

DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**



DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

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DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise Registration Certificate

No. 0101452588 dated 5 March 2004

The Enterprise Registration Certificate was initially issued by Hanoi Department for Planning and Investment on 5 March 2004. The latest amendment (22nd) to the Enterprise Registration Certificate was issued on 6 October 2022.

Board of Directors

Mr. Dao Huu Huyen	Chairman
Mr. Dao Huu Duy Anh	Member
Mr. Pham Van Hung	Member
Mr. Luu Bach Dat	Member
Ms. Nguyen Thi Thu Ha	Independent member (appointed on 29 March 2024)
Mr. Nguyen Van Quang	Independent member (resigned on 29 March 2024)

Board of Supervision

Mr. Nguyen Van Kien	Chief Supervisor
Mr. Vu Van Ngo	Member
Ms. Pham Thi Thoa	Member

Board of Management

Mr. Dao Huu Duy Anh	General Director
Mr. Pham Van Hung	Deputy General Director
Mr. Luu Bach Dat	Deputy General Director

Legal Representative

Mr. Dao Huu Huyen	Chairman of Board of Directors
Mr. Dao Huu Duy Anh	Member of Board of Directors/ General Director

Registered Office

No. 18 Lane 44, Duc Giang Street, Thuong Thanh Ward, Long Bien District, Hanoi, Vietnam

Auditor

Branch of PwC (Vietnam) Limited in Hanoi

DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

Responsibility of the Board of Management in respect of the interim consolidated financial statements.

The Board of Management of Duc Giang Chemicals Group Joint Stock Company ("the Company") is responsible for preparing interim consolidated financial statements of the Company and its subsidiaries (together, "the Group") which give a true and fair view of the interim consolidated financial position of the Group as at 30 June 2024, and the consolidated results of its operations and its cash flows for the six-month period then ended. In preparing these interim consolidated financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the interim consolidated financial statements on a going-concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Group and enable the interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the interim consolidated financial statements

We hereby, approve the accompanying interim consolidated financial statements as set out on pages 5 to 51. The interim consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

On behalf of the Board of Management



Dao Huu Duy Anh
General Director
Legal Representative

Hanoi, SR Vietnam
14 August 2024



REPORT ON THE REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

We have reviewed the accompanying interim consolidated financial statements of Duc Giang Chemicals Group Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared on 30 June 2024, and approved by the Board of Management of the Company on 14 August 2024. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2024, the interim consolidated income statement, the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 51.

The Board of Management's Responsibility

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these interim consolidated financial statements of the Group in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements, and for such internal controls which the Board of Management determines is necessary to enable the preparation and presentation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim consolidated financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 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.

Auditor's conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, its interim consolidated financial performance and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements.

Other Matter

The report on the review of interim consolidated financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of Branch of PwC (Vietnam) Limited in Hanoi



Tran Khắc The
Audit Practising License:
2043-2023-006-1
Authorised signatory

Report reference number: HAN 3831
Hanoi, 14 August 2024

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.06.2024 VND	31.12.2023 VND (As restated – Note 3)
100	CURRENT ASSETS		12,220,643,188,596	12,466,646,825,746
110	Cash and cash equivalents	4	500,022,750,685	1,060,574,918,860
111	Cash		175,522,750,685	48,074,918,860
112	Cash equivalents		324,500,000,000	1,012,500,000,000
120	Short-term investments		9,739,148,907,490	9,342,000,715,040
123	Investments held to maturity	5	9,739,148,907,490	9,342,000,715,040
130	Short-term receivables		958,022,512,414	1,129,510,487,178
131	Short-term trade accounts receivable	6	430,998,420,730	717,627,990,265
132	Short-term prepayments to suppliers	7	217,954,636,978	132,693,469,131
136	Other short-term receivables	8(a)	313,983,722,935	284,123,061,616
137	Provision for doubtful debts - short-term		(4,914,268,229)	(4,934,033,834)
140	Inventories	9	978,920,013,005	854,908,643,204
141	Inventories		979,121,820,542	855,121,112,037
149	Provision for decline in value of inventories		(201,807,537)	(212,468,833)
150	Other current assets		44,529,005,002	79,652,061,464
151	Short-term prepaid expenses		12,397,292,344	9,354,232,979
152	Value added tax ("VAT") to be reclaimed		31,571,712,658	69,737,828,485
153	Tax and other receivables from the State		560,000,000	560,000,000
200	LONG-TERM ASSETS		3,211,068,062,861	3,133,867,338,940
210	Long-term receivables		32,504,859,984	31,224,645,692
216	Other long-term receivables	8(b)	32,504,859,984	31,224,645,692
220	Fixed assets		2,365,315,685,449	2,456,834,598,979
221	Tangible fixed assets	11(a)	2,017,905,535,299	2,105,228,933,980
222	Historical cost		4,737,097,149,105	4,639,651,008,517
223	Accumulated depreciation		(2,719,191,613,806)	(2,534,422,074,537)
227	Intangible fixed assets	11(b)	347,410,150,150	351,605,664,999
228	Historical cost		356,070,834,289	356,070,834,289
229	Accumulated amortisation		(8,660,684,139)	(4,465,169,290)
240	Long-term assets in progress		408,572,771,988	225,371,527,019
242	Construction in progress	12	408,572,771,988	225,371,527,019
260	Other long-term assets		404,674,745,440	420,436,567,250
261	Long-term prepaid expenses	10	326,023,587,635	339,649,498,560
262	Deferred income tax assets	20(a)	855,794,447	423,057,991
263	Long-term spare parts, supplies & equipment		16,849,807,194	15,813,841,639
269	Goodwill	13	60,945,556,164	64,550,169,060
270	TOTAL ASSETS		15,431,711,251,457	15,600,514,164,686

The notes on pages 9 to 51 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET
(CONTINUED)

Code	RESOURCES	Note	As at	
			30.06.2024 VND	31.12.2023 VND (As restated – Note 3)
300	LIABILITIES		2,027,319,499,374	3,563,181,359,270
310	Short-term liabilities		1,958,686,440,570	3,492,906,503,052
311	Short-term trade accounts payable	14	237,576,388,693	190,111,045,870
312	Short-term advances from customers	15	64,573,881,163	61,792,801,018
313	Tax and other payables to the State	16	193,835,022,606	79,848,905,083
314	Payables to employees		108,596,187,912	191,405,812,186
315	Short-term accrued expenses		12,100,863,091	5,801,674,727
319	Other short-term payables	17	10,382,360,403	1,260,739,296,609
320	Short-term borrowings and finance leases	18	818,249,534,075	1,328,012,657,205
322	Bonus and welfare fund	19	513,372,202,627	375,194,310,354
330	Long-term liabilities		68,633,058,804	70,274,856,218
337	Other long-term payables		185,192,405	170,932,436
341	Deferred income tax liabilities	20	68,347,866,399	70,003,923,782
343	Fund for scientific and technological development		100,000,000	100,000,000
400	OWNERS' EQUITY		13,404,391,752,083	12,037,332,805,416
410	Capital and reserves		13,404,391,752,083	12,037,332,805,416
411	Owners' capital	21,22	3,797,792,860,000	3,797,792,860,000
411a	- Owners' capital with voting rights		3,797,792,860,000	3,797,792,860,000
412	Share premium	22	1,786,667,372,400	1,786,667,372,400
414	Owners' other capital	22	(849,228,747,207)	(849,228,747,207)
415	Treasury shares	21,22	(8,730,000)	(8,730,000)
418	Investment and development fund	22	1,418,963,510,341	972,670,168,201
421	Undistributed earnings	22	6,891,315,841,672	5,999,140,534,512
421a	- Undistributed post-tax profits of previous years		5,357,955,847,954	4,178,378,686,876
421b	- Undistributed post-tax profit of current period/year		1,533,359,993,718	1,820,761,847,636
429	Non-controlling interests	22	358,889,644,877	330,299,347,510
440	TOTAL RESOURCES		15,431,711,251,457	15,600,514,164,686



Hoang Thuy Ha
Preparer



Dao Thi Mai
Chief Accountant




Dao Huu Duy Anh
General Director
Legal Representative
14 August 2024


The notes on pages 9 to 51 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED INCOME STATEMENT

Code		Note	For the six-month period ended	
			30 June 2024 VND	30 June 2023 VND
01	Revenue from sales of goods and rendering of services		4,891,840,705,527	4,907,561,809,212
02	Less deductions		(2,570,251,671)	(10,870,468,841)
10	Net revenue from sales of goods and rendering of services	25	4,889,270,453,856	4,896,691,340,371
11	Cost of goods sold and services rendered	26	(3,139,719,894,394)	(3,066,249,706,841)
20	Gross profit from sales of goods and rendering of services		1,749,550,559,462	1,830,441,633,530
21	Financial income	27	330,281,481,614	345,445,383,059
22	Financial expenses	28	(33,915,279,707)	(44,762,625,459)
23	- Including: Interest expense		(11,814,592,621)	(15,671,128,234)
25	Selling expenses	29	(221,865,783,352)	(222,581,443,672)
26	General and administration expenses	30	(80,860,555,926)	(73,105,676,996)
30	Net operating profit		1,743,190,422,091	1,835,437,270,462
31	Other income		4,307,960,649	1,648,239,791
32	Other expenses		(12,201,249,598)	(2,266,060,881)
40	Net other expenses		(7,893,288,949)	(617,821,090)
50	Net accounting profit before tax		1,735,297,133,142	1,834,819,449,372
51	Corporate income tax ("CIT") - current	31	(153,190,004,819)	(134,926,223,465)
52	CIT - deferred	31	2,088,793,839	1,966,867,080
60	Net profit after tax		1,584,195,922,162	1,701,860,092,987
	Attributable to:			
61	Shareholders of the parent Company		1,533,359,993,718	1,627,874,916,726
62	Non-controlling interests		50,835,928,444	73,985,176,261
70	Basic earnings per share	23(a)	3,795	4,029
71	Diluted earnings per share	23(b)	3,795	4,029


Hoàng Thụy Hà
Preparer


Đào Thị Mai
Chief Accountant


Đào Hữu Duy Anh
General Director
Legal Representative
14 August 2024




The notes on pages 9 to 51 are an integral part of these interim consolidated financial statements.

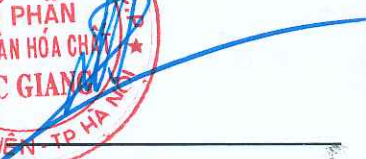
INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	For the six-month period ended	
		30 June 2024 VND	30 June 2023 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		1,735,297,133,142	1,834,819,449,372
	Adjustments for:		
02	Depreciation and amortisation of fixed assets and goodwill	197,270,262,806	160,989,098,670
03	(Reversal of provisions)/provisions	(30,426,901)	237,302,081
04	Unrealised foreign exchange (gains)/losses	(549,303,893)	9,966,649,949
05	Profits from investing activities	(265,976,288,385)	(296,167,159,207)
06	Interest expense	11,814,592,621	15,671,128,234
08	Operating profit before changes in working capital	1,677,825,969,390	1,725,516,469,099
09	Decrease/(increase) in receivables	244,191,255,408	(9,397,433,683)
10	(Increase)/decrease in inventories	(125,036,674,060)	2,293,539,554
11	Decrease in payables	(5,133,295,734)	(90,591,026,685)
12	Decrease in prepaid expenses	12,898,940,370	38,658,741,825
14	Interest paid	(10,817,604,076)	(19,354,228,026)
15	CIT paid	(62,667,250,995)	(78,077,588,215)
17	Other payments on operating activities	(62,160,635,489)	(43,364,863,211)
20	Net cash inflows from operating activities	1,669,100,704,814	1,525,683,610,658
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(297,122,585,872)	(139,796,570,625)
22	Proceeds from disposals of fixed assets and long-term assets	1,066,666,667	-
23	Loans granted, purchases of debt instruments of other entities	(2,499,646,997,627)	(4,521,341,000,000)
24	Collection of loans, proceeds from sales of debt instruments of other entities	2,157,360,375,040	3,497,751,244,339
25	Investments in other entities	-	(743,964,764,766)
27	Dividends and interest received	182,294,704,263	165,541,808,590
30	Net cash outflows from investing activities	(456,047,837,529)	(1,741,809,282,462)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	1,697,403,057,606	1,723,166,892,531
34	Repayments of borrowings	(2,207,350,715,435)	(1,200,001,411,853)
36	Dividends paid, profits distributed to owners	(1,263,668,725,768)	(1,770,408,559,590)
40	Net cash outflows from financing activities	(1,773,616,383,597)	(1,247,243,078,912)
50	Net decrease in cash and cash equivalents of the period	(560,563,516,312)	(1,463,368,750,716)
60	Cash and cash equivalents at beginning of period	1,060,574,918,860	1,535,474,845,085
61	Effect of foreign exchange differences	11,348,137	(595,537,209)
70	Cash and cash equivalents at end of period	500,022,750,685	71,510,557,160

The significant non-cash transactions during the period is presented in Note 34.


 Hoàng Thụy Hà
 Preparer


 Đào Thị Mai
 Chief Accountant


 Đào Hữu Duy Anh
 General Director
 Legal Representative
 14 August 2024



The notes on pages 9 to 51 are an integral part of these interims consolidated financial statements.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

1 GENERAL INFORMATION

Duc Giang Chemicals Group Joint Stock Company (“the Company”) is a joint stock company established in SR Vietnam pursuant to the Enterprise Registration Certificate No. 0101452588 dated 5 March 2004 issued by Hanoi Department for Planning and Investment. The latest amendment (22nd) to the Enterprise Registration Certificate was issued on 6 October 2022.

The Company's shares are listed on the Ho Chi Minh City Stock Exchange with the stock trading code ‘DGC’.

The business sector of the Company and its subsidiaries (together, “the Group”) is manufacturing industrial products.

The principal activities of the Group are:

- Producing basic chemicals: producing of raw materials and chemical products;
- Producing fertilizers and nitrogen compounds: producing fertilizer products;
- Trading in rubber, paints, plastic and fertilizer products; trading in raw materials and chemical products;
- Producing plastics and synthetic rubber in primary form;
- Freight transport by road; and
- Mining.

The normal business cycle of the Group is 12 months.

As at 30 June 2024, the Group had three (03) dependent accounting units (Hung Yen Branch, Binh Duong Branch and Lao Cai Branch) and nine (09) subsidiaries. The details are as follows:

Subsidiaries	Principal activities	Place of incorporation and operation	As at 30.6.2024 and 31.12.2023	
			% of ownership	% of voting rights
1. Duc Giang Lao Cai Chemicals Limited Company	Industrial manufacturing	Bao Thang District, Lao Cai	100%	100%
2. Duc Giang - Dinh Vu Chemicals One Member Company Limited	Warehousing and storage business	Hai An District, Hai Phong	100%	100%
3. Vietnam Apatite - Phosphorus Joint Stock Company	Industrial manufacturing	Bao Thang District, Lao Cai	51%	51%
4. Duc Giang Nghi Son Chemicals Company Limited	Industrial manufacturing	Tinh Gia District, Thanh Hoa	100%	100%
5. Duc Giang Chemicals Sport One Member Company Limited	Sports activities	Long Bien District, Hanoi	100%	100%

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

1 GENERAL INFORMATION (CONTINUED)

Subsidiaries	Principal activities	Place of incorporation and operation	As at 30.6.2024 and 31.12.2023	
			% of ownership	% of voting rights
6. Duc Giang Land One Member Company Limited	Real estates	Long Bien District, Hanoi	100%	100%
7. Duc Giang - Dak Nong Chemical Limited Company	Industrial manufacturing	Cu Jut District, Dak Nong	100%	100%
8. Tia Sang Battery Joint Stock Company	Industrial manufacturing	An Duong District, Hai Phong	51%	51%
9. Phosphorus 6 One Member Limited Company	Industrial manufacturing	Bao Thang District, Lao Cai	100%	100%

As at 30 June 2024, the Group had 2,777 employees (as at 31 December 2023: 2,528 employees).

Disclosure of information comparability in the interim consolidated financial statements

The comparative figures presented on the interim consolidated balance sheet and the relevant notes are the figures of the audited consolidated financial statements for the year ended 31 December 2023 which have been restated (Note 3). The comparative figures presented on the interim consolidated income statement, the interim consolidated cash flow statement and the relevant notes are the figures of the reviewed interim consolidated financial statements for the six-month period ended 30 June 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention except for business combinations as presented in Note 2.5.

The accompanying interim consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam's. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The interim consolidated financial statements in the Vietnamese language are the official statutory interim consolidated financial statements of the Group. The interim consolidated financial statements in the English language have been translated from the Vietnamese version.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Fiscal year**

The Company's fiscal year is from 1 January to 31 December. The interim consolidated financial statements are prepared for the period from 1 January to 30 June.

2.3 Currency

The interim consolidated financial statements are measured and presented in the Vietnamese Dong ("VND"), which is the Company's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Group regularly transacts. The Group ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate and does not materially impact the financial position and the result of operations during the accounting period. The average transfer exchange rate is determined daily based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the interim consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the interim consolidated balance sheet date are translated at the transfer rate at the interim consolidated balance sheet date of the commercial bank where the Group regularly transacts. The transfer rate is the buying rate or selling rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the interim consolidated income statement.

2.5 Basis of consolidation**Subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation (continued)****Business combination**

Accounting policies on business combinations are presented in Note 2.6.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests as transactions with external parties to the Group.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

A divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the interim consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or investment to be accounted for as equity since the divestment date.

2.6 Business combination**Business combinations using purchase method of accounting**

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the interim consolidated income statement.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.6 Business combination (continued)****Business combinations involving entities under common control**

Entities under common control are those that are ultimately controlled by the same party (companies or individuals) or by multiple parties (groups of companies or groups of individuals) either before or after the business combination and that control is not transitory.

The accounting method applicable to business combinations involving entities under common control is presented as follows:

- Assets and liabilities of the acquired entity are stated at predecessor carrying values. Fair value measurement is not required;
- No goodwill arises in the business combination;
- Any difference between the consideration given and the aggregate carrying value of the assets and liabilities of the acquired entity at the date of the transaction is included in equity (presented in the account "Owners' other capital" – Code 414);
- The interim consolidated balance sheet and interim consolidated income statement reflect the financial position and results of operations of the consolidated entities from the date of the combination.

After the date of the business combination, if the Group transfers and loses control in these entities, the difference between the consideration transferred from the acquirer and the net asset value of the acquirees which was previously recognised to the account "Owners' other capital" will be transferred to account "Undistributed earnings" in the interim consolidated balance sheet.

2.7 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated year of benefit but not exceeding a period of 10 years.

Goodwill on acquisitions of investments in joint ventures and associates is included in the carrying amount of the investments at the date of acquisition. The Group does not amortise this goodwill.

On disposal of the investments in subsidiaries or joint ventures and associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is carried at cost less accumulated amortisation, and is tested annually for impairment. If there is evidence that the impairment during the period is higher than the annual goodwill charge, the Group records the impairment immediately in the accounting period.

Goodwill is not recognised in a business combination involving entities under common control (Note 2.6).

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit, and other short-term investments with an original maturity of three months or less.

2.9 Investments held to maturity

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investments held to maturity include term deposits with maturity over three months and other investments held to maturity. Those investments are initially accounted for at cost. Subsequently, the Group reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the interim consolidated balance sheet based on remaining period from the interim consolidated balance sheet date to the remaining maturity date.

2.10 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. The difference between the provision of this period and the provision of the previous period is recognised as an increase or decrease of general and administrative expenses in the period. Bad debts are written off when identified as uncollectible.

Receivables are classified into short-term and long-term receivables on the interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other directly-related costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the periodic system for main raw materials and finished goods and the perpetual system for sub-materials, tools and spare parts.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period is recognised as an increase or decrease of cost of goods sold in the period.

2.12 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the interim consolidated income statement when incurred in the period.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line basis, except for machinery and equipment for mining activities which are depreciated using the units of production basis, so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. Depreciation and amortisation are included in the operating expenses of the year, other than those related to fixed assets funded by the Bonus and Welfare Fund (Note 2.20(b)). The estimated useful lives of each asset class are as follows:

Plant and buildings	6 – 25 years
Machinery	3 – 10 years
Motor vehicles (*)	5 – 8 years
Office equipment	3 – 6 years
Computer software	5 years
Phosphorus production right	41 years

(*) Motor vehicles used for apatite ore mining at Mine 25 are depreciated based on the estimated exploitation volume, which is expected to be within 6 years (2021 – 2026).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.12 Fixed assets (continued)**

Land use rights comprise of land use rights granted by the State for which land use fees are collected, land use rights acquired in a legitimate transfer, and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consist of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the interim consolidated income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.13 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the interim consolidated income statement on a straight-line basis over the term of the lease.

2.14 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the interim consolidated balance sheet. Short-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses reflect prepayments for apatite ore mining; services; or tools, which do not meet the recognition criteria for fixed assets; for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated on a systematic basis over their estimated useful lives.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.14 Prepaid expenses (continued)**

Prepayments for land rental contracts which are effective after the effective date of the Land Law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the land lease terms. Land clearance costs related to the leased land are allocated in proportion to the lease term.

Fees for mineral exploitation right in connection with mining apatite ore at Mine 25 are amortised based on the estimated exploitation volume, expected within 6 years (2021 - 2026).

2.15 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables and payables not relating to purchases of goods and services.

Payables are classified into short-term and long-term payables on the interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

2.16 Borrowings

Borrowings and finance lease liabilities include borrowings and finance leases from banks, financial institutions, financial companies and other entities.

Borrowings are classified into short-term and long-term borrowings on the interim consolidated balance sheet based on the remaining period from the interim consolidated balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the interim consolidated income statement when incurred.

2.17 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for, due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.18 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

2.19 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Owners' other capital represents the difference between the consideration transferred from the acquirer and the net asset value of the acquiree in business combination involving entities under common control (Note 2.6).

Treasury shares bought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities. Treasury shares bought after 1 January 2021 will be cancelled and adjusted to reduce equity.

Undistributed earnings record the Group's results after CIT at the reporting date.

2.20 Appropriation of profit

The Group's dividends are recognised as a liability in the consolidated financial statements in the period in which the dividends distribution are approved by the General Meeting of shareholders.

Net profit after CIT could be distributed to shareholders after approval at a General Meeting of shareholders, and after appropriation to other funds in accordance with the Group's charter and Vietnamese regulations.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.20 Appropriation of profit (continued)**

The Group's funds are as below:

(a) Investment and development fund

The investment and development fund is appropriated from profit after CIT of the Group and approved by shareholders in the General Meeting of shareholders. This fund is used to expand the scale of business or in-depth investment of the Group.

(b) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Group's profit after CIT and subject to shareholders approval at the General Meeting of shareholders. This fund is presented as a liability on the interim consolidated balance sheet. The fund is used for bonus and welfare to the Group's employees in accordance with the Group's bonus and welfare policies.

In addition, in accordance to Circular 200/2014/TT-BTC issued on 22 December 2014 by the Ministry of Finance, the fund is also used to purchase fixed assets for cultural and welfare activities for employees. Accordingly, the Group recognises fixed assets in the interim financial statements and depreciates them over their estimated useful lives (Note 2.12). However, the depreciation of these fixed assets is not recognised to the profit or loss in the year, but is recorded as a decrease to the fund.

2.21 Revenue recognition**(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the interim consolidated income statement when all five (5) following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sales obligation.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.21 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the interim consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from the sale of services is only recognised when all four (4) of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the interim consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions are simultaneously satisfied:

- It is probable that economic benefits will be generated; and
- Income can be measured reliably.

2.22 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that period.

Sales deductions for sales of products, goods or rendering of services which are sold or rendered in the period but are incurred after the interim consolidated balance sheet date but before the issuance of the interim consolidated financial statements are recorded as a deduction from the revenue of the period.

2.23 Cost of goods sold and services rendered

Cost of goods sold and services rendered are the cost of finished goods, merchandise, materials sold or services rendered during the period and recorded on the basis of matching with revenue and on a prudent basis.

2.24 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including expenses of borrowing and losses from foreign exchange differences.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.25 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services.

2.26 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes of the Group.

2.27 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of Income tax payable or recoverable in respect of the current period taxable profits at the current period tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the interim consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.28 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors, Board of Supervision, Board of Management and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering its relationships with each related party, the Group considers the substance of the relationship, not merely the legal form.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.29 Segment reporting**

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services (“business segment”), or sales of goods or rendering of services within a particular economic environment (“geographical segment”). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group’s business segment or the Group’s geographical segment.

2.30 Critical accounting estimates

The preparation of interim consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim consolidated financial statements and the reported amounts of revenues and expenses during the accounting period.

The areas involving significant estimates and assumptions in the interim consolidated financial statements are as follows:

- Estimated useful lives of fixed assets (Note 2.12);
- Corporate income tax (Note 31); and
- Contingent liabilities and other commitments (Note 37).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

3 RESTATEMENTS OF COMPARATIVE FIGURES RELATING TO THE BUSINESS COMBINATION

On 10 July 2023, The Group completed the acquisition of 100% of ownership of Phosphorus 6 Joint Stock Company (subsequently, changed to Phosphorus 6 Company Limited). Accordingly, Phosphorus 6 Joint Stock Company became a subsidiary of the Group from this date. The Group temporarily recognised the fair values of assets and liabilities at the acquisition date of the subsidiary at their book values in the consolidated financial statements for the year ended 31 December 2023.

As at 30 June 2024, the Group has completed the revaluation and recognition of the fair values of the assets and liabilities at the acquisition date of the subsidiary in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System. Accordingly, the fair values of the assets, liabilities and goodwill of Phosphorus 6 Company Limited at acquisition date has been re-evaluated and restated as follows:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

3 RESTATEMENTS OF COMPARATIVE FIGURES RELATING TO THE BUSINESS COMBINATION (CONTINUED)

	Fair value at acquisition date		
	As previously recognised VND	Adjustment VND	As restated VND
Asset			
Cash and cash equivalents	327,082,165	-	327,082,165
Short-term receivables	1,541,734,372	-	1,541,734,372
Inventories	9,956,246,463	-	9,956,246,463
Value added tax ("VAT") to be reclaimed	1,205,121,439	-	1,205,121,439
Tangible fixed assets	362,850,422,092	(28,332,260,697)	334,518,161,395
Intangible fixed assets	-	344,344,880,930	344,344,880,930
Construction in progress	1,423,218,873	-	1,423,218,873
	<u>377,303,825,404</u>	<u>316,012,620,233</u>	<u>693,316,445,637</u>
Liabilities			
Short-term trade accounts payable	(11,485,793,833)	-	(11,485,793,833)
Tax and other payables to the State	(167,475)	-	(167,475)
Deferred income tax liabilities	-	(54,357,003,658)	(54,357,003,658)
Other liabilities	(2,866,830,028)	-	(2,866,830,028)
	<u>(14,352,791,336)</u>	<u>(54,357,003,658)</u>	<u>(68,709,794,994)</u>
Total identifiable net assets	<u>362,951,034,068</u>	<u>261,655,616,575</u>	<u>624,606,650,643</u>
Goodwill	<u>272,048,965,932</u>	<u>(261,655,616,575)</u>	<u>10,393,349,357</u>

Accordingly, the comparative figures on the interim consolidated balance sheet for the six-month period ended 30 June 2024 have been restated as follows:

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

3 RESTATEMENTS OF COMPARATIVE FIGURES RELATING TO THE BUSINESS COMBINATION (CONTINUED)

Consolidated balance sheet (extracted):

Code		As at 31 December 2023		
		As previously reported VND	Adjustment VND	As restated VND
200	LONG-TERM ASSETS	3,069,259,448,849	64,607,890,091	3,133,867,338,940
220	Fixed assets	2,143,740,484,387	313,094,114,592	2,456,834,598,979
221	Tangible fixed assets	2,132,994,428,244	(27,765,494,264)	2,105,228,933,980
222	Historical cost	4,667,983,269,214	(28,332,260,697)	4,639,651,008,517
223	Accumulated depreciation	(2,534,988,840,970)	566,766,433	(2,534,422,074,537)
227	Intangible fixed assets	10,746,056,143	340,859,608,856	351,605,664,999
228	Historical cost	11,725,953,359	344,344,880,930	356,070,834,289
229	Accumulated depreciation	(979,897,216)	(3,485,272,074)	(4,465,169,290)
260	Other long-term assets	668,922,791,751	(248,486,224,501)	420,436,567,250
269	Goodwill	313,036,393,561	(248,486,224,501)	64,550,169,060
270	TOTAL ASSETS	15,535,906,274,595	64,607,890,091	15,600,514,164,686
300	LIABILITIES	3,508,967,832,597	54,213,526,673	3,563,181,359,270
330	Long-term liabilities	16,061,329,545	54,213,526,673	70,274,856,218
341	Deferred income tax liabilities	15,790,397,109	54,213,526,673	70,003,923,782
400	OWNERS' EQUITY	12,026,938,441,998	10,394,363,418	12,037,332,805,416
410	Capital and reserves	12,026,938,441,998	10,394,363,418	12,037,332,805,416
421	Undistributed earnings	5,988,746,171,094	10,394,363,418	5,999,140,534,512
421b	- Undistributed post-tax profit of current year	1,810,367,484,218	10,394,363,418	1,820,761,847,636
440	TOTAL RESOURCES	15,535,906,274,595	64,607,890,091	15,600,514,164,686

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

4 CASH AND CASH EQUIVALENTS

	30.6.2024 VND	31.12.2023 VND
Cash on hand	10,387,668,837	2,134,438,989
Cash at banks	165,135,081,848	45,940,479,871
Cash equivalents (*)	324,500,000,000	1,012,500,000,000
	<u>500,022,750,685</u>	<u>1,060,574,918,860</u>

(*) The balance of cash equivalents at the period end included deposits at domestic commercial banks with original maturity of three months or less with interest rate are in range from 3.3% to 4.3% per annum (As at 31 December 2023: from 0.3% to 3.55% per annum).

5 INVESTMENTS HELD TO MATURITY

	30.6.2024		31.12.2023	
	Cost VND	Book value VND	Cost VND	Book value VND
Short-term bank deposits	<u>9,739,148,907,490</u>	<u>9,739,148,907,490</u>	<u>9,342,000,715,040</u>	<u>9,342,000,715,040</u>

The period-end balance included term deposits at domestic commercial banks with original terms over 3 months and the remaining terms less than 12 months and interest rates are in range from 3.1% to 7.5% per annum (As at 31 December 2023: 4.3% to 9.2% per annum).

As at 30 June 2024, short-term term deposits of VND 335 billion were used for securing bank loans (Note 18), issuing Letter of Guarantee for the purpose of securing the Group's electricity payment obligations, participating in bidding and purchasing apatite ore (As at 31 December 2023: VND 295 billion).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2024 VND	31.12.2023 VND
Third parties (*)	421,309,256,782	709,470,838,124
Related parties (Note 35(b))	9,689,163,948	8,157,152,141
	<u>430,998,420,730</u>	<u>717,627,990,265</u>

(*) Details for third-party customers accounting for 10% or more of the total short-term trade accounts receivable balance are as follows:

	30.6.2024 VND	31.12.2023 VND
Mitsubishi Corporation	83,087,056,957	38,618,709,360
PVChem-CS Company Limited	43,591,247,242	-
Unid Global Corporation	13,936,762,006	32,561,481,680
United Phosphorus Limited	-	136,732,751,232
Sun International FZE	-	110,980,259,420
Aditya Birla Chemicals (Thailand)	-	90,606,305,787
Agrifield DMCC	-	79,687,548,847
	<u></u>	<u></u>

As at 30 June 2024 and 31 December 2023, the balances of short-term trade accounts receivable which were past due or not past due but doubtful amounted to VND 5,208,921,102 and VND 5,238,766,108, respectively.

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2024 VND	31.12.2023 VND
Third parties	<u>217,954,636,978</u>	<u>132,693,469,131</u>

Details for suppliers accounting for 10% or more of the total short-term prepayments to suppliers balance are as follows:

	30.6.2024 VND	31.12.2023 VND
China Tianchen Engineering Corporation	96,316,002,612	96,316,002,612
Lao Cai Chemical Industry Joint Stock Company	<u>80,667,953,717</u>	<u>-</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

8 OTHER RECEIVABLES

	30.6.2024 VND	31.12.2023 VND
(a) Short-term		
Interest receivable from bank deposits	309,943,265,528	282,174,690,662
Others	4,040,457,407	1,948,370,954
	<u>313,983,722,935</u>	<u>284,123,061,616</u>
(b) Long-term		
Deposits	25,508,000,000	25,500,000,000
Environmental protect fund of Lao Cai Province (*)	6,996,859,984	5,724,645,692
	<u>32,504,859,984</u>	<u>31,224,645,692</u>

(*) According to Decision 1057/QD-BTNMT dated 7 May 2020 issued by the Ministry of Natural Resources and Environment, the total estimated costs of environmental rehabilitation and restoration related to the exploitation of apatite ore mines at Mine 25 is VND 8,005,545,000. This amount will be deposited into the Environmental Protection Fund of Lao Cai province in six instalments from 2021 to 2026 to guarantee the fulfilment of the Company's obligation of rehabilitating and restoring the environment. The balance as at 30 June 2024 is the amount that the Company has contributed to the Fund in accordance with the Decision (Note 37).

9 INVENTORIES

	30.6.2024		31.12.2023	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	59,757,963,208	-	-	-
Raw materials	276,214,105,125	-	352,593,979,740	-
Tools and supplies	89,938,709,696	-	57,086,651,738	-
Work in progress	1,624,722,475	-	18,398,659,970	-
Finished goods	551,586,320,038	(201,807,537)	427,041,820,589	(212,468,833)
	<u>979,121,820,542</u>	<u>(201,807,537)</u>	<u>855,121,112,037</u>	<u>(212,468,833)</u>

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10 LONG-TERM PREPAID EXPENSES

	30.6.2024 VND	31.12.2023 VND
Land clearance costs (i)	113,970,729,127	116,956,825,868
Land rental fees (ii)	70,250,298,668	71,635,140,146
Expenses incurred for mining apatite ore at Mine 25 (iii)	68,957,631,774	81,994,461,681
Favourable land use right (iv)	29,269,290,564	30,010,374,339
Tools and supplies	10,828,281,708	11,779,471,206
Repair and maintenance expenses	21,655,275,799	16,510,838,047
Others	11,092,079,995	10,762,387,273
	<u>326,023,587,635</u>	<u>339,649,498,560</u>

- (i) This is a one-time prepayment for site clearance and are amortized on straight-line basis from 16 to 40 years in accordance with the durations of the land rental contracts.
- (ii) This is a one-time prepayment for land rental fees and are amortized on straight-line basis from 29 years to 37 years in accordance with the durations of the land rental contracts.
- (iii) Expenses related to mining apatite ore at Mine 25 which mainly include expenses for site clearance, fees for using data and information on results of mineral assessment, fees for mineral exploitation right and are amortised based on the exploitation volume over 6 years (2021 – 2026).
- (iv) Favourable land use rights arose from the acquisition of Tia Sang Battery Joint Stock Company which is amortised on a straight-line basis over the period of 22 years in accordance with the remaining period of the land lease contract from the acquisition date.

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11	FIXED ASSETS	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND (As restated – Note 3)
(a)	Tangible fixed assets					
	Historical cost					
	As at 1 January 2024	2,357,361,883,826	1,999,375,810,844	262,957,892,596	19,955,421,251	4,639,651,008,517
	(As restated – Note 3)	-	13,554,884,663	641,241,818	-	14,196,126,481
	New purchases					
	Transfers from construction in progress (Note 12)	64,153,886,922	25,137,391,586	-	335,486,855	89,626,765,363
	Disposals	-	(5,779,836,363)	(596,914,893)	-	(6,376,751,256)
	As at 30 June 2024	2,421,515,770,748	2,032,288,250,730	263,002,219,521	20,290,908,106	4,737,097,149,105
	Accumulated depreciation					
	As at 1 January 2024	(1,022,407,483,451)	(1,344,549,754,105)	(155,124,046,250)	(12,340,790,731)	(2,534,422,074,537)
	(As restated – Note 3)	(76,147,077,870)	(92,348,390,944)	(21,750,641,209)	(884,953,228)	(191,131,063,251)
	Charge for the period	-	5,764,609,089	596,914,893	-	6,361,523,982
	Disposals					
	As at 30 June 2024	(1,098,554,561,321)	(1,431,133,535,960)	(176,277,772,566)	(13,225,743,959)	(2,719,191,613,806)
	Net book value					
	As at 1 January 2024	1,334,954,400,375	654,826,056,739	107,833,846,346	7,614,630,520	2,105,228,933,980
	(As restated – Note 3)	1,322,961,209,427	601,154,714,770	86,724,446,955	7,065,164,147	2,017,905,535,299
	As at 30 June 2024					

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 30 June 2024 was VND 550 billion (as at 31 December 2023: VND 479 billion).

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11 FIXED ASSETS (CONTINUED)

	Computer software VND	Phosphorus production right VND	Land use right VND	Total VND (As restated – Note 3)
Historical cost				
As at 1 January 2024 (As restated – Note 3)	1,045,839,000	344,344,880,930	10,680,114,359	356,070,834,289
As at 30 June 2024	1,045,839,000	344,344,880,930	10,680,114,359	356,070,834,289
Accumulated depreciation				
As at 1 January 2024 (As restated – Note 3)	(979,897,216)	(3,485,272,074)	-	(4,465,169,290)
Charge for the period	(13,188,360)	(4,182,326,489)	-	(4,195,514,849)
As at 30 June 2024	(993,085,576)	(7,667,598,563)	-	(8,660,684,139)
Net book value				
As at 1 January 2024 (As restated – Note 3)	65,941,784	340,859,608,856	10,680,114,359	351,605,664,999
As at 30 June 2024	52,753,424	336,677,282,367	10,680,114,359	347,410,150,150

The historical cost of intangible fixed assets that were fully amortised but still in use as at 30 June 2024 was VND 788,666,000 (as at 31 December 2023: VND 788,666,000).

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12 CONSTRUCTION IN PROGRESS

Movements in the construction in progress during the period/year were as follows:

	From 1.1.2024 To 30.6.2024 VND	From 1.1.2023 to 31.12.2023 VND
Beginning of period/year	225,371,527,019	233,577,105,533
Increases	272,828,010,332	215,320,252,449
Increase due to acquisition of subsidiary	-	1,452,978,619
Transfers to tangible fixed assets (Note 11(a))	(89,626,765,363)	(224,978,809,582)
End of period/year	<u>408,572,771,988</u>	<u>225,371,527,019</u>

Details of construction in progress by projects at the period/year-end are as follows:

	30.6.2024 VND	31.12.2023 VND
Nghi Son chemical factory project (i)	135,478,448,868	134,304,010,000
Alcohol factory project (ii)	255,587,664,044	-
Dak Nong factory project	-	35,340,592,212
Others	17,506,659,076	55,726,924,807
	<u>408,572,771,988</u>	<u>225,371,527,019</u>

- (i) The project of plastics and chemicals industrial park located in Industrial Park No. 15 - Nghi Son Economic Zone, Tan Truong Commune, Nghi Son Town, Thanh Hoa Province is carried out pursuant to the Decision No. 2152/QD-UBND of the People's Committee of Thanh Hoa Province dated 11 June 2020. The total investment capital of the project is VND 2,400 billion. Currently, the Group is in the process of land clearance, surveying and designing the factory.
- (ii) The project of alcohol factory is located at Lot CN5, Tam Thang Industrial Park, Tam Thang Commune, Cu Jut District, Dak Nong Province. The factory was purchased via an auction on 8 April 2024. Currently, the Group is in the process of renovating the factory.

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13 GOODWILL

Movements of goodwill during the period are as follows:

	Vietnam Apatite – Phosphorus Joint Stock Company VND	Tia Sang Battery Joint Stock Company VND	Phosphorus 6 Limited Company VND	Total VND (As restated – Note 3)
Historical cost				
As at 1 January 2024 (As restated – Note 3)	5,514,698,943	56,184,209,644	10,393,349,357	72,092,257,944
As at 30 June 2024	5,514,698,943	56,184,209,644	10,393,349,357	72,092,257,944
Accumulated amortisation				
As at 1 January 2024 (As restated – Note 3)	(2,895,216,938) (275,734,946)	(4,213,815,723) (2,809,210,482)	(433,056,223) (519,667,468)	(7,542,088,884) (3,604,612,896)
As at 30 June 2024	(3,170,951,884)	(7,023,026,205)	(952,723,691)	(11,146,701,780)
Net book value				
As at 1 January 2024 (As restated – Note 3)	2,619,482,005	51,970,393,921	9,960,293,134	64,550,169,060
As at 30 June 2024	2,343,747,059	49,161,183,439	9,440,625,666	60,945,556,164

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14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2024		31.12.2023	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties (*)	232,409,676,969	232,409,676,969	186,326,017,232	186,326,017,232
Related parties (Note 35(b))	5,166,711,724	5,166,711,724	3,785,028,638	3,785,028,638
	<u>237,576,388,693</u>	<u>237,576,388,693</u>	<u>190,111,045,870</u>	<u>190,111,045,870</u>

(*) Details for third-party suppliers accounting for 10% or more of the total trade account payable balance are as follows:

	30.6.2024 VND	31.12.2023 VND
Vietnam Apatite Limited Company	53,828,055,842	-
SBM Energy Services Joint Stock Company – Lao Cai Branch	22,307,395,194	23,436,321,808
Lao Cai Fused Phosphate Fertilizer JSC	-	39,333,782,324
	<u>76,135,451,036</u>	<u>62,769,104,132</u>

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2024 VND	31.12.2023 VND
Third parties	64,573,881,163	61,792,801,018
	<u>64,573,881,163</u>	<u>61,792,801,018</u>

Details for third-party customers accounting for 10% or more of the total short-term advances from customer balance are as follows:

	30.6.2024 VND	31.12.2023 VND
K S International	32,070,198,756	37,007,147,802
Shankar Lal Rampal Dye Chem Private Limited	10,584,759,010	-
Liven Nutrients PTE., Ltd	-	6,920,358,750
	<u>42,654,957,766</u>	<u>43,927,506,552</u>

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16 TAXES AND PAYABLES TO THE STATE

Movements in tax and other payables to the State during the period were as follows:

	As at 1.1.2024 VND	Payable during the period VND	Payment during the period VND	As at 30.6.2024 VND
VAT on domestic sales	1,201,605,377	20,849,144,300	(16,071,683,496)	5,979,066,181
VAT on importation	3,654,098,871	67,550,070,292	(63,860,433,586)	7,343,735,577
Import, export tax	8,718,049,687	100,189,476,655	(100,732,951,569)	8,174,574,773
Corporate income tax	60,340,903,996	153,190,004,819	(62,667,250,995)	150,863,657,820
Personal income tax	4,909,877,920	61,779,222,618	(63,836,669,213)	2,852,431,325
Natural resource taxes and mineral exploitation rights fees	456,960,000	20,599,698,984	(16,554,195,021)	4,502,463,963
Others	567,409,232	26,405,360,987	(12,853,677,252)	14,119,092,967
	<u>79,848,905,083</u>	<u>450,562,978,655</u>	<u>(336,576,861,132)</u>	<u>193,835,022,606</u>

17 OTHER SHORT-TERM PAYABLES

	30.6.2024 VND	31.12.2023 VND
Dividends payable	-	1,249,581,441,000
Others	10,382,360,333	11,157,855,609
	<u>10,382,360,333</u>	<u>1,260,739,296,609</u>

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18 SHORT-TERM BORROWINGS

	As at 1.1.2024 VND	Addition VND	Repayment VND	Foreign currency translation VND	As at 30.6.2024 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Office	542,366,818,973	430,027,468,517	(587,470,710,406)	-	384,923,577,084
• Short-term loan – VND (i)	136,896,793,018	-	(136,896,793,018)	-	-
• Factoring L/C with recourse					
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Thanh Branch (ii)	32,965,983,893	121,320,920,276	(85,830,503,321)	-	68,456,400,848
• Short-term loan – VND	249,328,397,744	820,851,899,202	(718,865,925,741)	31,796,455	351,346,167,660
• Short-term loan – USD					
Kasikornbank Public Company Limited – Ho Chi Minh Branch	197,734,575,720	241,720,268,030	(439,454,843,750)	-	-
Shinhan Bank (Vietnam) Ltd – Pham Hung Branch	85,272,445,622	18,971,266,523	(104,243,712,145)	-	-
HSBC Vietnam – Hanoi Branch	54,483,869,916	26,400,867,570	(80,884,737,486)	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam – Eastern Hai Phong Branch (iii)	15,083,114,871	21,284,168,551	(22,996,633,183)	152,738,244	13,523,388,483
Standard Chartered Bank (Vietnam)	13,880,657,448	16,826,198,937	(30,706,856,385)	-	-
	<u>1,328,012,657,205</u>	<u>1,697,403,057,606</u>	<u>(2,207,350,715,435)</u>	<u>184,534,699</u>	<u>818,249,534,075</u>

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18 SHORT-TERM BORROWINGS (CONTINUED)

Detail of outstanding short-term borrowing balances as at 30 June 2024 are as follows:

No	Lenders	Credit limit and period	Balance VND	Interest rate/year	Purpose	Collaterals
i	Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Office	Credit limit of VND 865 billion or foreign currency equivalent, including: <ul style="list-style-type: none"> Duc Giang Lao Cai Chemicals Limited Company: Credit limit of VND 700 billion or foreign currency equivalent. The period of each loan does not exceed 4 months from the date of drawdown. The loan is disbursed during the period in VND. Viet Nam Apatite – Phosphorus Joint Stock Company: Credit limit of VND 80 billion or foreign currency equivalent. The period of each loan does not exceed 6 months from the date of drawdown. The loan is disbursed during the period in VND. Phosphorus 6 One Member Company Limited: Credit limit of VND 50 billion or foreign currency equivalent. The period of each loan does not exceed 6 months from the date of drawdown. The loan is disbursed during the period in VND. Tia Sang Battery Joint Stock Company: Credit limit of VND 35 billion or foreign currency equivalent. The period of each loan is determined by each drawdown. The loan is disbursed during the period in VND. 	256,346,515,393	2.10% per annum	Supplement working capital	None
			61,835,899,610	2.10% per annum	Supplement working capital	None
			47,971,377,090	2.10% per annum	Supplement working capital	Term deposit contracts of VND 60 billion.
			18,769,784,991	2.10% per annum	Supplement working capital	None

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18 SHORT-TERM BORROWINGS (CONTINUED)

Detail of outstanding short-term borrowing balances as at 30 June 2024 are as follows (continued):

No	Lenders	Credit limit and period	Balance VND	Interest rate/year	Purpose	Collaterals
ii	Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Thanh Branch	Credit limit of VND 1,000 billion or foreign currency equivalent, including: <ul style="list-style-type: none"> Duc Giang Lao Cai Chemicals Limited Company: Credit limit of VND 800 billion or foreign currency equivalent. The period of each loan does not exceed 6 months from the date of drawdown. The loan is disbursed during the period in USD and VND. Viet Nam Apatite – Phosphorus Joint Stock Company: Credit limit of VND 200 billion or foreign currency equivalent. The period of each loan does not exceed 6 months from the date of drawdown. The loan is disbursed during the period in VND. 	351,346,167,660	2.1% – 3.3% per annum	Supplement working capital	None
			68,456,400,848	2.1% – 2.4% per annum	Supplement working capital	None
iii	Joint Stock Commercial Bank for Investment and Development of Vietnam – Eastern Hai Phong Branch	Tia Sang Battery Joint Stock Company: Credit limit of VND 40 billion or foreign currency equivalent. The period of each loan is determined by each drawdown. The loan is disbursed during the period in USD and VND.	13,523,388,483	2.1% – 3.3% per annum	Supplement working capital, guarantee, open LC	Fixed assets with net book value of VND 5.4 billion.
Total			818,249,534,075			

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19 BONUS AND WELFARE FUND

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 31.12.2023 VND
Beginning of period/year	375,194,310,354	145,935,230,892
Increase in period/year (Note 22)	201,999,455,952	358,172,010,054
Increase due to acquisition of subsidiary	-	653,900,859
Utilisation in period/year	(62,160,635,489)	(126,244,975,071)
Depreciation of fixed assets funded by the Bonus and Welfare Fund	(1,660,928,190)	(3,321,856,380)
End of period/year	<u>513,372,202,627</u>	<u>375,194,310,354</u>

20 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit.

The details of deferred income tax assets and liabilities are as follows:

	30.6.2024 VND	31.12.2023 VND (As restated – Note 3)
Deferred income tax assets:		
Deferred income tax assets to be recovered within 12 months	<u>855,794,447</u>	<u>423,057,991</u>
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	65,020,008,856	66,618,151,140
Deferred income tax liabilities to be settled within 12 months	<u>3,327,857,543</u>	<u>3,385,772,642</u>
	<u>68,347,866,399</u>	<u>70,003,923,782</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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20 DEFERRED INCOME TAX (CONTINUED)

The gross movements in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, during the period/year were as follows:

Deferred income tax assets:

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 31.12.2023 VND
Beginning of period/year	423,057,991	100,264,307
Credit to consolidated income statement (Note 31)	432,736,456	322,793,684
End of period/year	<u>855,794,447</u>	<u>423,057,991</u>

Deferred income tax liabilities:

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 31.12.2023 VND (As restated – Note 3)
Beginning of period/year	70,003,923,782	-
Acquisition of subsidiary	-	71,647,997,178
Credit to consolidated income statement (Note 31)	(1,656,057,383)	(1,644,073,396)
End of period/year	<u>68,347,866,399</u>	<u>70,003,923,782</u>

(a) **Deferred income tax assets**

	30.6.2024 VND	31.12.2023 VND
Deductible temporary differences related to unrealised profits	<u>855,794,447</u>	<u>423,057,991</u>

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20 DEFERRED INCOME TAX (CONTINUED)

(b) Deferred income tax liabilities

	30.6.2024 VND	31.12.2023 VND (As restated – Note 3)
Differences in asset revaluation resulted from business combination	68,347,866,399	70,003,923,782

The tax rate used to determine the value of deferred income tax assets in 2024 is 20% (2023: 20%). The tax rate used to determine the value of deferred income tax liabilities in 2024 is from 5% to 20% (2023: from 5% to 20%).

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

21 OWNERS' CAPITAL

(a) Number of shares

	30.6.2024 Ordinary shares	31.12.2023 Ordinary shares
Number of shares registered	379,779,286	379,779,286
Number of shares issued	379,779,286	379,779,286
Number of shares repurchased	(873)	(873)
Number of existing shares in circulation	379,778,413	379,778,413

(b) Details of owners' shareholding

	30.6.2024		31.12.2023	
	Ordinary shares	%	Ordinary shares	%
Mr. Dao Huu Huyen	69,794,354	18.378	69,794,354	18.378
Ms. Ngo Thi Ngoc Lan	25,205,068	6.637	25,205,068	6.637
Mr. Dao Huu Kha	22,667,148	5.969	22,667,148	5.969
Other shareholders	262,111,843	69.015	262,111,843	69.015
Treasury shares	873	0.001	873	0.001
Number of shares issued	379,779,286	100	379,779,286	100

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21 OWNERS' CAPITAL (CONTINUED)

(c) Movement of share capital

	Number of shares	Ordinary shares VND	Treasury shares VND	Total VND
As at 1 January 2023	379,779,286	3,797,792,860,000	(8,730,000)	3,797,784,130,000
As at 31 December 2023	379,779,286	3,797,792,860,000	(8,730,000)	3,797,784,130,000
As at 30 June 2024	379,779,286	3,797,792,860,000	(8,730,000)	3,797,784,130,000

Par value per share: VND 10,000.

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22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development funds VND	Undistributed earnings VND	Total VND (As restated – Note 3)	Non-controlling interests VND	Total of capital and reserves VND (As restated – Note 3)
As at 1 January 2023	3,797,792,860,000	1,786,667,372,400	(849,228,747,207)	(8,730,000)	632,126,845,638	5,083,856,880,644	10,451,206,481,475	382,447,457,563	10,833,653,939,038
Increase due to acquisition of subsidiary	-	-	-	-	-	-	-	75,585,861,976	75,585,861,976
Net profit for the year (As restated – Note 3)	-	-	-	-	-	3,110,379,605,233	3,110,379,605,233	141,675,834,026	3,252,055,439,259
Appropriation to investment and development funds	-	-	-	-	344,802,025,776	(344,802,025,776)	-	-	-
Utilisation development investment fund in the year	-	-	-	-	(4,258,703,213)	-	(4,258,703,213)	-	(4,258,703,213)
Appropriation to bonus and welfare funds	-	-	-	-	-	(331,180,273,589)	(331,180,273,589)	(26,991,736,465)	(358,172,010,054)
Cash dividend distribution	-	-	-	-	-	(1,519,113,652,000)	(1,519,113,652,000)	(242,418,069,590)	(1,761,531,721,590)
As at 31 December 2023	3,797,792,860,000	1,786,667,372,400	(849,228,747,207)	(8,730,000)	972,670,168,201	5,999,140,534,512	11,707,033,457,906	330,299,347,510	12,037,332,805,416
Net profit for the period	-	-	-	-	-	1,533,359,993,718	1,533,359,993,718	50,835,928,444	1,584,195,922,162
Appropriation to investment and development funds (*)	-	-	-	-	447,343,576,915	(447,343,576,915)	-	-	-
Appropriation to bonus and welfare funds (*)	-	-	-	-	-	(193,841,109,643)	(193,841,109,643)	(8,158,346,309)	(201,999,455,952)
Utilisation development investment fund in the year	-	-	-	-	(1,050,234,775)	-	(1,050,234,775)	-	(1,050,234,775)
Cash dividend distribution (*)	-	-	-	-	-	-	-	(14,087,284,768)	(14,087,284,768)
As at 30 June 2024	3,797,792,860,000	1,786,667,372,400	(849,228,747,207)	(8,730,000)	1,418,963,510,341	6,891,315,841,672	13,045,502,107,206	358,889,644,877	13,404,391,752,083

(*) Appropriation of 2023 profit was conducted in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD of Duc Giang Chemicals Group Joint Stock Company dated 29 March 2024, the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD of Vietnam Apatite - Phosphorus Joint Stock Company dated 27 March 2024, and the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD of Tia Sang Battery Joint Stock Company dated 15 March 2024.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

23 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare funds by the weighted average number of ordinary shares outstanding during the year adjusted for bonus shares issued during the year and excluding treasury shares. The details were as follows:

	From 1.1.2024 to 30.6.2024	From 1.1.2023 to 30.6.2023
Net profit attributable to shareholders (VND)	1,533,359,993,718	1,627,874,916,726
Less amount appropriated to bonus and welfare funds (*)	(92,001,599,623)	(97,672,495,004)
Profit for calculation basic profit per share	1,441,358,394,095	1,530,202,421,722
Weighted average number of ordinary shares in issue (shares)	379,778,413	379,778,413
Basic earnings per share (VND)	<u>3,795</u>	<u>4,029</u>

(*) The bonus and welfare fund is temporarily calculated based on the same method of the previous period.

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted during the period and up to the date of this interim consolidated financial statements. Therefore, the diluted earnings per share is equal to the basic earnings per share.

24 OFF INTERIM CONSOLIDATED BALANCE SHEET ITEMS**Foreign currencies**

As at 30 June 2024, included in cash and cash equivalents were balances held in currencies other than VND of USD 3,720,405.37 and EUR 80.91 (as at 31 December 2023: USD 1,128,876.07 and EUR 585.95).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

25 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Revenue		
Revenue from sales of merchandise	1,117,350,148	17,205,618,298
Revenue from sales of finished goods	4,883,665,723,486	4,883,133,218,395
Revenue from rendering of services	7,057,631,893	7,222,972,519
	<u>4,891,840,705,527</u>	<u>4,907,561,809,212</u>
Sales deductions		
Sales rebates	(2,570,251,671)	(10,870,468,841)
	<u>(2,570,251,671)</u>	<u>(10,870,468,841)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandise	1,117,350,148	17,205,618,298
Net revenue from sales of finished goods	4,881,095,471,815	4,872,262,749,554
Net revenue from rendering of services	7,057,631,893	7,222,972,519
	<u>4,889,270,453,856</u>	<u>4,896,691,340,371</u>

26 COST OF GOODS SOLD AND SERVICES RENDERED

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Cost of merchandise sold	845,847,238	15,932,402,544
Cost of finished goods sold	3,138,874,047,156	3,050,317,304,297
	<u>3,139,719,894,394</u>	<u>3,066,249,706,841</u>

27 FINANCIAL INCOME

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Interest income from deposits	265,011,116,697	295,754,251,601
Realised foreign exchange gains	64,470,935,090	49,691,131,458
Gain from foreign currency translation at period-end	799,429,827	-
	<u>330,281,481,614</u>	<u>345,445,383,059</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

28 FINANCIAL EXPENSES

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Interest expense	11,814,592,621	15,671,128,234
Realised foreign exchange losses	21,850,561,152	19,124,847,276
Loss from foreign currency translation at period-end	250,125,934	9,966,649,949
	<u>33,915,279,707</u>	<u>44,762,625,459</u>

29 SELLING EXPENSES

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Transportation	157,819,643,414	147,805,328,384
External services	40,986,605,085	56,745,975,359
Staff costs	11,713,698,550	10,217,384,238
Depreciation and amortisation	699,645,955	560,547,546
Others	10,646,190,348	7,252,208,145
	<u>221,865,783,352</u>	<u>222,581,443,672</u>

30 GENERAL AND ADMINISTRATION EXPENSES

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Staff costs	37,337,497,740	40,115,641,154
Depreciation and amortisation	8,137,948,522	7,984,077,565
External services	20,459,447,588	12,126,682,713
Others	14,925,662,076	12,879,275,564
	<u>80,860,555,926</u>	<u>73,105,676,996</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

31 CORPORATE INCOME TAX (“CIT”)

The CIT on the Group’s accounting profit before tax differs from theoretical amount that would arise using the applicable tax rate of 20% as follows:

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Accounting profit before tax	1,735,297,133,142	1,834,819,449,372
Tax calculated at a rate of 20%	347,059,426,628	366,963,889,874
Effect of:		
- Tax reduction, exemption (*)	(203,672,236,768)	(235,963,419,041)
- Expenses not deductible for tax purposes	7,714,021,120	1,958,885,552
CIT charge (**)	<u>151,101,210,980</u>	<u>132,959,356,385</u>
Charged/(credited) to the interim consolidated income statement:		
CIT - current	153,190,004,819	134,926,223,465
CIT - deferred	(2,088,793,839)	(1,966,867,080)
CIT charge (**)	<u>151,101,210,980</u>	<u>132,959,356,385</u>

(*) The Group is entitled to CIT incentives for the investment projects of its subsidiaries, including:

➤ *Duc Giang Lao Cai Chemicals Limited Company:*

- Project Phosphorus Production Furnace No.1 and No. 2: tax rate of 10% for 15 years since operation (from 2009 to 2023), tax-exempt for 4 years from the first year of having income from the project (from 2010 to 2013) and tax reduction of 50% for the following 9 years (from 2014 to 2022);
- Project of Rich Phosphate Factory and Dicalcium Phosphate (DCP) Factory: tax rate of 10% for 15 years since the project started its operation (from 2014 to 2028), tax-exemption for 4 years from year of having income from the project (from 2015 to 2018) and tax reduction of 50% for the following 9 years (from 2019 to 2027);
- Project of Mono Ammonium Phosphate (MAP) Factory: tax rate of 10% for 13 years since the project started its operation (from 2016 to 2028), tax-exemption for 3 years from year of having income from the project (from 2016 to 2018) and tax reduction of 50% for the following 9 years (from 2019 to 2027);
- Project for Factory producing extracted phosphoric acid and rich phosphate fertilizer (TSP): 10% tax rate for 15 years since the project started its operation (from 2014 to 2028), tax-exempt for 4 years from the year of having income from the project (from 2014 to 2017) and tax reduction of 50% for the following 9 years (from 2018 to 2026);
- The project of Silicate production line and other taxable activities: preferential tax rate of 10% for 15 years from the year of having income from the first project (from 2009 to 2023).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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31 CORPORATE INCOME TAX (“CIT”) (CONTINUED)

- *Duc Giang Lao Cai Chemicals Limited Company (continued):*
 - Project of factory producing food phosphoric acid and phosphate salts: the tax rate is 10% for 15 years from the year the project started its operation (from 2016 to 2030), tax-exempt for 4 years from the year of having income from the project (from 2016 to 2019) and 50% tax deduction in next 9 years (from 2020 to 2028); and
 - Project of factory producing food phosphoric acid and phosphate salts phase 2: tax-exempt for 4 years from the year of having income from the project (from 2021 to 2025) and 50% tax deduction in next 9 years (from 2026 to 2034).
- *Vietnam Apatite - Phosphorus Joint Stock Company:*
 - Yellow phosphorus production project: tax rate of 10% for 15 years since the project started its operation (from 2018 to 2032), tax-exempt for 4 years from the year of having income from the project (from 2018 to 2021) and 50% tax deduction in next 9 years (from 2022 to 2030).
- *Duc Giang - Dinh Vu Chemicals One Member Company Limited:*
 - Chemical storage project: tax rate of 10% within 15 years since the year of generating revenue from activities having tax incentives (from 2013 to 2027), Income from the project is subject to tax exemption for 4 years from the year of generating taxable income (from 2015 to 2018) and 50% tax deduction in next 9 years (from 2019 to 2027).
- *Phosphorus 6 One Member Company Limited:*
 - Yellow phosphorus production project: tax rate of 10% for 9 years since the project started its operation (from 2023 to 2031) and 50% tax deduction in next 9 years from the year of having income from the project (from 2023 to 2031).

(**) The CIT charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

32 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent expenses incurred during the period from the Group's production and business activities, excluding the purchase price of goods incurred in trading activities. Details are presented as follows:

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Raw materials	1,901,075,883,080	1,580,819,231,361
External services	1,055,276,374,559	899,714,382,633
Staff costs	350,600,643,850	331,924,441,390
Depreciation and amortisation of fixed assets and goodwill	195,854,031,395	160,989,098,670
Others	63,337,952,999	64,852,735,763
	<u>3,566,144,885,883</u>	<u>3,038,299,889,817</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

33 SEGMENT REPORTING

The Board of Management of the Company determines that the managerial decisions of the Group are based primarily on the type of products and services provided by the Group. As a result, the primary segment reporting of the Group is presented in respect of the Group's business segments.

Primary segment report (business segments)

During the six-month period ended 30 June 2024, revenue from sales of finished goods (mainly Yellow Phosphorus and Acids of all kinds) accounted for 99.83% of the Group's total revenue (six-month period ended 30 June 2023: 99.5%). Accordingly, the Group does not present Segment report by business sector.

Secondary segment report (geographical segments)

Segment information of net revenue from sales of goods and rendering of services based on the geographical location of customers is as follows:

	From 1.1.2024 to 30.6.2024		
	Domestic VND	Overseas VND	Total VND
Total net revenue	1,617,251,230,565	3,272,019,223,291	4,889,270,453,856
Total expenses incurred for purchases of fixed assets (unallocated)	(*)	(*)	297,122,585,872
	<u> </u>	<u> </u>	<u> </u>
	From 1.1.2023 to 30.6.2023		
	Domestic VND	Overseas VND	Total VND
Total net revenue	1,083,601,799,872	3,813,089,540,499	4,896,691,340,371
Total expenses incurred for purchases of fixed assets (unallocated)	(*)	(*)	139,796,570,625
	<u> </u>	<u> </u>	<u> </u>

(*) The Group does not present expenses incurred for purchases of fixed assets on geographical segment report because the Group operates in one geographical area that is Vietnam and does not monitor fixed assets by customers' location.

34 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE INTERIM
CONSOLIDATED STATEMENT OF CASH FLOW

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
Rolled over interest income	<u>54,861,569,863</u>	<u>26,016,796,544</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

35 RELATED PARTY DISCLOSURES

Details of the key related parties and relationship are given as below:

Related parties	Relationship
Member of the Board of Directors ("BOD"), Board of Management, Board of Supervision ("BOS"), Chief Accountant and other related individuals Van Minh Company Limited	Key management/Shareholders Under common control of the Company's Chairman

(a) Related party transactions

The primary transactions with related parties incurred in the period are:

	From 1.1.2024 to 30.6.2024 VND	From 1.1.2023 to 30.6.2023 VND
<i>i) Sales of goods and rendering services</i> Van Minh Company Limited	76,220,848,637	73,980,989,091
<i>ii) Purchases of goods and services</i> Van Minh Company Limited	59,756,399,141	60,470,279,257
<i>iii) Compensation of key management</i>		
Mr. Dao Huu Huyen – Chairman of the BOD	152,000,000	154,000,000
Mr. Dao Huu Duy Anh – Member of the BOD/ General Director	980,829,759	803,515,507
Mr. Pham Van Hung – Member of the BOD/ Deputy General Director	743,419,904	795,144,423
Mr. Luu Bach Dat – Member of the BOD/ Deputy General Director	534,071,859	475,185,128
Mr. Nguyen Van Quang – Independent member of the BOD	24,000,000	48,000,000
Ms. Nguyen Thi Thu Ha – Independent member of the BOD	24,000,000	-
Mr. Nguyen Van Kien – Head of BOS	237,780,221	221,029,291
Mr. Vu Van Ngo – Member of BOS	36,000,000	36,000,000
Mrs. Pham Thi Thoa – Member of BOS	78,154,632	151,571,996
Mrs. Dao Thi Mai – Chief Accountant	645,220,111	513,468,484
	3,455,476,486	3,197,914,829
(b) Period/year-end balances with related parties	30.6.2024 VND	31.12.2023 VND
<i>Short-term trade accounts receivable (Note 6)</i> Van Minh Company Limited	9,689,163,948	8,157,152,141
<i>Short-term trade accounts payable (Note 14)</i> Van Minh Company Limited	5,166,711,724	3,785,028,638

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

36 COMMITMENTS

(a) Commitments under operating leases

Commitments under operating leases represents land rental of the Group. The future minimum lease payments under non-cancellable operating leases were as follows:

	30.6.2024 VND	31.12.2023 VND
Land rental:		
Within one year	6,898,517,623	5,881,227,809
Between one and five years	52,031,218,344	48,874,759,585
Over five years	509,909,679,657	516,649,650,804
Total minimum payments	<u>568,839,415,624</u>	<u>571,405,638,198</u>

(b) Capital commitments

Capital expenditure contracted for at the interim consolidated balance sheet date but not recognised in the interim consolidated financial statements was as follows:

	30.6.2024 VND	31.12.2023 VND
Property, plant and equipment	<u>672,133,650,469</u>	<u>631,979,482,546</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

37 CONTINGENT LIABILITIES

Obligation to rehabilitate and restore the environment - Apatite ore at Mine 25

The Company exploits apatite ore at Mine 25 within 6 years (2021 – 2026) and is obliged to rehabilitate and restore the environment for this ore mine after the mining period. According to Decision 1057/QĐ-BTNMT dated 7 May 2020 issued by the Ministry of Natural Resources and Environment, the total estimated costs of environmental rehabilitation and restoration related to mining apatite ore at Mine 25 is VND 8,005,545,000. This amount will be deposited in six instalments from 2021 to 2026 into the Environmental Protection Fund of Lao Cai Province to guarantee the fulfilment of the Company's obligation to rehabilitate and restore the environment (Note 8(b)).

Land restoration obligations

The Group signed land lease contracts and carried out the construction of infrastructure on these leased lands. Most of these land lease contracts do not state the Group's land restoration obligations. The Board of Directors of the Company assessed that the Group may have future obligations related to dismantling, removing the Group's assets from the lands and restoring the lands to their original conditions at the end of the lease terms. However, these obligations can only be ascertained when there are further events such as additional discussions with the lessors or when the competent authority promulgates additional legal documents clarifying the lessee's obligations when the land lease contract does not state the land restoration obligations. Accordingly, the Group did not recognise a provision for land restoration obligations in the Group's interim consolidated financial statements for the six-month period ended 30 June 2024.

38 EVENTS AFTER THE REPORTING PERIOD

On 31 July 2024, the Group approved the plan of merging Phosphorus 6 One-member Limited Company into Duc Giang Lao Cai Chemicals Limited Company. Accordingly, Phosphorus 6 One-member Limited Company would transfer all of its assets, rights, obligations and other legal interests to Duc Giang Lao Cai Chemicals Limited Company and cease its existence from the date of merger.

The interim consolidated financial statements for the six-month period ended 30 June 2024 were approved by the Board of Management of the Company on 14 August 2024.

Hoang Thuy Ha
Preparer

Dao Thi Mai
Chief Accountant



Dao Huu Duy Anh
General Director
Legal Representative