenging and uncertain market conditions.
- The Board of Management has ensured continuous production and business operations, secured employment for employees, guaranteed employee health and safety, conducted business responsibly with stakeholders, and strictly adhered to current legal regulations and the Company's operating regulations.
- The Board of Management members have fully executed their assigned rights and responsibilities, effectively utilizing and leveraging the Company's resources in terms of capital, assets, labor, and brand. The Board of Management's decisions have been issued legally, within its authority, and promptly.
- The Board of Management has supervised and allocated investment capital effectively, ensuring that assets yield high returns for the Company, and has proposed adjustments to future investment plans.
- The Board of Management has actively proposed and closely coordinated with the Board of Directors to promptly address arising issues, facilitating the Company's operations.
- Focusing on recruitment, training, and resource allocation for the Nhon Trach Chemical Plant Project.



PLANS AND ORIENTATIONS OF THE BOARD OF DIRECTORS IN 2025

Production and business activities

- Proactively approach multiple raw material suppliers, diversify supply sources, and limit the risk of input material shortages.
- The Company closely monitors market prices of main products and has appropriate selling price adjustment policies to stabilize and expand market share.
- Continue to promote sales to TKV Group and partners.
- Minimize major investment and repair activities; only carry out truly necessary items to reduce costs.
- Diversify existing products with various technical standards, concentrations, and qualities to serve different customer needs. Currently, products such as NaOH, HCl, MgSO₄... have been researched and produced by the Company at various standards.
- Research new products and upgrade the quality of existing products.
- Improve internal processes and regulations to enhance operational efficiency.
- Expand the implementation of working methods through new technology platforms to support management work.
- Promote communication and advertising; research new advertising tools according to modern trends, in addition to traditional tools.
- Maintain relationships and focus on after-sales service for existing customers, and introduce appropriate sales policies in the context of fierce price competition from domestic and foreign competitors.
- The Company strives to optimize the capacity of production lines to meet market demand.



The Board of Directors' Activities

In 2025, the Board of Directors has decided to continue the following management direction:

- Implement and ensure the Board of Directors' operations comply with legal regulations and the Company's Charter.
- Ensure the Board of Directors' operations are always in the best interests of the shareholders and the Company. Guarantee shareholder rights in accordance with legal regulations.
- Conduct all regular meetings and exchanges, promptly grasp the Company's business activities, and provide timely direction to ensure the completion of the production and business plan assigned by the General Meeting of Shareholders.
- Continue to improve and perfect the Board of Directors' apparatus to meet the requirements of corporate governance regulations applicable to public companies and move towards international standards.
- Continue to improve and implement internal audit work in accordance with legal regulations.
- Guarantee shareholder rights in accordance with legal regulations.



HCI

Axit Clohydric - HCl

Axit Clohydric là hóa chất quan trọng dùng trong ngành công nghiệp sản xuất thép, xi măng; tổng hợp chất hữu cơ; là chất phụ gia thực phẩm điều chỉnh độ pH trong sản xuất chế biến thực phẩm và các ngành công nghiệp sản xuất chất tẩy rửa, xử lý nước thải,...

05

CORPORATE GOVERNANCE

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THE BOARD OF DIRECTORS

Composition and Structure of the Board of Directors

South Basic Chemicals Joint Stock Company is committed to adopting the best corporate governance practices. With diverse and in-depth experience in the fields of chemicals, finance, and business, member of the Board of Directors have engaged in democratic, transparent, and scientific discussions, offering timely advice and solutions to ensure the highest benefits for shareholders and stakeholders.

The Board of Directors maintains its independence, with one independent member (20%) - Mrs. Le Thi Ngoc Diep, three non-executive members, and one executive member.

No.	Member of the Board of Directors	Position	Ownership Representative		Individual ownership		Note
			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage	
1	Mrs. Nguyen Thi Mai	Chairman of the Board of Directors	27,627,500	25%	0	0%	Appointed on February 28, 2025
2	Mr. Le Thanh Binh	Member of the Board of Directors cum General Director	22,100,000	20%	4,250	0.004%	
3	Mr. Vu Minh Ngoc	Non-executive Member of the Board of Directors	22,100,000	20%	0	0%	
4	Mr. Le Phuong Dong	Non-executive Member of the Board of Directors	0	0%	0	0%	
5	Mrs. Le Thi Ngoc Diep	Independent member of the Board of Directors	0	0%	0	0%	

The committees of The Board of Directors:

The Company has not established any committees.

Activities of the Board of Directors

In 2024, the Board of Directors held 9 in-person meetings and conducted multiple rounds of written consultation. Accordingly, the Board issued 73 Resolutions and Decisions, approving numerous plans and significant adjustments related to the Company's operations and development. The specific details are as follows:

Meetings of the Board of Directors

No.	Member of the Board of Directors	Numbers of Meetings attended of the BoDs	Attendance Rate	Reasons for absence
1	Mr. Nguyen Huu Tu	06/09	66.67%	Appointment on April 23rd, 2024
2	Mr. Le Thanh Binh	09/09	100%	
3	Mr. Le Phuong Dong	09/09	100%	
4	Mr. Vu Minh Ngoc	09/09	100%	
5	Mrs. Le Thi Ngoc Diep	05/09	55.56%	Appointment on April 23rd, 2024 (Absent from one meeting with valid reason)
6	Mr. Nguyen Tuan Dung	03/09	33.33%	Dismissal on April 23rd, 2024
7	Mrs. Nguyen Thanh Binh	03/09	33.33%	Dismissal on April 23rd, 2024



THE BOARD OF DIRECTORS

Content and outcomes of in-person meetings and written consultations

No.	Resolution/ Decision No.	Date	Content	Approval rate
01	10/QĐ-HĐQT	04/01/2024	Decision on approving of the 2024 Internal Audit Plan of South Basic Chemicals Joint Stock Company.	100%
02	41/QĐ-HĐQT	11/01/2024	Decision on approving of the 2024 Construction Investment Plan.	100%
03	42/QĐ-HĐQT	11/01/2024	Decision on approving of the 2024 Fixed Asset Repair Plan.	100%
04	43/QĐ-HĐQT	11/01/2024	Decision on approving of the 2024 Overseas Business Trip Plan of South Basic Chemicals Joint Stock Company.	100%
05	81/NQ-HĐQT	19/01/2024	Resolution of the 39th session, term 2019-2024.	100%
06	82/NQ-HĐQT	19/01/2024	Resolution on organizing the 2024 Annual General Meeting of Shareholders.	100%
07	99/QĐ-HĐQT	24/01/2024	Decision on approving of the Project "Purchase of 6-ton/hour Boiler".	100%
08	108/NQ-HĐQT	26/01/2024	Resolution on the Approval of the Report on Corporate Governance 2023.	100%
09	159/QĐ-HĐQT	23/02/2024	Decision on the Approval of the Adjustment of the 2024 Construction Investment Plan.	100%
10	160/QĐ-HĐQT	23/02/2024	Decision on the Issuance of the 2024 Anti-Corruption and Anti-Negativity Action Plan of the South Basic Chemicals Joint Stock Company.	100%
11	190/NQ-HĐQT	29/02/2024	Resolution on approving the proposal to sign a transaction contract with the "Related Party".	100%
12	195/NQ-HĐQT	01/03/2024	Resolution on the Approval of Matters Related to the 2024 Annual General Meeting of Shareholders of Vietnam Phosphate Joint Stock Company.	100%
13	270/QĐ-HĐQT	21/03/2024	Decision on the Approval of the Settlement of the Employee Wage Fund and the Report on the Management Wage Fund for 2023.	100%
14	289/NQ-HĐQT	25/03/2024	Resolution of the 40th session, term 2019-2024.	100%
15	290/NQ-HĐQT	25/03/2024	Resolution on the Organization of the 2024 Annual General Meeting of Shareholders (Phase 1).	100%



THE BOARD OF DIRECTORS

Content and outcomes of in-person meetings and written consultations

No.	Resolution/ Decision No.	Date	Content	Approval rate
16	338/NQ-HĐQT	04/04/2024	Resolution on approving the meeting documents presented to The AGM 2024 (phase 2).	100%
17	347/NQ-HĐQT	04/04/2024	Resolution on the review and adjustment of the mid-level manager plan for the period 2021 - 2026 (The term 2024).	100%
18	377/QĐ-HĐQT	09/04/2024	Decision on promulgating the List of products registered for consumption norms of raw materials in production in 2024 of South Basic Chemicals Joint Stock Company.	100%
19	396/QĐ-HĐQT	11/04/2024	Decision on approving the adjusted contractor selection plan (phase 2). Package No. 07 "Examination of feasibility Study Report" belongs to the preparation period of the project "Nhon Trach Chemical Plant".	100%
20	397/NQ-HĐQT	11/04/2024	Resolution on selecting a consulting company for the issuance of shares to increase share capital from the owner's equity of South Basic Chemicals Joint Stock Company.	100%
21	401/QĐ-HĐQT	12/04/2024	Decision on the establishment of the Appraisal Team for the estimation, contractor selection plan and package estimate in the preparation fourth time of the project "Nhon Trach Chemical Plant".	100%
22	410/QĐ-HĐQT	15/04/2024	Decision on approving the adjusted 2024 Construction Investment Plan (phase 2).	100%
23	411/QĐ-HĐQT	15/04/2024	Decision on approving the adjusted 2024 Repair Plan.	100%
24	416/NQ-HĐQT	16/04/2024	Resolution of the 41st session, term 2019-2024.	100%
25	417/QĐ-HĐQT	16/04/2024	Decision on the approval of the increase in the cost prices of fixed assets for the projects "Investment in Voltage Cell with a capacity of 10,000 tons of NaOH with 100% per year to replace 02 DD350 Voltage Cells at Bien Hoa Chemical Plant" and "Purchase of NaOH Voltage Cell".	100%
26	422/QĐ-HĐQT	17/04/2024	Decision on the approval of the estimate and contractor selection plan in the project preparation fourth time of the "Nhon Trach Chemical Plant" project.	100%
27	425/NQ-HĐQT	17/04/2024	Resolution on the list of candidates for the Board of Directors for the term 2024-2029	100%
28	442/NQ-HĐQT	23/04/2024	Resolution of the 1st Meeting of the 2024-2029 term, regarding the election of the Chairman of the Board of Directors of South Basic Chemicals Joint Stock Company for the term 2024-2029.	100%
29	482/NQ-HĐQT	07/05/2024	Resolution on the implementation of the method to issue shares to increase share capital from owner's equity.	100%
30	489/QĐ-HĐQT	09/05/2024	Decision on approving the project "Purchase of Plate Heat Exchanger Equipment for Sulfuric Acid Cooling".	100%



THE BOARD OF DIRECTORS

Content and outcomes of in-person meetings and written consultations

No.	Resolution/ Decision No.	Date	Content	Approval rate
31	509/QĐ-HĐQT	15/05/2024	Decision on the assignment of duties within the Board of Directors of South Basic Chemicals J.S.C for the term 2024-2029.	100%
32	531/QĐ-HĐQT	21/05/2024	Decision on the establishment of the appraisal team for the economic-technical report of the project 'Procurement of HCL Acid Composite Tower' under the 2024 construction investment plan.	100%
33	545/NQ-HĐQT	23/05/2024	Resolution on approving the selection of the auditing firm for the 2024 Financial Statements of South Basic Chemicals Joint Stock Company.	100%
34	546/QĐ-HĐQT	23/05/2024	Decision on promulgating the Program of thrift practice and anti-waste in 2024 by South Basic Chemicals Joint Stock Company.	100%
35	618/NQ-HĐQT	10/06/2024	Resolution on the payment of dividends for 2023 in cash and the issuance of shares to increase share capital from owner's equity.	100%
36	660/NQ-HĐQT	17/06/2024	Resolution on approving the proposal of the dissolution of the Technical - Environmental Safety Department to establishing the Technology - Environmental Safety Department and the Mechanical - Electrical Department of Vietnam Phosphorus Joint Stock Company.	100%
37	700/NQ-HĐQT	26/06/2024	Resolution on approving the proposal of the transfer of officials for the position of Deputy Head of the Accounting - Finance Department at South Basic Chemicals Joint Stock Company.	100%
38	717/NQ-HĐQT	01/07/2024	Resolution on the Approval of the Policy to Execute a Transaction Agreement with a "Related Party".	100%
39	737/QĐ-HĐQT	02/07/2024	Decision on the Issuance of the Regulation on Salaries, Remunerations, and Bonuses for Managers and Supervisors of South Basic Chemicals Joint Stock Company.	100%
40	788/NQ-HĐQT	12/07/2024	Resolution on the Approval of the Policy to Execute a Transaction Agreement with a "Related Party".	100%
41	805/QĐ-HĐQT	15/07/2024	Decision on Bonus Distribution for Members of the Board of Directors, the Board of Management, and the Board of Supervisors from the Management Bonus Fund of the Company for 2023	100%
42	806/QĐ-HĐQT	15/07/2024	Decision on Monthly Support Allocation for Managers and the Board of Supervisors of the Company.	100%
43	816/NQ-HĐQT	18/07/2024	Resolution of the 2nd session, term 2024-2029.	100%
44	860/NQ-HĐQT	30/07/2024	Resolution on the approval of the Report on Corporate Governance for the first six months of 2024 by South Basic Chemicals Joint Stock Company.	100%
45	864/QĐ-HĐQT	30/07/2024	Decision on the establishment of the Technical-Economic report appraisal team and the Investment capital finalization review team for completed projects with a total investment of less than VND 15 Billion.	100%



THE BOARD OF DIRECTORS

Content and outcomes of in-person meetings and written consultations

No.	Resolution/ Decision No.	Date	Content	Approval rate
46	881/QĐ-HĐQT	01/08/2024	Decision on the issuance of the organizational and personnel regulation of South Basic Chemicals Joint Stock Company (Amended and Supplemented for the 2nd time).	100%
47	912/NQ-HĐQT	07/08/2024	Resolution on amending the charter and adjusting the Enterprise Registration Certificate, registering additional securities with VSDC, and listing additional shares with HOSE.	100%
48	914/QĐ-HĐQT	07/08/2024	Decision on the appointment of the person in charge of internal audit at South Basic Chemicals Joint Stock Company.	100%
49	966/QĐ-HĐQT	20/08/2024	Decision on the approval of the 3rd adjustment to the 2024 Construction investment plan.	100%
50	984/NQ-HĐQT	26/08/2024	Resolution on implementing the recommendations of the Board of Supervisors of the Company in Notification No. 968/2024/TB-BKS dated 20th August 2024.	100%
51	985/QĐ-HĐQT	26/08/2024	Decision on the issuance of the Regulation on Salaries and Bonuses for employees of South Basic Chemicals Joint Stock Company.	100%
52	986/NQ-HĐQT	26/08/2024	Resolution on the approval of the policy for assigning and arranging management personnel for the Investment and Construction Department of South Basic Chemicals Joint Stock Company.	100%
53	1006/QĐ-HĐQT	05/09/2024	Decision on the approval of the project "Procurement of a 15-ton/hour capacity boiler".	100%
54	1056/QĐ-HĐQT	18/09/2024	Decision on the approval of the project "Procurement of pumps for Javen and pure H ₂ SO ₄ delivery".	100%
55	1076/QĐ-HĐQT	24/09/2024	Decision on the approval of the project "Procurement of a 60-ton/day chlorine liquefaction system".	100%
56	1079/NQ-HĐQT	25/09/2024	Resolution on approving the policy to implement the process of appointing the position of Head of the Investment and Construction Department on a fixed-term basis.	100%
57	1097/NQ-HĐQT	01/10/2024	Resolution on adjusting and supplementing business codes and updating information about the head of Nhon Trach Chemical Plant - The Branch of South Basic Chemicals Joint Stock Company.	100%
58	1098/NQ-HĐQT	01/10/2024	Resolution on implementing the process of reviewing and supplementing the medium-level management personnel planning of South Basic Chemicals Joint Stock Company for the 2021-2026 period (2024 review and supplementation cycle).	100%
59	1148/QĐ-HĐQT	10/10/2024	Decision on the approval of the results of selecting the internal audit unit for 2024 of South Basic Chemicals Joint Stock Company.	100%
60	1158/QĐ-HĐQT	15/10/2024	Decision on the approval of the project "Procurement of HCL acid synthesis tower".	100%



THE BOARD OF DIRECTORS

Content and outcomes of in-person meetings and written consultations

No.	Resolution/ Decision No.	Date	Content	Approval rate
61	1173/NQ-HĐQT	18/10/2024	Resolution of the 3rd session, term 2024–2029	100%
62	1209/QĐ-HĐQT	31/10/2024	Decision on assigning personnel for overseas business trips	100%
63	1220/NQ-HĐQT	04/11/2024	Resolution on approving the addition of a project to the investment preparation list in the 2024 construction investment plan and the 2025 construction investment plan of Vietnam Phosphorus Joint Stock Company	100%
64	1224/QĐ-HĐQT	04/11/2024	Decision on the approval of the adjusted overseas travel plan for 2024 of South Basic Chemicals Joint Stock Company	100%
65	1284/QĐ-HĐQT	15/11/2024	Decision on assigning the company's managers to study and observe abroad in 2024	100%
66	1290/NQ-HĐQT	19/11/2024	Resolution of the 4th session, term 2024–2029, on the second adjustment to the Investment Registration Certificate for the Nhon Trach Chemical Plant - The Branch Of South Basic Chemicals Joint Stock Company	100%
67	1291/QĐ-HĐQT	19/11/2024	Decision on the approval of the 2025 internal audit plan of South Basic Chemicals Joint Stock Company	100%
68	1300/QĐ-HĐQT	20/11/2024	Decision on the issuance of the regulation on managing deposits at credit institutions of South Basic Chemicals Joint Stock Company	100%
69	1325/NQ-HĐQT	28/11/2024	Resolution on the results of the 2024 internal audit of South Basic Chemicals Joint Stock Company	100%
70	1414/QĐ-HCCB	18/12/2024	Decision on the approval of the project "Sulfuric acid circulation pump"	100%
71	1434/NQ-HĐQT	25/12/2024	Resolution on the approval of the policy to execute a transaction agreement between South Basic Chemicals Joint Stock Company and a "Related Party" in 2025	100%
72	1449/QĐ-HĐQT	26/12/2024	Decision on the approval of the final settlement of investment capital for the completed project "Procurement of a 6-ton/hour boiler"	100%
73	1490/NQ-HĐQT	30/12/2024	Resolution on the approval of the content for registering adjustments to the Investment Registration Certificate for the Nhon Trach Chemical Plant - The Branch of South Basic Chemicals Joint Stock Company	100%



THE BOARD OF DIRECTORS

Activities of independents members of the Board of Directors

The independent members of the Board of Directors consistently adhered to transparency and objectivity as guiding principles in their work, actively contributing to the limitation, prevention, and control of risks in all company activities. In addition, the independent board members also made a significant contribution to improving the effectiveness and quality of the Board's decisions. They achieved this by providing constructive criticism on directions and business plans, offering strategic and insightful advisory contributions, while closely monitoring the operations of both the Board of Directors and the Board of Management. The evaluation results of the Independent members of the BoDs regarding the activities of the BoDs for the reporting period:

- The Board of Directors has been effectively fulfilling its supervisory role in monitoring the efficiency of the Company's management and compliance with current laws. Additionally, the BoDs is particularly attentive to the Company's sustainable development policies and its environmental protection and social responsibility activities.
- All of BoDs proactively participate in supervising the Company's activities and engage in discussions at quarterly regular meetings or through written consultations. The BoDs is encouraged to propose and recommend actions whenever deemed necessary for the Company, with no restrictions on space, time, or the content of discussions.
- All important issues are openly and democratically discussed within the Board of Directors. Matters are carefully assessed and thoroughly deliberated to reach a consensus decision before resolutions are issued. The executive board consistently adheres to and diligently implements the resolutions issued by the Board of Directors
- The introduction of candidates for the election of new Board members is carefully considered by the Board of Directors and included in the election agenda of the Company's Annual General Meeting of Shareholders according to the procedures that have been issued and are currently in effect at the Company.
- The Board of Directors has adhered to regulations regarding the authority to approve, monitor, and disclose transactions between the Company and internal parties of the Company; individuals related to internal parties with the Company, its subsidiaries, or companies controlled by the Company. These transactions have been properly disclosed in accordance with legal requirements.
- The monitoring, management, and operation of the business production activities by the Board of Directors of the Company have complied with legal regulations and the Company's Charter.





THE BOARD OF DIRECTORS

The list of members of the Board of Directors possessing certificates on corporate governance

Members of the Board of Management regularly participate in Corporate Governance programs to enhance their operational capabilities and contributions to the Company's activities. Aware of the decisive role of leadership, the Company places strong emphasis on training, certification, and corporate governance programs.

List of member of the Board of Directors, member of the Board of Supervisors, member of the Board of Management who hold corporate governance training certificates:

No.	Name	Position	Training courses	Training Organization
1	Mr. Nguyen Huu Tu	Chairman of the Board of Directors	Executive Management in the Era of Sustainability	Hanoi University of Public Administration - Ministry of Home Affairs
2	Mr. Le Thanh Binh	Member of the Board of Directors cum General Director	Corporate Governance	Securities Research and Training Center - State Securities Commission
3	Mr. Le Phuong Dong	Member of the Board of Directors	Corporate Governance	Securities Research and Training Center - State Securities Commission
4	Mr. Vu Minh Ngoc	Member of the Board of Directors	Corporate Governance (Middle Management Training)	Institute of Business Administration - National Economics University
5	Mr. Vo Dinh Thuy	Deputy General Director	Corporate Governance	Institute of Human Resources and Business Development - (Huredin)
6	Mr. Do Trung Hieu	Deputy General Director	Corporate Governance	Institute of Human Resources and Business Development - (Huredin)
7	Mr. Le Tung Lam	Deputy General Director	Corporate Governance	Securities Research and Training Center - State Securities Commission
8	Mrs. Do Thi Thoa	Head of The BoS	Corporate Governance	Securities Research and Training Center - State Securities Commission
9	Mr. Nguyen Minh Tri	Member of the BoS	Corporate Governance	Institute of Human Resources and Business Development - (Huredin)
10	Mrs. Nguyen Thi Minh Ha	Member of the BoS	Corporate Governance	Securities Research and Training Center - State Securities Commission



THE BOARD OF SUPERVISORS

Members and Structure of the Board of Supervisors

No.	Members of Board of Supervisors (BoS)	Position	Ownership Representative		Individual ownership	
			Number of Shares	Ownership Percentage	Number of Shares	Ownership Percentage
1	Mrs. Do Thi Thoa	Head of the BoS	0	0%	0	0%
2	Mrs. Nguyen Thi Minh Ha	Member of the BoS	0	0%	0	0%
3	Mr. Nguyen Minh Tri	Member of the BoS	0	0%	0	0%

Changes in members of the BoS during the year: None

Meetings of Board of Supervisors

No.	Members of Board of Supervisors (BoS)	Position	Meetings attended	Attendance rate	Reason for absence
1	Mrs. Do Thi Thoa	Head of the BoS	04/04	100%	
2	Mrs. Nguyen Thi Minh Ha	Member of the BoS	04/04	100%	
3	Mr. Nguyen Minh Tri	Member of the BoS	04/04	100%	





THE BOARD OF SUPERVISORS

Activities of the Board of Supervisors

- The Board of Supervisors held periodic meetings, opinion polls, and direct and indirect discussions to review and evaluate the governance and production and business operations of the Board of Directors and the Board of General Directors;
- Supervising the implementation of the Resolution of the Annual General Meeting of Shareholders and the resolutions of the Board of Directors in 2024;
- Evaluate the truthfulness, appropriateness, and consistency of the Financial Statements and disclosures related to the Company's financial results to ensure the highest protection of interests for the Company and its shareholders;
- Review transactions with related parties to ensure compliance with legal regulations and the Company's Charter;
- Monitor the implementation of the 2024 business production plan and the increase in charter capital from owner's equity;
- Monitor the amendment and supplementation of internal regulations;
- Monitor the implementation of regular and extraordinary information disclosure;
- Participate in regular meetings of the Board of Directors and the Board of Management.

Supervision results for the Board of Directors

During the period, the Board of Directors performed well its role in maintaining operations and organizing meetings, voting to pass decisions in accordance with the law and the Company's Charter.

The members of the Board of Directors fully participated in face-to-face meetings and gave opinions in document on matters within the authority of the Board of Directors with a high sense of responsibility, giving orientations, strategies and directing and monitoring regularly for the activities of the Company so that the Board of General Directors could conduct operations in accordance with regulations and policies of the Company.

Supervision results for the Board of Management

The Board of Supervisors assessed that the inspection and supervision as well as the management and administration of business activities of the Board of Management of the Company had complied with the provisions of the Enterprise Law, the Company's Charter and the provisions of the current Law. At the time of reporting, the Board of Supervisors has not received comments and suggestions from shareholders about the mistakes of the Board of Management during the performance of assigned tasks.



THE BOARD OF SUPERVISORS

Activities of the Board of Supervisors

For shareholders

- Reviewing the exercise of shareholders' entitlements in the 2024 Annual General Meeting of Shareholders, paying dividends, etc., and monitoring information disclosure activities to ensure that shareholders are treated fairly, ensuring the legitimate entitlements and interests of Shareholders;
- The Board of Supervisors did not receive any requests or complaints from Shareholders or groups of shareholders in accordance with the provisions of the Company's Charter requesting to review the Company's business operations or the management of the Board of Directors and the Board of Management.

The coordination among the Board of Supervisors, the Board of Directors, the Board of Management, and other managers:

- The coordination of activities between the BoS, the BoDs, and the General Director at the Company continues to be strengthened based on the principle of flexibility, ensuring the interests of the Company, shareholders, employees, and related parties;
- The BoS is facilitated by the BoDs and General Director to exercise their entitlements and obligations;
- Representatives of the BoS participate fully in all meetings of the BoDs; they are provided with complete and timely information and necessary documents for the activities of the BoS by the BoDs, the BoM, and other management departments;
- The BoS has coordinated with the BoDs and the BoM to propose independent auditing units for the reviewed semi-annual financial statements for 2024 and the audited financial statements for 2024 to be presented to the General Meeting of Shareholders for approval;





TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND BOARD OF SUPERVISORS IN 2024

No.	Name	Position	Total salary	Total compensation	Bonus	Other benefits
I Board of Directors						
1	Mr. Vu Minh Ngoc	Chairman of the BoDs	0	84,000,000	12,000,000	98,500,000
2	Mr. Nguyen Huu Tu	Member of the BoDs (Resigned on February 28, 2025)	0	68,000,000	0	110,275,000
3	Mr. Nguyen Tuan Dung	Chairman of the BoDs (Resigned on April 23, 2024)	0	34,000,000	15,000,000	2,000,000
4	Mr. Le Thanh Binh	Member of the BoDs cum General Director	586,735,111	84,000,000	89,507,000	737,938,514
5	Mr. Le Phuong Dong	Member of the BoDs	0	84,000,000	12,000,000	50,000,000
6	Mrs. Le Thi Ngoc Diep	Member of the BoDs	0	56,000,000	0	85,275,000
7	Mrs. Nguyen Thanh Binh	Member of the BoDs (Resigned on April 23, 2024)	0	28,000,000	12,000,000	2,000,000
II Board of Supervisors						
1	Mrs. Do Thi Thoa	Head of the BoS	429,986,247	0	57,436,000	340,675,485
2	Mrs. Nguyen Thi Minh Ha	Member of the BoS	0	66,000,000	9,000,000	88,500,000
3	Mr. Nguyen Minh Tri	Member of the BoS	0	66,000,000	9,000,000	126,000,000
III Board of Management						
1	Mr. Le Thanh Binh	Member of the BoDs cum General Director	As presented in section I.3 of this table.			
2	Mr. Do Trung Hieu	Deputy General Director	478,520,480	0	64,044,000	496,969,289
3	Mr. Vo Dinh Thuy	Deputy General Director	471,651,168	0	64,030,000	368,948,179
4	Mr. Le Tung Lam	Deputy General Director	477,089,739	0	65,352,000	507,585,989
5	Mrs. Pham Thi Thu Hang	Chief Accountant	417,657,725	0	57,256,000	395,980,758



TRANSACTIONS OF INTERNAL PERSONS AND AFFILIATED PERSONS WITH SHARES OF THE COMPANY

No.	Transaction executor	Relationship with internal persons	Number of shares owned at the beginning of the period		Number of shares owned at the end of the period		Reasons for increasing, decreasing
			Number of shares	Percentage	Number of shares	Percentage	
1	Ms. Pham Thi Thu Hang	Chief Accountant	850	0.002	725	0.001	Selling
2	Mr. Van Trung Ha	Husband of Mrs. Le Thi Ngoc Diep - Member of the BoDs	5,600	0.01%	15,007	0.014%	Buying
3	Mr. Le Thanh Binh	Member of the BoDs cum General Director	1,700	0.004%	4,250	0.004%	Rewarding
4	Vietnam National Chemical Group	-	28,731,000	65.00%	71,827,500	65.002%	Rewarding
5	Mr. Doan Thanh Tan	Brother-in-law of Mr. Vo Dinh Thuy - Deputy General Director	100,000	0.23%	250,000	0.23%	Rewarding
6	Mr. Le Quoc Hung	Sibling of Mr. Le Tung Lam - Deputy General Director	20	0,00%	50	0.000%	Rewarding



CONTRACTS OR TRANSACTIONS WITH RELATED PARTIES

No.	Name of organization/ individual	Relationship with the Company	ERC No.* date of issue, place of issue	Address	Time of transactions with the Company	Resolution No. or Decision	Content, quantity, and total transaction value (VAT included) (Unit: VND)	Note
1	NET Detergent Joint Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds less than 50% of the chartered capital)	3600642822	D4, Loc An - Binh Son Industrial Park, Binh Son Commune, Long Thanh District, Dong Nai Province	2024	1220/NQ-HĐQT on 08/12/2023	25,580,550,600	Selling transaction
2	TPC VINA Plastic And Chemical Corporation Limited	Member of the same group - Vietnam Chemicals Group (Vinachem holds less than 50% of the chartered capital)	3600248368	Go Dau Industrial Park, Phuoc Thai Commune, Long Thanh District, Dong Nai Province	2024	1220/NQ-HĐQT on 08/12/2023	1,142,613,000	Selling transaction
3	Chemical Industry Engineering Joint Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds less than 50% of the chartered capital)	100103520-001	21A Cat Linh, Cat Linh Ward, Dong Da District, Hanoi, Vietnam	2024	1139/NQ-HĐQT on 25/11/2021	1,626,176,693	Buying transaction
4	Dry Cell And Storage Battery Joint-Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	0300405462	321 Tran Hung Dao, Co Giang Ward, District 1, Ho Chi Minh City	2024	1220/NQ-HĐQT on 08/12/2023	7,636,499,100	Selling transaction
5	LIX Detergent Joint Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	0301444263	No. 3, No. 2, Quarter 4 - Linh Trung Ward, Thu Duc City, Ho Chi Minh City	2024	1220/NQ-HĐQT on 08/12/2023	27,161,314,200 338,153,728	Selling transaction Buying transaction
6	Can Tho Fertilizer And Chemical Joint Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	1800155438	Tra Noc 1 Industrial Park, Tra Noc Ward, Binh Thuy District, Can Tho City	2024	1220/NQ-HĐQT on 08/12/2023	4,415,419,080	Selling transaction
7	SOVIGAZ Bien Hoa	The unit under the member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	0300422482 - 002	Bien Hoa 1 Industrial Park, No. 2, An Binh Ward, Bien Hoa City, Dong Nai Province	2024	1220/NQ-HĐQT on 08/12/2023	23,328,000 118,976,074	Selling transaction Buying transaction
8	SOVIGAZ Nha Trang	The unit under the member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	0300422482 - 005	Lot A40 and A41, Dien Phu Industrial Cluster, Dien Phu Commune, Dien Khanh District, Khanh Hoa Province, Vietnam	2024	1220/NQ-HĐQT on 08/12/2023	7,290,000	Selling transaction
9	The Southern Fertilizer Joint Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	0300430500	125B Cach Mang Thang Tam, Ward 5, District 3, Ho Chi Minh City, Vietnam	2024	190/NQ-HĐQT on 29/02/2024	727,587,900	Lending transactions
10	Vietnam Phosphorus Joint Stock Company	The subsidiary of South Basic Chemicals Joint Stock Company	5300433116	Tang Loong Industrial Park, Bao Thang District, Lao Cai Province	2024	1220/NQ-HĐQT on 08/12/2023	40,341,639,168 3,209,696,059	Buying transaction Selling transaction
11	DAP - Vinachem Joint Stock Company	Member of the same group - Vietnam Chemicals Group (Vinachem holds more than 50% of the chartered capital)	0200827051	Lot N5.8 Dinh Vu Industrial Zone, part of Dinh Vu Economic Zone, Dong Hai 2 Ward, Hai An District, Hai Phong City	2024	1220/NQ-HĐQT on 08/12/2023	8,000,000	Selling transaction
12	Vietnam National Chemical Group	Parent company	0100100061	1A Trang Tien, Trang Tien Ward, Hoan Kiem District, Hanoi City	2024	1220/NQ-HĐQT on 08/12/2023	1,848,000,000	Buying transaction



EVALUATION OF CORPORATE GOVERNANCE STATUS

In 2024, South Basic Chemicals Joint Stock Company strictly adhered to the legal regulations related to corporate governance, including specific governance regulations for listed companies. Additionally, to enhance governance quality, the Company has developed a governance model based on the following core elements:



FAIRNESS

Protect the interests of shareholders and ensure fair treatment of all shareholders, including minority and foreign shareholders.



TRANSPARENCY

Ensure that key information related to the Company's business operations is disclosed in a timely and complete manner through channels such as the website, mass media, etc,...



EFFECTIVENESS

The Company's BoDs possesses a diverse range of knowledge and expertise in areas such as business management, finance, law, risk management, and international business. This ensures the effective leadership of the BoDs, guaranteeing the Company's profitability and sustainability.



RESPONSIBILITY

The Company clearly defines the roles and responsibilities of the BoDs. Additionally, members of the BoDs commit to fulfilling their rights and duties fully, always acting in the best and long-term interests of the Company.



Solutions to enhance effectiveness in corporate governance activities



1

Training and corporate governance plan:

The members of the BoDs actively participate in corporate governance training programs. In addition to members who already hold corporate governance training certificates, the remaining will arrange to participate in corporate governance training courses in the near future.

2

Human resources management:

The Company's development direction is to enhance the use of technological applications in human resources management to improve quality and efficiency in personnel management.

3

Product quality management:

- Continue to maintain, improve, and internally assess the quality management system at units in a timely and effective manner.
- Update, modify, supplement, or abolish and replace content in the quality management system of production units in accordance with current standards.
- Expand and apply new management systems and standards to enhance the Company's reputation, product quality, and production efficiency.

4

Regularly evaluate legal changes to ensure corporate governance activities fully comply with regulations and protect the interests of stakeholders.

5

Through regular and ad-hoc exchanges with the Board of Management and stakeholders to understand stakeholder requirements and respond appropriately..

Logistics

Vận chuyển hóa chất

Công ty Cổ phần Hóa chất Cơ bản Miền Nam (Công ty HCCB) cung cấp dịch vụ vận chuyển, hậu cần để sản phẩm có thể đến Quý khách hàng ở mọi miền đất nước và xuất khẩu sản phẩm đến các nước trong khu vực.



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REPORT OF BOARD OF GENERAL DIRECTORS

The Board of General Directors of South Basic Chemicals Joint Stock Company (hereinafter referred to as "the Company") is pleased to present its report and the Consolidated financial statements of the Company and subsidiary (hereinafter referred to as "the Corporate group") for the year ended 31 December 2024.

BOARD OF ADMINISTRATION

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

Ms	Vu Minh Ngoc	Chairman	appointed on 09 January 2025
Mr	Nguyen Huu Tu	Chairman	appointed on 23 April 2024 resigned on 03 January 2025
Mr	Nguyen Tuan Dung	Chairman	resigned on 23 April 2024
Mr	Le Thanh Binh	Member	reappointment on 23 April 2024
Mr	Le Phuong Dong	Member	reappointment on 23 April 2024
Ms	Le Thi Ngoc Diep	Member	appointed on 23 April 2024
Ms	Nguyen Thanh Binh	Member	resigned on 23 April 2024
Mr	Vu Minh Ngoc	Member	reappointment on 23 April 2024

BOARD OF SUPERVISION

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

Ms	Do Thi Thoa	Head	reappointment on 23 April 2024
Ms	Nguyen Thi Minh Ha	Member	reappointment on 23 April 2024
Mr	Nguyen Minh Tri	Member	reappointment on 23 April 2024

BOARD OF GENERAL DIRECTORS

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

Mr	Le Thanh Binh	General Director
Mr	Do Trung Hieu	Deputy General Director
Mr	Vo Dinh Thuy	Deputy General Director
Mr	Le Tung Lam	Deputy General Director

LEGAL REPRESENTATIVE

The legal representative of the Company during the year and at the date of this report is Mr Le Thanh Binh.

AUDITORS

The auditor of the Company is FAC Auditing Company Limited.

RESPONSIBILITY OF THE BOARD OF GENERAL DIRECTORS IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Consolidated financial statements of each financial year which give a true and fair view of the financial position of the Corporate group and of the results of its operations and its cash flows for the year. In preparing those Consolidated financial statements, the Board of General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the accounting standards applicable to the the Corporate group have been followed, subject to any material departures disclosed and explained in the Consolidated financial statements;
- Prepare the Consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporate group will continue its business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the Consolidated financial statements so as to minimize errors and frauds.

The Board of General Directors is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporate group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of General Directors confirmed that it has complied with the above requirements in preparing the accompanying Consolidated financial statements.

STATEMENT BY THE BOARD OF GENERAL DIRECTORS

The Board of General Directors does hereby state that, in its opinion, the accompanying Consolidated financial statements give a true and fair view of the financial position of the Corporate group as at 31 December 2024, and of the results of its operations and its cash flows for the fiscal year ended on the same day in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Consolidated financial statements.



For and on behalf of the Board of General Directors

Le Thanh Binh
General Director

Ho Chi Minh City, 28 February 2025



No: 040/2024/BCTCHN-FAC

INDEPENDENT AUDITORS' REPORT

**To: Shareholders, The Board of Administration and The Board of General Directors
SOUTH BASIC CHEMICALS JOINT STOCK COMPANY**

We have audited the accompanying Consolidated financial statements of South Basic Chemicals Joint Stock Company and subsidiary (referred to as "the Corporate group") as prepared on 28 February 2025 and set out on pages 5 to 39, which comprise the Consolidated balance sheet as at 31 December 2024, and the Consolidated income statement and the Consolidated cash flow statement for the fiscal year ended on the same day and the notes thereto.

Responsibility of the Board of General Directors

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

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the Consolidated financial statements of the Corporate group 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 Corporate group'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 General Directors, as well as evaluating the over all presentation of the Consolidated financial statements.

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

Opinion

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



Independent Auditors' Report (continued)

Other Matter

The Consolidated financial statements of the Corporate group for the year ended 31 December 2023 were audited by another audit firm which expressed an unmodified opinion on those statements on 07 March 2024.

FAC AUDITING COMPANY LIMITED



Do Hoang Chuong - Deputy General Director

Audit Practicing Registration Certificate

No. 2662-2023-099-1

Ho Chi Minh City

28 February 2025

Dam Tuan Anh - Auditor

Audit Practicing Registration Certificate

No. 5445-2021-099-1



CONSOLIDATED BALANCE SHEET

Currency: VND

ASSETS	Code	Notes	Ending balance	Beginning balance
A. CURRENT ASSETS	100		1,464,036,583,364	1,303,628,520,779
I. Cash and cash equivalents	110	4	172,611,144,046	107,049,568,199
1 Cash	111		84,611,144,046	67,049,568,199
2 Cash equivalents	112		88,000,000,000	40,000,000,000
II. Short-term investments	120		605,000,000,000	540,000,000,000
1 Held- to-maturity investments	123	5	605,000,000,000	540,000,000,000
III. Current accounts receivable	130		296,327,608,785	236,129,473,537
1 Short-term trade receivables	131	6	266,520,811,461	222,013,088,351
2 Short-term advances to suppliers	132	7	9,809,659,213	4,373,253,256
3 Other short-term receivables	136	8	23,014,141,971	12,598,831,024
4 Provision for doubtful short-term receivables	137	9	(3,017,003,860)	(2,855,699,094)
IV. Inventories	140	10	340,626,271,082	365,525,221,996
1 Inventories	141		340,626,271,082	368,697,944,818
2 Provision for obsolete inventories	149		-	(3,172,722,822)
V. Other current assets	150		49,471,559,451	54,924,257,047
1 Short-term prepaid expenses	151	14	1,881,843,426	1,867,745,657
2 Value-added tax deductible	152		44,452,166,652	49,711,717,327
3 Tax and other receivables from the State	153	17	3,137,549,373	3,344,794,063
B. NON-CURRENT ASSETS	200		394,961,473,325	418,326,863,474
I. Long-term receivables	210		427,352,060	526,000,000
1 Other long-term receivables	216	8	427,352,060	526,000,000
II. Fixed assets	220		62,682,180,314	78,441,761,409
1 Tangible fixed assets	221	11	60,926,208,933	76,685,790,028
- Cost	222		1,125,985,726,507	1,105,562,293,961
- Accumulated depreciation	223		(1,065,059,517,574)	(1,028,876,503,933)
2 Intangible fixed assets	227	12	1,755,971,381	1,755,971,381
- Cost	228		6,393,560,256	6,393,560,256
- Accumulated depreciation	229		(4,637,588,875)	(4,637,588,875)
III. Long-term assets in progress	240		3,115,265,154	1,370,795,524
1 Construction in progress	242	13	3,115,265,154	1,370,795,524
IV. Other long-term assets	260		328,736,675,797	337,988,306,541
1 Long-term prepaid expenses	261	14	316,233,313,071	325,130,280,256
2 Deferred tax assets	262	31.3	12,503,362,726	12,858,026,285
TOTAL ASSETS	270		1,858,998,056,689	1,721,955,384,253

RESOURCES	Code	Notes	Ending balance	Beginning balance
C. LIABILITIES	300		304,981,686,952	285,728,284,256
I. Current liabilities	310		304,981,686,952	285,728,284,256
1 Short-term trade payables	311	15	33,443,651,980	32,287,928,990
2 Short-term advances from customers	312	16	1,247,908,531	334,389,140
3 Taxes and other payables to the State	313	17	42,263,250,296	56,072,724,622
4 Payables to employees	314		37,441,782,673	36,586,149,354
5 Short-term accrued expenses	315	18	22,497,938,816	13,237,133,794
6 Other short-term payables	319	19	1,694,764,305	7,595,120,334
7 Short-term loan and finance lease	320	20	122,196,041,384	100,916,072,136
8 Bonus and welfare fund	322	21	44,196,348,967	38,698,765,886
D. OWNERS' EQUITY	400		1,554,016,369,737	1,436,227,099,997
I. Capital	410	22	1,554,016,369,737	1,436,227,099,997
1 Share capital	411	22.2	1,104,999,100,000	442,000,000,000
- Shares with voting rights	411a		1,104,999,100,000	442,000,000,000
2 Share premium	412		-	9,506,484
3 Other owners' capital	414		22,951,530,000	22,951,530,000
4 Asset revaluation reserve	416		(25,413,193,278)	(25,413,193,278)
5 Investment and development fund	418	22.5	78,880,000,950	645,888,370,836
6 Other funds belonging to owners' equity	420	22.5	-	11,949,121,722
7 Undistributed earnings	421		312,968,008,798	292,365,755,644
- Undistributed earnings of prior period	421a		95,331,746,383	108,227,235,701
- Undistributed earnings of current year	421b		217,636,262,415	184,138,519,943
8 Non-controlling interests	429		59,630,923,267	46,476,008,589
TOTAL LIABILITIES AND OWNERS' EQUITY	440		1,858,998,056,689	1,721,955,384,253


Dang Hong Yen
Preparer


Pham Thi Thu Hang
Chief Accountant




Le Thanh Binh
General Director

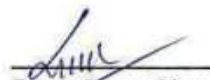
Ho Chi Minh City, 28 February 2025





CONSOLIDATED INCOME STATEMENT

Currency: VND

ITEMS	Code	Notes	Current year	Previous year
1 Revenue from sale of goods and rendering of services	01	23	1,855,617,616,161	1,588,441,460,119
2 Deductions	02	23	38,850,000	-
3 Net revenue from sale of goods and rendering of services	10	23	1,855,578,766,161	1,588,441,460,119
4 Cost of goods sold and services rendered	11	24	1,350,721,387,735	1,179,289,843,166
5 Gross profit from sale of goods and rendering of services	20		504,857,378,426	409,151,616,953
6 Finance income	21	25	30,115,593,955	40,494,040,277
7 Finance expenses	22	26	2,862,410,145	4,830,027,491
- In which: Interest expenses	23		2,376,789,282	4,248,347,288
8 Selling expenses	25	27	111,450,013,107	82,664,123,071
9 General and administrative expenses	26	28	93,427,365,690	77,417,859,086
10 Operating profit	30		327,233,183,439	284,733,647,582
11 Other income	31	29	1,564,118,419	4,280,346,822
12 Other expenses	32	29	504,345,699	164,918,773
13 Other profit	40	29	1,059,772,720	4,115,428,049
14 Accounting profit before tax	50		328,292,956,159	288,849,075,631
15 Current corporate income tax expense	51	31.1	69,602,914,984	62,306,988,465
16 Deferred tax expense/(income)	52	31.3	354,663,559	(4,077,158,417)
17 Net profit after tax	60		258,335,377,616	230,619,245,583
18 Post-tax profits attributable to parent company	61		238,636,262,415	209,138,519,943
19 Post-tax profits attributable to non-controlling interests	62		19,699,115,201	21,480,725,640
20 Basic earnings per share	70	32	1,970	1,665
21 Diluted earnings per share	71	32	1,970	1,665


Dang Hong Yen
Preparer


Pham Thi Thu Hang
Chief Accountant


Le Thanh Binh
General Director



Ho Chi Minh City, 28 February 2025



CONSOLIDATED CASH FLOW STATEMENT


Currency: VND


ITEMS	Code	Notes	Current year	Previous year
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1 Profit before tax	01		328,292,956,159	288,849,075,631
2 Adjustments for:				
- Depreciation of fixed assets and investment property	02	11	44,595,909,648	61,413,906,317
- Reversal of provision	03		(3,011,418,056)	(11,815,348,513)
- Foreign exchange gain due to revaluation of monetary items	04		(232,423,839)	(133,239,601)
- Profits from investing activities	05		(28,946,577,732)	(35,945,351,764)
- Interest expenses	06	26	2,376,789,282	4,248,347,288
3 Operating profit before changes in working capital	08		343,075,235,462	306,617,389,358
- (Increase)/decrease in receivables	09		(50,089,394,430)	52,124,474,642
- Decrease in inventories	10		28,071,673,736	23,088,187,517
- Increase/(decrease) in payables	11		(3,988,990,915)	9,199,920,808
- Decrease in prepaid expenses	12		9,805,877,707	13,278,550,062
- Interest paid	14		(2,347,368,804)	(4,311,514,475)
- Corporate income tax paid	15	17	(73,845,655,951)	(38,512,344,344)
- Other cash inflows from operating activities	16	21	20,000,000	13,880,000
- Other cash outflows for operating activities	17	21	(19,269,763,913)	(33,487,789,854)
Net cash flows from operating activities	20		231,431,612,892	328,010,753,714
II. CASH FLOWS FROM INVESTING ACTIVITIES				
1 Purchase and construction of fixed assets and other long-term assets	21		(22,440,388,017)	(17,927,879,101)
2 Proceeds from disposals of fixed assets and other long-term assets	22		1,453,576,792	-
3 Loans to other entities and payments for purchase of debt instruments of other entities	23		(525,000,000,000)	(735,000,000,000)
4 Collections from borrowers and proceeds from sale of debt instruments of other entities	24		460,000,000,000	530,000,000,000
5 Cash receipts from interests, dividends and profits shared	27		19,871,628,336	34,061,598,341
Net cash flows used in investing activities	30		(66,115,182,889)	(188,866,280,760)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ITEMS	Code	Notes	Current year	Previous year
III. CASH FLOWS FROM FINANCING ACTIVITIES				
1 Drawdown of borrowings	33	20	269,520,961,763	309,640,509,491
2 Repayment of borrowings	34	20	(248,240,992,515)	(335,104,167,513)
3 Dividends paid/Profit distributed	36		(121,094,330,000)	(196,980,240,000)
Net cash flows used in financing activities	40		(99,814,360,752)	(222,443,898,022)
Net increase/(decrease) in cash for the year	50		65,502,069,251	(83,299,425,068)
Cash and cash equivalents at beginning of year	60	4	107,049,568,199	190,336,792,912
- Effect of exchange rate on cash and cash equivalents	61		59,506,596	12,200,355
Cash and cash equivalents at end of year	70	4	172,611,144,046	107,049,568,199


Dang Hong Yen
Preparer


Pham Thi Thu Hang
Chief Accountant


Le Thanh Binh
General Director

Ho Chi Minh City, 28 February 2025

1. CORPORATE INFORMATION

Southern Basic Chemicals Joint Stock Company was formerly a state-owned enterprise under the Vietnam National Chemical Group and was equitized pursuant to the approved equitization plan under Decision No. 248/QĐ-HCVN dated 28 July 2013, issued by the Vietnam National Chemical Group. The company was officially converted into a joint stock company on 02 January 2014, in accordance with the Enterprise Registration Certificate for a Joint Stock Company, enterprise code 0301446260, issued by the Ho Chi Minh City Department of Planning and Investment. The company is currently operating under the 11th amended Enterprise Registration Certificate, issued on 11 September 2024.

The Company's share are listed on the Ho Chi Minh City Stock Exchange ("HOSE") since 18 March 2015, under the stock code CSV.

The head office of the Company is located at 22 Ly Tu Trong street, Ben Nghe ward, District 1, Ho Chi Minh City.

As at 31 December 2024, The Company has one (01) subsidiaries and six (06) dependent units as follows:

Subsidiary

Unit name: Vietnam Phosphorus Joint Stock Company

Address: Tang Loong Industrial park, Tang Loong town, Bao Thang district, Lao Cai province

Main business activities: Production and trading of phosphorus

Rate of ownership as at 31 December 2024 65.05%

Voting rights as at 31 December 2024 65.05%

Dependent units

Branch name	Address
Bien Hoa Chemical Plant - The branch of Road 5, Bien Hoa 1 Industrial Park, An Binh ward, Bien Hoa South Basic Chemicals Joint Stock city, Dong Nai province Company	
Tan Binh Chemical Plant 2 - The branch of Road 5, Bien Hoa 1 Industrial Park, An Binh ward, Bien Hoa South Basic Chemicals Joint Stock city, Dong Nai province Company	
Dong Nai Chemical Plant - The branch of Road 1, Bien Hoa 1 Industrial Park, An Binh ward, Bien Hoa South Basic Chemicals Joint Stock city, Dong Nai province Company	
Tan Binh Branch	No. 46/6 Phan Huy Ich, Ward 15, Tan Binh district, Ho Chi Minh City
The branch of South Basic Chemicals Joint Stock Company - Bao Loc Bauxite Mine	No. 62 Ly Thuong Kiet, Ward 01, Bao Loc city, Lam Dong province
Nhon Trach Chemical Plant - The branch of Subzone Nhon Trach 6C, Nhon Trach 6 Industrial Park, South Basic Chemicals Joint Stock Long Tho commune, Nhon Trach district, Dong Nai province. Company	

(*) According to Resolution No. 01/2021/NQ-DHCD dated 27 April 2021, the General Meeting of Shareholders approved the report on the dissolution of Bao Loc Bauxite Mine. The Company is carrying out the dissolution procedures for The branch of South Basic Chemicals Joint Stock Company - Bao Loc Bauxite Mine in accordance with legal regulations and the Company's Charter.

CORPORATE INFORMATION (continued)

The activities registered under the Company's Enterprise Registration Certificate are:

- Production of chemical materials and equipment (not operating at the office); processing and manufacturing of specialized equipment, technological pipelines and pipelines for industrial waste water supply industry (not subject to pressure - except recycling of metal waste, electroplating slag, casting metallurgy);
- Buying, selling, importing and exporting materials and equipment for chemical industry;
- Wholesale of chemicals in the industrial sector;
- Installation of specialized equipment, industrial pipes and pipelines used in industrial water supply and sewage industry (not under pressure-except for recycling metal waste, electroplating slag, casting metallurgy);
- Mining and processing of bauxite minerals (not operating at the office);
- Research and design chemical production lines; Design of chemical production equipment; (except for mechanical processing, recycling of waste at the office);
- Manufacturing chemicals in the industrial sector, manufacturing chemicals in the food additives sector (not operating at the office);
- Processing edible salt products in food (not operating at the office);
- Cargo transportation by specialized automobiles: transporting goods by liquid tankers; transporting goods by specialized vehicles carrying chemicals (except liquefied gas for transportation);
- Manufacturing chemical products (except for highly toxic chemicals, not producing chemicals in Ho Chi Minh City).
- Production of fertilizers and nitrogen compounds (not working in Ho Chi Minh City).
- Repairing barrels, tanks, metal containers, repairing and maintaining pipelines, repairing mobile goods.
- Repair and maintenance of industrial machinery, equipment, repair and maintenance of pumps and related equipment; valve repair, repair and maintenance of the gear system and moving parts of the vehicle.
- Repairing and maintaining electric transformers, classifiers and special transformers, repairing and maintaining electric motors and generators, repair and maintain switchboard equipment and hill transfer equipment; repairing and maintaining industrial relays and controllers; repair and maintenance of electrical wiring equipment and non-conductive devices for use in electrical circuits.
- Production of similar metal barrels, tanks and containers for storage or production;
- Production, concentration and distribution of steam and hot water for heating, energy supply and other purposes;
- Experimental research activities and other services.

The Company's main activity during the current period of the Company and subsidiary (as "the Corporate group") is the production of chemical industry products.

The Corporate group's normal course of business cycle is no more than 12 months.

The number of the Corporate group's employees as at 31 December 2024 is 667 people (as at 31 December 2023 is 665 people).

2. BASIS OF PREPARATION

2.1. Accounting standards and system

The Consolidated financial statements of the Corporate group expressed in Vietnam dong ("VND"), are presented under the guidance of Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014, are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standards issued by the Ministry of Finance as per:

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

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

2.2. Applied accounting documentation system

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

2.3. Fiscal year

The Corporate group's fiscal year applicable for the preparation of its financial statements starts on 1 January and ends on 31 December.

2.4. Accounting currency

The Consolidated financial statements are prepared in Vietnam dong ("VND") which is also the Corporate group's accounting currency.

2.5. Consolidation base

The Consolidated financial statements include the financial statements of the Company and its subsidiary.

Subsidiary is fully consolidated from the date of acquisition, which is the date the Company obtains control of the subsidiary, and continues to be consolidated until the date it really ceases to have control over the subsidiary.

The Separate financial statements of the Company and its subsidiary used for consolidation are prepared for the same accounting period, and are applied uniform accounting policies.

Accounts balance of balance sheet between companies in the Corporate group, unrealized income and expenses, or unrealized internal gains or losses arising from these transactions are completely eliminated.

Consolidation base (continued)

Non-controlling interests represent the share of profit or loss in the results of operations and the net assets of subsidiaries that are not held by the Company and are presented in a separate item of the consolidated income statement and consolidated balance sheet.

Effects resulting from changes in subsidiary ownership that do not lose control are recorded in undistributed earnings.

2.6. Comparative information

Comparative information on the Consolidated balance sheet, the Consolidated income statement, the Consolidated cash flow statement and related supplementing notes is based on the Audited consolidated financial statements for the fiscal year ended 31 December 2023.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**3.1. Cash and cash equivalents**

Cash comprise cash on hand and cash in banks.

Cash equivalents are short-term, highly liquid investments with an original maturity of no longer than three months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2. Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

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

The perpetual method is used to record inventories, with their value determined on a weighted average basic.

Provision for obsolete inventories

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

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the Consolidated income statement.

3.3. Receivables

Receivables are presented in the Consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts.

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

3.4. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

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

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

3.5. Leased assets

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

3.6. Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

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

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

Land use rights

Land use right is recognized as an intangible asset when the Corporate group is granted a land use right certificate. The costs of land use right comprise all directly attributable costs of bringing the land lot to the condition available for intended use and are amortized according to the land use term.

Computer software

Computer software which is not an integral part of hardware is recorded as intangible fixed asset and amortised over the term of benefits.

3.7. Depreciation and amortisation

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

Buildings and structures	05 - 25 years
Machinery and equipment	04 - 12 years
Means of transportation	06 - 10 years
Management equipment	03 - 08 years
Computer software	02 - 10 years

Land use rights with an indefinite term are recorded at historical cost and are not depreciated.

3.8. Construction in progress

Construction in progress represents costs attributable directly to the acquisition of fixed assets, the construction of the ongoing Factory construction projects for production and management purposes. These assets are recorded at the historical cost and are not depreciated.

3.9. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds of the Corporate group. Borrowing costs are recorded as expense during the year in which they are incurred.

3.10. Prepaid expenses

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

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

- Prepaid land and office rentals are amortised over the periods of land lease;
- Tools and supplies are amortised to the income statement in a maximum period of 03 years'
- Other expenses are allocated over the prepaid period.

Prepaid land rental

The prepaid land rental and infrastructure usage fees include the unallocated balance of the land rental and infrastructure usage fees paid under the sublease agreement for land and infrastructure use at Nhon Trach 6 Industrial Park, contract No. 01/HDTD-NT6C/VLXDSG-HCCB dated 4 May 2018, and its annexes. The leased land area is 180,036 m², with a lease term running until 01 June 2055. According to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013, guiding the management, use, and depreciation of fixed assets, the aforementioned prepaid land rental is recognized as a long-term prepaid expense and is allocated to expenses over the remaining duration of the lease agreement.

3.11. Business combinations

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

3.12. Investments

Held-to-maturity investments

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

Provision for diminution in value of held-for-trading securities and investments in entities

Provision of the investment is made when there are reliable evidences of the diminution in value of those investments at the balance sheet date. Increases or decreases to the provision balance are recorded as finance expense in the Consolidated income statement.

3.13. Payables and accruals

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

3.14. Earnings per share

Basic earnings per share amount is computed by dividing net profit for the year attributable to ordinary equity holders of the Corporate group after adjusting for the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year.

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

3.15. Foreign currency transactions

Transactions in currencies other than the Corporate group's accounting currency (VND) are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection;
- Transactions resulting in liabilities are recorded at the selling exchange rates of the commercial banks designated for payment.

At the end of the period, monetary balances denominated in foreign currencies are translated at the actual exchange rates at the Consolidated balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Corporate group conduct transactions regularly.
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Corporate group conduct transactions regularly.

All exchange differences incurred during the year and arising from the revaluation of monetary accounts denominated in foreign currency at year-end are taken to the Consolidated income statement.

3.16. Appropriation of net profits

Net profit after corporate Income Tax is available for appropriation to shareholders after approval by the appropriate level of authority/in the annual general meeting, and after making appropriation to reserve funds in accordance with the Corporate group's Charter and Vietnam's regulatory requirements.

The Company maintains the following reserve funds which are appropriated from the Company's net profit as proposed by the Board of Administration and subject to approval by shareholders at the annual general meeting.

- *Investment and development fund*

This fund is set aside for use in the Corporate group's expansion of its operation or of in-depth investment.

- *Bonus and welfare fund*

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

- *Other funds belonging to owners' equity*

These funds are set aside in accordance with Corporate group's Charter and Vietnamese regulations.

3.17. Revenue recognition

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

Sale of goods

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

Rendering of services

Revenues are recognised upon the completion of the services provided. In cases where the provision of services spans multiple periods, revenue is recognized in the period based on the completed portion of work as of the Consolidated balance sheet date.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3.18. Current income tax

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

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

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

3.19. Deferred tax

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

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

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

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

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

Deferred tax (continued)

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Corporate group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on:

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

3.20. Related parties

Parties are considered to be related parties of the Corporate group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Corporate group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including close members of their families.

3.21. Segment information

The Corporate group's main activity is the production and trading of chemicals. All revenue and expenses presented in the Corporate group's consolidated statement of profit or loss are related to this activity. Additionally, all of the Corporate group's business operations are conducted within the territory of Vietnam. Therefore, the Board of General Directors determines that the Corporate group has only one business segment and one geographical area. Accordingly, the Corporate group is not required to present segment information.

4. CASH AND CASH EQUIVALENTS

	VND	
	Ending balance	Beginning balance
Cash on hand	816,608,655	982,397,077
Cash at banks	83,794,535,391	66,067,171,122
Cash equivalents (*)	88,000,000,000	40,000,000,000
TOTAL	172,611,144,046	107,049,568,199

(*) Cash equivalents represent short-term deposits at commercial banks with original maturities of no longer than three months and earn interest at the rates ranging at 31 December 2024 from 1.6% to 4.4% per

5. HELD-TO-MATURITY INVESTMENTS

VND

	Ending balance		Beginning balance	
	Cost	Carrying value	Cost	Carrying value
Term deposit (*)	605,000,000,000	605,000,000,000	540,000,000,000	540,000,000,000
TOTAL	605,000,000,000	605,000,000,000	540,000,000,000	540,000,000,000

(*) Held-to-maturity investments deposits at commercial banks with a term of over three months to less than one year and earn interest at the rates ranging at 31 December 2024 from 4.2% to 5.1% per annum.

6. SHORT-TERM TRADE RECEIVABLES

VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Unilever Vietnam International Company Limited	18,895,399,200	-	30,405,053,160	-
Y Cuong Thinh Trading Services Company Limited	45,398,685,600	-	50,212,116,000	-
Ajinomoto Vietnam Co., Ltd	25,238,227,340	-	18,165,405,520	-
NB.Toyota Tsusho Corporation	17,615,760,975	-	-	-
Branch of Toyota Tsusho Vietnam Co., Ltd. in Ho Chi Minh City	-	-	19,512,151,186	-
Trade receivables from related parties (Note 33)	7,998,348,240	-	7,632,754,848	-
Other customers	151,374,390,106	-	96,085,607,637	-
TOTAL	266,520,811,461	-	222,013,088,351	-
Provision for doubtful short-term receivables	(3,017,003,860)	-	(2,855,699,094)	-

7. SHORT-TERM ADVANCES TO SUPPLIERS

VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Transport Cooperative No. 9	3,500,000,000	-	-	-
Howden Vietnam Company Limited	-	-	2,859,621,840	-
M & T Industrial Equipment Company Limited	1,499,394,758	-	-	-
Other suppliers	4,810,264,455	-	1,513,631,416	-
TOTAL	9,809,659,213	-	4,373,253,256	-

8. OTHER SHORT-TERM RECEIVABLES

VND

	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Interest income receivables	18,067,975,342	-	10,446,602,738	-
Staff advances	44,979,191	-	28,006,484	-
Deposit, mortgages or collaterals	317,906,456	-	91,670,456	-
Others	4,583,280,982	-	2,032,551,346	-
TOTAL	23,014,141,971	-	12,598,831,024	-

9. BAD DEBTS

VND

Debtor (*)	Ending balance		Beginning balance	
	Cost	Recoverable amount	Cost	Recoverable amount
Citichem India Limited	1,567,843,200	-	1,495,194,624	-
Tan Truong An Private Enterprise	612,162,100	-	612,162,100	-
Ca Mau Jbichem Internation Joint Stock Company	187,420,000	-	187,420,000	-
Casanova Trading - Service & Manufacturing Co., Ltd.	180,000,000	-	180,000,000	-
France-Vietnam Sorbitol Joint Stock Company	80,524,880	-	80,524,880	-
Huu Nghi Cement Joint Stock Company	80,632,000	-	80,632,000	-
Khang Nghi Trading, Service & Import-Export Co., Ltd.	158,815,700	-	158,815,700	47,644,710
Nguyen Minh Steel Group Joint Stock Company	-	-	183,708,800	91,854,300
Asia First Gloves Company Limited	33,480,000	10,044,000	33,480,000	16,740,000
Dong Nai Granite Tiles Company Limited	85,519,640	42,759,820	85,519,640	85,519,640
King Minh Ceramics Production Co.,Ltd	166,820,320	83,410,160	166,820,320	166,820,320
TOTAL	3,153,217,840	136,213,980	3,264,278,064	408,578,970

(*) These are overdue debts and have been made provision for receivables by the Corporate group as stated in Note 6.

10. INVENTORIES

	VND			
	Ending balance		Beginning balance	
	Cost	Provision	Cost	Provision
Goods in transit	4,183,587,200	-	-	-
Raw materials	246,705,175,428	-	265,592,435,408	-
Tools and supplies	8,815,595,077	-	7,384,815,288	-
Work in process	1,604,801,465	-	5,882,202,257	-
Finished goods	79,018,830,285	-	89,838,491,865	(3,172,722,822)
Merchandise	298,281,627	-	-	-
TOTAL	340,626,271,082	-	368,697,944,818	(3,172,722,822)

Detail of movements of provision for obsolete inventories

	VND	
	Current year	Previous year
Beginning balance	(3,172,722,822)	-
Provision made during the year	-	(3,172,722,822)
Reversal of provision during the year	3,172,722,822	-
Ending balance	-	(3,172,722,822)

Reversal of provision for inventory devaluation for PAC-F 30% HB Powder as its net realizable value exceeds the original cost.

11. TANGIBLE FIXED ASSETS

	VND			
	Buildings and structures	Machinery and equipment	Means of transportation	Management equipment
	Total			
Cost:				
Beginning balance	184,056,500,195	870,568,263,906	37,642,207,811	13,295,322,049
Purchase in the year	-	26,739,189,007	675,000,000	1,422,139,546
Disposal	-	(1,548,057,535)	(6,730,393,927)	(134,444,545)
Ending balance (*)	184,056,500,195	895,759,395,378	31,586,813,884	14,583,017,050
	184,056,500,195	870,568,263,906	37,642,207,811	13,295,322,049
Beginning balance	177,692,206,641	807,767,114,552	33,756,120,205	9,659,062,535
Depreciation for the year	1,517,152,149	39,592,286,771	1,763,064,816	1,723,405,912
Disposal	-	(1,548,057,535)	(6,730,393,927)	(134,444,545)
Ending balance (*)	179,209,358,790	845,811,343,788	28,790,791,094	11,248,023,902
	179,209,358,790	845,811,343,788	28,790,791,094	11,248,023,902
Net carrying amount:				
Beginning balance	6,364,293,554	62,801,149,354	3,884,087,606	3,636,259,514
Ending balance (*)	4,847,141,405	49,948,051,590	2,796,022,790	3,334,993,148
	4,847,141,405	49,948,051,590	2,796,022,790	3,334,993,148

(*) In which, the original cost of fully depreciated fixed assets that are still in use as of 31 December 2024, is VND 939,549,281,649 (as of 31 December 2023, it was VND 925,854,675,241).

Accumulated depreciation:

Beginning balance	1,028,876,503,933
Depreciation for the year	44,595,909,648
Disposal	(8,412,896,007)
Ending balance (*)	1,065,059,517,574

12. INTANGIBLE FIXED ASSETS

	VND		
	Land use rights	Computer software	Total
Cost:			
Beginning balance	1,755,971,381	4,637,588,875	6,393,560,256
Ending balance	<u>1,755,971,381</u>	<u>4,637,588,875</u>	<u>6,393,560,256</u>
<i>In which:</i>			
Fully depreciated	-	4,637,588,875	4,637,588,875
Accumulated amortisation:			
Beginning balance	-	4,637,588,875	4,637,588,875
Ending balance	<u>-</u>	<u>4,637,588,875</u>	<u>4,637,588,875</u>
Net carrying amount:			
Beginning balance	1,755,971,381	-	1,755,971,381
Ending balance	<u>1,755,971,381</u>	<u>-</u>	<u>1,755,971,381</u>

13. Construction in process

	VND	
	Ending balance	Beginning balance
Nhon Trach chemical plant project	2,873,942,955	405,942,390
Construction of raw material storage warehouse	241,322,199	-
Repair costs	-	964,853,134
TOTAL	<u>3,115,265,154</u>	<u>1,370,795,524</u>

14. PREPAID EXPENSES

	VND	
	Ending balance	Beginning balance
Short-term		
Insurance premium	587,204,669	651,992,249
Repair costs	767,380,045	705,019,490
Tools and supplies	56,995,454	161,331,499
Software usage costs	-	166,024,000
Others	470,263,258	183,378,419
TOTAL	<u>1,881,843,426</u>	<u>1,867,745,657</u>

PREPAID EXPENSES (continued)

	VND	
	Ending balance	Beginning balance
Long-term		
Land rental and industrial park infrastructure usage fees (*)	312,461,405,489	322,734,109,229
Fixed asset repair costs	2,619,121,367	2,060,855,383
Tools and supplies	530,622,991	303,289,718
Others	622,163,224	32,025,926
TOTAL	<u>316,233,313,071</u>	<u>325,130,280,256</u>

(*) Land rental, infrastructure usage fees, and management fees at Nhon Trach 6 Industrial Park under the land sublease and infrastructure usage agreement No. 01/HDTD-NT6C/VLXDSG-HCCB dated 4 May 2018, and its appendices. The land rental and infrastructure usage fees are paid in a lump sum for the entire lease term, while the management fees are paid annually as notified by the lessor.

15. SHORT-TERM TRADE PAYABLES

	VND			
	Ending balance		Beginning balance	
	Amount	Payable amount	Amount	Payable amount
Vietnam Apatit One Member Limited Liability Company	3,314,137,447	3,314,137,447	-	-
B and I Automation Electrical Co., Ltd.	4,247,600,000	4,247,600,000	-	-
Cam Duong Power Company	4,360,930,812	4,360,930,812	2,645,891,741	2,645,891,741
Bao Ngoc Phuc Co., Ltd.	992,520,005	992,520,005	1,756,800,045	1,756,800,045
Petro Pro Oil Gas Trading Services Co., Ltd.	-	-	2,926,712,640	2,926,712,640
Moc Le Xanh One Member Limited Liability Company	3,795,346,801	3,795,346,801	-	-
Nam Tu Thanh Trading and Services Limited Liability Company	3,818,008,049	3,818,008,049	-	-
Heartychem Corporation	-	-	12,302,640,000	12,302,640,000
Trade payables to related parties (Note 33)	11,949,120	11,949,120	5,851,440	5,851,440
Other suppliers	12,903,159,746	12,903,159,746	12,650,033,124	12,650,033,124
TOTAL	<u>33,443,651,980</u>	<u>33,443,651,980</u>	<u>32,287,928,990</u>	<u>32,287,928,990</u>

16. SHORT-TERM ADVANCES FROM CUSTOMERS

	VND	
	Ending balance	Beginning balance
Petrovietnam Ca Mau Fertilizer Joint Stock Company	541,646,471	-
Tm Grow International Corporation	302,940,000	-
Others customers	403,322,060	334,389,140
TOTAL	<u>1,247,908,531</u>	<u>334,389,140</u>

17. STATUTORY OBLIGATIONS

	Beginning balance		Incurring during the year		Ending balance		VND
	Payable	Receivable	Payable	Payment	Payable	Receivable	
Value added tax	2,424,671,886	957,768,921	50,976,989,606	50,138,688,202	3,593,572,613	1,288,368,244	
Value added tax on imported goods	-	1,332,097,533	8,474,034,919	8,474,034,919	-	1,332,097,533	
Import, Export duties	-	345,975,392	35,551,493,684	35,551,493,684	-	345,975,392	
Corporate income tax	37,499,765,813	-	69,616,245,865	73,845,655,951	33,270,355,727	-	
Personal income tax	2,289,575,703	258,952,217	13,687,548,039	10,381,926,541	5,349,689,983	13,444,999	
Land and housing tax, and rental charges	13,720,680,198	-	6,760,350,798	20,481,030,996	-	-	
Other taxes	138,031,022	450,000,000	1,273,354,931	1,069,417,185	49,631,973	157,663,205	
TOTAL	56,072,724,622	3,344,794,063	186,340,017,842	199,942,247,478	42,263,250,296	3,137,549,373	

18. SHORT-TERM ACCRUED EXPENSES

	VND	
	Ending balance	Beginning balance
Interest expenses	97,352,558	67,932,080
Accrued transportation costs	10,847,855,154	2,057,472,434
Accrued land rental at Bien Hoa 1 Industrial Park subject to retrospective collection	1,621,485,330	3,242,970,660
Accrued electricity costs	7,701,988,825	6,410,520,412
Others	2,229,256,949	1,458,238,208
TOTAL	22,497,938,816	13,237,133,794

19. OTHER SHORT-TERM PAYABLES

	VND	
	Ending balance	Beginning balance
Trade union fee	522,213,092	367,375,992
Social insurance	334,326,590	344,508,990
Health insurance	18,048,391	18,048,391
Deposits received	29,434,752	140,317,000
Dividend payable	57,690,000	5,366,590,000
Others	733,051,480	1,358,279,961
TOTAL	1,694,764,305	7,595,120,334

20. SHORT-TERM LOANS

	VND			
	Beginning balance	Withdrawal	Repayment	Ending balance
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ho Chi Minh City Branch (a)	82,788,138,432	96,101,092,089	139,132,956,888	39,756,273,633
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch (b)	7,614,000,000	145,467,455,995	91,706,285,931	61,375,170,064
Shinhan Vietnam One Member Limited Bank (c)	10,513,933,704	27,952,413,679	17,401,749,696	21,064,597,687
TOTAL	100,916,072,136	269,520,961,763	248,240,992,515	122,196,041,384
Possible repayment amount	100,916,072,136			122,196,041,384

SHORT-TERM LOANS (continued)**(a) Joint Stock Commercial Bank for Investment and Development of Vietnam - Ho Chi Minh City Branch**

Loan contract	No. 01/2024/93332/HĐTD dated 13 June 2024
Credit limit	VND 150,000,000,000
Interest rate	Specified in each loan agreement. The lending interest rates for the loans as of 31 December 2024, range from 3.8% per annum to 3.9% per annum.
Loan duration	Specified in each loan agreement. The loan terms as of 31 December 2024, range from 03 months to 06 months.
Loan purpose	Working capital financing, guarantees, and L/C issuance
Collateral	Unsecured

(b) Vietnam Joint Stock Commercial Bank for Industry and Trade - Ho Chi Minh City Branch

Loan contract	No. 24.4783324/2024-HĐCVHM/NHCT900-HCCBMN dated 3 July 2024
Credit limit	VND 100,000,000,000
Interest rate	Specified in each debt acknowledgment. The lending interest rates for the loans as of 31 December 2024, range from 3.8% per annum to 3.9% per annum.
Loan duration	Specified in each debt acknowledgment, with a maximum term of 06 months. The loan terms as of 31 December 2024, range from 3 months to 06 months.
Loan purpose	Supplementing working capital to support chemical production and business operations.
Collateral	Unsecured

(c) Shinhan Vietnam One Member Limited Bank

Loan contract	No. SHBVN/BC/062019/HĐTD/HCCBMN dated 26 November 2019, and the Credit Agreement Extension - Amendment Annex No. SHBVN/BC/062019/HĐTD/HCCBMN/ANNEX08 dated 25 November 2024.
Interest rate	Specified in each credit agreement. The lending interest rate for loans as of 31 December 2024, is 3.5% per annum.
Loan duration	Specified in each credit agreement, with a maximum term of 06 months. The loan term as of 31 December 2024, is 03 months.
Loan purpose	Working capital financing, guarantees, and L/C issuance
Collateral	Unsecured

21. BONUS AND WELFARE FUND

This fund is appropriated from undistributed profits as approved by shareholders at the annual general meeting. It is used to pay for bonuses and welfare benefits for the Corporate group's employees in accordance with the Corporate groups bonus and welfare policies. The movements of the Bonus and welfare fund during the year are as follows:

	VND	
	Current year	Previous year
Beginning balance	38,698,765,886	10,343,057,183
Appropriated during the year (Note 22.1)	24,747,346,994	54,344,372,099
Utilized during the year	(19,284,263,913)	(26,002,643,396)
Other increases	34,500,000	13,980,000
Ending balance	<u>44,196,348,967</u>	<u>38,698,765,886</u>

22. OWNERS' EQUITY**22.1. Increase and decrease in owners' equity**

	Share capital	Share premium	Other owners' capital	Asset revaluation reserve	Investment and development fund	Other funds belonging to owners' equity	Undistributed earnings	Non-controlling interests	Total
Previous year									
Beginning balance	442,000,000,000	9,506,484	22,951,530,000	(25,413,193,278)	564,868,318,536	11,949,121,722	333,757,881,736	78,794,044,670	1,428,917,209,872
Net profit for the year							209,138,519,943	21,480,725,640	230,619,245,583
Appropriation to funds					81,020,052,298		(92,540,486,397)		(11,520,434,099)
Dividends declared							(110,500,000,000)		(110,500,000,000)
Appropriation to funds of subsidiary							(11,594,046,279)	(6,229,891,721)	(17,823,938,000)
Dividends declared of subsidiary								(47,568,870,000)	(47,568,870,000)
Provisionally allocate Bonus and welfare fund							(25,000,000,000)		(25,000,000,000)
Adjustment of prior years' profit							(10,896,113,359)		(10,896,113,359)
Ending balance	442,000,000,000	9,506,484	22,951,530,000	(25,413,193,278)	645,888,370,836	11,949,121,722	292,365,755,644	46,476,008,589	1,436,227,099,997
Current year									
Beginning balance	442,000,000,000	9,506,484	22,951,530,000	(25,413,193,278)	645,888,370,836	11,949,121,722	292,365,755,644	46,476,008,589	1,436,227,099,997
Net profit for the year							236,636,262,415	19,699,115,201	258,335,377,616
Appropriation to funds					74,038,006,571		(95,183,967,095)		(21,145,960,524)
Appropriation to funds of subsidiary							(12,336,711,284)	(1,258,770,523)	(3,601,396,470)
Dividends declared							(110,500,000,000)		(110,500,000,000)
Dividends declared of subsidiary								(5,285,430,000)	(5,285,430,000)
Increase in capital	662,999,100,000	(9,506,484)			(651,040,471,794)	(11,949,121,722)			-
Adjustment of prior years' profit									(13,330,882)
Ending balance	1,104,999,100,000		22,951,530,000	(25,413,193,278)	78,890,000,950		312,968,006,798	59,630,923,267	1,554,016,369,737

22.2. Contributed charter capital

	Ending balance		Beginning balance	
	Ordinary shares	Rate of ownership	Ordinary shares	Rate of ownership
Vietnam National Chemical Group	718,275,000,000	65.00%	287,310,000,000	65.00%
Other shareholders	386,724,100,000	35.00%	154,690,000,000	35.00%
TOTAL	1,104,999,100,000	100.00%	442,000,000,000	100.00%

22.3. Capital transactions with owners and distribution of dividends, profits

	VND	
	Current year	Previous year
Contributed capital		
Beginning balance	442,000,000,000	442,000,000,000
Increase (Note 35)	662,999,100,000	-
Ending balance	<u>1,104,999,100,000</u>	<u>442,000,000,000</u>

Profit declared

In accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHĐCĐ of the 2024 dated 23 April 2024, the Company's shareholders approved the profit distribution plan, allocation to funds, dividend payment for 2023 from the undistributed earning, and issuance of shares to increase charter capital from owners' equity. The General Director approved the proposal dated 10 January 2025, on the provisional allocation of 10% for 2024 from the undistributed earning to the Bonus and welfare fund, as follows:

	VND		
	Appropriated amount	Amount appropriated in the previous year	Amount appropriated this year
Appropriation to the Bonus and welfare fund for 2023 from the undistributed earning	24,679,335,524	25,000,000,000	(320,664,476)
Appropriation to the Bonus and welfare fund for 2024 from the undistributed earning	21,000,000,000	-	21,000,000,000
Appropriation to the Management bonus fund	466,625,000	-	466,625,000
Appropriation to Investment and development fund	74,038,006,571	-	74,038,006,571
Cash dividend distribution	110,500,000,000	-	110,500,000,000
Increase in capital form Share premium, Other funds belonging to owners' equity and Investment and development fund	662,999,100,000	-	662,999,100,000
TOTAL	893,683,067,095	25,000,000,000	868,683,067,095

22.4. Shares

	Shares	
	Ending balance	Beginning balance
Authorized shares	110,499,910	44,200,000
Issued and paid-up shares	110,499,910	44,200,000
Ordinary shares	110,499,910	44,200,000
Shares in circulation	110,499,910	44,200,000
Ordinary shares	110,499,910	44,200,000

The Company's shares are issued with par value of VND 10,000 per share. The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. Each ordinary share carries one vote per share without restriction.

22.5. Funds

	VND			
	Beginning balance	Increase	Decrease	Ending balance
Investment and development fund	645,888,370,836	84,032,101,908	(651,040,471,794)	78,880,000,950
Other funds belonging to owners' equity	11,949,121,722	-	(11,949,121,722)	-
TOTAL	657,837,492,558	84,032,101,908	(662,989,593,516)	78,880,000,950

23. REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	VND	
	Current year	Previous year
Gross revenue	1,855,617,616,161	1,588,441,460,119
<i>In which:</i>		
Sale of goods	1,784,696,114,526	1,526,617,518,802
Sale of merchandise	63,043,322,691	54,056,969,165
Rendering of services	6,102,093,153	6,009,816,000
Others	1,776,085,791	1,757,156,152
Deductions	(38,850,000)	-
<i>In which:</i>		
Sales allowances	(38,850,000)	-
NET REVENUE	1,855,578,766,161	1,588,441,460,119
<i>In which:</i>		
Sales to related parties (Note 33)	61,087,841,227	98,430,738,700
Sales to others	1,794,490,924,934	1,490,010,721,419

24. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of finished goods sold	1,305,972,502,448	1,138,828,159,427
Cost of merchandise sold	42,496,837,189	36,894,309,475
Non-deductible input VAT	5,424,770,920	394,651,442
(Reversal) Provision for obsolete inventories	(3,172,722,822)	3,172,722,822
TOTAL	<u>1,350,721,387,735</u>	<u>1,179,289,843,166</u>

25. FINANCE INCOME

	VND	
	Current year	Previous year
Interest income	27,493,000,940	35,945,351,764
Realized foreign exchange gains	2,390,169,176	4,388,187,366
Unrealized foreign exchange gains	232,423,839	160,501,147
TOTAL	<u>30,115,593,955</u>	<u>40,494,040,277</u>

26. FINANCE EXPENSES

	VND	
	Current year	Previous year
Interest expenses	2,376,789,282	4,248,347,288
Realized foreign exchange losses	485,620,863	554,418,657
Unrealized foreign exchange losses	-	27,261,546
TOTAL	<u>2,862,410,145</u>	<u>4,830,027,491</u>

27. SELLING EXPENSES

	VND	
	Current year	Previous year
Staff expenses	3,836,056,616	4,219,372,991
Materials and packages expenses	2,846,406,422	3,386,936,435
Depreciation	266,088,324	554,273,711
External services	96,399,502,215	71,667,681,806
Other	8,101,959,530	2,835,858,128
TOTAL	<u>111,450,013,107</u>	<u>82,664,123,071</u>

28. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	Current year	Previous year
Staff expenses	29,710,649,704	28,163,742,763
Office equipment expenses	952,134,381	1,322,017,030
Fixed asset depreciation	1,030,041,811	1,375,495,260
Taxes, fees and charge	6,771,870,797	8,598,022,974
Provision expenses	161,304,766	281,171,748
External services	24,123,367,243	21,970,348,686
Other	30,677,996,988	15,707,060,625
TOTAL	<u>93,427,365,690</u>	<u>77,417,859,086</u>

29. OTHER INCOME AND EXPENSES

	VND	
	Current year	Previous year
Other income		
Gains from disposal of assets	1,453,576,792	-
Reversal of the environmental protection reserve	-	4,088,824,236
Recovered scrap	92,796,364	-
Penalty received	17,745,263	111,168,553
Others	-	80,354,033
	<u>1,564,118,419</u>	<u>4,280,346,822</u>
Other expenses		
Penalty paid	(382,921,888)	(136,418,773)
Others	(121,423,811)	(28,500,000)
	<u>(504,345,699)</u>	<u>(164,918,773)</u>
NET OTHER PROFIT	<u>1,059,772,720</u>	<u>4,115,428,049</u>

30. PRODUCTION AND OPERATING COSTS

	VND	
	Current year	Previous year
Raw materials	623,256,495,658	592,626,310,414
Labour costs	188,589,794,937	174,911,987,185
Depreciation and amortisation (Note 11)	44,595,909,648	61,222,816,917
Expenses for external services	497,665,163,463	368,039,762,420
Other expenses	144,176,638,550	109,177,180,250
TOTAL	<u>1,498,284,002,256</u>	<u>1,305,978,057,186</u>

31. CORPORATE INCOME TAX

The Corporate group has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits earned from all operations.

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

31.1. CIT expense

	VND	
	Current year	Previous year
Current tax expense	69,602,914,984	62,306,988,465
Deferred tax expense/(income)	354,663,559	(4,077,158,417)
TOTAL	69,957,578,543	58,229,830,048

Reconciliation between CIT expense and the accounting profit is presented below:

	VND	
	Current year	Previous year
Accounting profit before tax	328,292,956,159	288,849,075,631
<i>Adjustments to increase (decrease):</i>		
Penalty	353,900,447	28,607,736
Other non-deductible expenses	21,359,233,548	4,013,185,059
Others	(218,197,441)	(1,741,718,188)
Taxable profits	349,787,892,713	291,149,150,238
CIT rate	20%	20%
CIT expense	69,957,578,543	58,229,830,048

31.2. Current tax

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

31.3. Deferred tax

The following are the deferred tax assets and deferred tax liabilities recognised by the Company, and the movements thereon, during the current and previous years.

	Balance sheet		Income statement		VND
	Ending balance	Beginning balance	Current year	Previous year	
Deferred tax assets					
Depreciation	12,503,362,726	12,858,026,285	(354,663,559)	4,077,158,417	
	12,503,362,726	12,858,026,285			
Net deferred tax income (expense) to income statement			(354,663,559)	4,077,158,417	

32. EARNINGS PER SHARE

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

	Current year	Previous year (Restated)
Net profit after tax (VND)	238,636,262,415	209,138,519,943
Distribution to bonus and welfare fund (VND) (*)	(21,000,000,000)	(25,145,960,524)
Net profit after tax attributable to ordinary shareholders (VND)	217,636,262,415	183,992,559,419
Weighted average number of ordinary shares in circulation (share)	110,499,910	110,499,910
Basic earnings per share	(VND/share) 1,970	1,665
Diluted earnings per share	(VND/share) 1,970	1,665

(*) Profit used to compute earnings per share for the year 2024 has been adjusted downward to account for the appropriation of the bonus and welfare fund from the undistributed earnings of 2024., according to the proposal dated 10 January 2025, approved by the General Director. Profit used to compute earnings per share for the year 2023 as presented in the Consolidated financial statements for the year 2023 was restated to reflect the actual allocation to bonus and welfare fund from 2023 retained earnings following the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD of the 2024 dated 23 April 2024.

(**) Weighted average number of ordinary shares for basic earnings for the year ended 31 December 2023 was restated compared to the past data presented in the consolidated financial statements in year 2023 to reflect the issuance of shares to increase share capital from equity that was carried out in 2024 according to the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD of the 2024 dated 23 April 2024.

EARNINGS PER SHARE (continued)

Accordingly, the basic earnings per share for the financial year ended 31 December 2023, has been restated as follows:

	<i>Amount presented in the previous year's report</i>	<i>Adjustment</i>	<i>Restated amount</i>
Net profit after tax (VND)	209,138,519,943	-	209,138,519,943
Distribution to bonus and welfare fund (VND)	(25,000,000,000)	(145,960,524)	(25,145,960,524)
Net profit after tax attributable to ordinary shareholders (VND)	184,138,519,943	(145,960,524)	183,992,559,419
Weighted average number of ordinary shares in circulation (share)	44,200,000	66,299,910	110,499,910
Basic earnings per share (VND/share)	4,166	(2,501)	1,665

As at 31 December 2024, the Company has no dilutive potential ordinary shares during the year and up to the date of these financial statements.

33. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**33.1. Transactions and balances with related parties**

The list of related parties with control relationships with the Corporate group and other related parties of the Corporate group in the year and as at 31 December 2024, is as follows:

<i>Related parties</i>	<i>Relationship</i>
Vietnam National Chemical Group	Parent Company
LIX Detergent Joint Stock Company	Company within the same Group
The Southern Rubber Industry Joint Stock Company	Company within the same Group
The Southern Fertilizer Joint Stock Company	Company within the same Group
Can Tho Fertilizer and Chemicals Joint Stock Company	Company within the same Group
Dry Cell & Storage Battery Joint Stock Company	Company within the same Group
Industrial Gas and Welding Electrode Joint Stock Company	Company within the same Group
DAP - Vinachem Joint Stock Company	Company within the same Group
Chemical Industry Engineering Joint Stock Company	Associate Company of Parent Company
NET Detergent Joint Stock Company	Associate Company of Parent Company
TPC Vina Plastic and Chemical Corporation Limited	Company within the same Group

Significant transactions with related parties during the year were as follows:

<i>Related parties</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Vietnam National Chemical Group	Office rent	1,680,000,000	1,613,809,092
	Dividend distribution	71,827,500,000	71,827,500,000
LIX Detergent Joint Stock Company	Purchases	307,412,480	286,540,120
	Sales	25,149,365,000	30,818,726,000
The Southern Fertilizer Joint Stock Company	Goods lending	673,692,500	3,103,076,507
	Goods borrowing	-	1,734,881,250

Transactions and balances with related parties (continued)

<i>Related parties</i>	<i>Transactions</i>	<i>Current year</i>	<i>Previous year</i>
Can Tho Fertilizer and Chemicals Joint Stock Company	Sales	4,088,351,000	4,668,582,000
Dry Cell & Storage Battery Joint Stock Company	Sales	7,070,832,500	5,400,434,500
Industrial Gas and Welding Electrode Joint Stock Company	Sales	28,350,000	27,000,000
	Purchases	110,131,550	87,128,950
Chemical Industry Engineering Joint Stock Company	Purchase of services	1,505,719,160	-
NET Detergent Joint Stock Company	Sales	23,685,695,000	54,747,686,600
TPC Vina Plastic and Chemical Corporation Limited	Sales	1,057,975,000	1,647,603,000
DAP - Vinachem Joint Stock Company	Sales	7,272,727	1,120,706,600

Amounts due to and due from related parties at the balance sheet dates were as follows:

<i>Related parties</i>	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables		
LIX Detergent Joint Stock Company	4,025,082,240	1,530,950,760
Can Tho Fertilizer and Chemicals Joint Stock Company	450,641,880	810,185,760
Dry Cell & Storage Battery Joint Stock Company	956,027,880	937,293,120
DAP - Vinachem Joint Stock Company	-	55,980,288
NET Detergent Joint Stock Company	2,444,950,440	4,157,088,480
TPC Vina Plastic and Chemical Corporation Limited	121,645,800	141,256,440
TOTAL	7,998,348,240	7,632,754,848
Short-term trade payables		
Industrial Gas and Welding Electrode Joint Stock Company	11,949,120	5,851,440
TOTAL	11,949,120	5,851,440
Short-term accrued expenses		
Vietnam National Chemical Group	-	682,909,092
TOTAL	-	682,909,092

33.2. Remuneration of key management personnel

❖ Year 2024		VND				
Full name	Position	Wage	Bonus	Remuneration	Other benefits	Total
Board of Administration						
Mr Vu Minh Ngoc	Chairman (appointed on 09 January 2025)	-	-	354,000,000	399,050,000	753,050,000
Mr Nguyen Huu Tu	Chairman (appointed on 23 April 2024 and resigned on 03 January 2025)	-	-	84,000,000	110,500,000	194,500,000
Mr Nguyen Tuan Dung	Chairman (resigned on 23 April 2024)	-	-	68,000,000	110,275,000	178,275,000
Mr Le Phuong Dong	Member	-	-	84,000,000	62,000,000	146,000,000
Ms Le Thi Ngoc Diep	Member (appointed on 23 April 2024)	-	-	56,000,000	85,275,000	141,275,000
Ms Nguyen Thanh Binh	Member (resigned on 23 April 2024)	-	-	28,000,000	14,000,000	42,000,000
Board of Management						
Mr Le Thanh Binh	Member of Board of Administration, General Director	2,431,654,223	340,189,000	84,000,000	2,507,422,729	5,363,265,952
		586,735,111	89,507,000	84,000,000	737,938,514	1,498,180,625
Mr Do Trung Hieu	Deputy General Director	478,520,480	64,044,000	-	496,969,289	1,039,533,769
Mr Vo Dinh Thuy	Deputy General Director	471,651,168	64,030,000	-	368,948,179	904,629,347
Mr Le Tung Lam	Deputy General Director	477,089,739	65,352,000	-	507,585,989	1,050,027,728
Ms Pham Thi Thu Hang	Chief Accountant	417,657,725	57,256,000	-	395,980,758	870,894,483
Board of Supervision						
Ms Do Thi Thoa	Head	429,986,247	57,436,000	-	340,675,485	828,097,732
Mr Nguyen Minh Tri	Member	-	9,000,000	66,000,000	126,000,000	201,000,000
Ms Nguyen Thi Minh Ha	Member	-	9,000,000	66,000,000	88,500,000	163,500,000
TOTAL		2,861,640,470	415,625,000	570,000,000	3,461,648,214	7,308,913,684

Remuneration of key management personnel (continued)

❖ Year 2023		VND				
Full name	Position	Wage	Bonus	Remuneration	Other benefits	Total
Board of Administration						
Mr Nguyen Tuan Dung	Chairman (appointed on 28 April 2022)	-	175,000,000	408,000,000	118,500,000	701,500,000
Mr Le Hoang	Chairman (resigned on 28 April 2022)	-	60,000,000	120,000,000	39,500,000	219,500,000
Mr Le Phuong Dong	Member	-	10,000,000	-	10,000,000	20,000,000
Ms Nguyen Thanh Binh	Member	-	35,000,000	96,000,000	-	131,000,000
Mr Vu Minh Ngoc	Member	-	35,000,000	96,000,000	34,500,000	165,500,000
Board of Management						
Mr Le Thanh Binh	Member of Board of Administration, General Director	2,515,525,739	235,000,000	96,000,000	1,487,973,759	4,334,499,498
		594,097,222	60,000,000	96,000,000	362,501,173	1,112,598,395
Mr Do Trung Hieu	Deputy General Director	490,887,079	45,000,000	-	285,894,226	821,781,305
Mr Vo Dinh Thuy	Deputy General Director	490,775,329	45,000,000	-	282,467,054	818,242,383
Mr Le Tung Lam	Deputy General Director	500,909,914	45,000,000	-	281,566,165	827,476,079
Ms Pham Thi Thu Hang	Chief Accountant	438,856,195	40,000,000	-	275,545,141	754,401,336
Board of Supervision						
Ms Do Thi Thoa	Head	440,231,955	85,000,000	144,000,000	398,357,178	1,067,589,133
Mr Nguyen Minh Tri	Member	440,231,955	35,000,000	-	253,857,178	729,089,133
Ms Nguyen Thi Minh Ha	Member	-	25,000,000	72,000,000	111,000,000	208,000,000
		-	25,000,000	72,000,000	33,500,000	130,500,000
TOTAL		2,955,757,694	495,000,000	648,000,000	2,004,830,937	6,103,588,631

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SOUTH BASIC CHEMICALS JOINT STOCK COMPANY

34. OFF BALANCE SHEET ITEMS

34.1. Foreign currencies

	Ending balance	Beginning balance
United States dollar (USD)	176,747.36	418,667.90
Euro (EUR)	1,069.46	1,087.33

34.2. Bad debts written off

	VND	
	Ending balance	Beginning balance
Phuc An Yen Binh Co., Ltd.	1,077,385,950	1,077,385,950
TOTAL	1,077,385,950	1,077,385,950

35. SIGNIFICANT EVENTS


During the year, the Company issued shares to increase its charter capital from owners' equity, in accordance with Resolution No. 01/2024/NQ-DHDCD of the 2024 Annual General Meeting of Shareholders, dated 23 April 2024. The total additional charter capital amounted to VND 662,999,100,000, corresponding to 66,299,910 shares. On 02 August 2024, the Ho Chi Minh City Stock Exchange issued Decision No. 465/QĐ-SGDHCM, approving the Company's amendment to its listing registration. The adjusted listed securities value (at par value) was VND 662,999,100,000, equivalent to 66,299,910 shares. Following the amendment, the total listed securities value increased to VND 1,104,999,100,000, corresponding to 110,499,910 shares. The amended listing became effective on 06 August 2024. The Company has completed the share issuance and received approval from the Ho Chi Minh City Department of Planning and Investment through the issuance of the 11th amended Enterprise Registration Certificate on 11 September 2024.


36. EVENTS AFTER THE BALANCE SHEET DATE


Mr Nguyen Huu Tu resigned as Chairman and Member of the Board of Administration following his reassignment by the Vietnam National Chemical Group, effective 02 January 2025.

The Company's Board of Administration passed Resolution No. 60/NQ-HDQT dated 09 January 2025, electing Mr Vu Minh Ngoc, a Member of the Board of Administration, as Chairman of the Board of Administration until the Company appoints a new Member of the Board of Administration for the 2024 - 2029 term. The resolution also approved the agenda for convening the 2025 Extraordinary General Meeting of Shareholders to review the proposal for the resignation and appointment of an additional Member of the Board of Administration for the 2024 - 2029 term.

Apart from the events mentioned above, there is no matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the Consolidated financial statements of the Corporate group.


Dang Hong Yen
Preparer


Pham Thi Thu Hang
Chief Accountant


Le Thanh Binh
General Director



Ho Chi Minh City, 28 February 2025



Ho Chi Minh City, 25th March, 2025

**CONFIRMATION OF THE LEGAL REPRESENTATIVE
GENERAL DIRECTOR**

LE THANH BINH

SOUTH BASIC CHEMICALS JOINT STOCK COMPANY



22 Ly Tu Trong, Ben Nghe Ward, District 1, Ho Chi Minh City



www.sochemvn.com



(028) 3829 6620 - 3822 5373



(028) 3824 3166