

**REVIEWED INTERIM FINANCIAL STATEMENTS**

*For the accounting period from 01/01/2025 to 30/6/2025*

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

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# HABAC NITROGENOUS FERTILIZER AND CHEMICALS JOINT STOCK COMPANY

## REPORT OF THE BOARD OF MANAGEMENT

*For the accounting period ended 30 June 2025*

*The Board of Management of Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company has the honor of submitting this Report together with the reviewed interim Financial Statements for the accounting period from 01/01/2025 to 30/6/2025.*

### 1. Business highlights

#### Establishment:

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

#### Form of ownership

Joint Stock Company

#### The Company's business activities:

Producing and trading chemical products and fertilizers, specifically: Urea fertilizer, NH<sub>3</sub>, CO<sub>2</sub>, industrial gas products, electricity, etc.

#### Transaction name

**in English** Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company

**Abbreviation:** HANICHEMCO

**Listing code:** DHB

**Head office:** Tran Nguyen Han Street, Bac Giang Ward, Bac Ninh Province

### 2. Financial position and results of operation

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

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

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

#### Board of Directors

Mr.	Nguyen Van Thieu	Chairman
Mr.	Nguyen Van Dung	Member
Mr.	Pham Van Trung	Member
Mr.	Nguyen Dinh Hong	Member
Ms.	Nguyen Tuyen Anh	Member
Mr.	Dang Xuan Thuy	In charge of administration

#### Board of Superviors

Mr.	Ha Xuan Han	Head of the Board of Superviors	Resigned on 25/4/2025
Ms.	Hoang Thi Linh Giang	Head of the Board of Superviors	Appointed on 25/4/2025
Ms.	Dang Thi Minh Ly	Member	
Mr.	Le Anh Tuan	Member	

#### Board of Management and Chief Accountant

Mr.	Nguyen Van Dung	General Director
Mr.	Pham Van Trung	Deputy General Director
Mr.	Nguyen Dinh Hong	Deputy General Director
Mr.	Le Anh Tuan	Chief Accountant



**HABAC NITROGENOUS FERTILIZER AND CHEMICALS JOINT STOCK COMPANY**

**REPORT OF THE BOARD OF MANAGEMENT**

*For the accounting period ended 30 June 2025*

**4. Legal representatives of the Company during the period and to the date of the financial statements:**

Mr. Nguyen Van Dung General Director

**5. Independent Auditor**

MOORE AISC Auditing and Informatics Services Company Limited ("MOORE AISC") has reviewed the Company's financial statements for the accounting period from 01/01/2025 to 30/6/2025.

**6. Responsibility of the Board of Management**

The Board of Management is responsible for the preparation of the Financial Statements, which give a true and fair view of the financial position of the Company as at 30 June 2025, the results of its operation and the cash flows for the period from 01 January 2025 to 30 June 2025. In order to prepare these Financial Statements, the Board of Management has considered and complied with the following matters:

- Selected appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent;
- Prepared the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept and maintained, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the Financial Statements are prepared in compliance with the accounting regime stated in Notes to the Financial Statements. The Board of Management is also responsible for safeguarding the Company's assets, and hence taking reasonable steps for the prevention and detection of frauds and other irregularities.

**7. Commitment**

The Board of Management, in their opinion, confirmed that the Financial Statements including the Balance Sheet as at 30 June 2025, the Income Statement, the Cash Flow Statement and accompanying Notes, which expressed a true and fair view of the financial position of the Company as well as its operating results and cash flows for the period from 01 January 2025 to 30 June 2025.

The Financial Statements are prepared in accordance with Vietnamese Accounting Standards and System.

*Bac Ninh, 30 July 2025*

**For and on behalf of the Board of Management**



**Nguyen Van Dung**  
General Director



**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION****To: Shareholders, Board of Directors and Board of Management****Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company**

We have reviewed the accompanying Interim Financial Statements of Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company ("the Company") as prepared on 30 July 2025 from pages 05 to 37, which comprise the Balance Sheet as at 30 June 2025, the Income Statement, the Cash Flow Statement for the 6-month period then ended and Notes to the financial statements.

**Responsibility of the Board of Management**

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

**Responsibility of the Auditor**

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements No. 2410 - Review of Interim financial information performed by the Independent Auditor of the Entity.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Basis for qualified conclusion**

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

With the evidence collected and other alternative audit procedures, we do not have a sufficient basis for determining the existence and completeness of the above liabilities as well as potential liabilities that may arise in the future related to the finalization of the above-mentioned project.

**Auditor's conclusion**

Based on our review, except for the effects of the matter on the Interim Financial Statements described in the "Basis for qualified conclusion" paragraph, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements do not give a true and fair view, in all material respects, of the financial position of the Company as at 30 June 2025, and of the results of its operation and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting Regime and the statutory requirements relevant to the preparation and presentation of the Interim Financial Statements.

**Emphasis of matter**

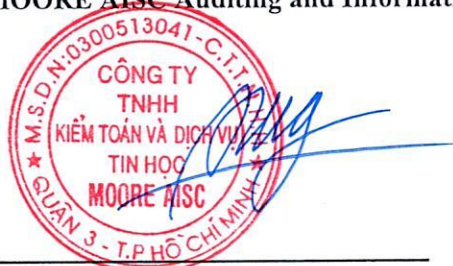
In Note V.9, the Company has temporarily recorded and depreciated the tangible fixed assets of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project under the completed project finalization report prepared by the investor on 01 December 2017.

In Notes IV.8, V.11, the Company recorded the suspended depreciation expenses of the year 2017, 2018, 2019 on the Long-term prepaid expenses - Code 261 on the Balance Sheet as at 30 June 2025.

The Report on review of interim financial information is prepared in Vietnamese and English. In the event of any discrepancies or inconsistencies between the Vietnamese and English versions, the Vietnamese version shall prevail.

*Ho Chi Minh City, 31/7/ 2025*

**MOORE AISC Auditing and Informatics Services Co., Ltd**



**Nguyen Thi Phuong**

**Deputy Branch Director**

*Audit Practicing Registration Certificate No. 4945-2024-005-1*



## INTERIM BALANCE SHEET

As at 30 June 2025

Unit: VND

ASSETS	Code	Notes	30/06/2025	01/01/2025
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>1,164,570,870,759</b>	<b>1,280,654,453,806</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>231,143,881,152</b>	<b>371,815,496,069</b>
1. Cash	111		231,143,881,152	371,815,496,069
<b>II. Short-term financial investments</b>	<b>120</b>	<b>V.2</b>	<b>118,692,000,000</b>	<b>48,000,000,000</b>
1. Held-to-maturity investments	123		118,692,000,000	48,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>241,974,438,866</b>	<b>247,334,172,387</b>
1. Short-term trade receivables	131	V.3	67,555,025,824	194,518,231,831
2. Short-term prepayments to suppliers	132	V.4	158,944,937,526	37,973,043,906
3. Other short-term receivables	136	V.5	20,684,812,578	20,053,233,712
4. Provision for short-term doubtful receivables	137	V.3,4,5	(5,210,337,062)	(5,210,337,062)
<b>IV. Inventories</b>	<b>140</b>	<b>V.7</b>	<b>478,843,220,302</b>	<b>539,114,396,425</b>
1. Inventories	141		478,843,220,302	539,114,396,425
<b>V. Other current assets</b>	<b>150</b>		<b>93,917,330,439</b>	<b>74,390,388,925</b>
1. Short-term prepaid expenses	151	V.11a	4,458,369,338	5,677,546,358
2. Deductible value added tax	152		89,458,961,101	68,712,842,567
<b>B. LONG-TERM ASSETS</b>	<b>200</b>		<b>4,644,366,056,189</b>	<b>4,967,010,492,705</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>740,804,017,963</b>	<b>740,804,017,963</b>
1. Other long-term receivables	216	V.5	740,804,017,963	740,804,017,963
<b>II. Fixed assets</b>	<b>220</b>		<b>3,273,445,789,258</b>	<b>3,544,838,254,694</b>
1. Tangible fixed assets	221	V.9	3,273,445,789,258	3,544,838,254,694
- Cost	222		9,807,594,920,694	9,842,734,235,963
- Accumulated depreciation	223		(6,534,149,131,436)	(6,297,895,981,269)
2. Intangible fixed assets	227	V.10	0	0
- Cost	228		13,226,611,293	13,226,611,293
- Accumulated amortization	229		(13,226,611,293)	(13,226,611,293)
<b>III. Long-term assets in progress</b>	<b>240</b>	<b>V.8</b>	<b>81,620,098,630</b>	<b>92,343,894,458</b>
1. Long-term work in progress	241		33,552,540	33,552,540
2. Construction in progress	242		81,586,546,090	92,310,341,918
<b>IV. Long-term financial investments</b>	<b>250</b>	<b>V.2</b>	<b>13,218,878,465</b>	<b>13,218,878,465</b>
1. Investments in joint ventures, associates	252		9,662,812,368	9,662,812,368
2. Equity investments in other entities	253		3,556,066,097	3,556,066,097
<b>V. Other long-term assets</b>	<b>260</b>		<b>535,277,271,873</b>	<b>575,805,447,125</b>
1. Long-term prepaid expenses	261	V.11b	535,277,271,873	575,805,447,125
<b>TOTAL ASSETS</b>	<b>270</b>		<b>5,808,936,926,948</b>	<b>6,247,664,946,511</b>

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## INTERIM BALANCE SHEET


As at 30 June 2025

Unit: VND

RESOURCES		Code	Notes	30/06/2025	01/01/2025
<b>C. LIABILITIES</b>		<b>300</b>		<b>5,132,886,132,840</b>	<b>5,629,212,667,649</b>
<b>I. Current liabilities</b>		<b>310</b>		<b>1,064,006,096,521</b>	<b>1,173,591,345,018</b>
1. Short-term trade payables		311	V.12	365,150,005,396	386,144,351,853
2. Short-term advances from customers		312	V.13	19,824,029,395	117,549,295,214
3. Taxes and payables to the State		313	V.14	1,491,496,013	500,166,207
4. Payables to employees		314		43,432,008,598	45,049,252,495
5. Short-term accrued expenses		315	V.15	2,542,644,125	576,813,743
6. Other short-term payables		319	V.16a	207,694,741,116	208,448,097,686
7. Short-term borrowings and finance lease liabilities		320	V.17a	414,271,217,800	415,263,223,306
8. Bonus and welfare fund		321	V.18	9,539,809,564	0
9. Bonus and welfare fund		322		60,144,514	60,144,514
<b>II. Long-term liabilities</b>		<b>330</b>		<b>4,068,880,036,319</b>	<b>4,455,621,322,631</b>
1. Other long-term payables		337	V.16b	2,026,143,786,319	2,085,715,122,631
2. Long-term borrowings and finance lease liabilities		338	V.17b	2,042,736,250,000	2,369,906,200,000
<b>D. OWNERS' EQUITY</b>		<b>400</b>	V.19	<b>676,050,794,108</b>	<b>618,452,278,862</b>
<b>I. Owners' equity</b>		<b>410</b>		<b>676,050,794,108</b>	<b>618,452,278,862</b>
1. Owners' contributed capital		411		2,722,000,000,000	2,722,000,000,000
- Common shares with voting rights		411a		2,722,000,000,000	2,722,000,000,000
2. Undistributed profit after tax		421		(2,045,949,205,892)	(2,103,547,721,138)
- Undistributed profit after tax accumulated to the end of the previous period		421a		(2,103,547,721,138)	(2,110,393,137,744)
- Undistributed profit after tax in the current period		421b		57,598,515,246	6,845,416,606
<b>II. Other funds</b>		<b>430</b>		<b>0</b>	<b>0</b>
<b>TOTAL RESOURCES</b>		<b>440</b>		<b>5,808,936,926,948</b>	<b>6,247,664,946,511</b>

  
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 Nguyen Thi Hong Nhung  
 Preparer  
 Bac Ninh, 30 July 2025

  
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 Le Anh Tuan  
 Chief Accountant

  
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 Nguyen Van Dung  
 General Director


## INTERIM INCOME STATEMENT


For the accounting period ended 30 June 2025

Unit: VND

ITEMS	Code	Notes	The first 6 months of 2025	The first 6 months of 2024
1. Revenue from goods sold and services rendered	01	VI.1	2,344,540,759,214	1,967,251,642,263
2. Revenue deductions	02		0	0
3. Net revenue from goods sold and services rendered	10		2,344,540,759,214	1,967,251,642,263
4. Cost of goods sold	11	VI.2	2,045,572,333,183	2,000,868,965,607
<b>5 Gross profit from goods sold and services rendered</b> <b>(20 = 10 - 11)</b>	<b>20</b>		<b>298,968,426,031</b>	<b>(33,617,323,344)</b>
6. Financial income	21	VI.3	11,488,074,713	10,263,787,207
7. Financial expenses	22	VI.4	131,789,816,334	167,447,117,988
<i>In which: Interest expenses</i>	23		89,903,817,464	102,246,388,357
8. Selling expenses	25	VI.5a	54,691,714,193	35,281,934,177
9. General and administrative expenses	26	VI.5b	73,605,310,402	65,960,793,575
<b>10. Net profit from operating activities</b> <b>(30 = 20 + (21 - 22) - (25 + 26))</b>	<b>30</b>		<b>50,369,659,815</b>	<b>(292,043,381,877)</b>
11. Other income	31	VI.6	7,405,392,715	243,458,410,720
12. Other expenses	32	VI.7	176,537,284	50,669,851,276
<b>13. Other profit (40 = 31 - 32)</b>	<b>40</b>		<b>7,228,855,431</b>	<b>192,788,559,444</b>
<b>14. Total accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>57,598,515,246</b>	<b>(99,254,822,433)</b>
15. Current Corporate income tax expense	51	VI.9	0	0
<b>16. Profit after Corporate income tax</b> <b>(60 = 50 - 51 - 52)</b>	<b>60</b>		<b>57,598,515,246</b>	<b>(99,254,822,433)</b>
<b>17. Basic earnings per share</b>	<b>70</b>	<b>VI.10</b>	<b>212</b>	<b>(365)</b>

  
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**Nguyen Thi Hong Nhung**  
 Preparer  
 Bac Ninh, 30 July 2025

  
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**Le Anh Tuan**  
 Chief Accountant

  
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**Nguyen Van Dung**  
 General Director





**INTERIM CASH FLOW STATEMENT**

(Under indirect method)

For the accounting period ended 30 June 2025

Unit: VND

ITEMS	Code	Notes	The first 6 months of 2025	The first 6 months of 2024
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1. Profit before tax	01		57,598,515,246	(99,254,822,433)
2. Adjustments for:				
- Depreciation of fixed assets and investment properties	02	V.9,10	313,307,571,534	312,303,882,028
- Provisions	03		9,539,809,564	35,945,092,880
- Gains/losses from foreign exchange differences upon revaluation of monetary items in foreign currencies	04		40,723,468,445	64,914,638,080
- Gains/losses from investing activities	05		(9,914,626,575)	(523,493,844)
- Interest expense	06	VI.4	89,903,817,464	102,246,388,357
3. Profit from operating activities before changes in working capital	08		501,158,555,678	415,631,685,068
- Increase (-)/ decrease (+) in receivables	09		(22,981,988,473)	5,808,207,333
- Increase (-)/ decrease (+) in inventories	10		52,978,129,227	128,510,278,565
- Increase (+)/ decrease (-) in payables (Other than interest payable, income tax payable)	11		(105,363,661,744)	(477,551,688,710)
- Increase (-)/ decrease (+) in prepaid expenses	12		15,026,381,340	13,062,391,345
- Interest expense paid	14		(147,915,833,188)	(152,665,806,997)
Net cash flow from operating activities	20		292,901,582,840	(67,204,933,396)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Purchase and construction of fixed assets and other long-term assets	21		(11,556,158,086)	2,678,400,000
2. Proceeds from disposals of fixed assets and other long-term assets	22		7,504,000,000	0
3. Loans granted, purchases of debt instruments of other entities	23		(176,211,000,000)	0
4. Collection of loans, proceeds from sales of debt instruments of other entities	24		105,519,000,000	0
5. Proceeds from loan interest, dividends and profit received	27		3,067,404,944	293,663,707
Net cash flows from investing activities	30		(71,676,753,142)	2,972,063,707



## INTERIM CASH FLOW STATEMENT

(Under indirect method)

For the accounting period ended 30 June 2025

Unit: VND

ITEMS	Code	Notes	The first 6 months of 2025	The first 6 months of 2024
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Proceeds from borrowings	33		946,305,481,417	892,373,590,917
2. Repayments of principal	34		(1,310,999,486,923)	(916,510,824,805)
Net cash flow from financing activities	40		(364,694,005,506)	(24,137,233,888)
Net cash flow in the period (50 = 20+ 30 + 40)	50		(143,469,175,808)	(88,370,103,577)
Cash and cash equivalents at the beginning of the period	60		371,815,496,069	321,675,669,771
Effect of exchange rate fluctuations	61		2,797,560,891	1,147,621,636
Cash and cash equivalents at the end of the period (70 = 50+60+61)	70		231,143,881,152	234,453,187,830



Nguyen Thi Hong Nhung  
Preparer  
Bac Ninh, 30 July 2025



Le Anh Tuan  
Chief Accountant



Nguyen Van Dung  
General Director

**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***I. BUSINESS HIGHLIGHTS****1. Establishment:**

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

**Form of ownership:**

Joint Stock Company

**2. Business lines**

The Company's business sector is industrial production.

**3. Business lines**

Producing and trading chemical products and fertilizers, specifically: Urea fertilizer, NH<sub>3</sub>, CO<sub>2</sub>, industrial gas products, electricity, etc.

**Transaction name in English**

Habac Nitrogenous Fertilizer and Chemicals Joint Stock Company

**Abbreviation:**

HANICHEMCO

**Listing code:**

DHB

**Head office:**

Tran Nguyen Han Street, Bac Giang Ward, Bac Ninh Province

**4. Normal operating cycle**

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

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

None.

**6. Total employees as at 30 June 2025: 1,246 persons.**

(As at 31 December 2023: 1,263 persons)

**7. Enterprise's structure**

List of joint ventures and associates

As at 30 June 2025, the Company has one (01) associate as follows:

<i>Name and address</i>	<i>Principal business activity</i>	<i>Capital contribution ratio</i>	<i>Ownership ratio</i>	<i>Voting rights ratio</i>
Habac Liquefied Gas Joint Stock Company	Production and trading of CO <sub>2</sub>	36.00%	36.00%	36.00%

**8. Disclosure on the comparability of information in the Financial Statements:**

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

**II. ACCOUNTING PERIOD AND REPORTING CURRENCY****1. Financial year**

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

**2. Currency unit used in accounting**

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***III. APPLIED ACCOUNTING STANDARDS AND REGIME****1. Applied accounting regime**

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

**2. Disclosure of compliance with Vietnamese Accounting Standards and Regime**

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

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

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

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

**Principles for determining actual exchange rates**

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

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

**Principles for determining book rates**

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

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

**2. Principles for recording cash and cash equivalents**

Cash includes cash on hand, demand deposits.

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

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

Held-to-maturity investments include term deposits.

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***3. Principles for accounting financial investments (continued)****Principles of recording financial investments in subsidiaries, joint ventures, associates**

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

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

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

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

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

**4. Principles for recording trade receivables and other receivables**

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

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

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

**5. Principles for recording inventories:**

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

**The costs of inventories are determined as follows:**

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

**Method of calculating inventories' value:** Weighted average cost

**Accounting for the inventories:** Perpetual method

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***6. Principles for recording and depreciating fixed assets****6.1 Principles for recording tangible fixed assets**

Tangible fixed assets are stated at the original cost less accumulated depreciation. The original cost of a tangible fixed asset comprises all expenditures of bringing the asset to its working condition and location for its intended use. The expenditures incurred after initial recognition are only capitalized if they generate future economic benefits from the use of those tangible fixed assets. The expenditures which do not meet the above conditions are charged to the expenses in the period.

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

Determination of original cost in each case:

*Tangible fixed assets purchased*

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

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

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

**6.2 Principles for recording intangible fixed assets:**

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

Determination of original cost in each case:

*Computer software*

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

**6.3 Method of depreciating fixed assets**

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

*Estimated useful lives of the fixed assets are as follows:*

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

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

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

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

**7. Principles for recording construction in progress**

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

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***8. Principles for recording prepaid expenses**

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

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

**9. Principles for recording liabilities**

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

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

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

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

**10. Principles for recording borrowings**

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

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

**11. Principles of recording and capitalizing borrowing costs:**

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

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

**12. Principles for recording accrued expenses**

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

**13. Principles for recording provisions for payables:**

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

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

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***14. Principles for recording owners' equity****Principles for recording owners' contributed capital:**

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

**Principles for recording undistributed profit:**

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

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

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

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

**Principles and methods for recording revenue from services rendered**

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

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

**Principles and methods for recording financial income**

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

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

- Interest income is recognized based on the time and actual interest rates in each period.
- Royalties are recognized on an accrual basis in accordance with agreements.
- Dividends and profits distributed are recorded when shareholders are entitled to receive dividends or capital contributors are entitled to receive profits from capital contribution.

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***16. Principles and methods of recording cost of goods sold**

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

**17. Principles and methods for recording financial expenses**

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

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

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

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

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

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

**19. Principles for recording basic earnings per share**

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

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

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

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

At the date of initial recognition, financial assets are recognized at cost plus directly related transaction costs.

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

**Financial liabilities**

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

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

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



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 20. Financial instruments (continued)

## Value after initial recognition

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

## Offsetting of financial instruments

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

## 21. Related parties

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

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

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

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

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

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

## V. ADDITIONAL INFORMATION FOR ITEMS IN THE INTERIM BALANCE SHEET

## 1. Cash and cash equivalents

	30/06/2025	01/01/2025
<b>Cash</b>	<b>231,143,881,152</b>	<b>321,675,669,771</b>
Cash on hand	726,689,802	4,733,275,554
Demand deposits	230,417,191,350	316,942,394,217
a. Demand deposits in Vietnamese Dong	101,280,739,039	125,641,227,689
Vietnam Joint Stock Commercial Bank for Industry and Trade – Bac Giang Branch	26,667,220,084	79,544,148,778
Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Tay Ho Branch	2,263,673,972	20,167,403,466
Joint Stock Commercial Bank for Investment and Development of Vietnam - Kinh Bac Branch	10,934,149,961	2,007,306,287
Maritime Commercial Joint Stock Bank - Bac Giang Branch	44,358,506,936	21,200,365,843
Other banks	17,057,188,086	2,722,003,315
b. Demand deposits in foreign currency (USD)	129,136,452,311	242,448,679,476
CATHAY UNITED BANK - Ho Chi Minh City Branch	23,335,200,000	-
ACB Bank - Hoang Cau Branch	77,784,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade – Bac Giang Branch	12,577,421,039	242,341,481,358
Vietnam Maritime Commercial Joint Stock Bank - Bac Giang Branch	15,331,226,400	-
Other banks	108,604,872	107,198,118
<b>Total</b>	<b>231,143,881,152</b>	<b>321,675,669,771</b>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

For the accounting period ended 30 June 2025

Unit: VND

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

	30/06/2025		01/01/2025	
	Cost	Book value	Cost	Book value
<b>a1. Short-term</b>	<b>118,692,000,000</b>	<b>118,692,000,000</b>	<b>48,000,000,000</b>	<b>48,000,000,000</b>
- Term deposits (*)	118,692,000,000	118,692,000,000	48,000,000,000	48,000,000,000
<b>Total</b>	<b>118,692,000,000</b>	<b>118,692,000,000</b>	<b>48,000,000,000</b>	<b>48,000,000,000</b>

**(\*) Term deposits in detail**

Contract No.	Balance	Term	Interest rate	Maturity date
<b>Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Giang Branch</b>				
HDTG280/2019/15293	8,000,000,000	6 months	2.9%/year	11/09/2025
HDTG280/2021/22746	10,000,000,000	1 year	4.2%/year	22/07/2025
HDTG280/2025/11086	25,173,000,000	6 months	0%/year	28/10/2025
HDTG280/2025/14656	25,173,000,000	6 months	0%/year	14/11/2025
<b>Vietnam Maritime Commercial Joint Stock Bank</b>				
HDTG080425-01/HDTG/MSB-DHB	25,173,000,000	1 year	0%/year	08/04/2026
HDTG080425-02/HDTG/MSB-DHB	25,173,000,000	1 year	0%/year	08/04/2026
<b>Total</b>	<b>118,692,000,000</b>			

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 2. Financial investments (continued)

## b. Equity investments in other entities

	30/06/2025			01/01/2025		
	Cost	Fair value	Provision	Cost	Fair value	Provision
- Investments in joint ventures, associates	9,662,812,368		0	9,662,812,368		0
Habac Liquefied Gas Joint Stock Company (*)	9,662,812,368		0	9,662,812,368		0
- Other investments	3,556,066,097	5,820,000,000	0	3,556,066,097	5,820,000,000	0
Ha Bac Hung Phat Chemical Joint Stock Company (**)	3,556,066,097	5,820,000,000		3,556,066,097	5,820,000,000	
<b>Total</b>	<b>13,218,878,465</b>	<b>5,820,000,000</b>	<b>0</b>	<b>13,218,878,465</b>	<b>5,820,000,000</b>	<b>0</b>

(\*) The Company has not determined the fair value of these financial investments because Vietnamese Accounting Standards and Vietnamese Corporate Accounting Regime do not have specific guidance on determining fair value.

(\*\*): The fair value of Ha Bac Hung Phat Chemical Joint Stock Company is determined based on the average reference price in the 30 most recent consecutive trading days before the date of the annual financial statements announced by the Stock Exchange, which is 14,550 VND/share.

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

Associate - Habac Liquefied Gas Joint Stock Company

- Habac Liquefied Gas Joint Stock Company operates under the first Business Registration Certificate No. 2400742955 dated 30 October 2014 issued by the Department of Planning and Investment of Bac Giang Province. As at 30 June 2025, the Company recorded an investment of 864,906 shares in the associate, equivalent to VND 9,662,812,368 or 36% of its charter capital. The operations of the associate during the period are the production and trading of liquefied CO2. Transactions with the associate arising during the period: Sales of water, CO2, NH3, refined gas. (Details in Note VII.2).

Other investments - Ha Bac Hung Phat Chemical Joint Stock Company

Ha Bac Hung Phat Chemical Joint Stock Company operates under first Business Registration Certificate No. 2400395807 dated 01 February 2008 issued by the Department of Planning and Investment of Bac Giang Province, and the fifth amended certificate on 27 October 2022. As at 30 June 2025, the Company recorded an investment of 400,000 shares, equivalent to VND 3,556,066,097 or 4.76% of its charter capital. The Company's operations during the period are the production and trading of H2O2.



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

3. Trade receivables	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
<b>a. Short-term</b>	<b>67,555,025,824</b>	<b>0</b>	<b>194,518,231,831</b>	<b>0</b>
Wuhuan Engineering Co., Ltd - Project Management Office in Bac Giang (*)	54,084,783,360	0	54,084,783,360	0
Ha Anh Export Import Joint Stock Company	8,150,625,000	0	0	0
KC Ha Tinh Corporation Joint Stock Company - Central Branch	1,166,760,000	0	15,001,025,000	0
SAMSUNG C AND T SINGAPORE PTE LTD	0	0	49,868,750,000	0
Thanh Son General Trading and Service Company Limited	0	0	33,427,000,000	0
Habac Liquefied Gas Joint Stock Company	532,937,064	0	902,310,017	0
Others	3,619,920,400	0	41,234,363,454	0
<b>Total</b>	<b>67,555,025,824</b>	<b>0</b>	<b>194,518,231,831</b>	<b>0</b>
<b>b. Trade receivables from related parties</b>				
Habac Liquefied Gas Joint Stock Company	532,937,064	0	902,310,017	0
<b>Total</b>	<b>532,937,064</b>	<b>0</b>	<b>902,310,017</b>	<b>0</b>

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

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

4. Prepayments to suppliers	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
<b>a. Short-term</b>	<b>158,944,937,526</b>	<b>0</b>	<b>37,973,043,906</b>	<b>0</b>
Vinacomin-Mining Chemical Industry Holding Corporation Limited	110,134,086,108	0	0	0
Yueyang Dongtian Petrochemical Co.,Ltd, China	45,783,105,934	0	26,367,604,217	0
Hong Phuc Material and Equipment Co., Ltd	0	0	6,167,604,000	0
ANP Techincal Co., Ltd	0	0	1,674,598,000	0
Others	3,027,745,484	0	3,763,237,689	0
<b>Total</b>	<b>158,944,937,526</b>	<b>0</b>	<b>37,973,043,906</b>	<b>0</b>
<b>5. Other receivables</b>	<b>30/06/2025</b>		<b>01/01/2025</b>	
	<b>Value</b>	<b>Provision</b>	<b>Value</b>	<b>Provision</b>
<b>a. Short-term</b>	<b>20,684,812,578</b>	<b>(5,210,337,062)</b>	<b>20,053,233,712</b>	<b>(5,210,337,062)</b>
Constrexim-MECO Joint Stock Company - Advance payment for site clearance of the resettlement project.	5,210,337,062	(5,210,337,062)	5,210,337,062	(5,210,337,062)
Other receivables related to liabilities of Fertilizer Plant Renovation and Expansion Project	4,654,692,143	0	4,654,692,143	0
Receivables for adjusting compensation costs for pipeline 390,395	2,701,391,102	0	2,701,391,102	0
Advances	896,000,000	0	0	0
Others	7,222,392,271	0	7,486,813,405	0
<b>b. Long-term</b>	<b>740,804,017,963</b>	<b>0</b>	<b>740,804,017,963</b>	<b>0</b>
Receivable from EPC contractor, package 8 - Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project (*)	740,804,017,963	0	740,804,017,963	0
<b>Total</b>	<b>761,488,830,541</b>	<b>(5,210,337,062)</b>	<b>760,857,251,675</b>	<b>(5,210,337,062)</b>

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



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

Cho kỳ kế toán 06 tháng đầu năm 2025

Unit: VND

## 6. Bad debts

	30/06/2025			01/01/2025		
	Cost	Provision	Recoverable amount	Cost	Provision	Recoverable amount
- Total value of receivables, loans that are overdue or not overdue but unlikely to be recovered	5,210,337,062	(5,210,337,062)	0	5,210,337,062	(5,210,337,062)	0
Constrexim-MECO Joint Stock Company						
-Advance payment for site clearance of the resettlement project.	5,210,337,062	(5,210,337,062)	0	5,210,337,062	(5,210,337,062)	0

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

For the accounting period ended 30 June 2025

Unit: VND

**7. Inventories**

	30/06/2025		01/01/2025	
	Cost	Provision	Cost	Provision
Raw materials	402,909,075,468	0	519,918,637,465	0
Tools, instruments	532,285,679	0	469,867,445	0
Work in progress	31,806,645,538	0	15,964,483,881	0
Finished products	43,595,213,617	0	2,761,407,634	0
<b>Total</b>	<b>478,843,220,302</b>	<b>0</b>	<b>539,114,396,425</b>	<b>0</b>

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

**8. Long-term assets in progress**

	30/06/2025		01/01/2025	
	Value	Provision	Value	Provision
<b>a. Long-term work in progress</b>	<b>33,552,540</b>	<b>0</b>	<b>33,552,540</b>	<b>0</b>
- Research to implement CA topic	33,552,540	0	33,552,540	0
<b>b. Construction in progress</b>	<b>81,586,546,090</b>	<b>0</b>	<b>92,310,341,918</b>	<b>0</b>
- Resettlement project (*)	70,873,660,448	0	70,873,660,448	0
- 130 tons/h steam boiler investment project-Thermal Workshop	11,310,909	0	11,310,909	0
- Limestone grinding system investment project - Thermal workshop	10,987,963	0	10,987,963	0
- Major repair costs of fixed assets	10,690,586,770	0	21,414,382,598	0
<b>Total</b>	<b>81,620,098,630</b>	<b>0</b>	<b>92,343,894,458</b>	<b>0</b>

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



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 9. Tangible fixed assets

Items	Buildings, structures	Machinery, equipment	Means of transportation	Total
<b>Original cost (*)</b>				
Opening balance	2,040,519,490,653	7,766,148,013,924	36,066,731,386	9,842,734,235,963
Purchased during the period	0	926,750,000	0	926,750,000
Disposals, resales	0	(36,066,065,269)	0	(36,066,065,269)
Closing balance	2,040,519,490,653	7,731,008,698,655	36,066,731,386	9,807,594,920,694
<b>Accumulated depreciation</b>				
Opening balance	987,870,501,012	5,283,170,189,962	26,855,290,295	6,297,895,981,269
Depreciated for the period	34,802,699,340	236,740,675,386	775,840,710	272,319,215,436
Disposals, resales	0	(36,066,065,269)	0	(36,066,065,269)
Closing balance	1,022,673,200,352	5,483,844,800,079	27,631,131,005	6,534,149,131,436
<b>Net book value</b>				
Opening balance	1,052,648,989,641	2,482,977,823,962	9,211,441,091	3,544,838,254,694
Closing balance	1,017,846,290,301	2,247,163,898,576	8,435,600,381	3,273,445,789,258

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

- In which:

+ Net book value of tangible fixed assets used as mortgage or pledge to secure loans: VND 3,255,899,022,882.

+ Original cost of tangible fixed assets at the end of the year fully depreciated but still in use: VND 895,664,119,861.

## 10. Intangible fixed assets

Items	Computer software	Total
<b>Original cost</b>		
Opening balance	13,226,611,293	13,226,611,293
Closing balance	13,226,611,293	13,226,611,293
<b>Accumulated amortization</b>		
Opening balance	13,226,611,293	13,226,611,293
Closing balance	13,226,611,293	13,226,611,293
<b>Net book value</b>		
Opening balance	0	0
Closing balance	0	0

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



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

11. Prepaid expenses	30/06/2025	01/01/2025
<b>Short-term prepaid expenses</b>	<b>4,458,369,338</b>	<b>5,677,546,358</b>
Insurance costs	2,553,423,747	3,771,776,209
Others	1,904,945,591	1,905,770,149
<b>Long-term prepaid expenses</b>	<b>535,277,271,873</b>	<b>575,805,447,125</b>
Business advantages when equitizing	9,417,675,017	18,835,350,028
Land rental fee (*)	51,608,501,030	52,413,103,238
Fixed asset depreciation is suspended under Notice No. 947/HCVN-TCKT	443,267,451,596	484,255,807,694
Major fixed assets repair cost	30,808,347,294	20,053,784,534
Others	175,296,936	247,401,631
<b>Total</b>	<b>539,735,641,211</b>	<b>581,482,993,483</b>

(\*) According to Notice No. 163/TB-STC dated 7 August 2015 of the Department of Finance of Bac Giang province and documents determining the land rental fee to be offset against compensation and site clearance cost of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project by the Tax Department of Bac Giang province, the amount of VND 65,613,266,507 will be deducted from the annual land rental fees of the Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project in Huong Man village - Xuan Huong commune - Lang Giang district and 02 land lots in Tho Xuong ward - Bac Giang city until 2058. At 30 June 2025, the remaining site clearance amount is offset against the project's land rental fee is VND 51,608,501,030.

12. Trade payables	30/06/2025		01/01/2025	
	Value	Debt repayment capacity	Value	Debt repayment capacity
<b>a. Short-term</b>	<b>365,150,005,396</b>	<b>365,150,005,396</b>	<b>386,144,351,853</b>	<b>365,240,266,728</b>
Wuhuan Engineering Co., Ltd (*)	242,822,515,933	242,822,515,933	235,876,130,842	235,876,130,842
Hoang Gia Trading & Service Company Limited	25,075,168,283	25,075,168,283	20,904,085,125	0
DAP-VINACHEM Joint Stock Company	14,631,683,000	14,631,683,000	0	0
PSD Export Import and Trading Investment Joint Stock Company	13,066,129,593	13,066,129,593	0	0
Bac Giang Electricity Company	9,292,722,691	9,292,722,691	0	0
Traco Transport Joint Stock Corporation No. 1	8,689,594,173	8,689,594,173	8,731,501,840	8,731,501,840
Ha Long Investment Co., Ltd	6,377,943,000	6,377,943,000	15,228,241,875	15,228,241,875
Vinacomin-Mining Chemical Industry Holding Corporation Limited	0	0	70,144,912,245	70,144,912,245
Others	45,194,248,723	45,194,248,723	35,259,479,926	35,259,479,926
<b>Total</b>	<b>365,150,005,396</b>	<b>365,150,005,396</b>	<b>386,144,351,853</b>	<b>365,240,266,728</b>

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



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 12. Trade payables (continued)

## b. Trade payables to related parties

	30/06/2025		01/01/2025	
	Value	Debt repayment capacity	Value	Debt repayment capacity
DAP-VINACHEM Joint Stock Company	14,631,683,000	14,631,683,000	0	0
Vietnam Institute of Industrial Chemistry	3,998,988,840	3,998,988,840	358,930,000	358,930,000
<b>Total</b>	<b>18,630,671,840</b>	<b>18,630,671,840</b>	<b>358,930,000</b>	<b>358,930,000</b>

## 13. Advances from customers

## a. Short-term

	30/06/2025	01/01/2025
<b>DONGWHA Vietnam Joint Stock Company</b>	<b>19,824,029,395</b>	<b>117,549,295,214</b>
Cuong Lien Agricultural Materials Company Limited	6,037,500,000	0
Thai Nguyen Joint Stock Company for Agriculture materials	3,038,025,000	17,367,100,000
Thuy Ngan Trading Company Limited	2,137,232,972	984,807,972
Toan Van General Trading Joint Stock Company	1,494,425,000	27,145,500,000
Thanh Vinh Import Export and Trading Co., Ltd	1,391,149,840	18,850,780,941
Bac Giang Fertilizer Export Import Joint Stock Company	132,624,764	10,635,973,764
Ha Anh Export Import Joint Stock Company	0	13,135,807,383
Others	0	10,241,025,000
<b>Total</b>	<b>5,593,071,819</b>	<b>19,188,300,154</b>
	<b>19,824,029,395</b>	<b>117,549,295,214</b>

## 14. Taxes and payables to the State

	01/01/2025	Payables in the period	Paid in the period	30/06/2025
<b>a. Payables</b>				
Output VAT	0	95,163	95,163	0
VAT on imported goods	0	900,782,731	900,782,731	0
Import and export tax	0	35,320,599,770	34,297,290,320	1,023,309,450
Personal income tax	47,363,937	875,124,157	875,865,111	46,622,983
Natural resources tax	146,683,440	667,024,200	712,224,090	101,483,550
Housing tax and land rental fee	0	8,547,206,323	8,547,206,323	0
License fee	0	3,000,000	3,000,000	0
Fees, charges and other payables	306,118,830	1,639,146,529	1,625,185,329	320,080,030
<b>Total</b>	<b>500,166,207</b>	<b>47,952,978,873</b>	<b>46,961,649,067</b>	<b>1,491,496,013</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

15. Accrued expenses	30/06/2025	01/01/2025
<b>a. Short-term</b>	<b>2,542,644,125</b>	<b>576,813,743</b>
Interest expense	2,542,644,125	554,659,849
Electricity expense	0	22,153,894
<b>Total</b>	<b>2,542,644,125</b>	<b>576,813,743</b>
<b>16. Other payables</b>	<b>30/06/2025</b>	<b>01/01/2025</b>
<b>a. Short-term</b>		
Trade union fees	266,005,007	462,403,256
Loan interest payable to Vietnam Development Bank - North Northeast Area Branch (*)	130,000,000,000	130,000,000,000
Payable to Vietnam National Chemical Group for proceeds from liquidation of unused materials when equitization	693,506,388	1,693,506,388
Materials are warehoused but not yet recorded as liabilities	32,058,696,590	31,368,869,800
Payables to resettlement project costs (**)	1,911,956,217	1,911,956,217
Funding source for resettlement project granted (*)	2,803,991,000	2,803,991,000
Payables related to the self-settlement of Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project.	35,151,624,197	35,151,624,197
Others	4,808,961,717	5,055,746,828
<b>Total</b>	<b>207,694,741,116</b>	<b>208,448,097,686</b>
<b>b. Long-term</b>		
Loan interest payable to Vietnam Development Bank - North Northeast Area Branch (*)	1,955,355,825,646	2,015,355,825,646
Long-term deposits and collaterals	3,978,160,673	3,549,496,985
Collection of land use fees for the resettlement project (**)	66,809,800,000	66,809,800,000
<b>Total</b>	<b>2,026,143,786,319</b>	<b>2,085,715,122,631</b>
<b>c. Other payables from related parties</b>		
Payable to Vietnam National Chemical Group for proceeds from liquidation of unused materials when equitization	693,506,388	1,693,506,388
<b>Total</b>	<b>693,506,388</b>	<b>1,693,506,388</b>

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

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

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



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 17. Borrowings and finance lease liabilities

	30/06/2025		During the period		01/01/2025	
	Value	Debt repayment capacity	Increase	Decrease	Value	Debt repayment capacity
<b>a. Short-term borrowings</b>	<b>414,271,217,800</b>	<b>414,271,217,800</b>	<b>959,573,431,417</b>	<b>960,565,436,923</b>	<b>415,263,223,306</b>	<b>415,263,223,306</b>
<i>Short-term borrowings from Banks</i>	<i>414,271,217,800</i>	<i>414,271,217,800</i>	<i>959,573,431,417</i>	<i>960,565,436,923</i>	<i>415,263,223,306</i>	<i>415,263,223,306</i>
Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Bac Giang Branch (1)	286,311,023,307	286,311,023,307	771,105,668,573	785,600,099,085	300,805,453,819	300,805,453,819
Joint Stock Commercial Bank for Investment and Development - Kinh Bac Branch	0	0	17,612,089,801	35,069,859,288	17,457,769,487	17,457,769,487
Asia Commercial Joint Stock Bank (ACB) - Hoang Cau Branch (2)	29,032,715,931	29,032,715,931	71,928,194,481	42,895,478,550	0	0
Vietnam Maritime Commercial Joint Stock Bank (MSB) - Bac Giang Branch (3)	49,127,478,562	49,127,478,562	49,127,478,562	0	0	0
Long-term borrowings due	49,800,000,000	49,800,000,000	49,800,000,000	97,000,000,000	97,000,000,000	97,000,000,000
<b>b. Long-term borrowings</b>	<b>2,042,736,250,000</b>	<b>2,042,736,250,000</b>	<b>36,532,050,000</b>	<b>363,702,000,000</b>	<b>2,369,906,200,000</b>	<b>2,369,906,200,000</b>
<i>Long-term borrowings from Banks</i>	<i>2,042,736,250,000</i>	<i>2,042,736,250,000</i>	<i>36,532,050,000</i>	<i>363,702,000,000</i>	<i>2,369,906,200,000</i>	<i>2,369,906,200,000</i>
Vietinbank - Bac Giang Branch and co-financing banks (2)	1,021,949,250,000	1,021,949,250,000	36,532,050,000	313,902,000,000	1,299,319,200,000	1,299,319,200,000
Vietnam Development Bank - North Northeast Area Branch (3)	1,020,787,000,000	1,020,787,000,000	0	49,800,000,000	1,070,587,000,000	1,070,587,000,000
<b>Total</b>	<b>2,457,007,467,800</b>	<b>2,457,007,467,800</b>	<b>996,105,481,417</b>	<b>1,324,267,436,923</b>	<b>2,785,169,423,306</b>	<b>2,785,169,423,306</b>

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 17. Borrowings and finance lease liabilities (continued)

## Borrowings from banks in detail:

Contract No.	Term	Interest rate	Credit limit	Balance as at 30/06/2025	Loan purpose	Secured assets
<b>Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank) - Bac Giang Branch (1)</b>						
Loan Limit Contract No. 01/2024-HDCVHM/NHCT280-DHB dated 04/07/2024	From 04/07/2024 to 04/07/2025	As per each indebtedness certificate	380,000,000,000	286,311,023,307	Serving the production and trading of Urea, Ammonia, CO2	All inventories of the Company, address: Tran Nguyen Han Street, Tho Xuong Ward, Bac Giang City and trade receivables.
<b>Asia Commercial Joint Stock Bank (ACB) - Hoang Cau Branch (2)</b>						
Loan Limit Contract No. HCA.DN.6884.100325 dated 20/03/2025	From 20/03/2025 to 20/03/2026	As per each indebtedness certificate	200,000,000,000	29,032,715,931	Serving production and business activities	The total balance including principal and interest of demand deposits and term deposits of the Company at ACB.
<b>Vietnam Maritime Commercial Joint Stock Bank (MSB) - Bac Giang Branch (3)</b>						
Loan Limit Contract No. 112-00039698.714/2025/HDTD dated 04/04/2025	From 04/04/2025 to 01/04/2026	As per each indebtedness certificate	100,000,000,000	49,127,478,562	Serving the production and trading of Urea, Ammonia, CO2	The total balance including principal and interest of demand deposits and term deposits of the Company at MSB.
<b>Vietinbank - Bac Giang Branch and co-financing banks (2)</b>						
Credit contract No. 01.68/HDTD dated 06/8/2010	Until 2031	4.5%/year	192 triệu USD	38.850.000 USD	Investment in Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	Assets formed from loan capital
<i>VND converted</i>				1,021,949,250,000		
<b>Vietnam Development Bank - North Northeast Area Branch (3)</b>						
Credit contract No. 45/2008/HDTDDT-NHPT dated 11/9/2008 and annexes	Until 2031	8.55%/year	4,125,000,000,000	1,070,587,000,000	Investment in Ha Bac Nitrogenous Fertilizer Plant Renovation and Expansion Project	Assets formed from loan capital
<b>Total</b>				<b>2,457,007,467,800</b>		



## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

18. Provision for payables	30/06/2025	01/01/2025
Provision for major repairs of fixed assets in 2025	9,539,809,564	0
<b>Total</b>	<b>9,539,809,564</b>	<b>0</b>

## 19 Owners' equity

## a. Reconciliation table of changes in Owners' equity

Items	Owners' contributed capital	Undistributed Profit after tax	Total
As at 01 January 2024	2,722,000,000,000	(2,110,393,137,744)	611,606,862,256
Profit	0	6,845,416,606	6,845,416,606
As at 31 December 2024	2,722,000,000,000	(2,103,547,721,138)	618,452,278,862
As at 01 January 2025	2,722,000,000,000	(2,103,547,721,138)	618,452,278,862
Profit	0	57,598,515,246	57,598,515,246
As at 30 June 2025	2,722,000,000,000	(2,045,949,205,892)	676,050,794,108

## b. Owners' contributed capital in detail

	Capital contribution ratio	30/06/2025	01/01/2025
Vietnam National Chemical Group	97.66%	2,658,310,000,000	2,658,310,000,000
Other shareholders	2.34%	63,690,000,000	63,690,000,000
<b>Total</b>	<b>100.00%</b>	<b>2,722,000,000,000</b>	<b>2,722,000,000,000</b>

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

	The first 6 months of 2025	The first 6 months of 2024
Contributed capital of owners	2,722,000,000,000	2,722,000,000,000
At the beginning of the period	2,722,000,000,000	2,722,000,000,000
Capital increase during the period	0	0
Capital decrease during the period	0	0
At the end of the period	2,722,000,000,000	2,722,000,000,000

## d. Shares

	30/06/2025	01/01/2025
Number of shares registered for issuance	272,200,000	272,200,000
Number of shares sold out to public	272,200,000	272,200,000
Common shares	272,200,000	272,200,000
Number of treasury shares	0	0
Common shares	0	0
Number of shares in circulation	272,200,000	272,200,000
Common shares	272,200,000	272,200,000
Par value of share in circulation: VND per share	10,000	10,000

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

For the accounting period ended 30 June 2025

Unit: VND

**20 Off-balance sheet item****a. Outsourced assets**

The Company signed land lease agreements in Tho Xuong Ward, Bac Giang City, Bac Giang Province for production and business purposes from 2007 to 2058. The leased land area is 85,51811 ha. According to these agreements, the Company must pay annual land rent until its maturity date following current State regulations.

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

**b. Foreign currencies**

	30/06/2025		01/01/2025	
	Original currency	VND converted	Original currency	VND converted
USD	4,980,781.61	129,136,452,311	9,675,035.93	244,294,657,234
<b>Total</b>	<b>4,980,781.61</b>	<b>129,136,452,311</b>	<b>9,675,035.93</b>	<b>244,294,657,234</b>

**VI. ADDITIONAL INFORMATION FOR ITEMS IN THE INCOME STATEMENT**

	The first 6 months of 2025	The first 6 months of 2024
<b>1. Net revenue from goods sold and services rendered</b>		
Net revenue from goods, products sold	2,344,540,759,214	1,967,251,642,263
<b>Total</b>	<b>2,344,540,759,214</b>	<b>1,967,251,642,263</b>
<b>2. Cost of goods sold</b>		
Cost of goods, products sold	2,045,572,333,183	2,000,868,965,607
<b>Total</b>	<b>2,045,572,333,183</b>	<b>2,000,868,965,607</b>
<b>3. Financial income</b>		
Interest from loans, deposits	498,090,394	523,493,844
Distributed dividends, profit	2,594,718,000	0
Foreign exchange gain during the period	8,395,266,319	9,740,293,363
<b>Total</b>	<b>11,488,074,713</b>	<b>10,263,787,207</b>
<b>4. Financial expenses</b>		
Loan interest expense	89,903,817,464	102,246,388,357
Foreign exchange loss during the period	1,162,530,425	286,091,551
Foreign exchange loss due to revaluation	40,723,468,445	64,914,638,080
<b>Total</b>	<b>131,789,816,334</b>	<b>167,447,117,988</b>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND*

	The first 6 months of 2025	The first 6 months of 2024
<b>5. Selling expenses and General and administrative expenses</b>		
<b>a. Selling expenses</b>		
Raw materials	1,237,811,105	2,728,651,782
Other costs in cash (transportation, advertisements,...)	53,453,903,088	32,553,282,395
<b>Total</b>	<b>54,691,714,193</b>	<b>35,281,934,177</b>
<b>b. General and administrative expenses</b>		
Staff cost	24,688,774,164	22,057,284,005
Management material costs	3,455,033,304	4,405,750,197
Office supplies cost	155,000,000	910,000
Fixed asset depreciation	6,389,723,040	6,822,582,071
Taxes, fees, charges	9,113,552,173	3,985,146,471
External services	3,551,125,645	2,279,964,715
Other costs in cash	26,252,102,076	26,409,156,116
<b>Total</b>	<b>73,605,310,402</b>	<b>65,960,793,575</b>
<b>6. Other income</b>		
Proceed from leasing assets	75,138,888	102,518,516
Income from interest expense written off	0	242,846,771,107
Income from asset liquidation	6,821,818,181	0
Others	508,435,646	509,121,097
<b>Total</b>	<b>7,405,392,715</b>	<b>243,458,410,720</b>
<b>7. Other expenses</b>		
Depreciation of assets suspended for repairs	0	50,534,133,496
Others	176,537,284	135,717,780
<b>Total</b>	<b>176,537,284</b>	<b>50,669,851,276</b>
<b>8. Business costs by factor</b>		
Raw material cost	1,414,444,294,484	1,183,324,102,808
Labor cost	140,863,149,458	122,351,329,712
Fixed asset depreciation	272,319,215,436	261,769,748,532
External services	52,216,095,370	30,369,612,876
Other costs in cash	350,702,570,670	288,370,561,940
<b>Total</b>	<b>2,230,545,325,418</b>	<b>1,886,185,355,868</b>

**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND*

	The first 6 months of 2025	The first 6 months of 2024
<b>9. Current Corporate income tax expense</b>		
Total accounting profit before tax	57,598,515,246	(99,254,822,433)
Adjustments to increase	189,660,505	168,889,091
- Non-deductible expenses	1,329,505	35,614,091
- Remuneration of non-executive Board of Directors and Board of Supervisors	188,331,000	133,275,000
Adjustments to decrease	5,399,838,891	1,147,621,636
- Dividends, profit received	2,594,718,000	0
- Foreign exchange gain due to revaluation of cash on hand and deposits in foreign currencies.	2,805,120,891	1,147,621,636
Loss from previous years carried forward	(52,388,336,860)	0
Taxable income	0	(97,938,311,706)
Tax rate	20%	20%
Total current Corporate income tax expense	0	0
<b>10. Basic earnings per share</b>		
Accounting profit after corporate income tax	57,598,515,246	(99,254,822,433)
Adjustments to increase or decrease	0	0
Profit or loss allocated to common shareholders	57,598,515,246	(99,254,822,433)
Average common shares outstanding during the period	272,200,000	272,200,000
Basic earnings per share	212	(365)

**11. Financial risk management policies and objectives**

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

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

**11.1 Market risk**

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

**Interest rate risk**

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

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

**Foreign exchange risk**

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

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



**NOTES TO THE INTERIM FINANCIAL STATEMENTS***For the accounting period ended 30 June 2025**Unit: VND***11.2 Credit risk**

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

**Trade receivables**

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

**Bank deposits**

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

**11.3 Liquidity risk**

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

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

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

As at 30 June 2025	<i>Less than 1 year</i>	<i>Over 1 year</i>	<i>Total</i>
Borrowings and liabilities	414,271,217,800	2,042,736,250,000	2,457,007,467,800
Trade payables	365,150,005,396	0	365,150,005,396
Accrued expenses	2,542,644,125	0	2,542,644,125
Other short-term payables	206,735,229,721	2,026,143,786,319	2,232,879,016,040
<b>Total</b>	<b>988,699,097,042</b>	<b>4,068,880,036,319</b>	<b>5,057,579,133,361</b>
As at 01 January 2025			
Borrowings and liabilities	415,263,223,306	2,369,906,200,000	2,785,169,423,306
Trade payables	386,144,351,853	0	386,144,351,853
Accrued expenses	576,813,743	0	576,813,743
Other short-term payables	206,292,188,042	2,085,715,122,631	2,292,007,310,673
<b>Total</b>	<b>1,008,276,576,944</b>	<b>4,455,621,322,631</b>	<b>5,463,897,899,575</b>

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

**Secured assets**

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

## NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the accounting period ended 30 June 2025

Unit: VND

## 12. Financial assets and liabilities

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

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

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

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

	Book value				Fair value	
	30/06/2025		01/01/2025		30/06/2025	01/01/2025
	Value	Provision	Value	Provision	Value	Value
<b>Financial assets</b>						
- Cash and cash equivalents	231,143,881,152	0	371,815,496,069	0	231,143,881,152	371,815,496,069
- Held-to-maturity investments	118,692,000,000	0	48,000,000,000	0	118,692,000,000	48,000,000,000
- Other long-term investments	3,556,066,097	0	3,556,066,097	0	5,820,000,000	5,820,000,000
- Trade receivables	67,555,025,824	0	194,518,231,831	0	67,555,025,824	194,518,231,831
- Other receivables	760,592,830,541	(5,210,337,062)	760,857,251,675	(5,210,337,062)	755,382,493,479	755,646,914,613
<b>TOTAL</b>	<b>1,181,539,803,614</b>	<b>(5,210,337,062)</b>	<b>1,378,747,045,672</b>	<b>(5,210,337,062)</b>	<b>1,178,593,400,455</b>	<b>1,375,800,642,513</b>
<b>Financial liabilities</b>						
- Borrowings and liabilities	2,457,007,467,800	0	2,785,169,423,306	0	2,457,007,467,800	2,785,169,423,306
- Trade payables	365,150,005,396	0	386,144,351,853	0	365,150,005,396	386,144,351,853
- Accrued expenses	2,542,644,125	0	576,813,743	0	2,542,644,125	576,813,743
- Other payables	2,232,879,016,040	0	2,292,007,310,673	0	2,232,879,016,040	2,292,007,310,673
<b>TOTAL</b>	<b>5,057,579,133,361</b>	<b>0</b>	<b>5,463,897,899,575</b>	<b>0</b>	<b>5,057,579,133,361</b>	<b>5,463,897,899,575</b>



**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

For the accounting period ended 30 June 2025

Unit: VND

**VII. OTHER INFORMATION****1. Contingent liabilities, commitments and other financial information**

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

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

**2. Transaction with related parties**

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

Related parties	Relation	Nature of transaction	Incurred during the period	Closing balance receivable (payable)
Vietnam National Chemical Group	Parent company	Payment for liquidation of unused assets during equitization	1,000,000,000	(693,506,388)
Habac Liquefied Gas Joint Stock Company	Associate	Selling goods	2,812,029,282	532,937,064
Vietnam Institute of Industrial Chemistry	Same parent company	Purchase of goods	14,229,246,240	(3,998,988,840)
DAP-VINACHEM Joint Stock Company	Same parent company	Purchase of goods	14,631,683,000	(14,631,683,000)

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

Name	Position	Content	The first 6 months of 2025
Nguyen Van Thieu	Chairman of the Board of Directors	Remuneration of the Board of Directors and other income	79,577,000
Nguyen Van Dung	General Director	Salary, remuneration of the Board of Directors and other income	198,766,200
Pham Van Trung	Deputy General Director	Salary, remuneration of the Board of Directors and other income	175,546,200
Nguyen Dinh Hong	Deputy General Director	Salary, remuneration of the Board of Directors and other income	164,026,400
Nguyen Tuyen Anh	Member of the Board of Directors	Remuneration of the Board of Directors and other income	59,122,000
Ha Xuan Han	Head of the Board of Supervisors (Resigned on 25/4/2025)	Salary and other income	67,466,891
Hoang Thi Linh Giang	Head of the Board of Supervisors (Appointed on 25/4/2025)	Remuneration of the Board of Supervisors and other income	2,000,000
Dang Thi Minh Ly	Member of the Board of Supervisors	Remuneration of the Board of Supervisors and other income	54,377,000

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

For the accounting period ended 30 June 2025

Unit: VND

**2. Transaction with related parties (continued)**

Le Anh Tuan	Member of the Board of Supervisors	Remuneration of the Board of Supervisors and other income	54,377,000
Le Anh Tuan	Chief Accountant	Salary and other income	108,382,800

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

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

**4. Information on the going-concern operation**

The Company will continue to operate in the future.

**5. Comparative figures**

Comparative figures as at 01 January 2025 on the interim Balance Sheet and the first 6 months of 2024 on the Income Statement and Cash Flow Statement taken from the Company's Financial Statements for the financial year ended 31 December 2024 and the Financial Statements for the first 6 months of 2024 were audited by MOORE AISC Auditing and Informatics Services Co., Ltd.

**6. Events occurred after the balance sheet date**

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



\_\_\_\_\_  
**Nguyen Thi Hong Nhung**  
 Preparer  
 Bac Ninh, 30 July 2025



\_\_\_\_\_  
**Le Anh Tuan**  
 Chief Accountant



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**Nguyen Van Dung**  
 General Director