

PETROVIETNAM FERTILIZER AND  
CHEMICALS CORPORATION  
NORTHERN PETROVIETNAM FERTILIZER  
AND CHEMICALS JSC

THE SOCIALIST REPUBLIC OF VIETNAM  
Independence – Freedom – Happiness

Hanoi, 18<sup>th</sup> March 2025

No.: 426/MB-TCHC

Re: Disclosure of the 2024 Annual Report.

To:

- The State Securities Commission;
- The Ha Noi Stock Exchange.

1. Name of company: Northern Petrovietnam Fertilizer and Chemicals JSC
2. Stock symbol: PMB
3. Head Office Address: 4th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City.
4. Tel: 024.35378256 Fax: 024.35378255
5. Person in charge of information disclosure: Mr Pham Tran Nguyen - Head of Administration and Human Resources Department.
6. Type of Information Disclosure:  
 24h  72h  Requirement  Unusual  Periodic
7. Content of Information Disclosure: Northern PetroVietnam Fertilizer and Chemicals Joint Stock Company (Ticker Symbol: PMB) announces the disclosure of the 2024 Annual Report.
8. Website address for publishing: [www.pmb.vn](http://www.pmb.vn)

We hereby commit that the disclosed information is true and accurate, and we take full responsibility before the law for the content of the disclosed information.

Recipients: *HT*

- As above;
- BOD, BOS, Director (to report);
- Save VT, DNH.

Attached file:

The 2024 Annual Report

PERSON IN CHARGE OF  
INFORMATION DISCLOSURE



TRƯỞNG PHÒNG TCHC  
Phạm Trần Nguyễn



**NORTHERN PETROLEUM FERTILIZERS AND  
CHEMICALS JOINT STOCK COMPANY**

*4th Floor, VPI Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi*

*Tel: 024.35378256 - Fax: 024.35378255 - Website: [www.pmb.vn](http://www.pmb.vn)*



# 2024 ANNUAL REPORT

*Hanoi, March 2025*

## Table of Contents

<b>Part I: GENERAL INFORMATION</b> .....	4
<b>I. Overview information</b> .....	4
<b>II. Business lines and locations</b> .....	5
<b>III. Information on governance model, business organization and management apparatus</b> .....	6
<b>IV. Development orientation</b> .....	7
<b>V. Risk Management</b> .....	9
<b>PART II: 2024 CORPORATE ACTIVITIES REPORT</b> .....	11
<b>I. Business performance in 2024</b> .....	11
<b>II. Organization and Human Resources</b> .....	12
<b>1. List of Executive Board members</b> .....	12
<b>2. Number of staff, summary of policies and changes in policies for employees</b> .....	13
<b>III. Investment and project implementation situation</b> .....	13
<b>IV. Financial situation</b> .....	13
<b>1. Overview</b> .....	13
<b>2. Main financial indicators</b> .....	14
<b>V. Shareholder structure, changes in owner's equity</b> .....	16
<b>1. Shares</b> .....	16
<b>2. Shareholder structure</b> .....	16
<b>3. Changes in owner's investment capital</b> .....	17
<b>VI. Report on the Company's environmental and social impacts</b> .....	17
<b>1. Management of raw materials, energy and water consumption</b> .....	17
<b>2. Compliance with environmental protection laws</b> .....	17
<b>3. Policies related to employees</b> .....	18
<b>4. Report on responsibility to the local community</b> .....	19
<b>PART III: REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS</b> .....	19
<b>I. Evaluation of business performance in 2024</b> .....	19
<b>II. Financial situation</b> .....	19
<b>1. Assets</b> .....	19
<b>2. Liabilities</b> .....	21
<b>As of 31/12/2024:</b> .....	21
<b>III. Improvements in organizational structure, policies and management</b> .....	22

IV. Future Development Plan .....	22
V. Explanation of auditor's opinion (if any) .....	24
VI. Assessment report related to the Company's environmental and social responsibilities.....	24
<b>PART IV: BOARD OF DIRECTORS' ASSESSMENT OF THE COMPANY'S PERFORMANCE .....</b>	<b>24</b>
I. Board of Directors' assessment of the Company's operations .....	24
II. Board of Directors' assessment of the performance of the Company's Board of Directors....	25
III. Plans and orientations of the Board of Directors .....	26
<b>PART V: CORPORATE GOVERNANCE .....</b>	<b>28</b>
I. Board of Directors.....	28
1. Members and structure of the Board of Directors .....	28
II. Activities of the Board of Directors.....	28
1. Activities of Independent Board Members and Subcommittees in the Board of Directors .....	29
2. List of Board of Directors members with corporate governance training certificates .....	30
III. Board of Supervisors .....	31
Members and structure of the Board of Supervisors .....	31
2. Activities of the Board of Supervisors .....	31
3. Implement the Resolution of the Company's General Meeting of Shareholders .....	32
4. Evaluation of the performance of the Board of Directors and the Board of Management of the Company .....	33
5. Board of Supervisors' Operational Plan for 2025 .....	33
IV. Report on salaries, remuneration and other benefits of the Board of Directors, Board of Management and Supervisory Board .....	34
1. Details of salaries, remuneration and other benefits of the Board of Directors, Board of Management and Board of Supervisors are as follows: .....	34
2. Stock transactions of internal shareholders:.....	35
3. Contracts or transactions with internal shareholders: .....	35
4. Implementation of corporate governance regulations: .....	35
<b>PART VI: FINANCIAL STATEMENTS.....</b>	<b>36</b>
1. Auditor's opinion (Attached document) .....	36
2. Audited Financial Statement (Attached document).....	36

## **Part I: GENERAL INFORMATION**

### **I. Overview information**

- Trading name: Northern Petroleum Fertilizer and Chemical Joint Stock Company.
- Business Registration Certificate No.: 0102886450 issued by the Hanoi Department of Planning and Investment for the first time on August 19, 2008, and registered for the 14th change on February 1, 2024.
- Charter capital: VND 120,000,000,000 (One hundred and twenty billion VND).
- Owner's investment capital: VND 120,000,000,000 (One hundred and twenty billion VND).
- Address: 4th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City  
Phone number: 024 - 35378256.
- Fax number: 024 - 35378255.
- Website: [www.pmb.vn](http://www.pmb.vn).
- Stock code: PMB

### **Development process**

- On December 27, 2007, the Branch of Petrovietnam Fertilizer and Chemicals Joint Stock Company - Northern Fertilizer Trading Enterprise was established.
- On August 13, 2008, the Northern Petrovietnam Fertilizer and Chemicals Company Limited, Northern Petrovietnam Fertilizer and Chemicals Company Limited was established.
- On December 24, 2010, the Northern Petrovietnam Fertilizer and Chemicals Company Limited was converted into Northern Petrovietnam Fertilizer and Chemicals Joint Stock Company.
- On September 7, 2015, the Northern Petrovietnam Fertilizer and Chemicals Joint Stock Company was granted a Securities Registration Certificate by the Vietnam Securities Depository Center.

- On September 21, 2015, the Hanoi Stock Exchange approved the listing of shares on the stock exchange for the Northern Petrovietnam Fertilizer and Chemicals Joint Stock Company.
- On October 7, 2015, Northern Petroleum Fertilizer and Chemicals Joint Stock Company officially listed on the stock exchange with stock code PMB.

## **II. Business lines and locations**

### **Business lines:**

- Wholesale of fertilizers (except for those prohibited by the State).
- Retail of fertilizers (except for those prohibited by the State), chemicals permitted for circulation (excluding veterinary substances, medical chemicals and plant protection chemicals).
- Retail by postal or internet orders (except for auction activities)
- Wholesale of agricultural and forestry raw materials.
- Transport of goods by road and waterway.
- Consulting services to support agricultural production; real estate business; warehouse services business.
- Import and export of the company's business items; market research and public opinion polls; advertising; wholesale of silk, fiber, textile yarn; trade promotion organization.
- In fact, the main business activity of Northern Petroleum Fertilizer and Chemicals Joint Stock Company (PVFCCo - PMB) is trading in fertilizers, especially Phu My branded fertilizers and other chemical products used in agriculture, other production and business activities account for a negligible proportion.

### **Business area:**

- Including 29 provinces and cities in the Northern region, from Quang Binh to the North.

### III. Information on governance model, business organization and management apparatus

- Governance model:

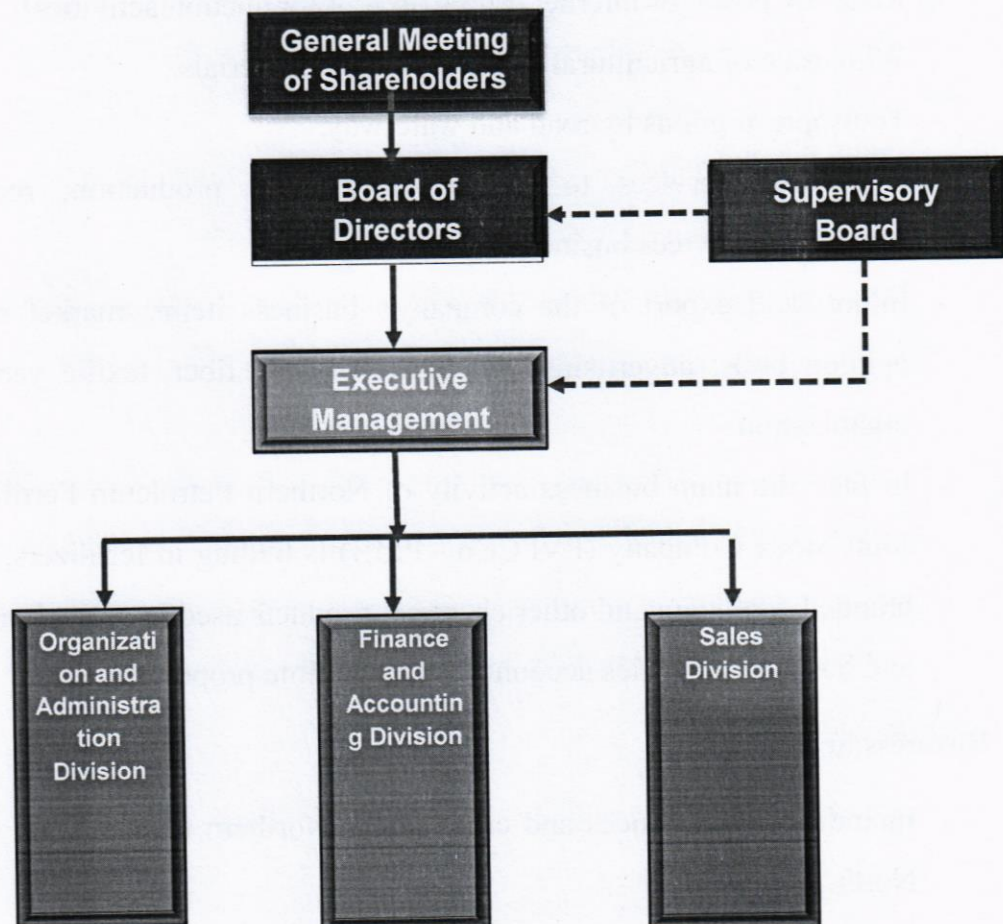
General Meeting of Shareholders

Board of Directors

Board of Supervisors

Executive Management

- Management structure:



**Notes:**

—————> : Directory relationship

- - - - -> : Supervisory relationship

#### IV. Development orientation

##### *Development principles:*

During its operation, the Company always aims for sustainable development, ensuring business efficiency and enhancing competitiveness. To do that, the Company identifies the following core principles:

- **Continuously innovate, ensure safety, improve efficiency and sustainable development:** The Company is committed to innovating in management and production, maintaining safety in all activities, and continuously improving business efficiency towards long-term and sustainable development.
- **Focus on key products:** The Company prioritizes the development, trading and distribution of PVFCCo's core products such as Urea, Potassium and NPK under the Phu My brand, to affirm its position in the market and meet customer needs.
- **Expanding the portfolio of self-traded fertilizer products:** The Company proactively develops self-traded fertilizer products to increase revenue, optimize profits and improve labor productivity, contributing to expanding market share and strengthening business capacity.
- **Increasing investment to be proactive in production and business:** The Company focuses on key investments, improving production capacity to reduce dependence on external supply sources, thereby enhancing proactiveness in business activities.
- **Strictly controlling product quality and distribution system:** The Company pays special attention to quality control from production to distribution, ensuring that products delivered to customers meet the highest standards, while fully implementing commitments to customers and partners.
- **Promote internal resources, expand strategic cooperation:** The Company makes the most of available resources, while promoting long-term cooperation with strategic partners to share risks, exploit development opportunities and enhance competitive strength in the market. These principles will be the foundation to help the Company develop stably, maintain a solid position in the market, and at the same time bring sustainable value to shareholders, customers and the entire system.



***The Company's main objectives:***

The Company aims to become a strong enterprise in the fertilizer business sector, while expanding other business activities in line with the orientation of PVFCCo and the Oil and Gas industry. Specific objectives include:

- **Affirming its position in the fertilizer industry:** The Company aims for sustainable development, becoming a leading fertilizer business enterprise in the Northern region, providing high-quality products, especially Phu My branded fertilizer products.
- **Consolidating and expanding market share:** The Company is committed to ensuring the quality, stability and efficiency of its products, meeting the needs of customers, especially in key regions such as the North Central Coast and the Red River Delta. At the same time, maintaining and expanding the fertilizer market share in the Northern region.
- **Developing the distribution system:** The company focuses on building and optimizing the distribution system, developing sales channels in breadth and depth, aiming to become a fertilizer business unit with a leading distribution system in the Northern region.
- **Investing in warehouse and logistics infrastructure:** The company builds a professional warehouse and logistics system, ensuring the ability to supply goods quickly and effectively to key locations.
- **Improving service quality to create competitive advantages:** The company identifies high-quality service as an important factor helping Phu My products become the priority choice of consumers in the region.
- **Ensuring the rights of shareholders and employees:** The company focuses on balancing business development and ensuring the rights of shareholders and employees, creating good working conditions and reasonable welfare regimes.

***Medium and long-term development strategy:***

Sustainable development, becoming one of the leading fertilizer trading and distribution enterprises in the Northern region.

***The Company's goals for the environment, society and community:***

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

## V. Risk Management

In order to ensure sustainable development, optimize corporate value and protect the best interests of shareholders, Northern Petroleum Fertilizer and Chemicals Joint Stock Company always proactively identifies, assesses and controls risks in business activities. Risk management is implemented in line with the development strategy, ensuring flexibility in responding to market fluctuations. In 2024, the Company focuses on managing the following key risks:

- 1. Political conflict risks:** Geopolitical instability in the world, especially the prolonged Russia-Ukraine conflict and tensions in some other regions, continue to negatively affect the global supply chain. Fluctuations in oil and gold prices, high inflation and tight financial policies of many countries have created great pressure on the fertilizer market. To minimize the impact, the Company has implemented measures to optimize the supply chain, diversify sources of goods and enhance market forecasting to adjust business plans accordingly.
- 2. Risk of oversupply in the market:** The fertilizer market, especially Urea, continues to face pressure from oversupply due to increased domestic production and imports. In order to maintain its competitive advantage, the Company continues to expand its distribution system and increase support for distributors through trade promotion programs. Currently, the Company's Phu My Fertilizer distribution system has been consolidated and divided into specific consumption areas, focusing on key agricultural areas from Quang Binh to the North.
- 3. Risk of price competition:** Domestic fertilizer prices are still directly affected by fluctuations in world prices and the pricing strategies of major manufacturers. In 2024, fertilizer prices will continue to fluctuate in a complex trend, creating challenges for business operations. The Company has developed a flexible pricing strategy, balancing risks and opportunities, to ensure competitiveness while maintaining financial efficiency.

**4. Risks related to customer liquidity:** The Company's sales policy continues to be strictly controlled through the application of reasonable liabilities limits according to the financial capacity and creditworthiness of each distributor. Thanks to effective risk control measures, in 2024, the Company did not record any disputes related to bad liabilities.

**5. Risks when launching new products to the market and risks related to product quality:** Market demand continues to shift to high-quality, environmentally friendly and high value-added fertilizer product lines. To meet this trend, in addition to the main product of Phu My Urea, the Company has been expanding its product portfolio such as Phu My Potassium, Phu My NPK, Phu My Kebo, and at the same time researching and developing specialized fertilizer lines to increase business output and maintain market share.

**6. Environmental risks and compliance with legal regulations**

- Competition from foreign enterprises is increasing as Vietnam integrates deeply into the international market, creating great pressure on domestic enterprises.
- The situation of fake and poor quality fertilizers still exists, negatively affecting legitimate businesses. The Company continues to promote cooperation with management agencies to strengthen market control, protect brands and consumer rights.

**7. Risks due to climate change:** Climate change continues to have a strong impact on agricultural production, affecting the demand for fertilizers. Recognizing this issue, the Company has developed adaptive solutions, such as diversifying products, improving the quality of technical consulting services, and supporting farmers to optimize fertilizer use for maximum efficiency.

Based on the assessment of the above risks, the Company has implemented strict control and monitoring measures to minimize negative impacts, ensure stable business operations, and achieve strategic goals set for 2024.

## PART II: 2024 CORPORATE ACTIVITIES REPORT

### I. Business performance in 2024

2024 continues to be a challenging year for the Vietnamese fertilizer market, especially in the Northern region, when facing many unpredictable fluctuations. Unfavorable weather conditions, unusually heavy rains and the impact of strong storms have caused serious damage to agricultural production. Many crop areas were completely lost, agricultural output decreased, leading to prices not being maintained at high levels, negatively affecting farmers' income and reinvestment ability. These factors significantly reduce the demand for fertilizers in the market.

In addition, the supply of fertilizers during the year is always in excess, putting great pressure on manufacturers and distributors. The situation of dumping and short selling, especially for single fertilizers such as Urea and Potassium, is common, making the market unstable. For NPK fertilizer, fierce competition among businesses through promotional programs and customer care has reduced profit margins to low levels.

Faced with these difficulties, the Company has proactively adjusted its business strategy, promptly responded to market fluctuations and received support from the distribution system. Support programs and reasonable sales policies have been effectively implemented, creating trust and positive response from distributors, retail stores and consumers. Thanks to that, the brand reputation has been increasingly consolidated, market share continues to expand, especially with key products such as Phu My NPK and Phu My Nitrogen Fertilizer.

Although there are still many difficulties, with flexible guidance and correct decisions from the Board of Directors and the Board of Management, the Company's business activities have been maintained stably, affirming its position in the market.

### RESULTS OF 2024 PLAN IMPLEMENTATION

No.	Quota	Unit	2023 PERFORMANCE	2024 PLANNED	2024 PERFORMANCE	2024 PERFORMANCE/ 2024 PLANNED	2024 PERFORMANCE/ 2023 PERFORMANCE
A	Sales quota	Tonnes	216.818	213.000	224.651	105%	104%

No.	Quota	Unit	2023 PERFORMANCE	2024 PLANNED	2024 PERFORMANCE	2024 PERFORMANCE/ 2024 PLANNED	2024 PERFORMANCE/ 2023 PERFORMANCE
1	Phu My Urea	Tonnes	152.094	150.000	150.540	100%	99%
2	Phu My NPK	Tonnes	23.518	23.000	25.041	109%	106%
3	Urea derived products	Tonnes	2.011	2.000	3.104	155%	154%
4	Phu My branded fertilizer	Tonnes	19.085	20.000	18.002	90%	94%
5	Self-traded fertilizers	Tonnes	20.111	18.000	27.964	155%	139%
<b>B</b>	<b>Financial quota</b>						
1	Total asset	Billion VND	204,39	192,86	94%	104%	204,39
2	Owner's equity	Billion VND	134,39	142,43	106%	99%	134,39
3	Total revenue	Billion VND	2.153,30	1.998,62	2.163.19	108%	100%
4	Pre-taxed profit	Billion VND	10,35	11,20	12,96	116%	125%
5	Post-taxed profit	Billion VND	6,33	8,96	9,90	111%	156%
6	Governmental budget contribution	Billion VND	4,61	3,11	5,56	179%	121%
7	(Pre-taxed profit/ Charter capital) Ratio	%	9%	9%	11%	116%	125%

## II. Organization and Human Resources

### 1. List of Executive Board members

No.	Name of organization/individual	Position within the company	Year of birth	Total share number		Share ownership ratio
				Representative	Personal	
1	Lương Anh Tuấn	Head of BOD	1978		5.000	0,041%
2	Bùi Tuấn Anh	BOD Member, Director	1979	3.600.000		30%
3	Tạ Quốc Phương	BOD Member	1977			0%
4	Nguyễn Quang Đoàn	Deputy Director	1971		3.800	0,032%
5	Phạm Trần Nguyễn	Deputy Director	1980		6.050	0,05%
6	Đào Thị Kim Anh	Head of BOS	1974			0%
7	Nguyễn Trà My	Member of BOS	1984			0%
8	Đỗ Thị Minh Tâm	Member of BOS	1987			0%

No.	Name of organization/individual	Position within the company	Year of birth	Total share number		Share ownership ratio
				Representative	Personal	
9	Nguyễn Thị Thu Hà	Accountant	1969		3000	0,025%

## 2. Number of staff, summary of policies and changes in policies for employees

- As of December 31, 2024: The total number of employees of the Company is 67 (of which 28 are female employees). 100% of employees have signed labor contracts in accordance with the provisions of the Labor Code.
- In 2024, the Company will continue to amend and supplement the internal rules and regulations directly related to employees in accordance with the Labor Code, ensuring democracy and conformity with the business situation and management model of the listed Joint Stock Company.
- The policies being implemented have demonstrated the Company's high concern for the legitimate interests of employees in order to motivate and encourage employees to promote, contribute and stay with the Company for a long time.

## III. Investment and project implementation situation

In 2024, the Company did not invest in or implement any projects.

## IV. Financial situation

### 1. Overview

*Unit: Billion VND*

Indicators	2024	2023	Fluctuation (%)
Total assets	192,86	184,93	4%
Total revenue	2.153,31	2.146,36	0,3%
Operational profit	4,75	5,59	-15%
Other profit	8,21	4,76	72%
Pre-taxed profit	12,96	10,35	25%
Post-tax profit	9,90	6,33	56%
Dividend yield ratio (%)	7	8	-13%

In 2024, with the complicated and unpredictable developments in prices and competitors in the Northern region, the Company's business activities were directly affected, as shown through basic financial indicators, specifically: Net revenue of all activities increased slightly by 0.3%, pre-tax profit increased by 25%, after-tax profit increased by 56% compared to 2023. The Company has maintained its market share in the region and completed the approved 2024 business plan.

## 2. Main financial indicators

Indicators	2024	2023	Fluctuation (%)
<b>- Solvency indicators</b>			
Current ratio	3,65	4,24	-13,8%
Quick ratio	2,99	3,45	-13,3%
<b>- Capital structure indicators</b>			
Liabilities/Total Assets Ratio	26%	22%	19,0%
Liabilities/Equity Ratio	35%	28%	25,8%
<b>- Performance indicators</b>			
Inventory Turnover = Cost of Goods Sold/Average Inventory	33,24	29,22	13,7%
Net Revenue/Total Assets	11,40	11,22	1,6%
Net Revenue/Equity	15,12	14,87	1,7%
<b>- Profitability indicators</b>			
Profit after tax/Net revenue ratio	0,46%	0,29%	56,0%
Profit after tax/Equity ratio	6,95%	4,38%	58,6%
Profit after tax/Total assets ratio	5,13%	3,42%	50,1%
Operating Profit/Net Sales Ratio	0,22%	0,26%	-15,3%
Net Profit/Average Equity (ROE)	6,91%	4,41%	56,5%
Net profit/Average total assets (ROA)	5,18%	3,31%	56,5%

*Solvency:*

- Current ratio = 3.65: With a current ratio of 3.65, it shows that the Company has a high ability to pay short-term liabilities, current assets are more than 3 times higher than short-term liabilities. This shows that the Company's financial situation is abundant and has no difficulty in paying short-term financial obligations.
- Quick ratio = 2.99: A quick ratio of 2.99 shows that the Company has the ability to pay short-term liabilities without depending on inventories. This proves that the Company has enough liquid assets to handle short-term liabilities.
- The Company's good solvency not only helps the Company maintain stable operations but also creates trust from investors and partners.

*Capital structure:*

- Liabilities/Total Assets Ratio = 26%: The Company's liabilities to total assets ratio in 2024 is 26%, showing that the Company maintains a safe capital structure with low liabilities, helping to minimize financial risks. This liabilities level allows the Company to be flexible in raising capital without affecting its financial capacity.
- Liabilities/Equity Ratio = 35%: The liabilities to Equity Ratio is 35%, showing that the Company is using liabilities at a reasonable level to finance its business activities. This is a reasonable ratio that helps the Company maintain stability and initiative in financial decisions.
- The Company's capital structure is healthy, with a liabilities ratio that is not too high, helping to minimize financial risks and maintain stability in operations.

*Operating capacity in 2024:*

- Inventory turnover = 33.24: With an inventory turnover of 33.24, the Company is able to quickly consume inventory, demonstrating very effective inventory management. This helps the Company minimize the risk of inventory stagnation or depreciation.
- Net revenue/Total assets = 11.40: This index shows that the Company generates 11.4 VND of net revenue from each VND of assets, reflecting the effective use of assets to generate revenue.



- Net revenue/Equity = 15.12: With this index, the Company has generated 15.12 VND of net revenue for each VND of equity. This is a very good level, demonstrating high capital efficiency.
- The Company has strong operating capacity, uses assets and capital effectively, and manages inventory very well. This not only helps reduce costs but also enhances competitiveness in the market.

**Profitability:**

- ROE (Net profit/Average equity) = 6.91%: With an ROE of 6.91%, the Company generates a fairly stable profit from equity and has a fairly good capital utilization efficiency.
- ROA (Net profit/Average total assets) = 5.18%: ROA is 5.18%, showing that the Company is using assets effectively to generate profits.
- In general, the Company's financial situation in 2024 continues to maintain its stability, always ensuring timely capital sources to serve business activities.

**V. Shareholder structure, changes in owner's equity**

**1. Shares**

The Company currently has 12,000,000 common shares in circulation. All are freely transferable shares.

**2. Shareholder structure**

According to the list of shareholders prepared by the Vietnam Securities Depository Center on February 28, 2025, the Company has 475 shareholders, of which there are 02 major shareholders, PVFCCo accounting for 75% and Nghe An Agricultural Materials Joint Stock Corporation accounting for 10.02%, the rest are small shareholders.

***Shareholder structure:***

No.	Shareholders	Ownership ratio	Notes
1	Domestic	99,01 %	
	PVFCC's major shareholders	75%	

No.	Shareholders	Ownership ratio	Notes
	Major shareholder of Nghe An Agricultural Materials Joint Stock Corporation	10,02%	
	Other organizations	2%	
	Individuals	11,99%	
<b>2</b>	<b>Foreign</b>	<b>0,99%</b>	
	Other organizations	0,88%	
	Individuals	0,11%	

### **3. Changes in owner's investment capital**

In 2024, the Company has no changes in owner's equity.

## **VI. Report on the Company's environmental and social impacts**

### **1. Management of raw materials, energy and water consumption**

With the model of a Company specializing in trading and distribution, not directly producing, the amount of waste and use of energy and water resources is not much. At the same time, the Company always has policies and activities to effectively manage and use raw materials and resources, ensuring compliance with current regulations of the State.

### **2. Compliance with environmental protection laws**

- Regularly update legal documents on environmental protection, promptly disseminate and deploy to units; at the same time, regularly organize reviews and updates of Safety - Health - Environment - Quality processes/regulations to ensure compliance with legal regulations and actual situations.
- Strictly and fully implement environmental activities, regularly conduct periodic and unscheduled inspections to ensure absolute safety for people and goods, keep the working environment clean and tidy and raise awareness of saving resources and costs of the Company.
- Conduct environmental monitoring at warehouses managed by the Company periodically every 6 months and measure the working environment at warehouses

and offices of the Company periodically every 1 year to ensure the best working environment for the Company's employees.

- Periodically conduct inspections and supervise safety work during business operations and goods delivery, ensure compliance with regulations, prevent and minimize safety risks and environmental violations.
- Waste management is properly and fully complied with the requirements of the law: arrange hazardous waste storage warehouses and hazardous waste containers according to requirements. Solid waste and hazardous waste are registered, classified, collected and temporarily stored for treatment.
- Maintain and enhance sanitation, plant trees, create a green - clean - beautiful landscape at the Company's Office and affiliated units.

### **3. Policies related to employees**

- Develop salary scales, payrolls, payrolls, labor norms, and salary unit prices in accordance with the principles and regulations of the Law, the Group, the Corporation and the Company. The payment of salaries and bonuses is carried out in accordance with the regulations on salary payment, bonus payment and distribution of the Company's welfare fund.
- Develop plans and measures for occupational safety and hygiene and improve working conditions, training plans on occupational safety and hygiene; ensure the provision of occupational safety and hygiene equipment for individuals working in accordance with regulations. Fully implement allowances for the network of safety and hygiene workers and employees working regularly at warehouses and ports.
- Fully implement the allowance regime for the safety and hygiene network and have a regime of in-kind compensation for employees working directly at the Company's warehouses.
- Every year, the Company organizes health check-ups for employees to detect occupational diseases or other diseases in order to have timely treatment measures, notification, and in-depth examination for employees according to regulations.

- The Company always pays attention to training with the policy of effectively investing in human resources to support employees to ensure employment and career development. Internal training has been improved in both quantity and quality.

#### **4. Report on responsibility to the local community**

- Implement many social security programs in the areas managed by the Company such as: Relief for localities affected by unusual weather,...
- Visiting and giving gifts to people with disabilities, policy families, families in difficult circumstances, social protection centers... are always of interest and organized.
- Implement the Tet program for the poor on the occasion of Tet in many provinces and cities under the Company's business area.
- Strictly comply with all regulations of the Government and localities.

### **PART III: REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS**

#### **I. Evaluation of business performance in 2024**

Inheriting and promoting experience, human resources along with appropriate changes in organizational model, management and operating methods over the years, in 2024, PVFCCo-PMB continued to achieve remarkable results in business activities, contributing to enhancing brand value, affirming the Company's position in the region, creating peace of mind and long-term attachment to employees in the Company and ensuring harmonious interests between the Company and shareholders. Thereby, affirming the correctness and suitability of the business strategy, creating a premise for the Company's development in the new period.

#### **II. Financial situation**

##### **1. Assets**

No.	Quota	Unit	31/12/24		31/12/23		Fluctuation	Fluctuation (%)
			Amount [1]	Percentage (%)	Amount [2]	Percentage (%)		
<i>A</i>	<i>B</i>	<i>C</i>					$[3] = [1] - [2]$	$[4] = [3] / [2]$
<b>1</b>	<b>Total Assets Short-term</b>	<b>Billion VND</b>	184,25	96%	172,17	93%	12,08	7%
1.1	Cash and equivalents	"	139,84	73%	120,86	65%	18,99	16%
1.2	Short-term Receivables	"	11,06	6%	19,36	10%	(8,30)	-43%
1.3	Inventory	"	32,94	17%	29,61	16%	3,33	11%
1.4	Other Short-term Assets	"	0,41	0%	2,34	1%	(1,94)	-83%
<b>2</b>	<b>Total Long-term Assets</b>	"	8,60	4%	12,76	7%	(4,15)	-33%
2.1	Fixed assets	"	3,72	2%	5,31	3%	(1,59)	-30%
2.2	Other Long-term Assets	"	4,89	3%	7,45	4%	(2,56)	-34%
	<b>Total Assets</b>	"	192,86		184,93		7,92	4,3%

- Total assets as of December 31, 2024 were VND 192.86 billion, an increase of 4.3% compared to 2023. The Company's asset structure is inclined towards short-term assets (accounting for 96% of total assets), while long-term assets account for a low proportion (accounting for 4% of total assets).
- The value of short-term receivables at the end of 2024 was VND 11.06 billion, down 43% compared to the beginning of the year. Receivables tend to decrease slightly and do not affect the efficiency of capital use in general and the efficiency of working capital use in particular. Liabilities collection is monitored regularly and closely. The Company does not have long-term receivables. In 2024, the Company did not incur bad liabilities, doubtful liabilities, or insolvent liabilities.
- Inventory as of December 31, 2024 increased by 11% compared to 2023, accounting for 17% of total assets.

Asset utilization efficiency:

$$\text{Total Assets Turnover rate} = \frac{\text{Net revenue}}{\text{Average Total Assets}} = \frac{2.153 \text{ Billion VND}}{189 \text{ Billion VND}} = 11 \text{ times}$$

$$\text{Fixed assets Turnover rate} = \frac{\text{Net revenue}}{\text{Average Fixed assets}} = \frac{2.153 \text{ Billion VND}}{4,52 \text{ Billion VND}} = 476 \text{ times}$$

## 2. Liabilities

As of 31/12/2024:

NO.	Indicators	UNIT	31/12/23		31/12/22		Fluctuation	Fluctuation
			Amount [1]	Percentage (%)	Amount [2]	Percentage (%)		
A	B	C					[3] = [1]-[2]	[4] = [3]/[2]
I.	<b>Total capital</b>	<b>Billion VND</b>	<b>192,86</b>		<b>184,93</b>		<b>7,92</b>	<b>4,3%</b>
1.	<b>Liabilities Short-term.</b> <b>Includes:</b>	"	50,42	26%	40,62	22%	9,81	24,1%
1.1	Short-term Liabilities	"	-	-	-	-	-	
1.2	Payables to suppliers	"	17,63	9,1%	2,92	2%	14,71	504,5%
1.3	Payments in advance from buyers	"	17,82	9,2%	6,36	3%	11,46	180,2%
1.4	Other Payables	"	14,97	8%	31,34	17%	(16,37)	-52,2%
2	<b>Owner's equity</b>	"	142,43	74%	144,31	78%	(1,88)	-1,3%

- Short-term liabilities as of December 31, 2024 are VND 50.42 billion, an increase of 24.1% compared to 2023.
- The company has no long-term liabilities and no bad liabilities.

Liability indicators:

$$\text{Liabilities/ Total Assets Ratio} = \frac{\text{Liabilities}}{\text{Total Assets}} = \frac{50,42 \text{ Billion VND}}{192,86 \text{ Billion VND}} = 0,26$$

$$\text{Liabilities/ Liabilities} = \frac{50,42 \text{ Billion VND}}{\text{Liabilities}} = 0,35$$

Owner's equity	Owner's equity	142,43 Billion
Ratio		VND

The above indicators show that the liabilities ratio accounts for 26% of total capital and the liabilities to equity ratio is 0.35 times. This shows that the liabilities structure is low, the liabilities is always guaranteed to comply with regulations and the capital used for business activities is mainly the equity and the Company's own capital.

### **III. Improvements in organizational structure, policies and management**

In 2024, the Company will focus on reviewing and perfecting the management system, organizational structure and capital, and optimizing human resources to improve labor productivity. Internal training programs and specialized seminars are regularly organized to encourage creativity and innovation, while promptly encouraging and rewarding highly applicable ideas.

In addition, the Company continues to improve the sales mechanism by geographical area, ensuring price stability in the Phu My Fertilizer distribution system, helping to maintain business efficiency even in low seasons. The salary and bonus policy is also linked to business efficiency to encourage employees to maximize their capacity. The distribution system in key areas is strengthened through investment and support of trade promotion resources for Distributors, strengthening the connection between the Company and customers. At the same time, the Company constantly improves sales support policies, researches and perfects the product portfolio to suit market needs and each key croDept.

In parallel with streamlining the organizational structure to improve operational efficiency, the Company also strengthens inspection and supervision to promptly detect and correct errors in management and business, ensuring transparent and stable operations.

### **IV. Future Development Plan**

Towards sustainable development, the Company will focus all resources on completing the 2025 business plan, while closely following the long-term strategy to

achieve the goals in the next phase. To effectively carry out these tasks, the Company sets out a number of key solutions as follows:

Planning work will be enhanced with realistic forecasts, ensuring timely and effective implementation. Sales policies will continue to be flexibly adjusted to stimulate the Distributor system to promote the consumption of Phu My branded products. The Company will also choose the right time to develop self-traded fertilizer products, increase revenue and optimize labor productivity.

In addition, competitiveness will be improved through improving service quality and developing added value in products. The distribution system is effectively screened and zoned, while promoting the second-level distribution channel to expand coverage in key markets. The Company will strengthen logistics, develop appropriate goods dispatch plans for each region to ensure timely supply and maintain the development roadmap of Phu My NPK market share.

Regarding finance, the Company focuses on capital management, inventory control, liabilities and risk, ensuring financial security. Restructuring measures will continue to be implemented according to the Corporation's orientation, while perfecting the medium and long-term development strategy as a basis for future goals.

The Company also focuses on developing new products, taking advantage of the warehouse system and partnerships to expand business. Investment and procurement activities will be strictly controlled, ensuring quality, progress and compliance with current regulations.

Regarding human resources, the Company will restructure the Sales Department, increase the proportion of direct staff, and divide specialized market areas to improve business efficiency. Training will be promoted, especially internal training to improve professional and management skills for staff.

The Company also aims to save 5% of management and sales costs by strengthening cost control in all activities. At the same time, the Company's brand will continue to be associated with "PVFCCo", focusing on developing corporate culture and improving the material and spiritual life of employees.



The Company is committed to sustainable development along with environmental protection, fulfilling social responsibilities and ensuring harmonious benefits for shareholders.

**V. Explanation of auditor's opinion (if any)**

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

The Company has fully performed its environmental obligations and responsibilities as prescribed. Periodically make reports on Safety - Health - Environment work to the parent company and local state management agencies.

The Company also pays attention and focuses on social security work to demonstrate the Company's role and responsibility to the local community.

**PART IV: BOARD OF DIRECTORS' ASSESSMENT OF THE  
COMPANY'S PERFORMANCE**

**I. Board of Directors' assessment of the Company's operations**

In 2024, the fertilizer market continued to have many complex developments with fierce competition among enterprises. Competitors continuously expanded their operations and applied flexible policies to increase market share, especially in key areas. In this situation, the Company promptly made appropriate decisions, maintained stable business operations, optimized efficiency and ensured harmony of interests between enterprises, employees and shareholders.

In the past year, the Company organized its business and investment activities according to the motto of safety, efficiency and savings. Phu My Urea market share continues to be maintained, while Phu My NPK and Phu My Potassium products have affirmed their position in the market, with the ability to develop independently. The

distribution system is expanded and tightly managed, ensuring sustainable development in both breadth and depth.

Regarding human resources organization, the Company has arranged and optimized resources in the direction of increasing the proportion of direct labor, while focusing on training and developing a team of highly qualified employees, meeting business requirements. The salary policy associated with efficiency continues to be effectively implemented, encouraging a positive and creative working spirit. Marketing, customer care, and agricultural training conferences are promoted, contributing to enhancing brand reputation and expanding product coverage.

Regarding finance, the Company strictly controls the use of capital, manages liabilities, and ensures financial security. Restructuring work is continuously carried out in the direction of streamlining and improving operational efficiency. At the same time, the Company focuses on practicing savings and optimizing costs in all activities to improve business efficiency.

Labor safety is always a top priority. In 2024, there were no incidents affecting business operations. Fire prevention and fighting and security are strictly implemented. Environmental protection requirements are fully complied with, including environmental monitoring and periodic testing of the quality of the working environment, with all indicators within the allowable limits.

Shareholders' rights continue to be guaranteed with the expected dividend payment in 2024 reaching 7%/year.

## **II. Board of Directors' assessment of the performance of the Company's Board of Directors**

Based on the Company's Charter of Organization and Operation and the issued regulations and rules, at the end of 2024, the Board of Directors assessed that the Board of Directors had effectively implemented the Resolutions and Decisions of the General Meeting of Shareholders and the Board of Directors, and acknowledged the efforts of the Board of Directors in effectively operating the Company in a complex market situation.

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

Entering 2025, the Company aims to continue sustainable development, improve operational efficiency and optimize governance. To realize these goals, the Board of Directors will focus on directing and supervising the Board of Directors to fully perform the assigned tasks, ensuring the completion of the plan targets in accordance with the Resolutions of the General Meeting of Shareholders and the Board of Directors.

The Company will organize its business activities according to the motto of Safety - Efficiency - Saving, with special attention paid to developing a sustainable distribution system, expanding the market in both scale and depth. Sales solutions will be flexibly implemented to adapt to the market, while promoting the development of Phu My NPK products.

Inventory management will be improved to ensure product quality and optimize operating costs. In addition, the Company is also proactive in self-trading fertilizer business activities, not only to preserve and increase capital but also to improve labor productivity. At the same time, the search for business opportunities for related products will also be promoted to diversify revenue sources.

In 2025, the Company will continue to invest in improving the quality of logistics services, not only to meet market demand but also to create a difference in competition. In particular, the Company will apply modern management models such as fluctuation management, value chain management, ecosystem management and digital management to improve operational efficiency and be ready to adapt to market changes.

In terms of finance, the Company will tighten cash flow management, control liabilities and optimize capital usage to ensure a healthy financial situation. Investment and procurement will also be strictly managed to ensure quality, progress and compliance with regulations. At the same time, the Company will develop a suitable equity structure plan, ensuring both business and investment needs and preserving capital sources in accordance with the law.

One of the focuses of 2025 is investment and research, development of new products, especially specialized NPK lines, typical of the Company based on suitability with the seasons and crop characteristics in the Northern region. In addition, the warehouse system will also be restructured to optimize operating costs and improve efficiency.

The Company will also continue to restructure, perfect the management system, update regulations and operating procedures to suit reality. In particular, digital transformation and information technology application will be promoted in all aspects of operation to improve work efficiency and adapt to modern development trends.

In addition, the Company will develop a 5-year development plan for the period 2026-2030, a strategy to 2030 and a vision to 2050, ensuring consistency in long-term development orientation.

In addition to business activities, the Company also pays special attention to the lives and welfare of employees. Taking care of employees' health, working conditions and income will continue to be promoted. At the same time, PVFCCo - PMB's corporate culture will be recreated and developed to create a professional and cohesive working environment.

Labor safety and hygiene will also be strictly implemented in accordance with legal regulations, ensuring a safe working environment for all employees.

With clear plans and directions, the Company is committed to protecting the legitimate rights and interests of shareholders and optimizing corporate value. At the same time, the Company will fully perform its tasks according to the Charter and Resolution of the General Meeting of Shareholders, aiming for stable and sustainable development in the future.

The above are basic analyses and assessments of the management work in 2024 and new work plan orientations in 2025 of the Board of Directors of Northern Petroleum Fertilizer and Chemicals Joint Stock Company.

## PART 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 Chairman of the Board of Directors, 01 Board Member cum Director, 01 Independent Board Member.

No.	Full name	Position	Number of eligible shares		
			Representative	Individual	Total
1	Lương Anh Tuấn	Chairman of BOD		5.000	5.000
2	Bùi Tuấn Anh	Member of BOD, Director	3.600.000		3.600.000
3	Tạ Quốc Phương	Member of BOD			

#### II. Activities of the Board of Directors

As the highest management body, representing the interests of shareholders, the Board of Directors (BOD) has performed its leadership role and closely supervised the Company's operations, complying with governance standards according to the joint stock company model. In 2024, with three incumbent members, the BOD operates under a specialized mechanism, making collective decisions, and assigning specific tasks according to each specialized field to ensure the highest governance efficiency.

The BOD has proactively directed, supervised and urged the Board of Directors through various channels. BOD members regularly attend important meetings of the Board of Directors, contribute opinions and directions on the implementation of the Resolutions and Decisions of the BOD, and review projects and proposals before submitting them to the BOD. In addition, the BOD also closely monitors the management process through periodic reports and documents sent by the Board of Directors. In important situations that arise, the Board of Directors directly directs and gives advice to ensure the Company's operations run smoothly and effectively.

The Board of Directors' activities are organized through regular or extraordinary meetings. Important decisions are passed in the form of direct meetings or by voting. In 2024, the Board of Directors has performed a number of key tasks such as:

- Issuing the 2024 operating plan, ensuring a clear development orientation for the Company.
- Assigning the 2024 business plan, determining specific goals and implementation strategies.
- Updating, amending and promulgating regulations and rules under the authority of the Board of Directors to suit the actual operating situation.
- Approving financial norms and limits to control cash flow and use capital effectively.
- Deciding to pay dividends in 2023 at a rate of 8% on the par value of shares, ensuring the rights of shareholders.
- Directing human resource management, including staff organization, human resource development and succession planning.
- Orienting the Company's restructuring, ensuring an optimal operating model and enhancing competitiveness.
- Monitoring business operations, providing necessary instructions to support the Board of Directors in the implementation of the plan.
- Developing a development plan for 2025, orienting long-term strategies for the Company to continue to grow sustainably.

With close supervision and timely direction, the Board of Directors has ensured that the Board of Directors operates the Company in accordance with the set goals and strategies. Governance is carried out seriously through reporting regimes, regular meetings and close coordination activities between the Board of Directors and the Board of Directors.

### **1. Activities of Independent Board Members and Subcommittees in the Board of Directors**

Currently, the Company's Board of Directors (BOD) has not established specialized subcommittees. Instead, each member of the Board of Directors is assigned to be in

charge of specific areas to conduct the work of examining and evaluating the contents within their authority, thereby making appropriate decisions. At the same time, members are also responsible for supervising, directing and urging the Company to implement the Resolutions and Decisions of the Board of Directors according to the assigned areas.

Independent members of the Board of Directors fully participate in meetings, actively contribute opinions in the process of strategic planning and controlling the Company's operations. This member plays an important role in ensuring transparency, compliance with governance standards, as well as supervising operational activities. This helps protect the interests of shareholders, especially small shareholders, while ensuring that the Company operates in accordance with regulations and sustainable development orientations.

In 2024, the Board of Directors has set out important strategic directions, developing business plans in line with the market situation. The objectives and tasks set out in the Resolution of the 2024 Annual General Meeting of Shareholders were fully implemented. The Board of Directors' meetings took place in accordance with the procedures, with strict discussions and votes, ensuring compliance with legal regulations and in accordance with the authority of the Board of Directors. For contents requiring written opinions, the procedures were carried out in accordance with regulations to ensure legality and transparency in the decision-making process.

During the operation and management process, no major violations or errors were recorded, demonstrating the strictness and effectiveness in the governance work of the Board of Directors.

## **2. List of Board of Directors members with corporate governance training certificates**

1. Mr. Luong Anh Tuan - Chairman of the Board of Directors
2. Mr. Bui Tuan Anh - Board Member, Director
3. Mr. Ta Quoc Phuong - Board Member

### III. Board of Supervisors

#### Members and structure of the Board of Supervisors

No.	Full name	Position	Number of eligible shares		
			Representative	Individual	Total
1	Đào Thị Kim Anh	Head of Department	0	0	0
2	Nguyễn Trà My	Member	0	0	0
3	Đỗ Thị Minh Tâm	Member	0	0	0

#### 2. Activities of the Board of Supervisors

In 2024, the Board of Supervisors (BOS) of the Company held two meetings to unify and implement inspection and supervision activities. The supervision content focused on the following important issues:

- Monitoring and evaluating the implementation of the Resolution of the General Meeting of Shareholders (GMS) in 2024 as well as compliance with the Company's Charter.
- Monitoring the management, business operations, financial management and investment activities of the Board of Directors (BOD) and the Board of Management in 2024.
- Checking the Company's compliance with the law and internal regulations in the process of decision-making and business operations.
- Monitoring and inspecting the implementation of current management regulations and rules to ensure transparency and efficiency in the Company's operations.
- Participate in meetings of the Board of Directors to update on business operations, promptly grasp and evaluate important decisions.

Appraise periodic financial reports (06 months, year) along with monthly business and management reports, ensuring accuracy and compliance with regulations.

With the above activities, the Board of Supervisors has made an important contribution to ensuring that the Company operates transparently, complies with legal regulations and achieves sustainable development goals.



### **3. Implement the Resolution of the Company's General Meeting of Shareholders**

In 2024, the Company has seriously implemented the contents according to the Resolution of the General Meeting of Shareholders, ensuring the completion of important goals and maintaining sustainable development.

Regarding business activities, the Company achieved positive results by maintaining the market share of Phu My Urea, while expanding the consumption market for Phu My NPK and Phu My Potassium products. The distribution channel system continues to be strengthened in a more professional and effective direction, helping to ensure stable development in the long term.

In terms of management and operation, the Board of Directors and the Board of Management have provided close and timely instructions, helping the Company respond flexibly to market fluctuations. Financial management is strictly controlled, optimizing cash flow, minimizing risks, while maintaining operational efficiency.

In terms of investment and development, the Company continues to research and propose new business solutions suitable to market needs. Logistics and warehousing are also adjusted to improve management efficiency and reduce operating costs. In addition, the Company continues to develop medium and long-term development plans, ensuring a solid foundation for the future.

In the field of human resources, the Company focuses on improving the quality of the team, providing in-depth training to meet the increasing demands of business activities. The salary and bonus regime is implemented reasonably, linked to work efficiency, creating motivation for employees.

In addition, the Company always focuses on labor safety, environmental protection and actively participates in social security activities, demonstrating responsibility to the community.

Regarding shareholder rights, the Company has paid dividends in 2023 in accordance with its commitment, is transparent in governance and fully discloses information, helping shareholders feel secure about the operating situation.

In general, 2024 marks a successful year with many positive results, helping the Company continue to affirm its position in the market and move towards sustainable development in the future.

#### **4. Evaluation of the performance of the Board of Directors and the Board of Management of the Company**

In 2024, the Board of Directors performed well in its management and strategic orientation role, ensuring that the Company's operations complied with the law and the Company's Charter. The Board of Directors closely directed and issued timely decisions, helping the Company preserve and effectively use capital, ensuring the interests of shareholders.

The Board of Directors also completed its assigned tasks well, fully and effectively implementing the Resolutions of the General Meeting of Shareholders as well as the decisions of the Board of Directors. Management and operation activities were carried out in accordance with regulations, contributing to maintaining the stability and development of the Company.

The Board of Supervisors highly appreciated the transparency and effectiveness in the management work of the Board of Directors and the Board of Management. The reports are fully prepared, honestly reflecting the Company's production and business activities in 2024. The decision-making process of the Board of Directors and the Board of Management complies with the Company's Charter, current legal regulations and is consistent with the general development strategy, ensuring long-term benefits for shareholders and stakeholders.

#### **5. Board of Supervisors' Operational Plan for 2025**

In 2025, the Board of Supervisors will continue to perform its supervisory and inspection role to ensure that the Company's operations comply with regulations, bring about high efficiency and transparency in management. Key tasks include:

- Closely monitor and supervise the implementation of the Resolution of the 2025 General Meeting of Shareholders as well as the provisions in the Company's Charter.

- Monitor the implementation process, organization and operation of business activities, financial management and investment of the Board of Directors and the Board of Management to ensure efficiency and sustainability.
- Appraise financial reports, management and operation reports of the Board of Directors and the Board of Management to assess the accuracy and honesty of the data.
- Participate in meetings of the Board of Directors as well as the Company's thematic meetings to grasp the situation and provide timely comments.
- Monitor and inspect the implementation of current management regulations and rules, ensuring compliance with legal requirements and internal regulations.
- Monitor the implementation of measures to practice thrift and combat waste, contributing to improving the Company's operational efficiency.
- Perform other tasks according to the functions and powers of the Supervisory Board, ensuring that the supervision activities are objective, transparent and in accordance with regulations.

The Supervisory Board commits to continue to perform its duties well, accompanying the Board of Directors and the Board of Management in building the Company to grow stronger and stronger.

#### **IV. Report on salaries, remuneration and other benefits of the Board of Directors, Board of Management and Supervisory Board**

The Company applies a salary regime for members of the Board of Directors, members of the Supervisory Board and the Board of Management in accordance with the provisions of the Law, in harmony with the Company's annual salary and salary fund policy, commensurate with the capacity and work results of each member.

##### **1. Details of salaries, remuneration and other benefits of the Board of Directors, Board of Management and Board of Supervisors are as follows:**

Unit: million VND

No.	Title	Salaries, remuneration	Bonuses and benefits	Costs and benefits Other	Total
<b>I.</b>	<b>BOARD OF DIRECTORS</b>	<b>1.663</b>	<b>433</b>	<b>75</b>	<b>2.172</b>
1	Specialized Head of BOD	832	221	38	1.091
2	Member of BOD, co-Director	783	213	37	1.033
3	Non- Specialized Member of BOD	48	-	-	48
<b>II.</b>	<b>BOARD OF SUPERVISORS</b>	<b>102</b>	<b>-</b>	<b>-</b>	<b>102</b>
1	Head of Board of Supervisors	42	-	-	42
2	Member of Board of Supervisors	30	-	-	30
3	Member of Board of Supervisors	30	-	-	30
<b>III</b>	<b>DEPARTMENT DIRECTOR</b>	<b>718</b>	<b>190</b>	<b>35</b>	<b>943</b>
1	Deputy Director	718	190	35	943
<b>TOTAL</b>		<b>2.483</b>	<b>624</b>	<b>110</b>	<b>3.217</b>

## 2. Stock transactions of internal shareholders:

In 2024, the Company's internal shareholders did not conduct stock transactions.

## 3. Contracts or transactions with internal shareholders:

In 2024, the Company transacted with the PetroVietnam Fertilizer and Chemicals Corporation (the parent company and also the Company's major shareholder) in two areas:

- Contracts for the purchase and sale of Phu My branded fertilizers;
- Technical Service Contracts, Logistics Service Contracts: Transportation, loading and unloading, warehousing, trade promotion, etc.

## 4. Implementation of corporate governance regulations:

The Board of Directors has applied and implemented the corporate governance standards of a Joint Stock Company, meeting the requirements prescribed in the Company Charter, the Board of Directors' Operating Regulations and the provisions of the Law. The supervision, urging and inspection of the Board of Directors has helped the Board of

Directors to organize and implement the resolutions and decisions of the Board of Directors promptly and effectively, helping the Company's business activities develop stably and achieve planned targets.

## PART VI: FINANCIAL STATEMENTS

1. Auditor's opinion (Attached document).

2. Audited Financial Statement (Attached document).

Northern Petroleum Fertilizer and Chemicals Joint Stock Company reports.

Sincerely.

To:

- State Securities Commission, Hanoi Stock Exchange, Vietnam Security Depository;
- Shareholders: Board of Directors, Supervisory Board (for report);
- DEPT.DIRECTORS (for information);
- Saving

DIRECTOR



Bùi Tuấn Anh

**Deloitte.**



**NORTH PETROVIETNAM FERTILIZER & CHEMICALS JOINT STOCK  
COMPANY**  
*(Incorporated in the Socialist Republic of Vietnam )*

**AUDITED FINANCIAL  
STATEMENTS**

**For the year ended 31 December 2024**



**NORTH PETROVIETNAM FERTILIZER & CHEMICALS JOINT STOCK COMPANY**

4th floor, Vietnam Petroleum Institute Building  
No. 167 Trung Kinh Street, Cau Giay District, Hanoi City, Vietnam

---

**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
BALANCE SHEET	5 - 6
INCOME STATEMENT	7
CASH FLOW STATEMENT	8 - 9
NOTES TO THE FINANCIAL STATEMENTS	10 - 24



**NORTH PETROVIETNAM FERTILIZER & CHEMICALS JOINT STOCK COMPANY**

4<sup>th</sup> floor, Vietnam Petroleum Institute Building  
No. 167 Trung Kinh Street, Cau Giay District, Hanoi City, Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of North PetroVietnam Fertilizer & Chemicals Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2024.

**THE BOARDS OF DIRECTORS AND MANAGEMENT**

The members of the Boards of Directors, Management and Board of Supervisors of the Company during the year and to the date of this report are as follows:

**Board of Directors**

Mr. Luong Anh Tuan	Chairman
Mr. Bui Tuan Anh	Member
Mr. Ta Quoc Phuong	Member

**Board of Management**

Mr. Bui Tuan Anh	Director
Mr. Nguyen Quang Doan	Deputy Director

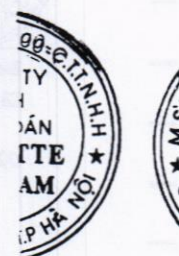
**Board of Supervisors**

Ms. Dao Thi Kim Anh	Head of Supervisor Board
Ms. Nguyen Tra My	Member
Ms. Do Thi Minh Tam	Member

**THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.





**NORTH PETROVIETNAM FERTILIZER & CHEMICALS JOINT STOCK COMPANY**  
4<sup>th</sup> floor, Vietnam Petroleum Institute Building  
No. 167 Trung Kinh Street, Cau Giay District, Hanoi City, Vietnam

---

**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Management,



**Bui Tuan Anh**  
Director

03 March 2025



No. 0528 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To:** The shareholders  
The Boards of Directors and Management  
North PetroVietnam Fertilizer & Chemicals Joint Stock Company

We have audited the accompanying financial statements of North PetroVietnam Fertilizer & Chemicals Joint Stock Company (the "Company"), prepared on 03 March 2025 as set out from page 05 to page 24, which comprise the balance sheet as at 31 December 2024, the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

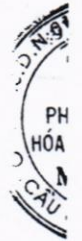
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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



KI  
DE  
VI  
WG

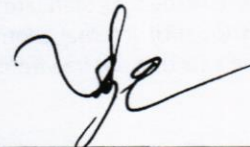
## INDEPENDENT AUDITORS' REPORT (Continued)

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Khúc Thị Lan Anh  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0036-2023-001-1



Nguyen Thi Ngan  
Auditor  
Audit Practising Registration Certificate  
No. 5248-2025-001-1

**DELOITTE VIETNAM AUDIT COMPANY LIMITED**

03 March 2025  
Hanoi, S.R. Vietnam

198  
CÔNG  
CỐ PH  
N BỊ  
HẬT  
ÊN  
1/1/25

11  
ÔN  
TN  
M  
LC  
BT  
ĐA

**BALANCE SHEET**  
As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>184,250,440,933</b>	<b>172,173,099,706</b>
I. Cash and cash equivalents	110	4	139,841,793,500	120,856,663,223
1. Cash	111		46,805,892,580	53,076,736,891
2. Cash equivalents	112		93,035,900,920	67,779,926,332
II. Short-term receivables	130		11,056,592,760	19,359,989,193
1. Short-term trade receivables	131	5	8,000,483,177	12,115,130,383
2. Short-term advances to suppliers	132	6	2,868,064,752	6,626,832,305
3. Other short-term receivables	136		188,044,831	618,026,505
III. Inventories	140	7	32,943,385,694	29,612,036,468
1. Inventories	141		32,943,385,694	31,949,547,478
2. Provision for devaluation of inventories	149		-	(2,337,511,010)
IV. Other short-term assets	150		408,668,979	2,344,410,822
1. Short-term prepayments	151	8	408,668,979	180,546,413
2. Taxes and other receivables from the State budget	153	12	-	2,163,864,409
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>8,604,618,874</b>	<b>12,757,732,437</b>
I. Long-term receivables	210		72,000,000	72,000,000
1. Other long-term receivables	216		72,000,000	72,000,000
II. Fixed assets	220		3,719,537,224	5,312,445,323
1. Tangible fixed assets	221	9	3,719,537,224	5,305,371,628
- Cost	222		43,733,855,700	44,557,487,778
- Accumulated depreciation	223		(40,014,318,476)	(39,252,116,150)
2. Intangible assets	227		-	7,073,695
- Cost	228		95,613,600	95,613,600
- Accumulated amortisation	229		(95,613,600)	(88,539,905)
III. Other long-term assets	260		4,813,081,650	7,373,287,114
1. Long-term prepayments	261	8	4,813,081,650	7,373,287,114
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>192,855,059,807</b>	<b>184,930,832,143</b>

The accompanying notes are an integral part of these financial statements

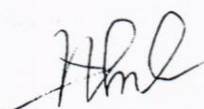
486  
Y  
N  
V  
AU K  
AC  
IP  
1996  
G T  
HH  
TOÁ  
IT  
NAJ  
-TP

## BALANCE SHEET (Continued)

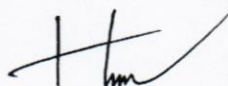
As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>50,424,479,558</b>	<b>40,617,068,924</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>50,424,479,558</b>	<b>40,617,068,924</b>
1. Short-term trade payables	311	10	17,628,905,091	2,916,117,963
2. Short-term advances from customers	312	11	17,824,877,033	6,360,607,658
3. Taxes and amounts payable to the State budget	313	12	894,661,304	681,761,179
4. Payables to employees	314		5,940,846,092	5,384,256,874
5. Short-term accrued expenses	315	13	865,113,654	1,293,182,595
6. Other current payables	319	14	4,254,622,644	19,921,153,653
7. Bonus and welfare funds	322		3,015,453,740	4,059,989,002
<b>D. EQUITY</b>	<b>400</b>		<b>142,430,580,249</b>	<b>144,313,763,219</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>15</b>	<b>142,430,580,249</b>	<b>144,313,763,219</b>
1. Owner's contributed capital	411		120,000,000,000	120,000,000,000
- Ordinary shares carrying voting rights	411a		120,000,000,000	120,000,000,000
2. Investment and development fund	418		10,032,669,580	10,032,669,580
3. Retained earnings	421		12,397,910,669	14,281,093,639
- Retained earnings accumulated to the prior year end	421a		4,664,135,262	9,218,622,188
- Retained earnings of the current year	421b		7,733,775,407	5,062,471,451
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>192,855,059,807</b>	<b>184,930,832,143</b>



Nguyen Thi Van Anh  
Preparer



Nguyen Tien Hung  
Chief Accountant



Bui Tuan Anh  
Director

03 March 2025

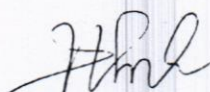
The accompanying notes are an integral part of these financial statements


## INCOME STATEMENTS

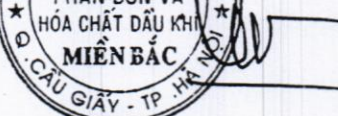
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	18	2,195,485,569,778	2,183,715,954,247
2. Deductions	02	18	42,173,701,103	37,358,875,004
3. Net revenue from goods sold and services rendered (10=01-02)	10	18	2,153,311,868,675	2,146,357,079,243
4. Cost of sales	11	19	2,078,517,114,306	2,070,026,356,332
5. Gross profit from goods sold and services rendered (20=10-11)	20		74,794,754,369	76,330,722,911
6. Financial income	21	21	1,193,507,668	1,876,103,424
7. Financial expenses	22		7,534,247	18,493,151
- In which: Interest expense	23		7,534,247	18,493,151
8. Selling expenses	25	22	55,493,300,350	56,148,164,679
9. General and administration expenses	26	22	15,738,439,852	16,454,206,270
10. Operating profit (30=20+(21-22)-(25+26))	30		4,748,987,588	5,585,962,235
11. Other income	31	23	8,688,761,540	5,067,678,234
12. Other expenses	32		479,100,127	307,826,908
13. Profit from other activities (40=31-32)	40		8,209,661,413	4,759,851,326
14. Accounting profit before tax (50=30+40)	50		12,958,649,001	10,345,813,563
15. Current corporate income tax expense	51	24	3,055,639,823	(449,823,586)
16. Deferred corporate tax expense	52	24	-	4,467,547,835
17. Net profit after corporate income tax (60=50-51-52)	60		9,903,009,178	6,328,089,314
18. Basic earnings per share	70	25	644	422

  
Nguyen Thi Van Anh  
Preparer

  
Nguyen Tien Hung  
Chief Accountant

  
Bui Tuan Anh  
Director

03 March 2025



The accompanying notes are an integral part of these financial statements

## CASH FLOW STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
1. Profit before tax	01		12,958,649,001	10,345,813,563
2. Adjustments for:				
Depreciation and amortisation of fixed assets	02		2,916,576,179	3,381,854,604
Provisions	03		(2,337,511,010)	(5,105,042,850)
(Gain) from investing activities	05		(507,695,455)	(1,908,194,333)
Interest expense	06		7,534,247	18,493,151
3. Operating profit before movements in working capital	08		13,037,552,962	6,732,924,135
Decreases in receivables	09		10,467,260,842	6,031,825,794
(Increase)/decrease in inventories	10		(993,838,216)	41,832,876,177
Increase/(decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11		8,273,299,565	(1,218,929,990)
Decrease/(increase) in prepaid expenses	12		2,332,082,898	(4,725,175,412)
Interest paid	14		(7,534,247)	(18,493,151)
Corporate income tax paid	15		(476,993,492)	(4,217,613,426)
Other cash outflows	17		(3,230,727,410)	(5,605,301,753)
<b>Net cash generated by operating activities</b>	20		29,401,102,902	38,812,112,374
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
1. Acquisition and construction of fixed assets and other long-term assets	21		(1,323,668,080)	(1,650,418,200)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22		507,695,455	32,090,909
3. Interest earned, dividends and profits received	27		-	1,899,927,775
<b>Net cash (used in)/generated by investing activities</b>	30		(815,972,625)	281,600,484

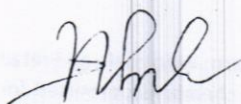
The accompanying notes are an integral part of these financial statements

**CASH FLOW STATEMENT (Continued)**

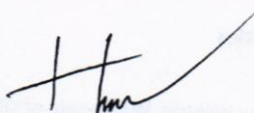
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>				
1. Dividends and profits paid	36		(9,600,000,000)	(14,400,000,000)
<i>Net cash used in financing activities</i>	40		<i>(9,600,000,000)</i>	<i>(14,400,000,000)</i>
Net increases in cash (50=20+30+40)	50		18,985,130,277	24,693,712,858
Cash and cash equivalents at the beginning of the year	60		120,856,663,223	96,162,950,365
Cash and cash equivalents at the end of the year (70=50+60)	70		139,841,793,500	120,856,663,223



Nguyen Thi Van Anh  
Preparer



Nguyen Tien Hung  
Chief Accountant



Bui Tuan Anh  
Director

03 March 2025

The accompanying notes are an integral part of these financial statements



**NOTES TO THE FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying financial statements*

**1. GENERAL INFORMATION**

**Structure of ownership**

North PetroVietnam Fertilizer and Chemicals Joint Stock Company ("the Company") was established and operates under the Enterprise Registration Certificate No. 0102886450 issued on 19 August 2008 by the Department of Planning and Investment of Hanoi and the amended Enterprise Registration Certificates, with the latest amendment is the 14th on 01 February 2024. The Company officially transferred to operate as a Joint Stock Company from 01 February 2011.

The Company's shares were listed on the Hanoi Stock Exchange from 07 October 2015 with the stock symbol of PMB.

The parent company of the Company is PetroVietnam Fertilizer and Chemicals Corporation ("the Corporation"). The ultimate parent company is Vietnam Oil and Gas Group.

The total number of employees of the Company as at 31 December 2024 is 67 people (As at 31 December, 2023: 68 people).

**Operating industry and principal activities**

The operating industries of the Company include: Wholesale of silk, fiber, textile yarn; Wholesale and retail of fertilizers (except for those prohibited by the State); Wholesale and retail of chemicals permitted for circulation (excluding veterinary chemicals, medical chemicals and plant protection chemicals); Advertising; Market research and public opinion polling (excluding investigation and information services prohibited by the State); Organizing trade promotion introductions; Transporting goods by road and inland waterways; Real estate business; Warehouse service business; Wholesale of agricultural and forestry raw materials (except for those prohibited by the State); Import and export of the Company's trading items; and Consulting services to support agricultural production (except for those prohibited by the State).

The Company's principal activities are to trade in fertilizer and chemical products.

**Normal production and business cycle**

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

**Disclosure of information comparability in the financial statements**

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2023.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

886.  
IG T  
PHÁ  
BÓN  
T D  
NB  
Y  
112  
ÔNG  
TINH  
EM T  
LOI  
ET I  
ĐA

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

#### Financial Year

The Company's financial year begins on 01 January and ends on 31 December.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

#### Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for over six months, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

#### Inventories

Inventories are stated at the lower of cost and net realisable value and are accounted for using perpetual method. Cost comprises cost of purchases and other directly attributable expenses. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price fewer purchasing costs to purchase and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	15
Machinery and equipment	4 - 5
Office equipment	3 - 7
Motor vehicles	6
Other tangible assets	4

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between the net proceeds from sales or disposals of assets and their carrying amount and is recognised in the income statement.

**Leasing**

The Company as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

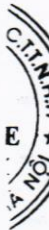
**Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including prepayment for office and warehouse rental fee and other types of prepayments.

Prepayment for office and warehouse rental fee represents the amount of office and warehouse rental fee that has been prepaid for multiple periods. These prepayments are allocated to the income statement using the straight-line method over the lease term.

Insurance expense represents the insurance expenses that has been prepaid. This prepayment is allocated to the income statement on a straight-line basis over the term of the insurance contract.

Other types of prepayments comprise costs of tools and supplies issued for consumption and other prepaid expenses which are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.



**Revenue recognition**

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

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

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

**Sales deductions**

Sales deductions include trade discounts. Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year. In case that sales deductions for sales of products, goods or rendering of services sold in the year incurred after the balance sheet date but before the issuance of the financial statements, the Company recorded as revenue deductions for the year.

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	54,923,209	212,949,659
Bank demand deposits	46,750,969,371	52,863,787,232
Cash equivalents (*)	93,035,900,920	67,779,926,332
	<u>139,841,793,500</u>	<u>120,856,663,223</u>

(\*) Cash equivalents as at 31 December 2024 represent term deposits at commercial banks with original terms from 01 to 03 months at the interest rates ranging from 1.6% per annum to 4.4% per annum (as at 31 December 2023: from 2.0% per annum to 3.2% per annum).

5. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
PetroVietnam Fertilizer and Chemicals Corporation	7,504,078,987	12,115,130,383
Others	496,404,190	-
	<u>8,000,483,177</u>	<u>12,115,130,383</u>
<b>In which: Short-term trade receivables from related parties (Details stated in Note 26)</b>	7,504,078,987	12,115,130,383

6. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
PetroVietnam Fertilizer and Chemicals Corporation	2,076,468,831	6,604,264,542
Others	791,595,921	22,567,763
	<u>2,868,064,752</u>	<u>6,626,832,305</u>
<b>In which: Short-term advances to related parties</b> (Details stated in Note 26)	2,076,468,831	6,604,264,542

7. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision VND	Cost	Provision VND
Goods in transit	-	-	1,028,784,804	-
Tools and supplies	116,431,923	-	130,220,908	-
Merchandise	32,826,953,771	-	30,790,541,766	(2,337,511,010)
	<u>32,943,385,694</u>	<u>-</u>	<u>31,949,547,478</u>	<u>(2,337,511,010)</u>

During the year, the Company reversed the provision for devaluation of inventories of VND 2,337,511,010 (In 2023: VND 5,105,042,810) as the as the goods for which the provision was made at the beginning of the year were sold.

8. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a. Current</b>		
Insurance expenses	249,922,620	111,648,065
Others	158,746,359	68,898,348
	<u>408,668,979</u>	<u>180,546,413</u>
<b>b. Non-current</b>		
Prepayment for office and warehouse rental fee	3,629,751,376	6,099,025,852
Others	1,183,330,274	1,274,261,262
	<u>4,813,081,650</u>	<u>7,373,287,114</u>

102  
 CÔNG  
 CỐ  
 TÂN  
 CHI  
 MIỆ  
 GIẢ  
 1104  
 CC  
 KIẾ  
 ĐE  
 VI  
 3/NG

NORTH PETROVIETNAM FERTILIZER & CHEMICALS JOINT STOCK COMPANY  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

9. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
Opening balance	28,077,312,198	743,420,000	12,430,896,903	2,762,565,477	543,293,200	44,557,487,778
Additions	-	141,480,000	931,288,080	250,900,000	-	1,323,668,080
Reclassification	-	165,000,000	-	(165,000,000)	-	-
Disposals	-	(128,128,000)	(1,922,486,444)	(96,685,714)	-	(2,147,300,158)
Closing balance	28,077,312,198	921,772,000	11,439,698,539	2,751,779,763	543,293,200	43,733,855,700
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	26,101,737,371	390,294,471	9,523,131,700	2,693,659,408	543,293,200	39,252,116,150
Charge for the year	1,975,574,827	159,657,545	748,677,400	25,592,712	-	2,909,502,484
Reclassification	-	96,093,931	-	(96,093,931)	-	-
Disposals	-	(128,128,000)	(1,922,486,444)	(96,685,714)	-	(2,147,300,158)
Closing balance	28,077,312,198	517,917,947	8,349,322,656	2,526,472,475	543,293,200	40,014,318,476
<b>NET BOOK VALUE</b>						
Opening balance	1,975,574,827	353,125,529	2,907,765,203	68,906,069	-	5,305,371,628
Closing balance	-	403,854,053	3,090,375,883	225,307,288	-	3,719,537,224

The cost of tangible fixed assets as at 31 December 2024 included VND 38,447,658,184 (as at 31 December 2023: VND 10,363,352,341) of assets which have been fully depreciated but are still in use.

10. SHORT-TERM TRADE PAYABLES

	Amount	Closing balance		Opening balance	
		VND	VND	VND	VND
		Amount	Amount able to be paid off	Amount	Amount able to be paid off
Phu Long Thanh Production and Trading JSC	464,325,734	464,325,734		580,696,138	580,696,138
Phuc Long Trading and Development Co., Ltd	708,880,689	708,880,689		520,379,596	520,379,596
Nghe Tinh Port JSC	704,827,764	704,827,764		293,266,332	293,266,332
Thanh Hoa Port JSC	298,780,314	298,780,314		230,398,144	230,398,144
Others	2,128,814,601	2,128,814,601		1,291,377,753	1,291,377,753
Trade discount payables:	13,323,275,989	13,323,275,989		-	-
- Phu Quy Fertilizer JSC	2,928,868,000	2,928,868,000		-	-
- Viet My Co., Ltd	1,902,612,850	1,902,612,850		-	-
- Others	8,491,795,139	8,491,795,139		-	-
	<b>17,628,905,091</b>	<b>17,628,905,091</b>		<b>2,916,117,963</b>	<b>2,916,117,963</b>

11. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance		Opening balance	
	VND	VND	VND	VND
Viet My Co., Ltd	2,455,000,000		1,284,726,295	
Phu Quy Fertilizer JSC	4,875,429,395		292,920,159	
Phong Trang Co., Ltd	1,831,553,922		731,855,364	
Anh Thai Agricultural and Construction Materials Co., Ltd	629,138,036		765,636,547	
Others	8,033,755,680		3,285,469,293	
	<b>17,824,877,033</b>		<b>6,360,607,658</b>	

12. TAXES AND RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
Value added tax	335,061,179	486,297,530	643,929,327	177,429,382
Corporate income tax (*)	(2,163,864,409)	3,413,536,360	834,890,029	414,781,922
Personal income tax	346,700,000	1,660,662,017	1,704,912,017	302,450,000
Others	-	3,000,000	3,000,000	-
	<b>(1,482,103,230)</b>	<b>5,563,495,907</b>	<b>3,186,731,373</b>	<b>894,661,304</b>

In which:

Taxes and receivables from the State budget	2,163,864,409			
Taxes and paybles to the State budget	681,761,179			894,661,304

(\*) Corporate income tax payable includes VND 357,896,537 representing additional corporate income tax following Decision No. 67895/QĐ-CTHN-TTKT4-XPVPHC dated 23 December 2024 of the Hanoi City Tax Department.



**NORTH PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

**13. SHORT-TERM ACCRUED EXPENSES**

	Closing balance	Opening balance
	VND	VND
Accruals for employees	65,418,467	54,315,955
Accruals for other expenses	799,695,187	1,238,866,640
	<u>865,113,654</u>	<u>1,293,182,595</u>

**14. OTHER SHORT-TERM PAYABLES**

	Closing balance	Opening balance
	VND	VND
Short-term deposits, mortgages	3,000,000,000	2,600,000,000
Trade union fee	23,516,002	74,141,513
Others	1,231,106,642	880,284,015
Trade discounts	-	16,366,728,125
	<u>4,254,622,644</u>	<u>19,921,153,653</u>
<b>Includes: Other payables to related parties</b> (Details in note 26)	900,000,000	-

**15. OWNERS' EQUITY**

**Movement in owners' equity**

	Owners' equity	Development and investment funds	Retained earnings	Total
	VND	VND	VND	VND
<b>Prior year's opening balance</b>	120,000,000,000	10,032,669,580	24,278,918,978	154,311,588,558
Profit for the year	-	-	6,328,089,314	6,328,089,314
Distributions to bonus and welfare funds	-	-	(1,925,914,653)	(1,925,914,653)
Dividends declared	-	-	(14,400,000,000)	(14,400,000,000)
<b>Current year's opening balance</b>	120,000,000,000	10,032,669,580	14,281,093,639	144,313,763,219
Profit for the year	-	-	9,903,009,178	9,903,009,178
Distributions to bonus and welfare funds (i)	-	-	(2,186,192,148)	(2,186,192,148)
Dividends declared (i)	-	-	(9,600,000,000)	(9,600,000,000)
<b>Current year's closing balance</b>	<u>120,000,000,000</u>	<u>10,032,669,580</u>	<u>12,397,910,669</u>	<u>142,430,580,249</u>

- (i) According to Resolution No. 37/NQ-DHDCD dated 22 April 2024 of the General Meeting of Shareholders, the 2023 dividend was approved by the General Meeting of Shareholders with a dividend/charter capital ratio of 8%, equivalent to VND 800 per share. The total dividend payment is VND 9,600,000,000 and has been disbursed by the Company in 2024. In addition, according to this Resolution, the Company made a provision for the bonus and welfare fund with a total amount of VND 2,186,192,148, which includes VND 2,169,233,771 was appropriated to provision from the profit after tax of 2024 and VND 16,958,377 as an additional provision for the profit exceeding the 2023 plan.

Shares	Closing balance		Opening balance	
	Share		Share	
Number of shares issued to the public	12,000,000		12,000,000	
<i>Ordinary shares</i>	12,000,000		12,000,000	
Number of outstanding shares in circulation	12,000,000		12,000,000	
<i>Ordinary shares</i>	12,000,000		12,000,000	

An ordinary share has par value of VND 10,000.

**Charter capital**

According to the amended Enterprise Registration Certificate, the Company's charter capital is VND 120,000,000,000. As of 31 December 2024, the Company's charter capital is fully contributed by shareholders as follows:

	Capital contributed			
	Closing balance		Opening balance	
	VND		VND	
PetroVietnam Fertilizer and Chemicals Corporation	90,000,000,000	75%	90,000,000,000	75%
Other shareholders	30,000,000,000	25%	30,000,000,000	25%
	<u>120,000,000,000</u>	<u>100%</u>	<u>120,000,000,000</u>	<u>100%</u>

**16. OFF BALANCE SHEET ITEMS**

	Closing balance		Opening balance	
	Tons		Tons	
Fertilizer and chemical products held on behalf of PetroVietnam Fertilizer and Chemicals Corporation	12,534		22,171	
Fertilizer and chemical products held on behalf of customers	15,258		25,654	
	<u>27,792</u>		<u>47,825</u>	

**17. BUSINESS AND GEOGRAPHICAL SEGMENTS**

The Company's main business activities are mainly trading in fertilizer used in agriculture. Accordingly, the financial information presented in the balance sheet as of 31 December 2024 and all revenue and expenses presented in the income statement for the year then ended are related to trade in fertilizer used in agriculture. Revenue, cost of goods sold by product and business activities are presented in Notes 18 and 19.

During the year, the Company's fertilizer products were mainly consumed in the Northern region; the Company did not have any export activities, therefore, the Company did not prepare segment reports by geographical area.

**NORTH PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

FORM B 09-DN

**18. REVENUE**

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Revenue from Urea Phu My	1,489,584,987,500	1,467,170,747,500
Revenue from sale of other merchandises	672,546,499,275	681,535,793,605
Revenue from rendering of services	33,354,083,003	35,009,413,142
	<u>2,195,485,569,778</u>	<u>2,183,715,954,247</u>
Trade discount	42,173,701,103	37,358,875,004
<b>Net revenue from sales of goods and rendering of services</b>	<u>2,153,311,868,675</u>	<u>2,146,357,079,243</u>
<b>In which: Revenue from related parties</b> (Details in Note 26)	63,314,363,049	31,193,029,211

**19. COST OF SALES**

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Cost of Urea Phu My	1,406,477,826,185	1,379,891,774,097
Cost of merchandise sold	642,080,102,984	658,229,147,994
Cost of services rendered	29,959,185,137	31,905,434,241
	<u>2,078,517,114,306</u>	<u>2,070,026,356,332</u>

**20. PRODUCTION COST BY NATURE**

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Labour	29,425,746,895	28,430,699,655
Depreciation and amortisation	2,916,576,179	3,381,854,604
Reversal of provision	(2,337,511,010)	(5,105,042,850)
Out-sourced services	54,663,822,285	50,317,457,348
Others	23,361,755,115	28,024,654,485
	<u>108,030,389,464</u>	<u>105,049,623,242</u>

NORTH PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

21. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Bank interest	1,193,507,668	1,876,103,424
	<u>1,193,507,668</u>	<u>1,876,103,424</u>

22. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
<b>Selling expenses during the year</b>		
Selling staff costs	20,974,582,746	18,312,686,593
Tools and equipment expenses	411,146,704	628,623,423
Depreciation and amortisation	2,890,983,467	3,132,858,094
Out-sourced services	10,879,928,497	10,999,715,666
Others	20,336,658,936	23,074,280,903
	<u>55,493,300,350</u>	<u>56,148,164,679</u>
<b>General and administration expenses during the year</b>		
Administration staff costs	8,451,164,149	10,118,013,062
Out-sourced services	4,337,864,260	4,463,556,992
Others	2,949,411,443	1,872,636,216
	<u>15,738,439,852</u>	<u>16,454,206,270</u>

23. OTHER INCOME

	Current year	Prior year
	VND	VND
Gifts	8,105,434,000	5,003,731,200
Income from disposal of assets	507,695,455	32,090,909
Others	75,632,085	31,856,125
	<u>8,688,761,540</u>	<u>5,067,678,234</u>

24. CORPORATE INCOME TAX EXPENSE

	Current year	Prior year
	VND	VND
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	2,913,587,017	2,204,551,494
Adjustment of corporate income tax expense of prior year into current income tax expense of this year	142,052,806	(2,654,375,080)
<b>Total current corporate income tax expense</b>	<u>3,055,639,823</u>	<u>(449,823,586)</u>

2006  
 CÔNG  
 TỶ PH  
 N BỘ  
 HẬT T  
 ENI  
 VAY  
 2012  
 CÔNG  
 TỶ  
 KIỂM  
 ELO  
 VIỆT  
 G. Đ.Á

NORTH PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

Current corporate income tax expense for the year is calculated as follows:

	Current year VND	Prior year VND
Profit before tax	12,958,649,001	10,345,813,563
Adjustments for taxable profit		
Add back: non-deductible expenses	1,609,286,086	676,943,906
Taxable profit	14,567,935,087	11,022,757,469
Tax rate	20%	20%
Corporate income tax expense based on taxable profit in the current year	<u>2,913,587,017</u>	<u>2,204,551,494</u>
	Current year VND	Prior year VND
Deferred corporate income tax expense		
Deferred corporate income tax expense arising from the reversal of deferred income tax assets	-	4,467,547,835
Total deferred corporate income tax expense	<u>-</u>	<u>4,467,547,835</u>

25. BASIC EARNINGS PER SHARE

	Current year	Prior year
Accounting profit after corporate income tax	9,903,009,178	6,328,089,314
Distributions to bonus and welfare funds (VND)	(2,169,233,771)	(1,265,617,863)
Profit to calculate basic earnings per share (VND)	7,733,775,407	5,062,471,451
Average ordinary shares in circulation for the year (shares)	12,000,000	12,000,000
Basic earnings per share (VND/share)	<u>644</u>	<u>422</u>

Bonus and welfare funds are allocated during the year on a provisional basis; therefore, basic earnings per share for the fiscal year ended 31 December 2024 may change according to the Resolution of the Company's General Meeting of Shareholders regarding the distribution of profits for 2024.

26. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

<u>Related parties</u>	<u>Relationship</u>
PetroVietnam Fertilizer and Chemicals Corporation	Parent

**NORTH PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

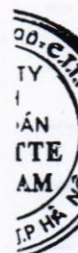
**FORM B 09-DN**

*During the year, the Company entered into the following significant transactions with its related parties:*

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
<b>Revenue from sales and services rendered</b>	<b>63,314,363,049</b>	<b>31,193,029,211</b>
PetroVietnam Fertilizer and Chemicals Corporation	63,314,363,049	31,193,029,211
<b>Cost of goods purchased and services provided</b>	<b>1,891,315,841,250</b>	<b>1,893,064,337,750</b>
PetroVietnam Fertilizer and Chemicals Corporation	1,891,315,841,250	1,893,064,337,750
<b>Trade discount received</b>	<b>27,944,144,123</b>	<b>40,763,888,113</b>
PetroVietnam Fertilizer and Chemicals Corporation	27,944,144,123	40,763,888,113
<b>Dividends paid</b>	<b>7,200,000,000</b>	<b>10,800,000,000</b>
PetroVietnam Fertilizer and Chemicals Corporation	7,200,000,000	10,800,000,000
<b>Other income</b>	<b>8,105,434,000</b>	<b>5,003,731,200</b>
PetroVietnam Fertilizer and Chemicals Corporation	8,105,434,000	5,003,731,200

*Significant related party balances as at the balance sheet date were as follows:*

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>Short-term trade receivables</b>	<b>7,504,078,987</b>	<b>12,115,130,383</b>
PetroVietnam Fertilizer and Chemicals Corporation	7,504,078,987	12,115,130,383
<b>Advances to suppliers</b>	<b>2,076,468,831</b>	<b>6,604,264,542</b>
PetroVietnam Fertilizer and Chemicals Corporation	2,076,468,831	6,604,264,542
<b>Other payables</b>	<b>900,000,000</b>	-
PetroVietnam Fertilizer and Chemicals Corporation	900,000,000	-

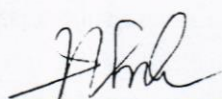


**NORTH PETROVIETNAM FERTILIZER & CHEMICALS CORPORATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

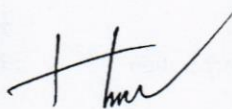
**FORM B 09-DN**

*Remuneration of the Boards of Directors, Management and Board of Supervisors during the year was as follows:*

	Current year	Prior year
	VND	VND
<b>Board of Directors and Management</b>		
Mr. Luong Anh Tuan	1,090,687,951	1,035,484,681
Mr. Bui Tuan Anh	1,032,212,548	886,963,833
Mr. Nguyen Quang Doan	942,599,501	910,600,200
Mr. Ta Quoc Phuong	48,000,000	52,000,000
<b>Board of Supervisors</b>		
Ms. Dao Thi Kim Anh	42,000,000	42,000,000
Ms. Do Thi Minh Tam	30,000,000	30,000,000
Ms. Nguyen Tra My	30,000,000	30,000,000
	<b>3,215,500,000</b>	<b>2,987,048,714</b>



**Nguyen Thi Van Anh**  
Preparer



**Nguyen Tien Hung**  
Chief Accountant



**Bui Tuan Anh**  
Director

03 March 2025

H H H