

No.: 211 /CMT-HĐQT
Disclosure of annual report in 2024

Quy Nhon, 14 March 2023

To:

- The State Securities Commission;
- Hanoi Stock Exchange.

INFORMATION DISCLOSURE

I. Organization of information disclosure:

- Organization name: Central PetroVietnam Fertilizer and Chemical Joint Stock Company
- Stock Code: PCE
- Head office address: Lot A2, Nhon Binh Industrial Cluster, Nhon Binh Ward, Quy Nhon City, Binh Dinh province.
- Phone: 0256 – 3848488 Fax: 0256 – 3848588
- Information disclosure person: Mr. Le Thanh Vien - Chief Accountant.
- Type of disclosure: 24H 72H Periodic Irregular Request

I. Content of information to be announced:

Implementing the Circular No. 96/2020/TT-BTC dated November 16, 2020 of the Ministry of Finance guiding the disclosure of information on the stock market, Central PetroVietnam Fertilizer and Chemical Joint Stock Company discloses information on the 2024 annual report as attached.

Respect./.

Recipient:

- Ditto;
- HĐQT, BGD, BKS;
- P.TCHC (website posting);
- Save: VT, Company Secretary (LT).

Attach:

Annual Report 2024.

INFORMATION DISCERNERS



Ký số: 0001
Ngày ký: 2025/03/14 15:58:59 +07:00
Được cấp và xác nhận bởi: CMC CA
- tổ chức được ủy quyền cung cấp dịch vụ chữ ký số tại
Việt Nam cấp và xác nhận bởi:

Le Thanh Viên



CENTRAL PETROVIETNAM FERTILIZER AND CHEMICALS JSC.

Add: Lot A2, Nhon Binh Industrial Cluster, Nhon Binh Ward, Quy Nhon City, Binh Dinh Province

Đt: 0256.3848488 – Fax: 0256.3848588 – Website: www.pce.vn

ANNUAL REPORT IN 2024

Quy Nhon, March 2025

TABLE OF CONTENTS

Part I. General Information	01
I. General information	01
II. Industries and business areas	01
III. Information about the governance model, business organization and management apparatus	02
IV. Development orientation.....	03
V. Risks.....	03
Part II. Operational situation in 2024.....	05
I. Production and business activities	05
II. Organization and personnel	05
III. Investment and implementation of projects.....	06
IV. Financial situation	07
V. Shareholder structure, change of owner's investment capital.....	08
VI. The Company's environmental and social impact report.....	08
Part III. Board of Directors Reports and Evaluations.....	10
I. Evaluating business results	10
II. Financial situation	10
III. Improvements in organizational structure, policies, and management.....	11
IV. Future development plans	12
V. Explanation of the auditor's opinion (if any)	12
VI. Environmental and Social Responsibility Assessment Report.....	12
Part IV. Evaluation of the Board of Directors of the Company's activities	13
I. Evaluation of the Board of Directors of the Company's activities	13
II. Evaluation of the Board of Directors on the activities of the Board of Directors of the Company	14
III. Plans and orientations of the Board of Directors	14
Part V. Corporate Governance	15
I. Board of Directors.....	15
II. Supervisory Board.....	17
III. Transactions, remuneration and benefits of the Board of Directors, the Board of Directors and the Supervisory Board.....	19
Part VI. Financial Statements	21

PART I

GENERAL INFORMATION

I. General information

- Transaction name: Central PetroVietnam Fertilizer and Chemical Joint Stock Company.
- Business Registration Certificate No.: 4100733174 issued by the Department of Planning and Investment of Binh Dinh province for the first time on August 15, 2008 and registered for the 9th change on January 8, 2025.
- Charter capital: 100,000,000,000 VND (*One hundred billion VND*).
- Investment capital of the owner: 100,000,000,000 VND (*One hundred billion VND*).
- Address: Lot A2, Nhon Binh Industrial Cluster, Nhon Binh Ward, Quy Nhon City, Binh Dinh Province.
- Phone number: 0256 - 3848488.
- Fax: 0256 - 3848588.
- Website: www.pce.vn.
- Stock Code: PCE

Formation and development process

- On 14/01/2005, established a branch of PetroVietnam Fertilizer and Petrochemical Company in the Central and Central Highlands.
- On 27/12/2007, the name of the Branch of PetroVietnam Fertilizer and Chemical Joint Stock Company in the Central and Central Highlands was changed to the Central and Central Highlands Fertilizer Trading Enterprise.
- On 01/9/2008, PetroVietnam Fertilizer and Chemical Co., Ltd. was established.
- On 01/01/2011, it was transformed into PetroVietnam Fertilizer and Chemical Joint Stock Company.
- On 01/6/2015, PetroVietnam Fertilizer and Chemical Joint Stock Company was granted a Securities Registration Certificate by the Vietnam Securities Depository.
- On 02/7/2015, PetroVietnam Fertilizer and Chemical Joint Stock Company was approved by the Hanoi Stock Exchange.
- On July 23, 2015, Central PetroVietnam Fertilizer and Chemical Joint Stock Company officially opened the first trading session with the stock code PCE.

II. Industries and business areas

Business scope:

- Wholesale fertilizers, pesticides and other chemicals used in agriculture.
- Wholesale of raw agricultural and forest products (except wood, bamboo, bamboo) and live animals.
- The rest of the other business support services have not been classified (agricultural production support consultancy services).
- Inland waterway cargo transportation.
- Wholesale of other chemicals (except for those used in agriculture).
- Wholesale of bamboo, bamboo, tree wood and processed wood.
- Freight transportation by road.
- Real estate business, land use rights belonging to owners, users or leased.

- Advertise.
- Market research and public opinion polls.
- Organizing trade introduction and promotion.
- Wholesale of silk, fiber, woven yarn.

Business Location:

The Company's business area includes 11 provinces in the Central - Central Highlands region, namely Khanh Hoa, Phu Yen, Binh Dinh, Quang Ngai, Quang Nam, Da Nang, Hue, Quang Tri, Gia Lai, Kon Tum and DakLak.

III. Information about the governance model, business organization and management apparatus:

- ***Governance Model:***

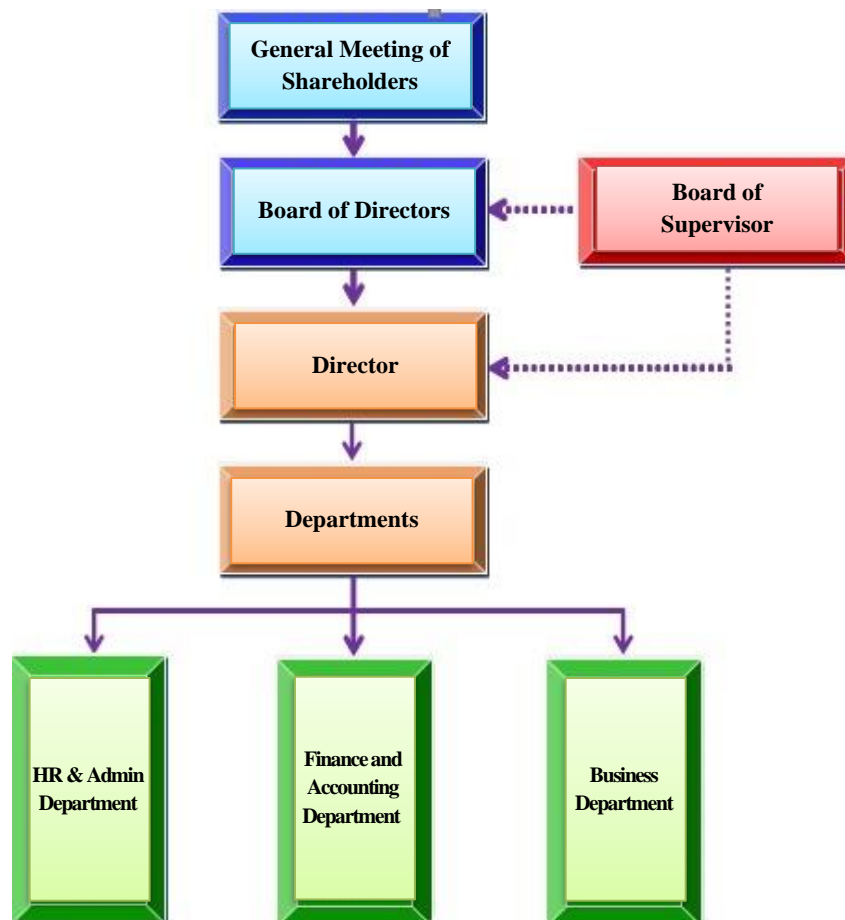
General Meeting of Shareholders

Board of Directors

Supervisory Board

Board of Directors

- ***Structure of the management apparatus:***



Comment:

- : Steering Relations
- ⋯→ : Supervisory Relations

IV. Development orientation

Development principles:

- Focus on trading and distributing PVFCCo's key products (Urea, NPK);
- Strictly control the business and distribution process to ensure product quality to users, strictly fulfill commitments to customers and have solutions to use and stick with consumers.
- Promote internal resources and long-term development cooperation with partners to share risks and exploit advantages and opportunities.

The main objectives of the Company:

- Continue to maintain and increase the market share of fertilizers, especially developing the market for NPK and organic fertilizers.
- Continue to promote efficient consumption and increase the market share of Phu My brand fertilizers in key markets.
- Continue to build and improve the distribution system to create cohesion and ensure business efficiency.
- Playing a leading and constructive role in the field of fertilizers in the market in the Central – Central Highlands region
- Participate in the field of organic fertilizers and position the role of creating and developing the organic fertilizer segment in the market. Investment in a mechanical fertilizer factory.
- Improving the professionalism and efficiency of the staff, focusing on improving professionalism and promoting the role of disclosure in business work, understanding and meeting the needs of customers, cooperating with HTPP
- Review and develop the Company's warehouse system planning.
- Ensure the interests of shareholders and jobs, average income of employees.

Development strategy:

Continue to develop to maintain the Company's current position as a first-class fertilizer trading and distribution enterprise in the Central – Central Highlands region, leading in Vietnam.

Environmental, social and community objectives of the Company:

Business development always goes hand in hand with environmental protection and social responsibility.

V. Risk Management

With the responsibility of promoting long-term corporate success, protecting the best interests of shareholders, and harmonizing with social responsibility, the Company always identifies, assesses and controls risks associated with strategic goals and action plans to optimize corporate value and sustainable development. In 2024, the Company will manage material risks including:

1. The risk of political conflicts, world economic fluctuations, high inflation, currency exchange rate fluctuations, negative impacts on the global financial market, financial difficulties, greatly affecting the domestic and world fertilizer markets.

2. Climate change risks: the weather and climate situation are increasingly complicated, difficult to forecast, adversely affecting agricultural production and fertilizer consumption markets.
3. The risk of the market oversupply: the fertilizer market continues to be increasingly competitive because imported fertilizers are always imported into Vietnam at any time. Domestic supply from large-capacity Urea and NPK fertilizer factories is increasing.
4. Financial risks: financial problems in fertilizer business are always latent due to unpredictable fluctuations in weather, crop loss, and declining agricultural product prices, affecting the ability of farmers to reinvest.
5. Environmental and statutory risks:
 - Vietnam must open its doors during the integration process, many foreign enterprises will invest in the production and trading of fertilizers that can partially replace Urea. Foreign enterprises with good experience and business management capacity will become strong competitors.
 - Counterfeit and low-quality fertilizers have not been strictly managed, leading to disadvantages for serious businesses such as the Company.
 - The tax policy is in the consolidation stage, so there are constantly changes and supplements directly related to the fertilizer industry.

On the basis of identifying the above risks, the Company has planned regular control to promptly detect and have solutions to prevent and limit risks to ensure the achievement of the set goals.

PART II

OPERATIONAL SITUATION IN 2024

I. Business situation in 2024

In 2024, the fertilizer market in the region will continue to be unpredictable and fiercely competitive. The consumption of single fertilizers faces many difficulties at some times, distributors are cautious in closing orders, stores only receive according to demand when prices follow a downward trend and demand decreases because farmers gradually switch to using NPK for fertilizer.

With NPK products, the price is less volatile, but competitors continue to implement many attractive programs, big brands actively implement activities to dominate the market, especially in key markets in the Central Highlands, the level of competition is increasingly fierce.

The prices of key agricultural products in the region continued to prosper when the prices of coffee and pepper continuously peaked, the Summer Autumn rice crop was harvested, priced, and other crops at some times, although they cooled down, did not affect the income of farmers much.

1. Output targets

- Fertilizer consumption reached 324,200 tons, reaching 106% of the annual plan, reaching 100% compared to 2023. In which:
 - *Phu My urea achieved: 194,149 tons, reaching 97% of the annual plan, reaching 97% compared to 2023.*
 - *NPK Phu My reached: 68,198 tons, reaching 124% of the annual plan, reaching 116% compared to 2023.*
 - *Proprietary trading of Phu My brand reached: 34,911 tons, reaching 116% of the year's demand, reaching 90% compared to 2023.*
 - *Kebo + Other proprietary trading: 26,942 tons, reaching 135% of the year's plan, reaching 109% compared to 2023.*

2. Financial Expenditure

- Revenue reached: VND 3,176 billion, reaching 109% of the year's budget, reaching 100% compared to 2023.
- Total implementation cost (QLBH) reached: VND 57.56 billion, reaching 98% of the annual plan, reaching 101% compared to 2023.
- Profit after tax reached VND 34.83 billion, reaching 113% of the year's plan and reaching 132% compared to 2023.
- State budget payment achieved: 11.69 billion VND, reaching 119% of the annual budget, reaching 108% of the same period in 2023.
- In 2023, the interests of shareholders are guaranteed with an expected dividend payout rate of 14%/year.

II. Organization and personnel

1. Board of Directors:

Mr. Mai Thanh Hai

Duty:	Chairman of BOD
Year of birth:	1978
Qualifications:	Master of Business Administration

Mr. Trinh Van Chuong

Duty:	Member of BOD, Director (resigned from 01/01/2025)
Year of birth:	1978
Qualifications:	Bachelor of Economics

Mr. Nguyen Quang Doan

Duty: Member of BOD
Year of birth: 1971
Qualifications: Master of Business Administration

Mr. Luong Anh Tuan

Duty: Director (from 01/01/2025)
Year of birth: 1978
Qualifications: Bachelor of Economics

Mr. Ta Quoc Phuong

Duty: Deputy Director
Year of birth: 1977
Qualifications: Bachelor of Economics

Ms. Nguyen Thi Kim Brother

Duty: Head of the Supervisory Board
Year of birth: 1975
Qualifications: Bachelor of Economics

Mr. Pham Sincere Dragon

Duty: Member of the Supervisory Board
Year of birth: 1976
Qualifications: Bachelor of Economics

Ms. Tran Thi Hai Yen

Duty: Member of the Supervisory Board
Year of birth: 1981
Qualifications: Bachelor of Organic Chemistry Technology

2. Number of officers and employees, summary of policies and changes in policies for employees:

- As of December 31, 2024: the total number of employees of the Company is 52 people (of which 17 are female employees). 100% of the existing number of employees have signed all types of labor contracts in accordance with the provisions of the Labor Code, in which: indefinite-term labor contracts for 49 people; Contract from 1-3 years 03 people.
- In 2024, the Company has developed and amended internal rules and regulations directly related to employees in accordance with the Labor Code, ensuring democracy and in accordance with the business situation and management model of the Listed Joint Stock Company. Regulations and policies have been developed and amended: Regulations on salary payment, bonus payment and distribution of welfare funds; Inventory norms and receivables; List and deposit investment limit at each credit institution; Distributor Regulation...
- The policies being implemented have shown the Company's high interest in the legitimate interests of employees in order to motivate and encourage employees to promote, dedicate and stick with the Company for a long time.

III. Investment and implementation of projects

In 2024, the Company will not invest and implement any projects.

IV. Financial situation

1. Financial situation:

Investment: Billion VND

Quota	2024	2023	Increase/Decrease
Total assets	324,27	228,09	96,17
Net revenue from sales and service provision	3.150,35	3.173,99	(23,64)
Profit from business activities	34,35	24,95	9,40
Other Profits	0,49	1,43	(0,94)
Profit before tax	34,83	26,38	8,45
Profit after tax	27,72	20,94	6,78
Dividend payout rate (%)	14	14	-

In 2024, the fertilizer market in the region will continue to be unpredictable and fiercely competitive. However, the Company's basic financial indicators in 2024 increased compared to 2023 and the Company has completed the plan assigned by the General Meeting of Shareholders in 2024.

Main financial indicators:

- Capital structure:

Quota	2024	2023	Increase/Decrease
Short-Term Assets/Total Assets	90%	86%	5%
Long-Term Assets/Total Assets	10%	14%	-5%
Liabilities/Total Capital	40%	18%	22%
Equity/Total Capital	60%	82%	-22%

The Company's own working capital in 2024 is always kept at a high level such as short-term assets accounting for 90% of total assets, equity accounting for 60% of total capital, which means liabilities account for 40% and increase by 22% over the same period last year. These indicators show that the main source of business capital is the Company's own source, the capital source to serve business activities is always stable and timely.

- Solvency:

Quota	2024	2023	Increase/decrease
Current Solvency = Current Assets/Current Liabilities	2,26	4,72	(2,46)
Quick Solvency = (Current Assets - Inventory)/Current Liabilities	2,26	4,72	(2,47)

With the index in 2024, the ratio of current assets accounts for 90% of total assets and the ratio of liabilities accounts for 40% of the total capital that has created solvency 2.26 times compared to liabilities, the Company's solvency is always guaranteed, properly fulfilling debt obligations to suppliers.

- Operating capacity in 2024:

Quota	Number of turnover 2024	Number of turnover 2023	Increase/Decrease	Number of days/round 2024
Inventory turnover	40	47	-15%	9
Accounts receivable turnover	36	64	-44%	10

The inventory turnover in 2024 is 40 cycles/year, which means that the 9-day storage cycle of goods will be put on the market for consumption, down 15% compared to the previous year.

The turnover of receivables is 36 rounds/year, down 44% (down 28 rounds) over the same period last year, which means that after 10 days of bringing goods to the market, the cash flow will be collected.

- Profitability:

Quota	2024	2023	Increase/decrease
Net Revenue/Equity	16,17	17,00	(0,83)
Net Revenue/Total Assets	9,72	13,92	(4,20)
Net Profit/Net Revenue	0,9%	0,7%	0,2%
Net Profit/Average CSH Capital (ROE)	14,5%	10,8%	3,7%
Net Profit/Gross Assets Average (ROA)	10,0%	8,4%	1,6%

The profitability indicators of 2024 increased compared to the same period last year, the Net Profit/Equity index increased by 3.7%; the average Net Profit/Total Assets index increased by 1.6% due to the Company's profit in 2024 increasing by VND 6.78 billion, equivalent to an increase of 32% compared to 2023.

In general, the Company's financial situation in 2024 has grown over the same period, the Company still maintains stability, ensuring capital sources to serve the business process, in the face of complex changes in the fertilizer market in the Central and Central Highlands.

V. Shareholder structure, change of owner's investment capital

1. Stock:

The company currently has 10,000,000 ordinary shares in circulation. All are freely transferable shares.

2. Shareholder structure:

As of September 4, 2024, the Company has 324 shareholders, of which, 03 major shareholders are PVFCCo accounting for 75%, Mr. Nguyen Huu Luan accounting for 8.5% and Da Nang Chemical Joint Stock Company accounting for 5%, the rest are retail shareholders (C340/2024-PCE/VSDC-DK established by the Vietnam Securities Depository on September 6, 2024). All 10,000,000 shares of PCE are ordinary and freely transferable.

3. Changes in the owner's investment capital:

In 2024, the Company will have no change in the owner's investment capital.

VI. The Company's environmental and social impact report

1. Management of raw materials, energy and water consumption:

With the model of a company specializing in trading and distribution, it does not directly produce, so there is no industrial waste and does not use a lot of energy, electricity and water.

2. Compliance with the law on environmental protection:

- Regularly update legal documents on environmental protection, promptly disseminate and deploy to units to ensure that the provisions of the law are applied appropriately; At the same time, periodically review and update processes/regulations on OSH - CL to ensure compliance with the provisions of law and the actual situation arising.

- Seriously and fully implement environmental work activities, regularly conduct periodic and irregular inspections to ensure absolute safety of people and goods, keep the working environment clean and tidy and raise the awareness of saving resources and costs of the Company.
- Measure and check the level of pollution at warehouses every 6 months, ensuring the working environment for employees.
- Periodically inspect and supervise safety work in the process of business, delivery and receipt of goods, ensure compliance with regulations, prevent and minimize unsafe risks and environmental violations.
- Waste management is strictly and fully complied with the requirements of law: arranging hazardous waste warehouses and collecting and treating them in accordance with law.
- Maintain and strengthen sanitation, plant trees, create a green - clean - beautiful environmental landscape at the Company's Office and warehouses.

3. Policies related to employees:

- Organize periodic health checks for employees to detect occupational diseases or other diseases for timely treatment.
- Monitor and supervise food hygiene and safety at collective kitchens to ensure that there are no food poisoning incidents for employees.
- Fully implement the allowance regime for the safety and hygiene network and employees working regularly at warehouses and ports.

4. Reporting related to responsibility to local communities

- Implementing many social security programs in the area managed by the Company such as receiving support for VNAH mothers, supporting social protection centers, supporting poor students to overcome difficulties, natural disaster relief, storms and floods, etc.
- Organize to build and contribute to the Company's Mutual Friendship Fund to share and help difficult circumstances in life.
- Regularly organize visits and give gifts to policy families, difficult cases, diseases, etc.

PART III
REPORT AND EVALUATION OF THE BOARD OF DIRECTORS

I. Evaluation of production and business results in 2024

In 2024, the fertilizer business situation will face many difficulties and challenges. The world and domestic fertilizer markets continue to trade quietly due to lack of demand, fluctuating fertilizer prices continuously affect the psychology of distributors (caution and restriction of imports);

Facing that situation, the Company has actively followed market developments, especially fertilizer price fluctuations to have flexible management and management solutions in business activities, proactively implemented many solutions, maximized advantages, overcome difficulties to best complete the planned targets assigned by the General Meeting of Shareholders and dividend benefits of shareholders are guaranteed.

II. Financial situation

1. Asset situation:

STT	QUOTA	Residents	31/12/2023	31/12/2024	Increase/decrease	
					Amount	%
1	Total assets	<i>billion VND</i>	228,09	324,27	96,17	42%
2	Short-term receivables. In which:	"	49,03	126,69	77,66	158%
-	Customer receivables	"	35,58	21,76	(13,82)	-39%
-	Upfront payment to the seller	"	13,39	103,91	90,52	676%
-	Other receivables	"	0,05	1,02	0,97	1840%

As of 31/12/2024:

- The Company's total assets were VND 324.27 billion, up 42% over the same period.
- Short-term receivables were VND 126.69 billion, up 58% over the same period. In which:
 - Customer receivables are 21.76 billion; In which, receivables from PetroVietnam Fertilizer and Chemical Corporation – Joint Stock Company are VND 21.76 billion, including receivables from costs of transportation, loading and unloading, warehousing, electricity operation and maintenance fees; Fees for the implementation of technical service contracts sourced by the Corporation.
 - Advance payment to the seller: 103.91 billion VND, of which 103.91 billion VND is prepaid to PetroVietnam Fertilizer and Chemical Corporation – Joint Stock Company.

Asset Utilization Performance:

$$\text{Total Asset Turnover} = \frac{\text{General Pure Autumn}}{\text{Average total assets}} = \frac{3,150.35 \text{ billion VND}}{\text{VND } 276.18 \text{ billion}} = 11 \text{ rounds}$$

$$\text{Fixed Asset Turnover} = \frac{\text{General Pure Autumn}}{\text{Average fixed assets}} = \frac{3,150.35 \text{ billion VND}}{\text{VND } 27.34 \text{ billion}} = 115 \text{ rounds}$$

The above indicators show that the efficiency of using the Company's total assets and fixed assets is effective, with 1 VND of total assets and fixed assets invested in business activities, it is generated from 11 → 115 VND of revenue.

2. Liabilities:

STT	QUOTA	Residents	31/12/2023	31/12/2024	Up/Down	
					Amount	%
1	Total capital	VND	228,09	324,27	96,17	42%
2	Short-term liabilities. In which:	VND	41,40	129,40	88,00	213%
-	<i>Payable to the seller</i>	VND	4,89	7,87	2,98	61%
-	<i>Buyers pay upfront</i>	VND	20,59	103,22	82,63	401%
-	<i>Taxes and payables to the state</i>	VND	1,20	2,00	0,80	67%
-	<i>Payable to workers</i>	VND	7,25	7,83	0,58	8%
-	<i>Short-term costs</i>	VND	0,65	0,59	(0,06)	-9%
-	<i>Other short-term payables</i>	VND	0,13	0,98	0,85	636%
-	<i>Welfare Reward Fund</i>	VND	6,68	6,90	0,22	3%

As of 31/12/2024:

- Short-term liabilities were VND 129.4 billion, up 213% over the same period last year.
- Total liabilities to suppliers were VND 7.87 billion, down 61% over the same period last year. In which, the money paid to the Corporation is 0 VND, other subjects are 7.87 billion VND.
- The salary fund to be paid to employees is 7.83 billion VND; The reward and welfare fund is 6.9 billion VND.
- Taxes and amounts payable to the state are 2 billion VND, including VAT is 0.53 billion VND; CIT is VND 0.98 billion; PIT is 0.62 billion VND.
- The company has no long-term liabilities and no bad debts occur.

Debt Indicators:

$$\text{Debt-to-Total Assets Ratio} = \frac{\text{Liabilities}}{\text{Total assets}} = \frac{\text{VND 129.40 billion}}{\text{VND 324.27 billion}} = 40\%$$

$$\text{Debt ratio above Equity} = \frac{\text{Liabilities}}{\text{Equity}} = \frac{\text{VND 129.4 billion}}{\text{VND 194.85 billion}} = 66\%$$

The above indicators show that the debt to equity ratio accounts for 40% of total assets and the debt-to-equity ratio is 66%. This shows that the debt structure is at a safe level.

III. Improvements in organizational structure, policies, and management

- Regularly review and rearrange the organizational apparatus of departments and personnel to suit the new business situation in the direction of streamlining and efficiency. Continue to review and improve the salary and bonus mechanism according to capacity and work efficiency. Strengthen the development of plans and implement training more strongly and effectively, paying special attention to internal training, exchanging experiences, and providing regular and continuous tutoring.

- Continue to review and improve the organizational structure and readjust the functions and tasks of appropriate departments on the basis of streamlining and strengthening governance. To build and develop a contingent of good managers and professional staff. Continue to improve regulatory processes, eliminate unnecessary regulations, regulations and processes.
- Closely follow the direction and orientation of superiors to proactively develop plans, plans and roadmaps to restructure the Company's charter capital holding.
- Strengthen inspection and supervision to promptly detect, prevent and handle errors in administration and business.

IV. Future development plans

The situation of climate change is still very complicated, difficult to forecast, adversely affecting agricultural production and the fertilizer market. It is forecasted that the market will continue to compete fiercely due to the impact of the political situation, the world economy, and the inflation crisis. Financial risks in business are always latent due to unpredictable fluctuations in weather, markets, crop failures, and declining prices of agricultural products.

In order to minimize risks, promptly respond to all situations and developments of the market, adapt to changes in the State's policies and be proactive in business activities. The company defines the goals and plans for development as follows:

- Ensuring to continue to maintain Phu My's urea market share and be a leading brand in the region.
- Ensure the consumption of all assigned NPK output as well as other Phu My brand products effectively.
- Maintain the Company's position and influence on the distributor system in the face of continuous changes in the market and business trends.
- Practice thrift, minimize sales management costs to improve business efficiency.
- In addition to the key task of selling and consuming all Phu My fertilizer products, the Company will organize research to expand production and business to add new products, expand the niche market for fertilizers.
- Business development goes hand in hand with environmental protection and social responsibility. Ensure the harmony of interests of shareholders.

V. Explanation of the auditor's opinion (none)

VI. Assessment report related to the Company's environmental and social responsibility

- The company has fully fulfilled its environmental obligations and responsibilities as prescribed. Periodically carry out reports on safety – health – environment for the parent company and local state management agencies.
- Social security is also paid attention to and focused by the Company in order to demonstrate the Company's role and responsibility to the local community.

SECTION IV EVALUATION OF THE BOARD OF DIRECTORS OF THE COMPANY'S ACTIVITIES

I. Evaluation of the Board of Directors of the Company's activities

In 2024, the world economic and political situation will fluctuate complicatedly, conflicts in Europe and the Middle East will continue to increase, leading to instability in the energy and commodity markets; Oil and gas prices are rising, affecting inflation in many countries; Escalating geopolitical risks will continue to be a barrier to stable and sustainable economic growth.

Domestically, 2024 is the 4th year of implementation of the 5-year Plan 2021-2025, a year of acceleration and breakthrough, which is of special significance in the successful implementation of the Resolution of the 13th Party Congress. In addition to the advantage of having a stable macro foundation, our country's economy still faces many difficulties such as small scale, limited resilience and competitiveness, greatly affected by external influences, especially inflationary pressure, etc strategic competition, geopolitical conflicts; energy and food security; Climate change affects crops and fertilizer consumption; VAT policy has not been adjusted appropriately.

For the Company, the goals and plans assigned to the Company by the General Meeting of Shareholders in 2024 are a great challenge in implementing the tasks, plans/growth goals at the unit. The Company's Board of Directors has determined that 2024 is an extremely difficult and challenging year, so from the first days/months of the year, it has focused on leading and directing the synchronous and comprehensive implementation of action programs and work plans for implementation throughout and overall.

The Board of Directors realized that the Board of Directors has closely followed the goals, tasks and plans of the year, strengthened coordination with Agents and promoted the consumption of goods. Organize the implementation of the 2024 plan targets. At the same time, maintaining the market share of Phu My Urea in the region, gradually consolidating and perfecting the distribution network, promoting the consumption of Phu My NPK products. Regarding corporate governance and restructuring, it has been implemented in the direction of streamlining and improving the Company's operational efficiency. The Board of Directors together with the Board of Directors regularly review and develop a reasonable personnel arrangement plan and make decisions on personnel work in accordance with the organizational structure and operation model of the Company, ensuring that the key staff is fully capable, quality to operate effectively. The staff is regularly trained and coached to improve their capacity, meet the business requirements and development strategy of the Company.

The management and use of capital, especially the monitoring and recovery of debts, are paid attention to, focusing on ensuring financial safety. At the same time, the Company has organized the implementation of thrift and anti-waste practices, upheld the spirit of self-discipline in thrift and anti-waste practices of employees, and minimized costs in all aspects of operations.

In addition, safety is always well maintained by the Company. As a result in 2024, the Company will not let any incidents occur that affect business activities. Security and fire prevention are always focused.

The Board of Directors together with the Board of Directors of the Company have assessed the situation of business activities from time to time and given specific directions through briefings, periodic Board of Directors meetings, in the process of implementing the

work, the Board of Directors has fully complied with the processes, the Company's regulations and the provisions of the Law. The company has best completed the targets of the 2024 General Meeting of Shareholders Resolution.

II. Evaluation of the Board of Directors on the activities of the Board of Directors of the Company

Pursuant to the Charter of the Company's organization and operation and the promulgated statutes and regulations. At the end of 2024, the Board of Directors assesses that the Board of Directors has fully and strictly implemented the directions set out by the Board of Directors.

III. Plans and orientations of the Board of Directors

In order to complete and exceed the goals of the 2025 plan, the Board of Directors determines efforts to strive in the governance and administration of the Company, enhance the efficiency of governance activities with the following contents and programs:

- Direct and supervise the Executive Board to complete the goals, tasks and targets of the 2025 plan according to the Resolution/Decision of the General Meeting of Shareholders/Board of Directors of the Company.
- Continue to improve and improve the Company's internal management system in accordance with the provisions of law, the listed company model and the actual business situation of the Company;
- Strengthen the inspection, supervision, internal control, and risk prevention in all activities of the Company.
- Maintain the urea market share, gradually develop the market share of Phu My NPK, promote business activities in the fiercely competitive market conditions. Protect and develop the reputation and brand of Phu My fertilizer.
- Continue to direct the research and development of new products, business to diversify products.
- Continue to direct the implementation of strategies and plans for human resource development to improve labor quality and productivity, meet the Company's development requirements.
- To pay attention to and protect the legal interests of shareholders to the maximum extent and perform other tasks when assigned by the General Meeting of Shareholders.
- Direct and supervise the implementation of the thrift and anti-waste practice program in 2025.

Above are the basic analysis and assessment of the operation in 2024 and the orientations of the new work plan in 2025 of the Board of Directors of PetroVietnam Fertilizer and Chemical Joint Stock Company.

SECTION V CORPORATE GOVERNANCE

I. Board of Directors

1. Members and structure of the Board of Directors:

The Board of Directors consists of 03 members (term 2021-2026), including 01 full-time Chairman, 01 concurrent member as Director and 01 independent member.

Stt	Full name	Duty	Number of Voting Shares		
			Represent	Individual	Total
1	Mai Thanh Hai	Chairman of the Board of Directors	4.500.000	-	4.500.000
2	Trinh Van Chuong	TV. Board of Directors, Director	3.000.000	-	3.000.000
3	Nguyen Quang Doan	TV. Independent Board of Directors	0	0	0

2. Activities of the Board of Directors:

As the highest management body, representing the interests of shareholders, in 2024, the Board of Directors with 03 incumbent members has actively performed its roles and tasks strictly according to the governance standards of the Joint Stock Company. The Board of Directors is organized to operate full-time, make collective decisions, and have a clear assignment of tasks to the members of the Board of Directors according to each professional field.

Members of the Board of Directors have performed the task of directing, supervising and promptly urging the activities of the Board of Directors through attending and giving directing opinions in important meetings of the Board of Directors on the implementation of resolutions and decisions of the Board of Directors, or on the preparation of schemes, etc project to submit to the Board of Directors. Attend and give directing opinions in periodic briefings of the Executive Board. Monitor and grasp the process of operating the Company's activities through reports and documents of the Board of Directors to report to the Board of Directors. Directly direct and give comments to the Board of Directors on a number of important issues arising in the process of running the Company's operations.

The Board of Directors works through periodic and extraordinary meetings, collects opinions of members through the form of opinion polls to promulgate resolutions and decisions, approves the contents under the competence of the Board of Directors specified in the Company's Charter, concrete:

- Decision on approving and allocating the planned salary fund in 2023.
- Resolution on approving the operation plan of the Board of Directors in 2024.
- Decision on approving and allocating the salary fund to be implemented in 2023.
- Resolution on the implementation of cash capital management in the first quarter of 2024.
- Resolution on approving and promulgating norms of inventories, warehouses and receivables.
- To decide on the approval and promulgation of the Regulation on salary payment, bonus payment and distribution of welfare funds.
- Resolution on approving the plan to borrow capital, use assets as collateral at Joint Stock Commercial Bank for Investment and Development of Vietnam - Binh Dinh Branch.
- Authorization for the signing of loan contracts at Joint Stock Commercial Bank for Investment and Development of Vietnam - Binh Dinh Branch.
- Resolution on the signing of trading and trading contracts with PetroVietnam Fertilizer and Chemical Corporation – Joint Stock Company.

- Resolution on the implementation of cash capital management in the second quarter of 2024.
- Decision on sending officials on foreign business trips - Mr. Trinh Van Chuong, Member of the Board of Directors Director of the Company.
- Resolution approving the list and deposit investment limit at each credit institution.
- Resolution approving the selection of the auditing unit of financial statements in 2024.
- Resolution on the implementation of cash capital management in the third quarter of 2024.
- Decision on salary grading of the Corporation's representative at the Company.
- Resolution on approving loans according to credit lines at VCB Bank - Binh Dinh Branch.
- Resolution on the implementation of cash capital management in the fourth quarter of 2024.
- Decision on sending officials on foreign business trips in Hanoi, Japan (From 24/10 to 30/10/2024).
- Decision to send officials on business trips abroad (Trinh Van Chuong went to Australia from 06-13/12/2024).
- Decision on approving the update of the planned salary fund in 2024.
- Decision on Mr. Trinh Van Chuong to resign from the position of Director of Central PetroVietnam Fertilizer and Chemical Joint Stock Company from January 1, 2025.
- Decision on the appointment of Mr. Luong Anh Tuan to hold the position of Director of Central PetroVietnam Fertilizer and Chemical Joint Stock Company from January 1, 2025.
- Decision on the salary arrangement of the Representative of the Corporation at the Company.
- Decision on the promulgation of the Company's Distributor Regulation.

The members of the Board of Directors at the Company include 01 full-time Chairman and 01 Member Director of the Company and 01 independent member who has performed the task of directing and supervising the activities of the Board of Directors through regulations, reporting regimes, meetings with the Board of Directors with the participation of the Board of Directors.

3. Activities of independent members of the Board of Directors and subcommittees in the Board of Directors:

The Board of Directors of the Company does not establish a sub-committee. The activities of the Board of Directors are specifically assigned to each member in charge of each field to verify the contents under the jurisdiction of the Board of Directors to make decisions, and at the same time supervise, direct and urge the Company to implement resolutions and decisions of the Board of Directors in the assigned fields.

Independent members of the Board of Directors fully participate in Board of Directors meetings, actively and contribute to planning activities, control compliance, and ensure good corporate governance practices according to standards. Perform the supervisory function for the management and administration of the Company, contributing to the protection of legitimate interests for the interests of shareholders, especially small shareholders.

The Board of Directors has put forward strategic production and business development orientations, appropriate medium- and long-term development investment plans, and fully implemented the goals and tasks according to the Resolution of the 2024 Annual General Meeting of Shareholders. Meetings of the Board of Directors are held, discussed, and voted on in accordance with the provisions of the Law and in accordance with the authority of the Board of Directors. The contents voted in the form of written opinion collection shall be carried out in accordance with regulations.

Members of the Board of Directors properly perform their roles and responsibilities, fully attend meetings and vote to contribute to the construction and development of the Company's activities and development orientation.

The Board of Directors regularly holds meetings to discuss the situation of production and business activities and on the basis of the timely direction of the Board of Directors, has decided on production and business plans in accordance with the practical situation in order to implement the decisions and resolutions of the General Meeting of Shareholders and the Board of Directors. In management and administration activities, no violations or material errors are recorded.

4. List of members of the Board of Directors with training certificates in corporate governance:

- ❖ List of members of the Board of Directors, Supervisory Board, Board of Directors and other managers who have participated in the training course on corporate governance in accordance with regulations on corporate governance:
 - Mr. Mai Thanh Hai, Chairman of the Board of Directors
 - Trinh Van Chuong, Member of the Board of Directors and Director
 - Mr. Nguyen Quang Doan, Member of the Board of Directors
 - Mr. Ta Quoc Phuong, Deputy Director
 - Mr. Nguyen Van Loc, Chief Accountant
 - Ms. Nguyen Thi Kim Anh, Head of the Supervisory Board
 - Mr. Pham Thanh Long, Member of the Supervisory Board
 - Ms. Tran Thi Hai Yen, Member of the Supervisory Board
 - Ms. Cao Thi Le Thanh, Company Secretary, Person in charge of Corporate Administration

II. Supervisory Board

1. Members and structure of the Supervisory Board:

Stt	Full name	Duty	Number of Voting Shares		
			Represent	Individual	Total
1	Nguyen Thi Kim Anh	Head of Department	0	0	0
2	Pham Thanh Long	Member	0	0	0
3	Tran Thi Hai Yen	Member	0	0	0

2. Activities of the Supervisory Board:

In 2024, the Company's Supervisory Board has held 04 meetings to agree on the inspection and supervision activities of the Supervisory Board with the following main contents:

- Supervise the compliance with the resolutions of the 2024 General Meeting of Shareholders and the Company's Charter.
- Supervise the management, organization and administration of business activities, financial and investment management of the Board of Directors and the Board of Directors of the Company in 2024.
- Control the compliance with laws and the Company's Charter in the process of making decisions and administering business activities.
- Supervise and inspect the implementation of current management regulations/regulations.
- Participate in Board of Directors meetings, company briefings to update the company's business activities.
- Supervise production and business activities and have monthly reports on the implementation situation. The Supervisory Board appraises the financial statements for 6 months and years and makes appropriate recommendations for the Company to operate better.

- Cooperate with the Internal Audit Board and functional departments of the Corporation to inspect all aspects of the Company's business activities.

3. Implementation of the Resolution of the General Meeting of Shareholders of the Company:

Implementing the 2024 plan, the results are as follows:

Quota	Residents	2024 Plan	2024 Implement	Percentage	Notes
Output	Ton	305,000	324,200	106%	
Turnover	Billion VND	2,925.25	3,176.29	109%	
Profit before tax	Billion VND	30.75	34.83	113%	
Profit after tax	Billion VND	24.60	27.72	113%	
Remittance to the state budget	Billion VND	9.79	11.69	119%	
Dividends	%	14	-	-	Not yet spent

4. Evaluating the performance of management and administration tasks of the Board of Directors and the Board of Directors of the Company:

In 2024, the Board of Directors of the Company has successfully completed the tasks assigned by the General Meeting of Shareholders, preserving and effectively using the owner's capital, ensuring the interests of shareholders, and ensuring the annual dividend distribution rate.

The Board of Directors has well implemented the resolutions of the General Meeting of Shareholders and the resolutions of the Board of Directors. The management and administration of production and business activities strictly comply with the corporate charter and the provisions of law in accordance with the resolution of the General Meeting of Shareholders.

The Supervisory Board finds that the report of the Board of Directors and the report of the Director of the Company have fully and honestly reflected the Company's production and business activities in 2023. The management and administration activities of the Board of Directors and the Board of Directors closely follow the resolutions and plans approved by the General Meeting of Shareholders, bringing benefits to shareholders. The decision-making process of the Board of Directors and the Board of Directors has complied with the Company's Operating Charter, legal regulations and in accordance with the Company's development strategy approved by the General Meeting of Shareholders.

5. Operation plan of the Supervisory Board in 2025:

- Supervise the implementation of the resolution of the 2025 General Meeting of Shareholders and the Company's Charter.
- Supervise the implementation, management, organization and administration of production and business activities, financial and investment management of the Board of Directors and the Board of Directors of the Company.
- Appraisal of financial statements, management and executive reports of the Board of Directors and the Director.
- Supervise and inspect the implementation of current management regulations/regulations.
- Supervise the implementation of cost-saving measures.
- Perform other tasks of the Supervisory Board as prescribed.

III. Report on salaries, remuneration and other benefits of the Board of Directors, Board of Directors and Supervisory Board

The Company applies the salary regime for Members of the Board of Directors, Members of the Full-time Control Board and the Executive Board in accordance with the law, in harmony with the Company's salary policy and annual salary fund, commensurate with the capacity and work results of each member. Bonuses and other general benefits according to the Company's employee policy.

For members of the Board of Directors and part-time members of the Supervisory Board, the Company implements the remuneration regime.

Bonuses and benefits: Members of the Board of Directors, Members of the Supervisory Board, and the Executive Board enjoy bonuses and benefits from the Company's reward and general welfare fund for employees.

1. Details of salary, remuneration and other benefits of the Board of Directors and the Supervisory Board in 2024 are as follows:

Unit: VND

TT	Title	Salary + Remuneration	Bonuses and benefits from KT-PL fund	Total
I.	BOARD	2.417.007.362	328.525.920	2.745.533.282
1	Chairman of BOD (full-time)	1.233.046.296	170.330.787	1.403.377.083
3	Member of BOD	1.135.961.066	158.195.133	1.294.156.199
4	Independent Member of BOD	48.000.000		48.000.000
II.	SUPERVISORY BOARD	102.000.000	0	102.000.000
1	Head of the Supervisory Board (part-time)	42.000.000		42.000.000
2	Member of the Supervisory Board (part-time)	30.000.000		30.000.000
3	Member of the Supervisory Board (part-time)	30.000.000		30.000.000
TOTAL		2.519.007.362	328.525.920	2.847.533.282

2. Stock trading of internal shareholders:

Without.

3. Contracts or transactions with internal shareholders:

In 2024, the Company has transactions with PetroVietnam Fertilizer and Chemical Corporation - Joint Stock Company in 03 fields: Phu My branded Fertilizer Purchase and Sale Contract; Decentralization contracts for the implementation of marketing and communication, trade promotion, social security, and technical services; and logistics service contracts (loading and unloading, transportation, warehousing, etc.). These transactions have been approved by the General Meeting of Shareholders for implementation in the Resolution of the 2023 Annual General Meeting of Shareholders No. 84/NQ-DHDCD dated 03/04/2023 (for transactions before 05/04/2024) and the Resolution of the 2024 Annual General Meeting of Shareholders No. 46/NQ-DHDCD dated 05/04/2024 (for transactions from 05/04/2024).

4. The implementation of regulations on corporate governance:

The Board of Directors has applied and implemented the governance standards of the Joint Stock Company, meeting the requirements as prescribed in the Company's Charter, the Operating Regulations of the Board of Directors and the provisions of law. The supervision, urging, and inspection of the Board of Directors have helped the Board of Directors organize the implementation of resolutions and decisions of the Board of Directors in a timely and effective manner, helping the Company's business activities develop stably and achieve the planned targets.

SECTION VI
FINANCIAL STATEMENTS
(Published)

LEGAL REPRESENTATIVE
DIRECTOR



Ký số bởi: LƯƠNG ANH TUẤN
Ngày ký: 2025/03/14 16:01:50 +07:00
Được cấp và xác nhận bởi: CMC CA
- tổ chức được ủy quyền cung cấp dịch vụ giữ ký số tại
Việt Nam cấp, cấp trên.

Lương Anh Tuấn