

DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024



DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement of the Board of Management	2
Independent Auditor's report	3
Consolidated balance sheet (Form B 01 – DN/HN)	5
Consolidated income statement (Form B 02 – DN/HN)	7
Consolidated cash flow statement (Form B 03 – DN/HN)	8
Notes to the consolidated financial statements (Form B 09 – DN/HN)	9

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 the Hanoi Department of Planning and Investment on 5 March 2004. The latest amendment (23rd) to the Enterprise Registration Certificate was issued on 26 December 2024.

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 (from 29 March 2024)
Mr. Nguyen Van Quang	Member (to 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

Statement of responsibility of the Board of Management of the Company in respect of the consolidated financial statements

The Board of Management of Duc Giang Chemicals Group Joint Stock Company (“the Company”) is responsible for preparing consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and the consolidated results of its financial performance and its consolidated cash flows for the year then ended. In preparing these 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 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 consolidated financial position of the Group and enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the 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 consolidated financial statements

We hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 53 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and the consolidated results of its financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Dao Huu Duy Anh
General Director
Legal Representative

Hanoi, SR Vietnam
26 February 2025



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of Duc Giang Chemicals Group Joint Stock Company ("the Company") and its subsidiaries (together, "the Group") which were prepared on 31 December 2024 and approved by the Board of Management of the Company on 26 February 2025. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 53.

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 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 consolidated financial statements, and for such internal control which the Board of Management determines is necessary to enable the preparation and presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matter

The independent auditor's report 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 Thế
Audit Practising License:
2043-2023-006-1
Authorised Representative

Report reference number: HAN 3888
Hanoi, 26 February 2025

Nguyen Van Nam
Practising License:
5082-2024-006-1

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2024 VND	2023 VND (As restated – Note 3)
100	CURRENT ASSETS		12,700,554,128,065	12,466,646,825,746
110	Cash and cash equivalents	4	115,781,847,631	1,060,574,918,860
111	Cash		90,121,347,631	48,074,918,860
112	Cash equivalents		25,660,500,000	1,012,500,000,000
120	Short-term investments		10,570,339,235,577	9,342,000,715,040
123	Investments held to maturity	5	10,570,339,235,577	9,342,000,715,040
130	Short-term receivables		979,616,786,629	1,129,510,487,178
131	Short-term trade accounts receivable	6	500,443,577,069	717,627,990,265
132	Short-term prepayments to suppliers	7	257,511,944,722	132,693,469,131
136	Other short-term receivables	8(a)	226,626,463,848	284,123,061,616
137	Provision for doubtful debts - short-term		(4,965,199,010)	(4,934,033,834)
140	Inventories	9	984,727,571,037	854,908,643,204
141	Inventories		985,030,430,826	855,121,112,037
149	Provision for decline in value of inventories		(302,859,789)	(212,468,833)
150	Other current assets		50,088,687,191	79,652,061,464
151	Short-term prepaid expenses		6,901,464,654	9,354,232,979
152	Value added tax ("VAT") to be reclaimed		42,140,612,700	69,737,828,485
153	Tax and other receivables from the State		1,046,609,837	560,000,000
200	LONG-TERM ASSETS		3,120,704,495,499	3,133,867,338,940
210	Long-term receivables		32,496,859,984	31,224,645,692
216	Other long-term receivables	8(b)	32,496,859,984	31,224,645,692
220	Fixed assets		2,495,504,871,071	2,456,834,598,979
221	Tangible fixed assets	11(a)	2,152,290,235,770	2,105,228,933,980
222	Historical cost		5,036,570,849,483	4,639,651,008,517
223	Accumulated depreciation		(2,884,280,613,713)	(2,534,422,074,537)
227	Intangible fixed assets	11(b)	343,214,635,301	351,605,664,999
228	Historical cost		356,070,834,289	356,070,834,289
229	Accumulated amortisation		(12,856,198,988)	(4,465,169,290)
240	Long-term assets in progress		161,253,406,174	225,371,527,019
242	Construction in progress	12	161,253,406,174	225,371,527,019
260	Other long-term assets		431,449,358,270	420,436,567,250
261	Long-term prepaid expenses	10	349,565,061,422	339,649,498,560
262	Deferred income tax assets	20	321,010,721	423,057,991
263	Long-term spare parts, supplies and equipment		24,222,342,858	15,813,841,639
269	Goodwill	13	57,340,943,269	64,550,169,060
270	TOTAL ASSETS		15,821,258,623,564	15,600,514,164,686

pThe notes on pages 9 to 53 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(CONTINUED)

Code	RESOURCES	Note	As at 31 December	
			2024 VND	2023 VND (As restated – Note 3)
300	LIABILITIES		2,120,242,323,437	3,563,181,359,270
310	Short-term liabilities		2,053,342,950,641	3,492,906,503,052
311	Short-term trade accounts payable	14	313,173,681,804	190,111,045,870
312	Short-term advances from customers	15	72,040,064,302	61,792,801,018
313	Tax and other payables to the State	16	183,571,847,829	79,848,905,083
314	Payables to employees		145,898,267,073	191,405,812,186
315	Short-term accrued expenses		1,622,723,309	5,801,674,727
319	Other short-term payables	17	9,916,973,473	1,260,739,296,609
320	Short-term borrowings and finance lease liabilities	18	864,648,943,903	1,328,012,657,205
322	Bonus and welfare fund	19	462,470,448,948	375,194,310,354
330	Long-term liabilities		66,899,372,796	70,274,856,218
337	Other long-term payables		181,221,656	170,932,436
341	Deferred income tax liabilities	20	66,618,151,140	70,003,923,782
343	Fund for scientific and technological development		100,000,000	100,000,000
400	OWNERS' EQUITY		13,701,016,300,127	12,037,332,805,416
410	Capital and reserves		13,701,016,300,127	12,037,332,805,416
411	Owners' capital	21,22	3,797,792,860,000	3,797,792,860,000
411a	- Ordinary shares 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	1,417,464,445,654	972,670,168,201
421	Undistributed earnings	22	7,205,267,275,993	5,999,140,534,512
421a	- Undistributed post-tax profits of previous years		5,128,459,953,551	4,178,378,686,876
421b	- Undistributed post-tax profit of current year		2,076,807,322,442	1,820,761,847,636
429	Non-controlling interests	22	343,061,823,287	330,299,347,510
440	TOTAL RESOURCES		15,821,258,623,564	15,600,514,164,686

Hoang Thuy Ha
Preparer

Dao Thi Mai
Chief Accountant



Dao Huu Duy Anh
General Director
Legal Representative
26 February 2025

The notes on pages 9 to 53 are an integral part of these consolidated financial statements.


CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2024 VND	2023 VND (As restated – Note 3)
01	Revenue from sales of goods and rendering of services	9,870,655,430,211	9,761,057,850,158
02	Less deductions	(5,685,669,738)	(13,043,092,285)
10	Net revenue from sales of goods and rendering of services	9,864,969,760,473	9,748,014,757,873
11	Cost of goods sold and services rendered	(6,415,482,365,842)	(6,310,953,256,548)
20	Gross profit from sales of goods and rendering of services	3,449,487,394,631	3,437,061,501,325
21	Financial income	649,243,063,937	739,261,173,763
22	Financial expenses	(69,127,470,601)	(98,468,801,772)
23	- Including: Interest expenses	(21,654,372,047)	(31,946,744,275)
25	Selling expenses	(447,124,707,178)	(435,691,263,950)
26	General and administration expenses	(170,651,068,755)	(145,403,264,996)
30	Net operating profit	3,411,827,212,034	3,496,759,344,370
31	Other income	5,765,045,537	2,747,898,574
32	Other expenses	(17,316,746,042)	(4,130,611,064)
40	Net other expenses	(11,551,700,505)	(1,382,712,490)
50	Accounting profit before tax	3,400,275,511,529	3,495,376,631,880
51	Corporate income tax ("CIT") - current	(296,157,417,008)	(246,678,968,775)
52	CIT - deferred	3,283,725,372	3,357,776,154
60	Profit after tax	3,107,401,819,893	3,252,055,439,259
	Attributable to:		
61	Shareholders of the Company	2,986,646,667,039	3,110,379,605,233
62	Non-controlling interests	120,755,152,854	141,675,834,026
70	Basic earnings per share	7,392	7,699
71	Diluted earnings per share	7,392	7,699


Hoang Thuy Ha
Preparer


Dao Thi Mai
Chief Accountant




Dao Huu Duy Anh
General Director
Legal Representative
26 February 2025

The notes on pages 9 to 53 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
 (Indirect method)

Code	Note	Year ended 31 December	
		2024 VND	2023 VND (As restated – Note 3)
CASH FLOWS FROM OPERATING ACTIVITIES			
01		3,400,275,511,529	3,495,376,631,880
	Adjustments for:		
02	Depreciation and amortisation of fixed assets and goodwill	368,494,669,698	347,774,056,684
03	Provisions/(reversal of provisions)	121,556,132	(1,571,346,784)
04	Unrealised foreign exchange losses	1,334,769,930	3,235,954,133
05	Profits from investing activities	(541,155,668,264)	(626,999,292,735)
06	Interest expenses	21,654,372,047	31,946,744,275
08	Operating profit before changes in working capital	3,250,725,211,072	3,249,762,747,453
09	Decrease/(increase) in receivables	242,691,164,980	(132,842,736,983)
10	(Increase)/decrease in inventories	(138,317,820,008)	197,687,653,754
11	Increase/(decrease) in payables	90,616,630,216	(181,824,146,393)
12	Decrease in prepaid expenses	48,714,428,331	74,119,035,800
14	Interest paid	(20,721,921,171)	(31,782,499,657)
15	CIT paid	(242,832,029,335)	(264,989,999,044)
17	Other payments on operating activities	(111,401,460,978)	(126,244,975,071)
20	Net cash inflows from operating activities	3,119,474,203,107	2,783,885,079,859
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(522,002,864,265)	(250,811,930,649)
22	Proceeds from disposals of fixed assets and other long-term assets	1,066,666,667	560,677,046
23	Loans granted, purchases of debt instruments of other entities	(9,702,648,116,120)	(9,667,171,000,000)
24	Collection of loans, proceeds from sales of debt instruments of other entities	8,534,234,778,054	7,857,353,555,801
25	Investments in other entities	-	(763,637,682,601)
27	Dividends and interest received	537,030,186,854	485,351,970,475
30	Net cash outflows from investing activities	(1,152,319,348,810)	(2,338,354,409,928)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	3,687,971,107,058	3,446,634,447,927
34	Repayments of borrowings	(4,155,661,039,828)	(2,593,284,511,814)
36	Dividends paid, profits distributed to owners	(2,444,511,581,118)	(1,773,781,299,590)
40	Net cash outflows from financing activities	(2,912,201,513,888)	(920,431,363,477)
50	Net decrease in cash and cash equivalents of year	(945,046,659,591)	(474,900,693,546)
60	Cash and cash equivalents at beginning of year	1,060,574,918,860	1,535,474,845,085
61	Effect of foreign exchange differences	253,588,362	767,321
70	Cash and cash equivalents at end of year	115,781,847,631	1,060,574,918,860



 Hoang Thuy Ha
 Preparer



 Dao Thi Mai
 Chief Accountant

 Dao Huu Duy Anh
 General Director
 Legal Representative
 26 February 2025

The notes on pages 9 to 53 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 which was issued by Hanoi Department of Planning and Investment. The latest amendment (23rd) to the Enterprise Registration Certificate was issued on 26 December 2024.

The Company's shares are listed on the Ho Chi Minh City Stock Exchange (“HOSE”) with the stock trading code of ‘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 31 December 2024, the Group had three (03) dependent accounting units (Hung Yen Branch, Binh Duong Branch and Lao Cai Branch) and eight (08) subsidiaries. The details are as follows:

Subsidiaries	Principal activities	Place of incorporation and operation	As at 31.12.2024 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 One Member Company Limited	Industrial manufacturing	Tinh Gia District, Thanh Hoa	100%	100%
5. Duc Giang Chemicals Sports One Member Company Limited	Sports activities	Long Bien District, Hanoi	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1 GENERAL INFORMATION (CONTINUED)

Subsidiaries	Principal activities	Place of incorporation and operation	As at 31.12.2024 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%

(*) *The Group acquired Phosphorus 6 One Member Limited Company in 2023 and this subsidiary was merged to Duc Giang Lao Cai Chemicals Limited Company since 01 December 2024.*

As at 31 December 2024, the Group had 2,622 employees (as at 31 December 2023: 2,528 employees).

Statement of information comparability in the consolidated financial statements

The comparative figures presented on the consolidated financial statements for the year ended 31 December 2024 are the figures of the audited consolidated financial statements for the year ended 31 December 2023 which have been restated (Note 3).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of the consolidated financial statements

The 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 consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention except for business combinations as presented in Note 2.5.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.2 Fiscal year**

The Company's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

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 year. 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 consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are translated at the transfer rate at the 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 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.5 Basis of consolidation (continued)****Subsidiaries (continued)**

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between years.

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.

Transactions leading to the change in the Group's ownership 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.

Transactions leading to the change in the Group's ownership 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 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 consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 consolidated balance sheet and 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 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 year is higher than the annual goodwill charge, the Group records the impairment immediately in the financial year.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 of 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 year 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 year 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 consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the 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 year and the provision of the previous year is recognised as an increase or decrease of general and administrative expenses in the year. Bad debts are written off when identified as uncollectible.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 year and the provision of the previous year is recognised as an increase or decrease of cost of goods sold in the year.

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 consolidated income statement when incurred in the year.

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 method, 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 – 7 years
Computer software	5 years
Phosphorus production right	41 years

(*) Motor vehicles used for apatite ore mining at Khai Truong 25 mine are depreciated based on the units of production basis, which is expected to be within 6 years (2021 – 2026).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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.

Phosphorus production right is amortised over the remaining period of the project of phosphorus production furnace No.6

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 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 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 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 basis over the prepaid lease term. Site clearance costs related to the leased land are allocated in proportion to the prepaid lease term.

Fees for mineral exploitation right in connection with mining apatite ore at Khai Truong 25 mine of the Group are amortised based on the estimated exploitation volume, which is expected to be 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 consolidated balance sheet based on the remaining period from the 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 consolidated balance sheet based on the remaining period from the 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 year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.17 Accrued expenses

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 year 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 year in which the dividends 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 for expansion of 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 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 with 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 of employees. Accordingly, the Group recognises fixed assets in the consolidated financial statements and depreciates them over their estimated useful lives (Note 2.12). However, the depreciation of these fixed assets is not recognised in the operating expenses of 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 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 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 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 in the consolidated income statement on the basis of the actual time and interest rates for each period when both (2) following conditions are satisfied:

- It is probable that economic benefits associated with the transaction will flow to the Company; 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 year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year.

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

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 year 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 year for financial activities including expenses of borrowing and losses from foreign exchange differences.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 year taxable profits at the current year tax rates. Current and deferred income tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, 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 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 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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”). The Board of Management of the Company has determined that the business's risk and profitability are primarily influenced by differences in the types of products and services the Group provides. As a result, the primary segment reporting of the Group is presented in respect of the Group’s business segments

2.30 Critical accounting estimates

The preparation of consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of 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 consolidated financial statements and the reported amounts of revenues and expenses during the year.

The areas involving significant estimates and assumptions in the 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 material financial impact on the Group’s consolidated financial statements 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.

During the year ended 31 December 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 20243 RESTATEMENTS OF COMPARATIVE FIGURES RELATING TO THE BUSINESS
COMBINATION (CONTINUED)

	Fair value at acquisition date		
	As previously recognised VND	Adjustment VND	As revaluated 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
	377,303,825,404	316,012,620,233	693,316,445,637
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)
	(14,352,791,336)	(54,357,003,658)	(68,709,794,994)
Total identifiable net assets	362,951,034,068	261,655,616,575	624,606,650,643
Goodwill	272,048,965,932	(261,655,616,575)	10,393,349,357

Accordingly, the comparative figures on the consolidated balance sheet, consolidated income statement and consolidated cash flow statement for the year ended 31 December 2023 have been restated as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 20243 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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 20243 RESTATEMENTS OF COMPARATIVE FIGURES RELATING TO THE BUSINESS
COMBINATION (CONTINUED)

Consolidated income statement (extracted):

Code		For the year ended 31 December 2023		
		As previously reported VND	Adjustment VND	As restated VND
11	Cost of goods sold and services rendered	(6,308,034,750,907)	(2,918,505,641)	(6,310,953,256,548)
20	Gross profit from sales of goods and rendering of services	3,439,980,006,966	(2,918,505,641)	3,437,061,501,325
26	General and administration expenses	(158,572,657,070)	13,169,392,074	(145,403,264,996)
30	Net operating profit	3,486,508,457,937	10,250,886,433	3,496,759,344,370
50	Accounting profit before tax	3,485,125,745,447	10,250,886,433	3,495,376,631,880
52	CIT - deferred	3,214,299,169	143,476,985	3,357,776,154
60	Profit after tax	3,241,661,075,841	10,394,363,418	3,252,055,439,259
61	Attributable to: Shareholders of the Company	3,099,985,241,815	10,394,363,418	3,110,379,605,233
70	Basic earnings per share	7,673	26	7,699
71	Diluted earnings per share	7,673	26	7,699

Consolidated cash flow statement (extracted):

Code		For the year ended 31 December 2023		
		As previously reported VND	Adjustment VND	As restated VND
01	Accounting profit before tax	3,485,125,745,447	10,250,886,433	3,495,376,631,880
02	Depreciation and amortisation of fixed assets and goodwill	358,024,943,117	(10,250,886,433)	347,774,056,684

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

4 CASH AND CASH EQUIVALENTS

	31.12.2024 VND	31.12.2023 VND
Cash on hand	1,868,058,654	2,134,438,989
Cash at banks	88,253,288,977	45,940,479,871
Cash equivalents (*)	25,660,500,000	1,012,500,000,000
	<u>115,781,847,631</u>	<u>1,060,574,918,860</u>

(*) Included deposits at domestic commercial banks with original maturity of three months or less and interest rate ranging from 1.6% per annum to 4.7% per annum (2023: from 0.3% per annum to 3.55% per annum).

5 INVESTMENTS HELD TO MATURITY

	31.12.2024		31.12.2023	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>10,570,339,235,577</u>	<u>10,570,339,235,577</u>	<u>9,342,000,715,040</u>	<u>9,342,000,715,040</u>

Included term deposits at domestic commercial banks with original terms over 3 months and the remaining terms less than 12 months and interest rates ranging from 4.1% to 6.0% per annum in VND (2023: from 4.3% to 9.2% per annum) and 0% per annum in USD.

As at 31 December 2024, the Group has a term deposit of VND 217.5 billion pledged as collateral for short-term borrowings with banks and for the issuance of letter of guarantee for electricity payment of the Group and payment obligations to the Dak Nong Provincial Industrial Parks Management Board.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

6 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	31.12.2024 VND	31.12.2023 VND
Third parties (*)	486,035,883,987	709,470,838,124
Related parties (Note 35(b))	14,407,693,082	8,157,152,141
	<u>500,443,577,069</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:

	31.12.2024 VND	31.12.2023 VND
Perimeter Solutions De GMBH	66,715,667,100	-
Mitsubishi Corporation	60,813,553,912	38,618,709,360
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>

7 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31.12.2024 VND	31.12.2023 VND
Third parties	257,511,944,722	132,693,469,131
	<u> </u>	<u> </u>

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

	31.12.2024 VND	31.12.2023 VND
China Tianchen Engineering Corporation	161,977,073,076	96,316,002,612
	<u> </u>	<u> </u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8 OTHER RECEIVABLES

	31.12.2024 VND	31.12.2023 VND
(a) Short-term		
Interest income from bank deposits	225,323,550,208	282,174,690,662
Others	1,302,913,640	1,948,370,954
	<u>226,626,463,848</u>	<u>284,123,061,616</u>
(b) Long-term		
Deposits	25,500,000,000	25,500,000,000
Environmental protection fund of Lao Cai Province (Note 37)	6,996,859,984	5,724,645,692
	<u>32,496,859,984</u>	<u>31,224,645,692</u>

9 INVENTORIES

	<u>31.12.2024</u>		<u>31.12.2023</u>	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	142,191,315,000	-	-	-
Raw materials	332,252,789,066	-	352,593,979,740	-
Tools and supplies	78,910,229,668	-	57,086,651,738	-
Work in progress	1,407,552,136	-	18,398,659,970	-
Finished goods	430,268,544,956	(302,859,789)	427,041,820,589	(212,468,833)
	<u>985,030,430,826</u>	<u>(302,859,789)</u>	<u>855,121,112,037</u>	<u>(212,468,833)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

10 LONG-TERM PREPAID EXPENSES

	31.12.2024 VND	31.12.2023 VND
Land clearance costs (i)	111,758,837,780	116,956,825,868
Land rental fees (ii)	68,894,991,999	71,635,140,146
Expenses incurred for mining apatite ore at Khai Truong 25 Mine (iii)	59,271,786,555	81,994,461,681
Favourable land use right (iv)	28,528,206,790	30,010,374,339
Repair and maintenance of fixed assets	65,457,777,026	16,510,838,047
Others	15,653,461,272	22,541,858,479
	<u>349,565,061,422</u>	<u>339,649,498,560</u>

- (i) Included the prepayments for site clearance which are amortised on straight-line basis from 16 to 49 years in accordance with the periods of the land rental contracts.
- (ii) Included the prepayments for land rental fees which are amortised on straight-line basis from 29 years to 37 years in accordance with the periods of the land rental contracts.
- (iii) Mainly included expenses for site clearance, fees for using data and information on results of mineral assessment, fees for mineral exploitation right at Khai Truong 25 Mine which 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND (As restated – Note 3)
Historical cost					
As at 1 January 2024					
(As restated – Note 3)	2,357,361,883,826	1,999,375,810,844	262,957,892,596	19,955,421,251	4,639,651,008,517
New purchases	-	18,901,231,440	14,988,526,107	-	33,889,757,547
Transfers from construction in progress (Note 12)	146,585,971,184	222,410,983,526	-	637,434,134	369,634,388,844
Disposals	-	(4,284,381,818)	(2,319,923,607)	-	(6,604,305,425)
As at 31 December 2024	<u>2,503,947,855,010</u>	<u>2,236,403,643,992</u>	<u>275,626,495,096</u>	<u>20,592,855,385</u>	<u>5,036,570,849,483</u>
Accumulated depreciation					
As at 1 January 2024					
(As restated – Note 3)	(1,022,407,483,451)	(1,344,549,754,105)	(155,124,046,250)	(12,340,790,731)	(2,534,422,074,537)
Charge for the period	(140,096,945,601)	(178,400,031,786)	(36,014,065,717)	(1,705,227,485)	(356,216,270,589)
Disposals	-	4,284,381,818	2,073,349,595	-	6,357,731,413
As at 31 December 2024	<u>(1,162,504,429,052)</u>	<u>(1,518,665,404,073)</u>	<u>(189,064,762,372)</u>	<u>(14,046,018,216)</u>	<u>(2,884,280,613,713)</u>
Net book value					
As at 1 January 2024					
(As restated – Note 3)	<u>1,334,954,400,375</u>	<u>654,826,056,739</u>	<u>107,833,846,346</u>	<u>7,614,630,520</u>	<u>2,105,228,933,980</u>
As at 31 December 2024	<u>1,341,443,425,958</u>	<u>717,738,239,919</u>	<u>86,561,732,724</u>	<u>6,546,837,169</u>	<u>2,152,290,235,770</u>

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2024 was VND 1,474 billion (as at 31 December 2023: VND 538 billion).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11 FIXED ASSETS (CONTINUED)

(b) Intangible fixed assets

	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 31 December 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	(26,376,720)	(8,364,652,978)	-	(8,391,029,698)
As at 31 December 2024	(1,006,273,936)	(11,849,925,052)	-	(12,856,198,988)
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 31 December 2024	39,565,064	332,494,955,878	10,680,114,359	343,214,635,301

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

12 CONSTRUCTION IN PROGRESS

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

	2024 VND	2023 VND
Beginning of year	225,371,527,019	233,577,105,533
Increases	305,516,267,999	215,320,252,449
Increase due to acquisition of subsidiary	-	1,452,978,619
Transfers to tangible fixed assets (Note 11(a))	(369,634,388,844)	(224,978,809,582)
End of year	<u>161,253,406,174</u>	<u>225,371,527,019</u>

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

	31.12.2024 VND	31.12.2023 VND
Nghi Son chemical factory project (i)	135,445,877,867	134,304,010,000
Dak Nong factory project	5,288,311,899	35,340,592,212
Others	20,519,216,408	55,726,924,807
	<u>161,253,406,174</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 pursuant to the Decision No. 2152/QĐ-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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

13 GOODWILL

Movements of goodwill during the year are as follows:

	Vietnam Apatite – Phosphorus Joint Stock Company VND	Tia Sang Battery Joint Stock Company VND	Phosphorus 6 Limited Company VND (As restated – Note 3)	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 31 December 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)	(4,213,815,723)	(433,056,223)	(7,542,088,884)
Charge for the period	(551,469,891)	(5,618,420,964)	(1,039,334,936)	(7,209,225,791)
As at 31 December 2024	(3,446,686,829)	(9,832,236,687)	(1,472,391,159)	(14,751,314,675)
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 31 December 2024	2,068,012,114	46,351,972,957	8,920,958,198	57,340,943,269

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	31.12.2024		31.12.2023	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties (*)	310,614,460,098	310,614,460,098	186,326,017,232	186,326,017,232
Related parties (Note 35(b))	2,559,221,706	2,559,221,706	3,785,028,638	3,785,028,638
	<u>313,173,681,804</u>	<u>313,173,681,804</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 accounts payable balance are as follows:

	31.12.2024 VND	31.12.2023 VND
Sun International FZE	142,191,315,000	-
Lao Cai Chemical industry JSC	-	39,333,782,324
SBM Energy Services Joint Stock Company - Lao Cai Branch	<u>26,549,101,404</u>	<u>23,436,321,808</u>

15 SHORT-TERM ADVANCES FROM CUSTOMERS

	31.12.2024 VND	31.12.2023 VND
Third parties	<u>72,040,064,302</u>	<u>61,792,801,018</u>

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

	31.12.2024 VND	31.12.2023 VND
Korea-Vietnam fertilizer Co., Ltd	24,075,000,000	-
Thai Son Co., Ltd	8,526,450,000	-
K S International	3,427,830,000	37,007,147,802
Liven Nutrients PTE., Ltd	-	<u>6,920,358,750</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

16 TAXES AND PAYABLES TO THE STATE

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

	As at 1.1.2024 VND	Payable during the year VND	Payment during the year VND	Reclassification VND	As at 31.12.2024 VND
VAT on domestic sales	1,201,605,377	48,316,025,701	(45,851,150,733)	-	3,666,480,345
VAT on importation	3,654,098,871	103,404,445,084	(100,713,719,776)	-	6,344,824,179
Import, export tax	8,718,049,687	222,116,387,003	(219,110,230,089)	-	11,724,206,601
Corporate income tax	60,340,903,996	296,157,417,008	(242,832,029,335)	-	113,666,291,669
Personal income tax	4,909,877,920	129,522,495,089	(87,789,227,223)	486,609,837	47,129,755,623
Natural resource taxes and mineral exploitation rights fees	456,960,000	32,861,908,214	(32,859,524,682)	-	459,343,532
Others	567,409,232	37,421,735,998	(37,408,199,350)	-	580,945,880
	<u>79,848,905,083</u>	<u>869,800,414,097</u>	<u>(766,564,081,188)</u>	<u>486,609,837</u>	<u>183,571,847,829</u>

17 OTHER SHORT-TERM PAYABLES

	31.12.2024 VND	31.12.2023 VND
Dividends payable	-	1,249,581,441,000
Others	9,916,973,473	11,157,855,609
	<u>9,916,973,473</u>	<u>1,260,739,296,609</u>

DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

18 SHORT-TERM BORROWINGS

	As at 1.1.2024 VND	Addition VND	Repayment VND	Exchange rate differences VND	As at 31.12.2024 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Office (i)					
• Short-term loan – VND	542,366,818,973	486,044,836,517	(1,013,729,818,590)	-	14,681,836,900
• Short-term loan – USD	-	264,871,510,660	-	1,841,510,279	266,713,020,939
• Factoring L/C with recourse	136,896,793,018	-	(136,896,793,018)	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam – Ha Thanh Branch (ii)					
• Short-term loan – VND	221,400,023,469	1,910,577,586,615	(1,979,572,019,949)	-	152,405,590,135
• Short-term loan – USD	60,894,358,168	361,262,697,283	(293,534,986,317)	997,285,399	129,619,354,533
Kasikornbank Public Company Limited – Ho Chi Minh Branch (iii)					
• Short-term loan – VND	197,734,575,720	189,764,733,430	(375,784,843,750)	-	11,714,465,400
• Short-term loan – USD	-	170,850,348,157	(63,670,000,000)	632,185,771	107,812,533,928
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 (iv)					
• Short-term loan – VND	15,083,114,871	83,345,782,750	(71,001,675,024)	-	27,427,222,597
• Short-term loan – USD	-	5,635,597,164	(5,635,597,164)	-	-
Standard Chartered Bank (Vietnam)	13,880,657,448	16,826,198,937	(30,706,856,385)	-	-
Asian Commercial Joint Stock Bank – Hoang Cau Branch (v)	-	153,419,681,452	-	855,238,019	154,274,919,471
	<u>1,328,012,657,205</u>	<u>3,687,971,107,058</u>	<u>(4,155,661,039,828)</u>	<u>4,326,219,468</u>	<u>864,648,943,903</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

18 SHORT-TERM BORROWINGS (CONTINUED)

Details of outstanding short-term borrowings balances as at 31 December 2024 are as follows:

No.	Lenders	Credit limit and period	Year-end balance VND	Interest rate	Purpose	Collaterals
i	Joint Stock Commercial Bank for Foreign Trade of Vietnam – Transaction Office	Credit limit of VND 750 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 year in VND and USD. Duc Giang - Dak Nong Chemical Limited Company: 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 year in VND and USD. 	266,713,020,939	2.1% - 3.0% per annum	Supplement working capital	None
			14,681,836,900	2.6% - 3.4% per annum	Supplement working capital	The Company's term deposit of VND 50 billion.
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: <ul style="list-style-type: none"> 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 year in VND and USD. 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 4 months from the date of drawdown. The loan is disbursed during the year in VND and USD. 	84,758,485,633	2.9% - 3.2% per annum	Supplement working capital	None
			197,266,459,035	2.1% - 3.3% per annum	Supplement working capital	None

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

18 SHORT-TERM BORROWINGS (CONTINUED)

Details of outstanding short-term borrowing balances as at 31 December 2024 are as follows (continued):

No	Lenders	Credit limit and period	Year-end balance VND	Interest rate	Purpose	Collaterals
iii	Kasikornbank Public Company Limited – Ho Chi Minh Branch	Duc Giang Lao Cai Chemicals Limited Company: Credit limit of VND 400 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 year in VND and USD.	119,526,999,328	0.5% – 4.0% per annum	Supplement working capital	None
iv	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 year in VND and USD.	27,427,222,597	3.0% per annum	Supplement working capital	Fixed assets
v	Asian Commercial Joint Stock Bank – Hoang Cau Branch	Duc Giang Lao Cai Chemicals Limited Company: Credit limit of VND 460 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 year in USD.	154,274,919,471	3.0% per annum	Supplement working capital	None
Total			864,648,943,903			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

19 BONUS AND WELFARE FUND

	2024 VND	2023 VND
Beginning of year	375,194,310,354	145,935,230,892
Increase in the year (Note 22)	201,999,455,952	358,172,010,054
Increase due to acquisition of subsidiary	-	653,900,859
Utilisation in the year	(111,401,460,978)	(126,244,975,071)
Depreciation of fixed assets funded by the Bonus and welfare fund	(3,321,856,380)	(3,321,856,380)
End of year	<u>462,470,448,948</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 income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit. The details were as follows:

	31.12.2024 VND	31.12.2023 VND (As restated – Note 3)
Deferred income tax assets:		
Deferred income tax assets to be recovered within 12 months	<u>321,010,721</u>	<u>423,057,991</u>
Deferred income tax liabilities:		
Deferred income tax liabilities to be settled after more than 12 months	63,290,293,597	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>66,618,151,140</u>	<u>70,003,923,782</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20 DEFERRED INCOME TAX (CONTINUED)

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

Deferred income tax assets:

	2024 VND	2023 VND
Beginning of year	423,057,991	100,264,307
Consolidated income statement credit (Note 31)	(102,047,270)	322,793,684
End of year	<u>321,010,721</u>	<u>423,057,991</u>

Deferred income tax liabilities:

	2024 VND	2023 VND (As restated – Note 3)
Beginning of year	70,003,923,782	-
Increase due to acquisition of subsidiary	-	73,038,906,252
Consolidated income statement credit (Note 31)	(3,385,772,642)	(3,034,982,470)
End of year	<u>66,618,151,140</u>	<u>70,003,923,782</u>

(a) Details of deferred income tax assets

	31.12.2024 VND	31.12.2023 VND
Deductible temporary differences related to unrealised profits	<u>321,010,721</u>	<u>423,057,991</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20 DEFERRED INCOME TAX (CONTINUED)

(b) Details of deferred income tax liabilities

	31.12.2024 VND	31.12.2023 VND (As restated – Note 3)
Differences in asset revaluation resulted from business combination	<u>66,618,151,140</u>	<u>70,003,923,782</u>

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

	31.12.2024 Ordinary shares	31.12.2023 Ordinary shares
Number of shares registered	<u>379,779,286</u>	<u>379,779,286</u>
Number of shares issued	<u>379,779,286</u>	<u>379,779,286</u>
Number of shares repurchased	<u>(873)</u>	<u>(873)</u>
Number of existing shares in circulation	<u>379,778,413</u>	<u>379,778,413</u>

(b) Details of owners' shareholding

	31.12.2024		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	<u>379,779,286</u>	<u>100</u>	<u>379,779,286</u>	<u>100</u>

DUC GIANG CHEMICALS GROUP JOINT STOCK COMPANY

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 31 December 2024	379,779,286	3,797,792,860,000	(8,730,000)	3,797,784,130,000

Par value per share: VND 10,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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 payment	-	-	-	-	-	(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 year	-	-	-	-	-	2,986,646,667,039	2,986,646,667,039	120,755,152,854	3,107,401,819,893
Appropriation to investment and development funds (*)	-	-	-	-	447,343,576,915	(447,343,576,915)	-	-	-
Utilisation investment and development fund	-	-	-	-	(2,549,299,462)	-	(2,549,299,462)	-	(2,549,299,462)
Appropriation to bonus and welfare funds (*)	-	-	-	-	-	(193,841,109,643)	(193,841,109,643)	(8,158,346,309)	(201,999,455,952)
Cash dividend payment	-	-	-	-	-	(1,139,335,239,000)	(1,139,335,239,000)	(99,834,330,768)	(1,239,169,569,768)
As at 31 December 2024	3,797,792,860,000	1,786,667,372,400	(849,228,747,207)	(8,730,000)	1,417,464,445,654	7,205,267,275,993	13,357,954,476,840	343,061,823,287	13,701,016,300,127

(*) The appropriation to investment and development funds and bonus and welfare funds in 2023 in accordance with the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD dated 29 March 2024 of Duc Giang Chemicals Group Joint Stock Company and the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD dated 27 March 2024 of Vietnam Apatite - Phosphorus Joint Stock Company, and the Resolution of the Annual General Meeting of Shareholders No. 01/2024/NQ-DHDCD dated 15 March 2024 of Tia Sang Battery Joint Stock Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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:

	2024	2023 (As restated – Note 3)
Net profit attributable to shareholders (VND)	2,986,646,667,039	3,110,379,605,233
Less amount appropriated to bonus and welfare funds (*)	(179,198,800,022)	(186,622,776,314)
Profit for calculation basic profit per share	2,807,447,867,017	2,923,756,828,919
Weighted average number of ordinary shares in circulation (shares)	379,778,413	379,778,413
Basic earnings per share (VND)	<u>7,392</u>	<u>7,699</u>

(*) The bonus and welfare fund is calculated based on the same method as the last year's.

(b) Diluted earnings per share

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

24 OFF CONSOLIDATED BALANCE SHEET ITEMS

Foreign currencies

As at 31 December 2024, included in cash and cash equivalents were balances held in foreign currencies of USD 1,755,882.46 and EUR 147.83 (as at 31 December 2023: USD 1,128,876.07 and EUR 585.95).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

25 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2024 VND	2023 VND
Revenue		
Revenue from sales of merchandise	3,975,575,231	11,099,556,824
Revenue from sales of finished goods	9,851,739,381,391	9,724,914,162,475
Revenue from rendering of services	14,940,473,589	25,044,130,859
	<u>9,870,655,430,211</u>	<u>9,761,057,850,158</u>
Sales deductions		
Trade discounts	(5,635,665,738)	(13,043,092,285)
Sales returns	(50,004,000)	-
	<u>(5,685,669,738)</u>	<u>(13,043,092,285)</u>
Net revenue		
Net revenue from sales of merchandise	3,975,575,231	11,099,556,824
Net revenue from sales of finished goods	9,846,053,711,653	9,711,871,070,190
Net revenue from rendering of services	14,940,473,589	25,044,130,859
	<u>9,864,969,760,473</u>	<u>9,748,014,757,873</u>

26 COST OF GOODS SOLD AND SERVICES RENDERED

	2024 VND	2023 VND (As restated – Note 3)
Cost of merchandise sold	2,447,876,726	8,281,522,401
Cost of finished goods sold	6,413,034,489,116	6,302,671,734,147
	<u>6,415,482,365,842</u>	<u>6,310,953,256,548</u>

27 FINANCIAL INCOME

	2024 VND	2023 VND
Interest income from deposits and lendings	540,260,950,378	626,596,450,780
Realised foreign exchange gains	108,659,718,341	112,664,722,983
Net gain from foreign currency translation at year end	322,395,218	-
	<u>649,243,063,937</u>	<u>739,261,173,763</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

28 FINANCIAL EXPENSES

	2024 VND	2023 VND
Interest expenses	21,654,372,047	31,946,744,275
Realised foreign exchange losses	45,815,933,406	63,286,103,364
Net loss from foreign currency translation at year end	1,657,165,148	3,235,954,133
	<u>69,127,470,601</u>	<u>98,468,801,772</u>

29 SELLING EXPENSES

	2024 VND	2023 VND
Transportation	327,402,827,189	310,618,015,031
External services	66,619,317,118	81,931,094,946
Staff costs	22,752,115,335	18,898,325,567
Depreciation and amortisation of fixed assets	1,432,368,216	1,220,058,894
Others	28,918,079,320	23,023,769,512
	<u>447,124,707,178</u>	<u>435,691,263,950</u>

30 GENERAL AND ADMINISTRATION EXPENSES

	2024 VND	2023 VND (As restated – Note 3)
Staff costs	82,861,312,357	76,996,090,731
Depreciation and amortisation of fixed assets and goodwill	28,259,448,060	21,295,915,075
External services	12,701,039,662	10,118,903,328
Others	46,829,268,676	36,992,355,862
	<u>170,651,068,755</u>	<u>145,403,264,996</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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:

	2024 VND	2023 VND (As restated – Note 3)
Accounting profit before tax	3,400,275,511,529	3,495,376,631,880
Tax calculated at a rate of 20%	680,055,102,306	699,075,326,376
Effect of:		
Tax reduction, exemption (*)	(398,250,006,871)	(460,729,176,565)
Expenses not deductible for tax purposes	8,374,523,668	4,740,261,539
Under-provision in previous years	2,694,072,533	234,781,271
CIT charge (**)	<u>292,873,691,636</u>	<u>243,321,192,621</u>
Charged/(credit) to the consolidated income statement:		
CIT – current (Note 16)	296,157,417,008	246,678,968,775
CIT – deferred (Note 20)	(3,283,725,372)	(3,357,776,154)
CIT charge (**)	<u>292,873,691,636</u>	<u>243,321,192,621</u>

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

➤ *Duc Giang Lao Cai Chemicals Limited Company:*

- Project of 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);

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

31 CORPORATE INCOME TAX (“CIT”) (CONTINUED)

➤ *Duc Giang Lao Cai Chemicals Limited Company (continued):*

- Project of 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);
- 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);
- 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);
- 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); and
- Project of Phosphorus Production Furnace No.6: 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)

➤ *Vietnam Apatite - Phosphorus Joint Stock Company:*

- Project yellow phosphorus production: 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:*

- Project chemical storage: 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).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**32 COSTS OF OPERATION BY FACTOR**

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

	2024 VND	2023 VND
Raw materials	3,944,606,031,872	3,995,704,962,020
External services	1,954,540,918,856	1,789,686,654,467
Staff costs	688,898,770,958	655,204,002,729
Depreciation and amortisation of fixed assets and goodwill	365,662,206,897	355,698,307,533
Others	63,337,952,999	127,740,977,897
	<u>7,017,045,881,582</u>	<u>6,924,034,904,646</u>

33 SEGMENT REPORTING

The Board of Management of the Company determines that the management decisions of the Group are based primarily on the types of products and service 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 year ended 31 December 2024, revenue from sales of finished goods (mainly yellow phosphorus, acids and fertilizers of all kinds) accounted for 99.8% of the Group's total revenue (31 December 2023: 99.6%). Accordingly, the Group does not present Segment report by business segments. Revenue from finished goods and cost of finished goods sold are presented in Note 25 and Note 26.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

33 SEGMENT REPORTING (CONTINUED)

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:

	Year ended 31.12.2024		
	Domestic VND	Overseas VND	Total VND
Net revenue	3,118,028,401,892	6,746,941,358,581	9,864,969,760,473
Total expenses incurred for purchases of fixed assets (unallocated)	(*)	(*)	522,002,864,265
	Year ended 31.12.2023		
	Domestic VND	Overseas VND	Total VND
Net revenue	2,138,655,410,789	7,609,359,347,084	9,748,014,757,873
Total expenses incurred for purchases of fixed assets (unallocated)	(*)	(*)	250,811,930,649

(*) The Group does not present total 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 CONSOLIDATED CASH FLOW STATEMENT

	2024 VND	2023 VND
Interest income from rolled-over deposits	59,925,182,471	60,864,441,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

35 RELATED PARTY DISCLOSURES

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

Related parties	Relationship
Members of the Board of Directors, Board of Management, Board of Supervision, Chief Accountant and other related individuals	Key management/Shareholders
Van Minh Company Limited	Under common control of the Chairman

(a) Related party transactions

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

	2024 VND	2023 VND
<i>i) Sales of goods and rendering services</i>		
Van Minh Company Limited	192,864,809,045	144,830,595,785
<i>ii) Purchases of goods and services</i>		
Van Minh Company Limited	127,004,682,841	128,455,640,263
<i>iii) Compensation of key management</i>		
Mr. Dao Huu Huyen – Chairman of the Board of Directors	505,608,000	566,608,000
Mr. Dao Huu Duy Anh – Member of the Board of Directors/ General Director	2,573,565,092	2,563,964,657
Mr. Pham Van Hung – Member of the Board of Directors/ Deputy General Director	2,232,225,281	2,354,939,400
Mr. Luu Bach Dat – Member of the Board of Directors/ Deputy General Director	1,763,944,445	1,564,955,229
Mr. Nguyen Van Quang – Member of the Board of Directors	24,000,000	256,000,000
Mr. Nguyen Thi Thu Ha – Independent Member of the Board of Directors	72,000,000	-
Mr. Nguyen Van Kien – Chief Supervisor	811,267,934	790,451,612
Mr. Vu Van Ngo – Member of Board of Supervision	72,000,000	92,000,000
Mrs. Pham Thi Thoa – Member of Board of Supervision	432,328,697	401,592,486
Mrs. Dao Thi Mai – Chief Accountant	1,916,176,837	1,843,062,047
	10,403,116,287	10,433,573,431

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

35 RELATED PARTY DISCLOSURES (CONTINUED)

(b) Year end balances with related parties

	31.12.2024 VND	31.12.2023 VND
<i>i) Short-term trade accounts receivable (Note 6)</i>		
Van Minh Company Limited	14,407,693,082	8,157,152,141
<i>ii) Short-term trade accounts payable (Note 14)</i>		
Van Minh Company Limited	2,559,221,706	3,785,028,638
<i>iii) Other short-term payables</i>		
Dividend payable to Board of Directors, Board of Management, Board of Supervision, Chief Accountant and other related individuals	-	290,249,178,000

36 COMMITMENTS

(a) Commitments under operating leases

The operating commitments present the land rental fees of the Group. The future minimum lease payments under non-cancellable operating lease contracts were as follows:

	31.12.2024 VND	31.12.2023 VND
Land rental:		
Within one year	7,305,560,698	5,282,201,680
Between one and five years	32,475,791,023	25,696,784,210
Over five years	225,049,847,413	197,996,070,216
Total minimum payments	264,831,199,134	228,975,056,106

(b) Capital commitments

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

	31.12.2024 VND	31.12.2023 VND
Property, plant and equipment	672,133,650,469	631,979,482,546

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

37 CONTINGENT LIABILITIES

Obligation to rehabilitate and restore the environment – Apatite ore at Khai Truong 25 Mine

The Company exploits apatite ore at Khai Truong 25 Mine within 6 years (2021 – 2026) and is obliged to rehabilitate and restore the environment for this ore mining 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 Khai Truong 25 Mine 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)).

Obligation for land restoration

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 Management 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 consolidated financial statements for the year ended 31 December 2024.

The consolidated financial statements for the year ended 31 December 2024 were approved by the Board of Management of the Company on 26 February 2025.



Hoang Thuy Ha
Preparer



Dao Thi Mai
Chief Accountant



Dao Huu Duy Anh
General Director
Legal Representative

