

(Promulgated with Circular No 96/2020/TT-BTC November 16, 2020, of the Ministry of Finance guiding the disclosure of information on the securities market)

**NINH BINH FERTILIZER JOINT  
STOCK COMPANY**

**SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness**

No 338 : /BC-PLNB

*Ninh Binh, month 3...day 10 year 2025*

## **ANNUAL REPORT**

**Ninh Binh Fertilizer Joint Stock Company**

**Reporting Year: 2024**

To: - State Securities Commission;  
- Hanoi Stock Exchange.

### **I. GENERAL INFORMATION:**

#### **1. Overview:**

- Trading Name: Ninh Binh Fertilizer Joint Stock Company
- Business Registration Certificate No: 2700224471
- Charter Capital: 157,312,600,000 VND
- Address: Ninh An Commune - Hoa Lu City - Ninh Binh Province
- Phone: 02293.610.024; 02293.610.863;
- Fax: 0229.3610013
- Website: Niferco.com.vn;
- Securities Code: NFC
- Establishment and Development process:

Ninh Binh Fertilizer Joint Stock Company originated from the Ninh Binh Fertilizer Plant, established on August 1, 1977, under the Vietnam Chemical General Department, now the Vietnam Chemical Group.

On July 29, 2004, the Ministry of Industry issued Decision No. 66/2004/QĐ-BCN to convert Ninh Binh Fertilizer Company into Ninh Binh Fertilizer Joint Stock Company, where the state shareholder (Vietnam Chemical Corporation) holds 51% of the charter capital. The company officially transitioned to operate as a joint-stock company under the Enterprise Law from January 1, 2005.

From 2005 until now, Ninh Binh Fertilizer Joint Stock Company, with the active involvement of the Board of Directors, the Management Team, and the dedicated workforce, has united to leverage the company's existing internal potential and overcome the challenges faced in annual production and business operations. The company has organized and implemented its business plans, achieving higher performance targets each year, maintaining stable growth, and operating profitably while fulfilling all obligations to the state. It ensures regular employment and income for its employees, continuously improving and enhancing policies related to labor as stipulated by regulations, and guarantees annual dividends for shareholders. The company consistently fosters a high level of consensus and unity in leadership and execution of business tasks, continuously reinforcing and building a sustainably developing company.

## 2. Business lines and locations of the business:

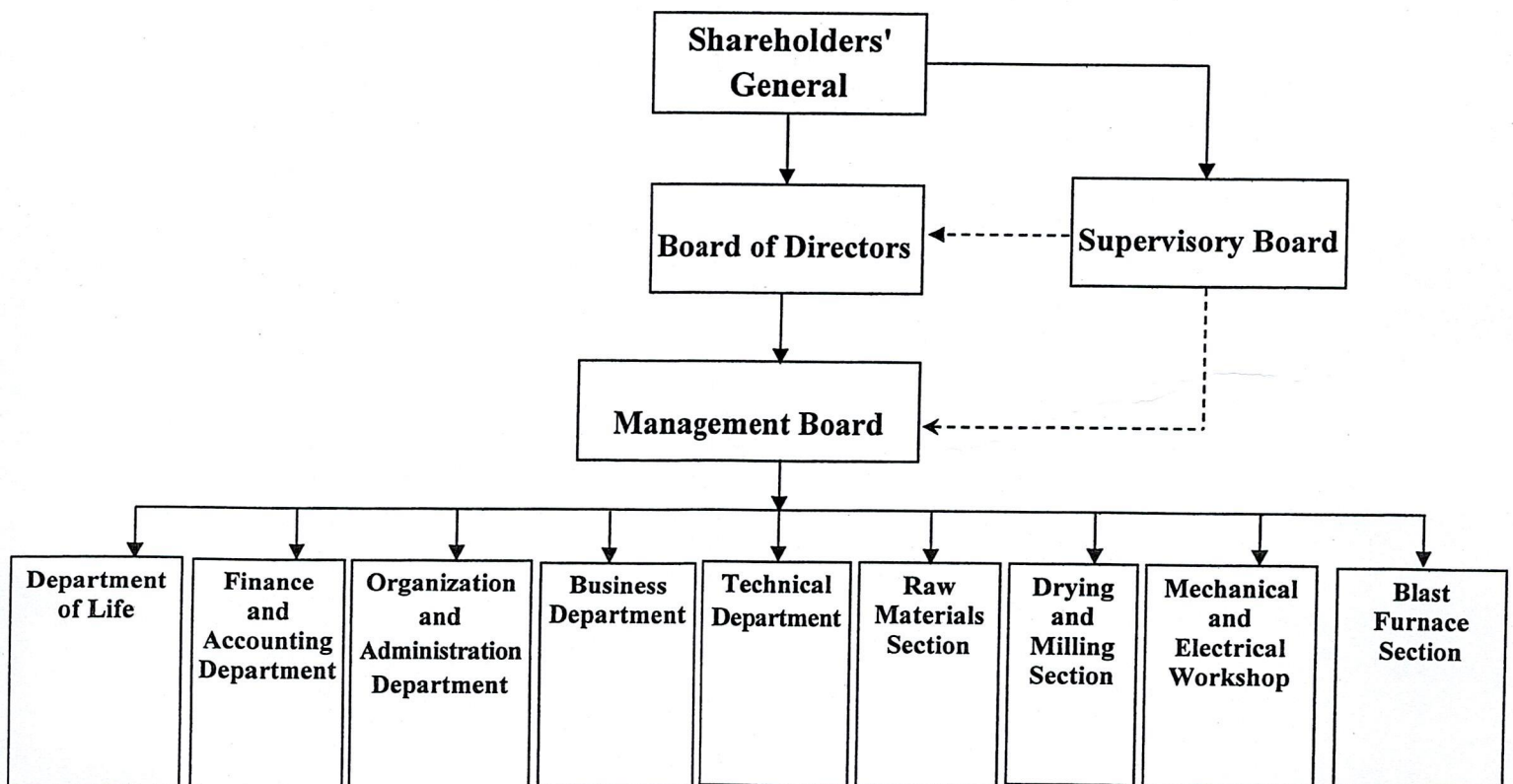
- Business lines:
  - + Production of fertilizers and nitrogen compounds;
  - + Wholesale of materials and other construction installation equipment;
  - + Production of other specialized machinery (Details: Manufacturing and processing equipment for producing molten phosphorus fertilizers);
  - + Other business support services not classified elsewhere (Details: Import and export of fertilizers);
    - + Freight transportation by road;
    - + Loading and unloading goods;
    - + Other specialized wholesale not classified elsewhere (Details: Wholesale of various fertilizers).
- Locations of the business: Ninh Binh fused magnesium phosphate fertilizer and Ninh Binh NPK fertilizers have been produced and circulated in the market for agricultural production nationwide and exported abroad.

## 3. Information about governance model, business organization and managerial apparatus:

- **Governance Model:** The company is organized and operates as a joint-stock company and complies with state laws. The management and administration structure of Ninh Binh Fertilizer Joint Stock Company includes:

- + General Shareholders' Meeting.
- + Supervisory Board.
- + Board of Directors.
- + Director, Deputy Director, and assisting staff.

### - Management structure of the company:





- **Subsidiaries and Affiliates:** None.

#### **4. Development Orientation:**

- **Main Objectives of the Company:**

- + Profit-making, preserving and developing shareholder capital, completing tasks approved by the General Shareholders' Meeting;

- + Maximizing operational efficiency;

- + Continuing to exploit and expand markets and enhance the company's reputation.

- **Short-term, Medium-term, and Long-term Development Strategies:**

- + Professional and dynamic, the company is asserting its important position in the fertilizer production market.

- + Continuously building and refining responsibility mechanisms, issuing operating mechanisms, and benefit distribution to enhance responsibility and encourage employees and shareholders' contributions to the company's sustainable development.

- + Strengthening training to enhance the professional qualifications of the staff.

- + Implementing favorable policies to attract talent.

- + Researching and developing technology for new products according to market demand, aiming to expand exports.

- **Environmental, Social, and Community Goals:**

In its development orientation, the company always aims for sustainable growth. It not only prioritizes profits but also associates its responsibilities with the environment and society, ensuring that its activities comply with the law, social ethical standards, and consider community interests. The company takes on responsibilities towards its employees, the local residents around the factory, the production environment, and the natural environment. It consistently invests in and improves equipment and technology to protect the environment and create benefits for the community. The company's investments in advanced scientific and technological methods directly preserve the working environment, maintain the surrounding environment, and bring benefits to the local community where it operates.

#### **5. Risks:**

Ninh Binh Fertilizer Joint Stock Company primarily operates in the production of melt phosphorus fertilizers and NPK fertilizers. Due to the nature of its business, the company may face several risks, including inflation risk, interest rate risk, market demand risk for fertilizers, price risk, and the risk of exclusive input material prices. In addition to these risks, there are also some uncontrollable risk factors such as natural disasters, wars, or large-scale epidemics. While these risks are rare, their occurrence can have truly serious consequences, directly impacting the company's business operations and development. Furthermore, changes in monetary policy, payment mechanisms, fees, interest rates, and the binding conditions from banks and the State Treasury can also create uncontrollable risks for the enterprise.

## II. OPERATIONS IN THE YEAR

### 1. Situation of production and business operations:

#### 1.1 Results of business operations in year 2024:

- Industrial Production Value: actual price reached: 953.282 billion VND.
- Main product output:
  - + Molten phosphorus fertilizer: 203,030 tons, of which commercial phosphorus fertilizer reached: 199,000 tons.
  - + Multi-nutrient NPK fertilizer reached: 35,000 tons.
- Net revenue from sales: 914.38 billion VND.
- Profit before tax: 55.90 billion VND.
- Tax payable: 14.58 billion VND.
- Basic construction investment: 2.054 billion VND.
- In 2024, dividends for 2023 in cash according to the resolution of the 2024 annual general shareholders' meeting: 16% of charter capital, amounting to: 25.170.016.000 VND.

In 2024, the fertilizer market faced complex competition, high input material prices; supply exceeded demand, posing many risks affecting the market and the company's market share. The company had to continuously find ways to enhance production capacity and product quality to maintain and increase market share. The management has focused on improving corporate governance, strengthening management, closely following the set targets; while building and adjusting business production plans to match the actual situation.

#### 1.2 Implementation situation

- Industrial Production Value: Actual price reached: 953.282 billion VND, equal to 132.2% compared to the same period and 131.7% of the 2024 plan.
- Net revenue from sales: 914.381 billion VND, equal to 125.8% compared to the same period and 128.1% of the 2024 plan.
- Profit before tax: 55.904 billion VND, equal to 159.6% compared to the same period and 164.4% of the 2024 plan.
- Tax payable: 14.58 billion VND, equal to 140.6% compared to the same period and 135.6% of the 2024 plan.
- Main product output:
  - + Molten phosphorus fertilizer: 203,030 tons, equal to 145% compared to the same period and 145% of the 2024 plan (of which commercial phosphorus fertilizer reached: 199,000 tons, equal to 148.2% compared to the same period and 147.4% of the 2024 plan).
  - + Multi-nutrient NPK fertilizer reached: 35,000 tons, equal to 100% compared to the same period and 100% of the 2024 plan.



### ***1.3. Facilitating and Hindering Factors Affecting the Company's Business in 2024:***

#### **\* Advantage Factors:**

- Regular and timely attention from the leadership of the Vietnam Chemical Group regarding the implementation of production and business plans. High consensus among leadership and staff in organizing and implementing set tasks.
- The company is supported by traditional partners in providing input materials and product consumption.
- The brand of Ninh Bình phosphorus fertilizer and multi-nutrient NPK fertilizer has been established in both domestic and export markets.

#### **\* Difficulty factors:**

- Rising prices of input materials, especially for phosphorus production materials like apatite ore, NPK production such as urea, superphosphate, DAP, MAP, and supply shortages affecting the company's production.
- The prevalence of counterfeit fertilizers affects the fertilizer market; low-quality small production facilities selling at cheap prices impact larger fertilizer producers.
- Agricultural cultivation areas are decreasing, agricultural product prices are low, especially for industrial crops in the Tay Nguyen, and many diseases arise affecting the demand for fertilizer investments.

## **2. Organization and Human resource:**

### ***2.1 List of the Board of management:***

- Mr. Duong Nhu Duc, born in 1980, Director of the Company. Master's degree in Finance and Banking. Shareholding ratio: 0.02%
- Mr. Pham Hong Son, born in 1972, Member of the Board of Directors, Deputy Director, Mechanical Engineer, Bachelor's degree in Business Administration. Shareholding ratio: 1.28%
- Mr. Nguyen Ngoc Thuan, born in 1981, Chief Accountant. Bachelor's in Economics. Shareholding ratio: 0.016%

### **2.2 Changes in the Board of management: None.**

### **2.3 Number of Staff:**

- As of December 31, 2024, the total number of employees with labor contracts of 12 months or more is 306, of which 65 are female workers, accounting for 21.24% of the total workforce of the company.

- Employees with University and higher education: 78 people; College level: 30 people; Intermediate level: 44 people; the rest are skilled workers.

### ***2.4 Policies for Employees:***

- Working Regime:

+ The employees of the company are required to work 8 hours a day, totaling 40 to 48 hours per week. For management and professional staff working in the office, the



working hours are from 7:00 AM to 11:30 AM in the morning and from 1:00 PM to 4:30 PM in the afternoon, Monday through Friday. For direct production workers, the shifts operate on a three-shift system: Shift 1 from 7:00 AM to 3:00 PM, Shift 2 from 3:00 PM to 11:00 PM, and Shift 3 from 11:00 PM to 7:00 AM the next morning. For workers in the mechanical and electromechanical departments, the working hours are from 7:00 AM to 11:30 AM in the morning and from 12:30 PM to 4:00 PM in the afternoon. For security personnel in the Administrative Organization Department, the shifts are as follows: Shift 1 from 6:30 AM to 2:30 PM, Shift 2 from 2:30 PM to 10:30 PM, and Shift 3 from 10:30 PM to 6:30 AM the next morning.

+ Employees are entitled to paid leave on public holidays as regulated by the government, including New Year's Day, Lunar New Year, Hung Kings' Festival, Victory Day, International Labor Day, and National Day. The company always strives to create the best working conditions for its employees, specifically by providing adequate equipment for work, implementing technical improvement initiatives to enhance working conditions, and increase productivity. Additionally, the principle of occupational safety is strictly adhered to.

- Salary and Bonus Policies:

+ Salary Policy: Employees directly involved in production receive wages based on product output or task completion according to the company's annual labor pricing standards at various times. Indirect employees are compensated based on actual working days in the month and the average productivity of the entire company, corresponding to the distribution coefficients based on their management positions, in accordance with the company's annual salary, bonus distribution, and competition classification regulations.

+ Bonus Policy: The company implements salary, bonus, and welfare policies to motivate and attract qualified labor with appropriate training to work at the company. The company applies a bonus policy for employees using the company's salary fund based on monthly evaluations of unit and individual performance. Additionally, the company rewards employees with scientific projects or initiatives that provide economic benefits to the company, through the assessment of registered and implemented projects each year. The company also allocates funds for welfare and competition rewards to employees during holidays and festivals throughout the year.

- Other Policies for Employees: To train and attract talent, the company applies various policies for employees, including training policies, recruitment policies, talent attraction policies, as well as retirement plans, allowances, and insurance contributions in accordance with labor laws.

### **3. Investment activities and Project Implementation:**

#### ***3.1 Major Investments:***

In the year, the company invested 2,054,000,000 VND, including:

- Investment in 01 road sweeper: 944,000,000 VND
- Investment in 02 forklifts: 1,110,000,000 VND



### 3.2 Subsidiaries and Associated Companies: None.

## 4. Financial Situation:

### 4.1 Financial Situation:

Unit: VND

Indicator	Year 2023	Year 2024	% 2024 vs 2023
Total Assets	290.102.676.581	348.901.225.209	120,3
Net Revenue	726.550.063.932	914.381.030.925	125,9
Profit from Business activities	30.805.489.848	51.180.928.241	166,1
Other Profits	4.230.634.921	4.722.848.488	111,6
Profit Before Tax	35.036.124.769	55.903.776.729	159,6
Profit After Tax	28.141.146.912	44.732.600.565	159,0
Dividend Payout Ratio/Charter Capital	13%	16%	123,1

Note: The dividend payout ratio for 2024 is expected to be 20%, with the official amount to be approved at the 2025 Annual General Meeting.

### 4.2. Major Financial Indicators:

Indicators	Year 2023	Year 2024	Note
<b>Solvency Ratios</b>			
+ Current Ratio:			
Short term Assets / Short term debt	3,32	2,68	
+ Quick Ratio:			
<u>Short term Assets - Inventories</u> Short term debt	1,37	1,17	
<b>Capital Structure Ratios</b>			
+ Debt / Total Assets Ratio	0,29	0,36	
+ Debt / Owner's Equity ratio	0,41	0,57	

<b>Operating Capability Ratio</b>			
+ Inventory Turnover			
<u>Cost of Goods Sold</u>	3,83	6,09	
Average inventory			
+ Net Revenue / Average Total Assets	2,50	2,62	
<b>Profitability</b>			
+ Profit after tax / Net Revenue Ratio	0,03	0,04	
+ Profit after tax / Total capital Ratio	0,16	0,25	
+ Profit after tax / Total Assets Ratio	0,09	0,12	
+ Profit from business activities/ Net Revenue Ratio	0,042	0,055	

## 5. Shareholder Structure, Changes in the Owner equity:

### 5.1 Shares:

- Total number of shares: 15,731,260 shares
- Type of shares: Common shares.

### 5.2 Shareholder Structure (as of May 16, 2024):

- Total shares: 15,731,260 shares; freely transferable common shares: 15,731,260 shares.
- Major shareholders holding over 5% of voting shares: 3 shareholders holding 11,298,909 shares, accounting for 71.82% of charter capital.
- Shareholders holding 1%-5% of voting shares: 7 shareholders holding 1,487,466 shares, accounting for 9.46% of charter capital.
- Shareholders holding under 1% of voting shares: 264 shareholders holding 2,944,885 shares, accounting for 18.72% of charter capital.
- Number of institutional shareholders: 03, holding 9,968,354 shares, accounting for 63.37% of charter capital.
- Number of individual shareholders: 271, holding 5,762,906 shares, accounting for 36.63% of charter capital.
- Number of domestic shareholders: 274, holding 15,731,260 shares, accounting for 100% of charter capital.



**5.3 Changes in Owner's equity:** None.

**5.4 Transactions of Treasury stocks:** None.

**5.5 Other Securities:** None.

### **III. REPORT AND ASSESSMENTS OF THE BOARD OF MANAGEMENT**

#### **1. Assessment of operating results**

**1.1. Business Production Results:** As per section II.1.

#### **1.2. Scientific and Technical Work, Savings Initiatives, and Environment in 2024**

From the beginning of the year, the Board of Directors has focused on implementing management solutions to organize scientific and technical work, with special attention to production technology, product quality, labor safety, industrial hygiene, and the environment.

- Continued to implement and adjust NPK production technology to meet customer requirements.

- Activated environmental treatment projects: household wastewater treatment, production wastewater treatment, wastewater recycling and cooling; performed regular emissions and wastewater monitoring.

- Fully recovered solid waste to supplement recycled raw materials for production, practicing savings in materials, raw materials, and energy in production costs.

- In 2024, the company conducted 17 research projects: 5 projects carried over from 2023 and 12 new projects in 2024. The technical improvement initiatives have positively contributed to enhancing the company's business efficiency, including 2 projects that directly resulted in savings of 3,069,145,384 VND.

- Strengthened propaganda and education for workers about compliance with safety regulations in production. Organized training sessions on labor safety with 100% of workers trained.

#### **1.3. Market Planning**

In 2024, the company's Board of Directors focused on directing the unit to adhere to the business production plan and organize the product distribution market. Maintained traditional markets while investing in and expanding new markets to meet product demand.

- Maintained sales through the agent system, coordinated with agents, and opened new agencies to sustain and develop the market.

- Increased product exports to foreign markets such as Australia, South Korea, Japan, Malaysia, and Laos.

- Collaborated with primary agents to conduct training sessions to introduce products to communes in the Northern region, Central region, and the Mekong Delta to enhance the company's brand reputation.

- Organized customer conferences to strengthen the connection between producers and product distributors.



- Brand development efforts were intensified. In 2024, the Ninh Binh fused magnesium phosphate fertilizer brand was honored as "Vietnam's Gold Brand in Agriculture."

#### ***1.4. Financial Management***

The company's Board of Directors has directed financial management effectively, overcoming financial difficulties.

- Managed assets and capital in compliance with financial regulations.
- Oversaw sales, monitored accounts receivable, urged timely payments, and managed overdue debts; ensured sufficient capital for the company's production activities.
- Strictly monitored the inventory of primary materials, tools, and finished products.
- Provided monthly management reports to supply information for production direction and management.
- Paid wages, bonuses to workers, and dividends to shareholders as per the resolutions of the 2024 Annual General Meeting in a timely manner.
- Fulfilled tax obligations to the state promptly and in accordance with current regulations.

#### ***1.5. Administrative Organization, Labor, and Wage Policies***

In 2024, the Board of Directors focused on leading and directing the organization of management personnel, appointing and reallocating managerial positions to meet production duties. Actively recruited seasonal labor to meet monthly and quarterly production plans.

- As of December 31, 2024, the total number of employees with labor contracts of 12 months or more is 306, of which 65 are female workers, accounting for 21.24% of the total workforce of the company.
- The company has focused on ensuring the spiritual and material well-being of employees and securing jobs and income for workers. Bonuses are provided in a timely manner during holidays and festivals to motivate employees.
- All policies related to employees, such as social insurance, health insurance, unemployment insurance, retirement, contract termination, and other employee benefits, are fully implemented in accordance with current legal regulations.
- The company is completing the revision of the labor regulations, salary and bonus distribution regulations, and the collective labor agreement for implementation in 2024 as per regulations.
- Actively participate in contributing to local and industry charity funds in 2024.

#### ***1.6. Security, Defense, and Social Order***

Over the past year, the company's Board of Directors has effectively led the unit to fulfill local military and defense tasks and maintain social order within the company and community.



- Organized military training for the company's self-defense force as planned, ensuring quality.
- Developed plans for flood prevention and fire safety for 2024.
- Actively participated in security and defense clusters in southern Hoa Lu District and public order in the Cau Yen area.
- Contributed to local defense funds as per district plans.

### ***1.7. Building a Strong, Clean Party and Community Organizations***

- The company's management has focused on continuously strengthening the establishment of Party organizations, government bodies, and mass organizations within the unit to enhance unity and consensus among the Party, government, and mass organizations. This aims to overcome difficulties in organizing, leading, and directing the unit to effectively carry out the political tasks set by the company in 2024.

- There is an emphasis on enhancing political and ideological education for Party members and employees so that everyone has a correct understanding of the advantages and challenges faced by the unit. This aims to raise each individual's sense of responsibility to strictly adhere to the Party's guidelines, state policies and laws, and the company's regulations to fulfill their assigned tasks effectively.

- Trade union organizations, youth unions, veterans' associations, and women's associations have actively participated in the company's activities and organizations to contribute to the company's strong development.

### ***1.8. Anti-Corruption Measures, Savings Practices, and Implementation of Democracy at the Grassroots Level***

- The company's management has emphasized anti-corruption and waste prevention measures across all positions related to economic activities, including the use of material standards in production and procurement of materials and equipment, complying with state regulations and the company's rules.

- The company has issued regulations on sales, initiatives, and debt management; it has also completed and published the functions and responsibilities of various departments.

- The arrangement and reassignment of certain positions for staff within the company have been carried out democratically and transparently.

- Effective management of the company's finances and assets is maintained according to regulations to prevent financial losses, especially in recovering sales revenue from the national market.

- Declaration of assets and income is fully and accurately implemented.

- Regarding cost-saving practices: The management has initiated technical improvement movements aimed at reducing costs in the production process, such as finalizing the use of main raw materials and supplies for production, with particular attention to accurately managing and finalizing the use of coal in the Blast Furnace department; and submitting monthly material reports as required.



### ***1.9. Implementing democratic regulations at the grassroots level and conducting regular dialogues between the company's director and employees.***

- The management has organized all content related to the execution of production and business plans, as well as issues related to production organization, employee rights, obligations, and income living conditions, allowing employees to discuss and implement them.

- Regular dialogues are held at the workplace between employers and employee representatives every three months to exchange and discuss topics of mutual interest.

### ***1.10. Existing shortcomings:***

Over the past year, alongside the achievements in leadership and directing the execution of the company's production and business plans, there are still issues that need to be addressed, including:

- The quality of NPK fertilizer has been unstable at times, especially for products with high nutrient content produced using steam pellet technology.

- The inspection, supervision, detection, and handling of violations of technological regulations in production remain limited.

- The preparation of management reports and monthly labor usage analysis has been slow at times, particularly during peak seasons when labor demand for production has not been adequately met.

- Industrial hygiene practices in some units occasionally do not meet the required standards.

## **2. Future Development Plans**

### ***2.1. General Situation***

In 2025, the company's production and business situation will continue to face challenges due to increasingly fierce competition in the fertilizer market, low agricultural product prices, and fluctuating raw material costs. These factors directly impact the production costs of the company's fertilizers and the product market. The Board of Directors and the company's management have defined the direction and objectives for the company's production and business tasks in 2025, which are as follows: Maintain stable production and achieve growth in the production and business plan, meeting the demand for product supply in the domestic market while promoting exports; Ensure regular employment for workers, providing stable income for their livelihoods; Fulfill all tax obligations to the state budget, to superiors, shareholders, and employees; Continuously strengthen and develop production, building the company for sustainable development.

### ***2.2. Business Production Plan for 2025***

- Industrial production value (at actual prices) : 803.023 billion VND.
- Revenue : 811 billion VND.
- Tax obligations : 13.099 billion VND.



- Major repairs : 5 billion VND.
- Investments : 15.2 billion VND.
- Pre-tax profit : 46 billion VND.
- Dividends :  $\geq 20\%$  of charter capital.
- Average income: 14.42 million VND/person/month.
- Main products:
  - + Fused Magnesium Phosphate: 160,000 tons.
  - + NPK fertilizer: 35,000 tons.
- Consumption: Phosphate: 158,000 tons; NPK: 35,000 tons.

### ***2.3. Implementation Measures***

- Promote the potential and existing internal resources of the unit; manage and maintain stable and long-term production, ensuring that production meets quality standards to reduce costs, especially coal and ore costs in the high furnace workshop. Focus on cost reduction, saving expenses, applying scientific and technical topics, and solutions and initiatives in production to lower product costs while ensuring product quality and increasing the competitiveness of fertilizers of the same type in the domestic market, while continuing to export products abroad.

- Focus on directing the company's product consumption market, maintaining existing markets, exploring and expanding new markets, with flexible policies for market operations and appropriate sales mechanisms for agents to enhance the capacity to consume goods. Organize customer meetings in various regions and encourage the company's agents to place suitable product orders to work with the company in supporting product consumption. Continue to strengthen advertising efforts to promote the company's products through mass media.

- Implement timely incentive and reward policies for individuals and units that have made significant contributions to the unit's emulation movements, bringing high results, especially in the movement for creative labor, promoting initiatives, and technical improvements, etc.

- Continue to arrange labor reasonably, recruit skilled workers, and research salary mechanisms to encourage work spirit and attract labor.

- Fulfill all obligations to the state, superiors, shareholders, and policies related to employees; ensure regular employment and stable income for everyone to feel secure in their work, contributing resources to the company's development.

- Continue to effectively implement anti-corruption measures; practice savings to prevent waste and promote democracy at the grassroots level by training, educating, and recruiting capable personnel for appointment and rotation in positions to enhance management work.

### **3. Management Response to Audit Opinions (None)**



## **IV. BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S ACTIVITIES**

### **1. Assessment of the Board of Directors Regarding the Company's Operational Aspects**

In 2024, the production and business situation of enterprises in general and specifically of the Company faced many difficulties such as armed conflicts in several countries around the world, extreme weather conditions, severe cold in the Northern region, droughts, and floods in the Central region; competition from new fertilizer suppliers in the market; and difficulties in transporting goods, especially in distributing products to the Southern provinces. In light of these new challenges, the Board of Directors of the Company has clearly identified and focused on enhancing corporate governance, strengthening management, and closely adhering to the established goals and plans. At the same time, the Company has developed and adjusted its production and business plans to align with the actual situation, yielding practical results.

Results of the Company's Production and Business Activities in 2024:

- Net revenue from sales: 914.381 billion VND, equal to 125.8% compared to the same period and 128.1% of the 2024 plan.

- Profit before tax: 55.904 billion VND, equal to 159.6% compared to the same period and 164.4% of the 2024 plan.

(The above results have been audited by Vietnam Auditing and Valuation Company Limited.)

### **2. Assessment of Board of Directors on Board of Management's performance**

Based on the powers and responsibilities of the Board of Directors and the Director as stipulated in the Enterprise Law and the Company's Charter of Organization and Operation, the Board of Directors has regularly performed the supervisory role and directed the activities of the Executive Board and other management personnel. The supervisory activities of the Board of Directors over the Executive Board in 2024 are as follows:

- Quarterly, the Board of Directors has organized inspections to monitor the activities of the Executive Board regarding:

- + The implementation of resolutions from the General Meeting of Shareholders and resolutions from the Board of Directors.
- + Monthly and quarterly production and business situations; solutions for maintaining and developing the market.
- + The execution of economic and technical material standards.
- + The implementation status of investment plans, fixed asset purchases, and major repairs.
- + The situation of recruitment, labor utilization, and labor management.

Through these inspections, the Board of Directors has identified existing issues to direct, guide, urge, and require the Executive Board and relevant units to timely rectify them, thereby enhancing the sense of responsibility in performing assigned tasks.

Overall, the Executive Board has consistently adhered to the assigned direction and tasks, grasped the situation, and timely adjusted the performance indicators to align with actual conditions. All operational activities of the Company are in accordance with



the business registration certificate, strictly comply with the provisions of the enterprise charter, as well as current Vietnamese laws. The Executive Board has clearly recognized the advantages and challenges faced by the Company, allowing for proactive management. Additionally, internal documents have been issued within their authority to effectively control the Company's production and business activities. By effectively performing risk control roles, the Executive Board has actively developed distribution channels through the dealer network.

### **3. Plans and orientations of the Board of Directors**

#### ***3.1. Production and Business Plan for 2025***

- Industrial production value (at actual prices): 803.023 billion VND.
- Revenue: 811 billion VND.
- Payable to the budget: 13.099 billion VND.
- Major repairs: 5 billion VND.
- Investment: 15.2 billion VND.
- Profit before tax: 46 billion VND.
- Dividend:  $\geq 20\%$  of charter capital.
- Average income: 14.42 million VND/person/month.
- Main products produced:
  - + Ninh Binh fused magnesium phosphate fertilizer: 160,000 tons.
  - + Various Ninh Binh NPK multi-nutrient fertilizers: 35,000 tons.
- Products consumed: Ninh Binh fused magnesium phosphate fertilizer: 158,000 tons; NPK: 35,000 tons.

#### ***3.2. Tasks of the Board of Directors for 2025***

- Closely monitor market developments to propose solutions and orientations aligned with the actual situation to ensure the completion of the 2025 production and business plan safely, effectively, and economically.

- Enhance management and supervision of the Company's activities across various fields to ensure effective implementation of the resolutions passed by the General Meeting of Shareholders in 2025.

- Strengthen the roles and responsibilities of each Board member in their assigned areas to improve management and supervision of the Company's activities in accordance with the Enterprise Law and the Company's Charter.

- Continue to improve the Company's management structure; enhance management capacity; focus on training and developing human resources to meet the Company's growth needs.

- Direct solutions for developing the market for the Company's products; enhance investment efforts to expand the Company's market to elevate its reputation and brand in both domestic and foreign markets, thereby increasing consumption volume and creating a more sustainable market.

- Continue to direct the review and issuance of regulations, rules, processes, and systems of existing economic material standards to align with actual conditions.

- Direct and evaluate investment and construction activities before implementation to ensure effectiveness and optimize capital utilization.

- Take care of employees' living conditions; implement appropriate salary mechanisms and policies to attract and retain labor; ensure the rights of shareholders,



such as dividends, and facilitate shareholders in accessing information and contributing ideas for the Company's development.

## **V. CORPORATE GOVERNANCE**

### **1. Board of Directors**

#### ***1.1. Members and Structure of the Board of Directors***

Members and Structure of the Board of Directors: List and composition of the Board of Directors, and the percentage of voting shares/Charter capital:

- Mr. Pham Manh Ninh, Board of Directors Chairman ownership: 10.0%
- Mr. Duong Nhu Duc, Board of Directors Member ownership: 0.02%
- Mr. Pham Hong Son, Board of Directors Member ownership: 1.28%
- Mr. Nguyen Ngoc Thach, Board of Directors Member ownership: 0.21%
- Mr. Ha Huy San, Board of Directors Member ownership: 0.44%

Number of Board Members Holding Positions in Other Companies:

- Mr Nguyen Ngoc Thach Number: 01

#### ***1.2. The committees of the Board of Directors: None.***

#### ***1.3. Activities of the Board of Directors:***

In 2024, the Board of Directors of the Company implemented its functions, tasks, and powers as stipulated; managed and directed the Company's operations in accordance with the law, the Company's Charter, and the resolutions passed by the General Meeting of Shareholders; identified key operational issues at each stage to develop appropriate action plans.

Throughout the year, the Board of Directors held regular quarterly meetings and issued resolutions to manage and direct the Company's activities.

- Resolution No. 191/NQ-HĐQT February 2, 2024 from the regular meeting of the Board of Directors for the first quarter of 2024: approved the business production results for 2023 and the production business plan for the first quarter of 2024, along with a projected business plan for 2024; the market cost plan for 2024; a working capital loan plan to support production activities for 2024; material consumption standards for producing 1 ton of melted phosphate fertilizer; investment costs for basic construction and major repairs for 2024; the workforce plan for 2024; and the proposed date for the annual General Meeting of Shareholders on April 24, 2024.

- Resolution No. 512/NQ-HĐQT April 5, 2024 from the regular meeting of the Board of Directors for the second quarter of 2024: approved the business production results for Q1 2024 and the production business plan for the second quarter of 2024; approved the program and documents for the annual General Meeting of Shareholders in 2024; listened to reports on the implementation of two internal audit topics for 2023 and approved the internal audit plan for 2024.

- Resolution No. 1255/NQ-HĐQT July 23, 2024 from the regular meeting of the Board of Directors for the third quarter of 2024: approved the business production results for Q2 and the first six months of 2024; the production business plan for the fourth quarter of 2024.

- Resolution No. 1698/NQ-HĐQT dated October 31, 2024 from the regular meeting of the Board of Directors for the fourth quarter of 2024: approved the business production results for Q3 and the first nine months of 2024; the production business



plan for the fourth quarter of 2024; the list approving the results of the review of the leadership and management personnel planning for the period 2021-2026 and 2026-2031; and the results of the self-assessment of business manager ratings for 2024.

Additionally, in 2024, the Board of Directors held other meetings to address emerging issues in the Company's production and business activities.

Other Contents: The Board of Directors effectively provided documents and information to the Supervisory Board to fulfill its task of monitoring the Board of Directors and the Executive Board in managing and operating the business.

**1.4. Activities of Non-Executive Board Members:**

- Perform the functions of Board members, participating in the governance of the Company according to the Charter, organizational regulations, and current legal provisions.

- Participate in researching and developing strategies for the Company's growth and business production plans.

- Develop strategies for the production technology of new products.

- Manage product and goods quality.

- Oversee labor safety, fire prevention, and environmental hygiene.

- Handle initiatives and technical improvements, as well as product branding.

- Establish regulations and internal rules regarding production technology management and product quality.

- Perform other tasks assigned by the Board of Directors.

**1.5. Activities of the Board of Directors' Subcommittee:** No subcommittees.

**1.6. The list of members of the Board of Directors possessing certificates on corporate governance training programs in the year.**

- |                         |                                       |
|-------------------------|---------------------------------------|
| - Mr. Pham Manh Ninh    | - Chairman of the Board of Directors. |
| - Mr. Duong Nhu Duc     | - Member of the Board of Directors.   |
| - Mr. Pham Hong Son     | - Member of the Board of Directors.   |
| - Mr. Nguyen Ngoc Thach | - Member of the Board of Directors.   |
| - Mr. Ha Huy San        | - Member of the Board of Directors.   |

**2. Board of Supervisors/ Audit Committee**

**2.1. Members and Structure of the board of Supervisors/ Audit Committee:**

- |                        |                          |
|------------------------|--------------------------|
| - Mrs. Hoang Thi Tiep  | Chair, ownership: 0%     |
| - Mr. Vu Tuan Anh      | Member, ownership: 0%    |
| - Mrs. Ta Thi Kim Chuc | Member, ownership: 0.21% |

**2.2. Activities of the Board of Supervisors**

In 2024, the Supervisory Board maintained its regular oversight of the Company's production and business activities through documentation, records, and participation in meetings of the Board of Directors. At these meetings, the Supervisory Board provided direct feedback to the Board of Directors and the Executive Board regarding policies, plans, and the execution of production, business, financial activities, and information disclosure according to specific regulations:

- Oversaw the development and implementation of the production and business plan, basic construction investment plan, and payroll plan.



- Controlled the establishment and implementation of the Company's internal regulations and rules.
- Monitored the development and implementation of the stock listing plan in accordance with the resolutions of the General Meeting of Shareholders.
- Ensured compliance with information disclosure regulations set by the State Securities Commission and other legal provisions.
- Reviewed the Company's financial reports, examining the transparency of document flow.
- Inspected and supervised the procedures and processes for organizing the annual General Meeting of Shareholders in accordance with legal regulations and the Company's Charter.
- The Supervisory Board organized meetings and carried out its oversight duties as required.

### **3. Transactions, remunerations and benefits of the Board of Directors, Board of Management and Board of Supervisors/ Audit Committee**

**3.1. Salaries, rewards, remuneration and benefits:** Details provided in Appendix 01.

**3.2. Share Transactions by internal shareholders:** None.

**3.3. Contracts or transactions with internal shareholders:** Details provided in Appendix 02.

**3.4. Assessing the implementation of regulations on corporate governance**


The company has adhered to legal regulations on corporate governance in 2024.

## **VI. FINANCIAL STATEMENTS**

### **6.1. Auditor's Opinion**

"In our opinion, the financial statements fairly and reasonably reflect, in all material respects, the financial position of the Company as of December 31, 2024, as well as the results of its business activities and cash flow for the financial year ending on that date, in accordance with accounting standards, the accounting regime for Vietnamese enterprises, and relevant legal regulations regarding the preparation and presentation of financial statements."

### **6.2. Audited Financial Statements:**

The audited financial statements for the year include: the Balance Sheet; the Income Statement; the Cash Flow Statement; and the Notes to the Financial Statements as required by accounting and auditing laws. 

#### **Recipient:**

- State Securities Commission;
- Hanoi Stock Exchange. Company website;
- Archived: Finance and Accounting Department.

### **CONFIRMATION BY THE COMPANY'S LEGAL REPRESENTATIVE**



**Dương Nhu Duc**





Appendix 01

**SUMMARY OF ALLOWANCES FOR THE BOARD MEMBER AND  
THE SUPERVISORY BOARD  
Year 2024**

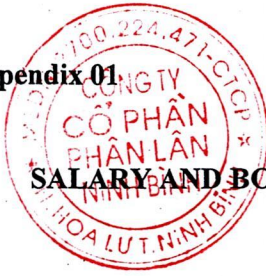
Name	Allowance (VND)
<b>1. Board Member</b>	
Duong Nhu Duc	60,000,000
Pham Hong Son	60,000,000
Ha Huy San	60,000,000
Nguyen Ngoc Thach	60,000,000
<b>2. Supervisory Board</b>	
Vu Anh Tuan	48,000,000
Ta Thi Kim Chuc	48,000,000
<b>Total</b>	<b>336,000,000</b>

Ninh Binh, March...<sup>10<sup>th</sup></sup>....., 2025 *on*

**Prepared by**

**Hoang My Hanh**

Appendix 01



SUMMARY

**SALARY AND BONUS OF THE BOARD MEMBER, BOARD OF MANAGEMENT, AND SUPERVISORY BOARD**

Year 2024

Full Name	Salary (VND)	Bonus (VND)	Total Income (VND)
<b>1. Board Member</b>			
Pham Manh Ninh	584,517,000	72,940,000	657,457,000
Ha Huy San	300,811,000	35,800,000	336,611,000
<b>2. Board of Management</b>			
Duong Nhu Duc	538,778,000	70,000,000	608,778,000
Pham Hong Son	476,330,000	63,000,000	539,330,000
Nguyen Ngoc Thuan	413,726,000	53,200,000	466,926,000
<b>3. Supervisory Board</b>			
Hoang Thi Tiep	149,492,000	19,000,000	168,492,000
Ta Thi Kim Chuc	259,880,000	35,000,000	294,880,000
Vu Tuan Anh	-	18,000,000	18,000,000
<b>Total</b>	<b>2,723,534,000</b>	<b>366,940,000</b>	<b>3,090,474,000</b>

Ninh Binh, March 10<sup>th</sup>....., 2025

Prepared by

Hoang My Hanh



**TRANSACTIONS BETWEEN THE COMPANY AND INSIDERS OR RELATED PARTIES OF INSIDERS**

Of: Ninh Binh Phosphate Fertilizer Joint Stock Company  
 (Attached to the Company's Annual Report for 2024)

Unit: VND

No.	Organization/Individual Name	Relationship with the Company	Address	Contract Signing Date	Contract Number	Total Transaction Value	Notes
1	Viet Nam Apatit Limited Company	Subsidiary of the Parent Company	Bac Cuong Ward, Lao Cai City, Lao Cai Province	1/5/2024	03/HĐ-APT	127,204,941,472	Purchase of Apatite Ore
2	Southern Chemicals Import Export Joint Stock Company	Affiliate of the Parent Company	Pham Ngu Lao Ward, District 1, Ho Chi Minh City	4/15/2024	13/2024/SCM-PLNB.01	325,080,000	Purchase of Sulfur
3	Vietnam Institute of Industrial Chemistry	Subsidiary of the Parent Company	No. 2 Pham Ngu Lao, Hoan Kiem District, Hanoi	3/4/2024	59/VHH-PT-QTMT	36,774,000	Environmental Monitoring
4	Van Dien Fused Magnesium Phosphate Fertilizer Joint Stock Company	Subsidiary of the Parent Company	Phan Trong Tue Street, Tam Hiep Commune, Thanh Tri District, Hanoi	7/30/2024	210/VHH-PT-QTMT	36,288,000	Environmental Monitoring
				1/10/2024	55/HĐ-PL	31,393,587,000	Sale of Semi-finished fused magnesium phosphate Fertilizer
				3/22/2024	145/HĐ-PL	33,002,247,800	
5	Southern Chemicals Import Export Joint Stock Company	Affiliate of the Parent Company	Pham Ngu Lao Ward, District 1, Ho Chi Minh City	5/17/2024	308/HĐ-PL	31,827,474,000	
				1/18/2024	70/HĐMB-PL	87,133,659,500	Sale of Fertilizer

Ninh Binh, March 10<sup>th</sup>, 2025 *Ph*

Prepared by

*Ph*