



OPERATIONAL SITUATION IN 2023

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**SUCCESS REQUIRES
THE POWER OF EFFORTS**

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2023

PERFORMANCE OF PRODUCTION AND BUSINESS ACTIVITIES IN 2023

Ca Mau Fertilizer faced multiple difficulties and challenges in 2023 caused by material price surge, declining fertilizer price, low domestic demand, highly increased competition from imported products, etc. However, PVCFC, by continuous efforts made by Leadership and employees, has drastically and synchronously implemented many solutions in management, production and business and achieved impressive results, completed and exceeded planned targets of General Meeting of Shareholders.



Performance of production and business indicators

No.	Indicators	Unit	Performance 2022	2023		Ratio	
				Plan	Performance	Comparison (%)	
A	B	C	1	2	3	4=3/2	5=3/1
I OUTPUT INDICATORS							
1 Manufacturing products							
-	Converted Urea	Thousand tons	918.08	950.00	955.57	101%	104%
	Of which:						
-	Functional fertilizer	Thousand tons	45.04	71.26	69.63	98%	155%
-	NPK	Thousand tons	115.03	147.20	151.11	103%	131%
2 Functional fertilizer							
-	Urea	Thousand tons	844.08	862.00	866.03	100.5%	103%
-	Functional fertilizer	Thousand tons	35.52	70.00	72.51	104%	204%
-	NPK	Thousand tons	83.67	150.00	138.61	92%	166%
-	Self-trading fertilizer	Thousand tons	123.48	211.00	183.24	87%	148%
II CONSOLIDATED FINANCIAL INDICATORS							
1	Equity	VND Billion	10,605.45	10,066.86	9,963.38	99%	94%
2	Total revenue	VND Billion	16,240.76	13,458.48	13,172.38	98%	81%
3	Profit before tax	VND Billion	4,596.31	1,029.29	1,254.81	122%	27%
4	Profit after tax	VND Billion	4,321.08	915.99	1,110.14	121%	26%
5	Payments to the state budget	VND Billion	679.34	246.31	426.81	173%	63%
III FINANCIAL INDICATORS OF THE PARENT COMPANY							
1	Total revenue	VND Billion	16,214.03	13,455.50	13,048.39	97%	80%
2	Profit before tax	VND Billion	4,586.06	1,026.96	1,252.19	122%	27%
3	Profit after tax	VND Billion	4,313.44	914.74	1,108.58	121%	26%
4	Profit before tax/ Charter capital ratio	%	87%	19%	24%	126%	28%
5	Payments to the state budget	VND Billion	674.31	238.92	419.88	176%	62%
IV INVESTMENT IN BASIC CONSTRUCTION & EQUIPMENT PURCHASE							
1	Total investment	VND Billion	85.78	419.49	404.72	96%	472%
2	Investment funds	VND Billion	85.78	419.49	404.72	96%	472%
-	Equity	VND Billion	31.59	417.69	403.73	97%	1,278%
-	Other loans	VND Billion	54.19	1.80	0.99	55%	2%

Note: (*) The planned targets in 2023 were implemented in accordance with Announcement No 934/PVCFC-IR dated June 13 2023 of PVCFC. These targets are adjusted to replace business and production targets approved by Resolution No 2186/PVCFC-IR dated December 27 2023.

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2023

Remarks

REGARDING THE PERFORMANCE OF THE PARENT COMPANY

UREA PRODUCTION OUTPUT REACHED

955.57
THOUSAND TONS

↑104%
COMPARED TO 2022

Urea production output reached 955.57 thousand tons, fulfilled 101% of the plan and reached 104% compared to the same period in 2022.

NPK PRODUCTION OUTPUT REACHED

151.11
THOUSAND TONS

↑131%
COMPARED TO 2022

Urea consumption 151.11 thousand tons, fulfilled 103% of the plan and reached 131% compared to the same period in 2022.

Urea consumption reached 866.03 thousand tons, fulfilled 100.5% of the plan and reached 103% compared to the same period in 2022.

UREA CONSUMPTION REACHED

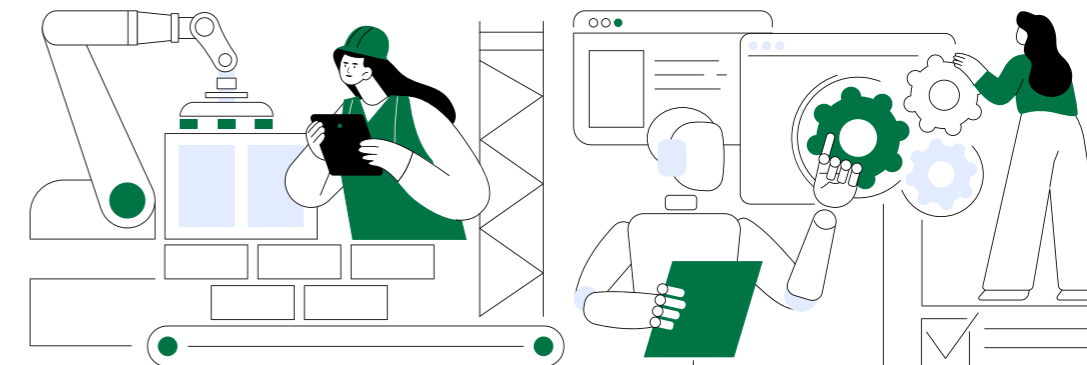
866.03
THOUSAND TONS

↑103%
COMPARED TO 2022

NPK consumption reached 138.61 thousand tons, marking the penetration into the market in the context of fierce competition with reputable and longstanding NPK business units in the market.

NPK CONSUMPTION REACHED

138.61
THOUSAND TONS



TOTAL REVENUE

13,048.39
VND BILLION

80%
COMPARED TO 2022

Total revenue reached 13,048.39 billion VND, equivalent to 97% of the plan and 80% as of the same period of 2022. Revenue decreases in 2023 was caused by a delay in crop arrival compared to the same period and a sharp drop in selling price.

PROFIT BEFORE TAX

1,252.19
VND BILLION

27%
COMPARED TO 2022

Profit before tax was 1,252.19 billion VND, equivalent to 122% of the plan and 27% compared to 2022. Profit decrease as of the same period was due to sharp decline in selling price. Although PVCFC has strengthened sales programs as well as maximized savings and flexibility in operation and management, it failed to compensate for a sharp decline in selling price.

REGARDING PERFORMANCE OF SUBSIDIARY

PETROVIETNAM PACKAGING JOINT STOCK COMPANY (PPC)

PPC has strived to complete the indicators assigned by the parent company: achieving the plan and the same period in terms of packaging production output, timely supply, and quality assurance of packaging for PVCFC; revenue increased by 4% compared to the plan and 2% over the same period in 2022; profit before tax increased 26% compared to the plan and 18% compared to the same period in 2022.

By being proactive in seeking new markets, boosting self-employment and optimizing costs have helped PPC achieve impressive profit growth.

Additionally, PPC always conducts research on improving packaging quality, coordinating with PVCFC to test applications such as using RFID tracking labels, trial production of new fertilizer products in accordance with PVCFC's development strategy.

PROFIT BEFORE TAX

↑26%

REVENUE

↑4%

COMPARED TO THE PLAN



SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES IN 2023

FINANCIAL SITUATION

FINANCIAL SITUATION (CONSOLIDATED)

Unit: VND Billion

Financial indicators	Year 2022	Year 2023	Comparison (%)
The total value of assets	14,167	15,238	8%
Net revenue	15,925	12,571	- 21%
Profits from business activities	4,593	1,232	- 73%
Other profits	3,166	22,482	610%
Profit before tax	4,596	1,255	-73%
Profit after tax	4,321	1,110	-74%

KEY FINANCIAL INDICATORS

No.	Financial indicators	Unit	Year 2022	Year 2023	Note
1	Indicators of liquidity				
	Short-term payment ratio	Time	4.04	2.99	
	Quick payout ratio	Time	3.25	2.51	
2	Capital structure indicators				
	Liabilities/Total Assets ratio	%	25%	35%	
	Liabilities/Equity ratio	%	34%	53%	
3	Performance indicators				
	Inventory turnover	Day	4.56	4.74	
	Net Revenue/Total Assets	%	112.41%	82.49%	
4	Profitability indicators				
	Profit after tax/Net revenue ratio	%	27.13%	8.83%	
	Profit before tax/Total revenue ratio	%	28.30%	9.53%	
	Return on Equity (ROE)	%	47.79%	10.79%	
	Return on Assets (ROA)	%	34.24%	7.55%	

SITUATION OF PROJECT INVESTMENT AND IMPLEMENTATION

PVCFC has invested in construction of infrastructure systems for production activities, building shipping ports, establishing new offices in HCMC suitable for PVCFC's development model in the future, purchasing Korea-Vietnam Fertilizer Co. Ltd, (KVF) to produce Korea-Vietnam NPK products.

Projects implemented in 2023:



Apart from planning equipment purchase for management, cybersecurity remains as a key task to ensure continuous, safe operation, digitizing management activities, improving labor productivity.

ORGANIZATION AND HUMAN RESOURCES

EXECUTIVE BOARD

No.	Full name	Position	Number of shares owned at period closing	Shares ownership ratio at period closing
1	Mr. Van Tien Thanh	General Director	109,000	0.020589%
2	Mr. Tran Chi Nguyen	Deputy General Director	1,600	0.000302%
3	Mr. Le Ngoc Minh Tri	Deputy General Director	1,600	0.000302%
4	Mr. Nguyen Tuan Anh	Deputy General Director	0	0.000000%
5	Ms. Nguyen Thi Hien	Deputy General Director	0	0.000000%
6	Mr. Nguyen Thanh Tung	Deputy General Director	5,003	0.000945%
7	Mr. Dinh Nhu Cuong	Chief Accountant	2,900	0.000548%

CHANGES IN EXECUTIVE BOARD

In 2023, PVCFC had no change in Executive Board personnel.

HUMAN RESOURCE REPORT 2023

Company's HR policy is always in regulatory compliance with human rights without any gender or religious discrimination, nor political opinions or age, without child labor, forced or compulsory labor.

The Company has issued regulations on labor recruitment, clearly defining standards for candidates based on the Company's HR policy.

The company has issued regulations on staff management, clearly stipulating the process of appointment, reappointment, arrangement and evaluation of staff to ensure compliance with needs and development orientations of the Company.

OVERVIEW OF THE WORKFORCE



As of December 31 2023, the Company has a total number of

1,096 EMPLOYEES



female
203
EMPLOYEES

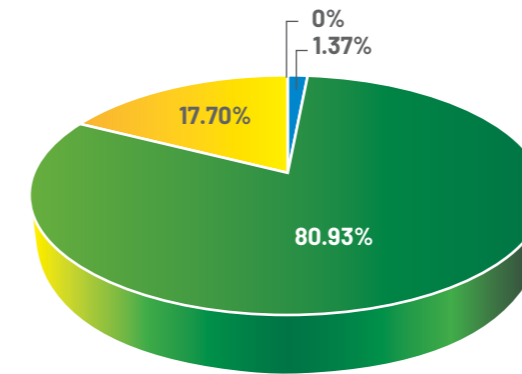


male
893
EMPLOYEES

The Company's labor structure is shown as follows:



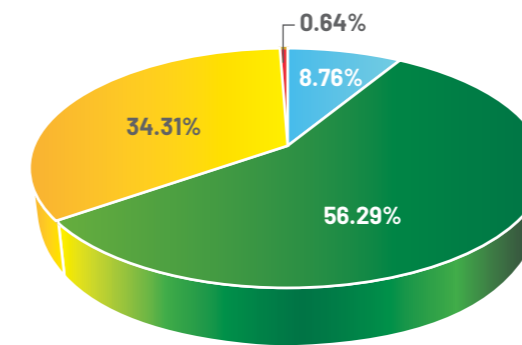
Classification by term of labor contract



- Failure to sign a labor contract (appointed by PVN and concurrently appointed by KSV ...)
- Labor contract with indefinite term
- Labor contract with a definite term of 01 - 03 years
- Short-term contract term of less than 01 year



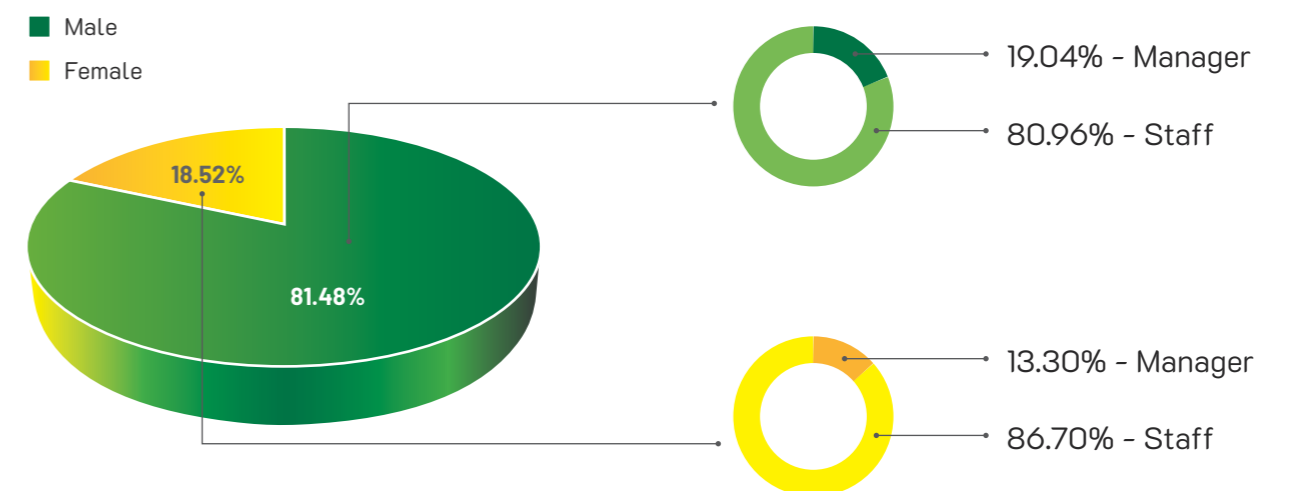
Classification by level of expertise



- Postgraduate
- Graduate
- College, occupational intermediate schools, occupational elementary schools
- Unskilled laborers



Classification by gender

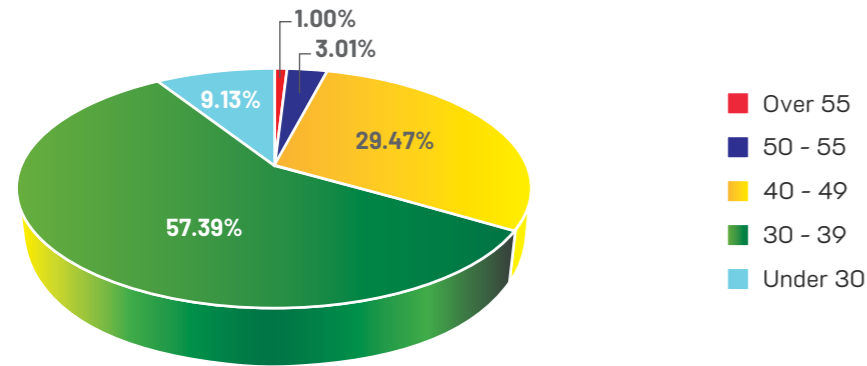


ORGANIZATION AND HUMAN RESOURCES

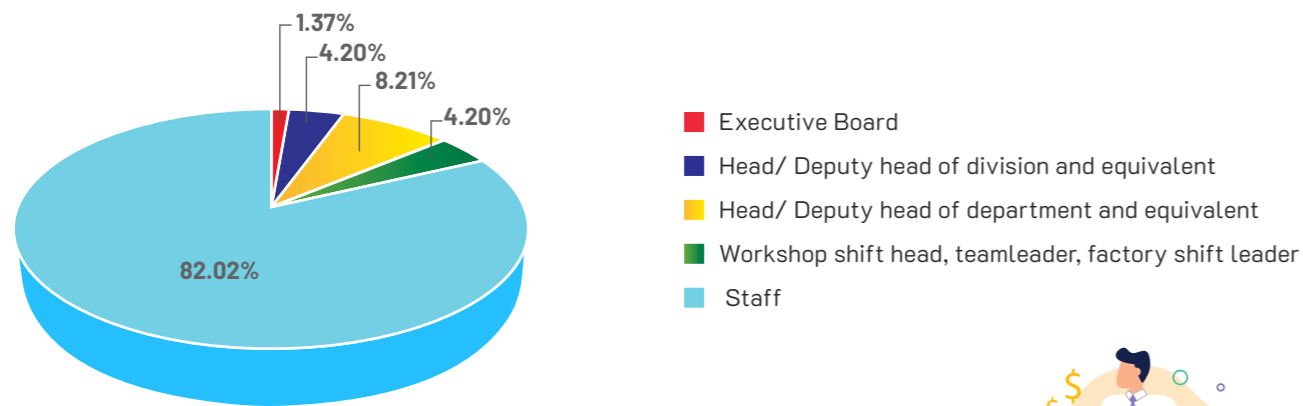
HUMAN RESOURCE REPORT 2023 (CONTINUED)



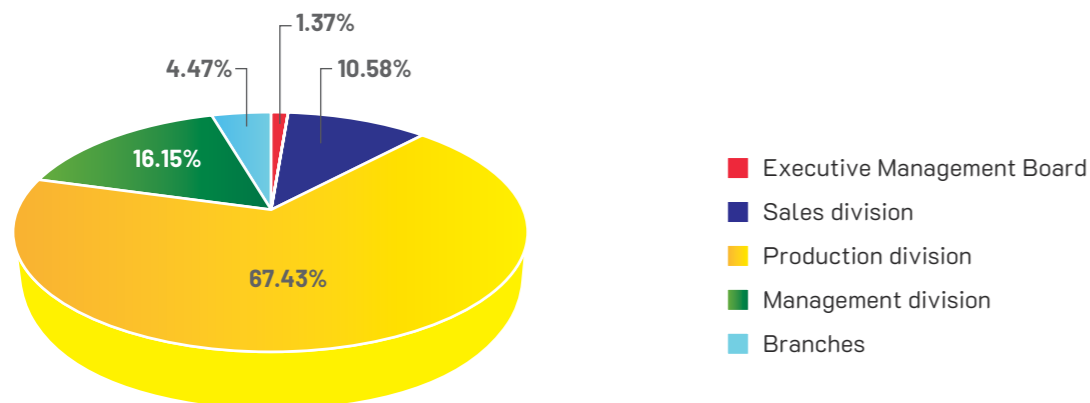
Classification by age



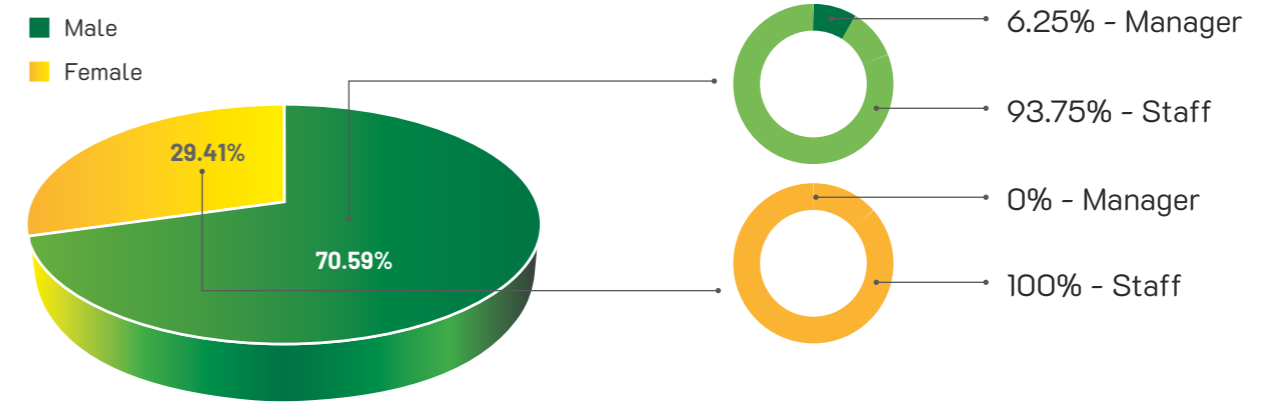
Classification by management levels



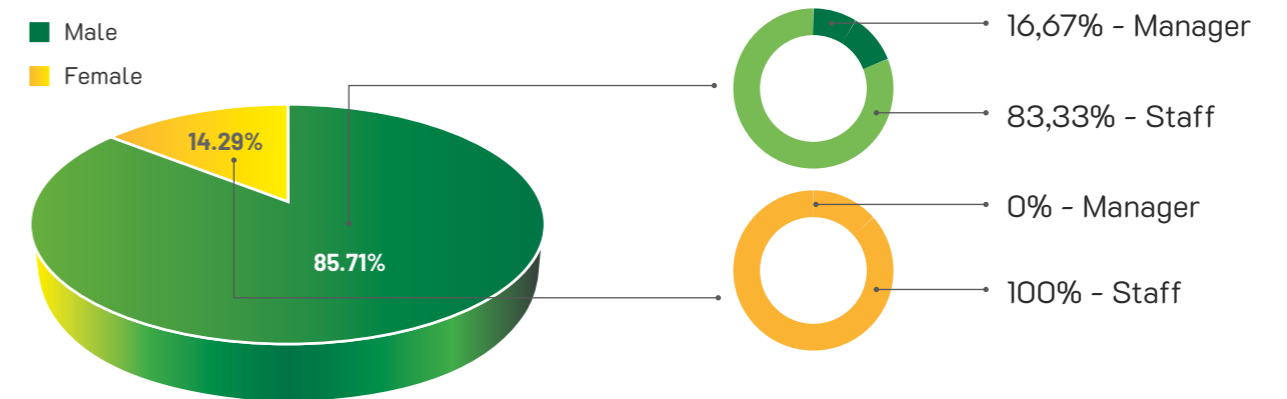
Classification by functional divisions



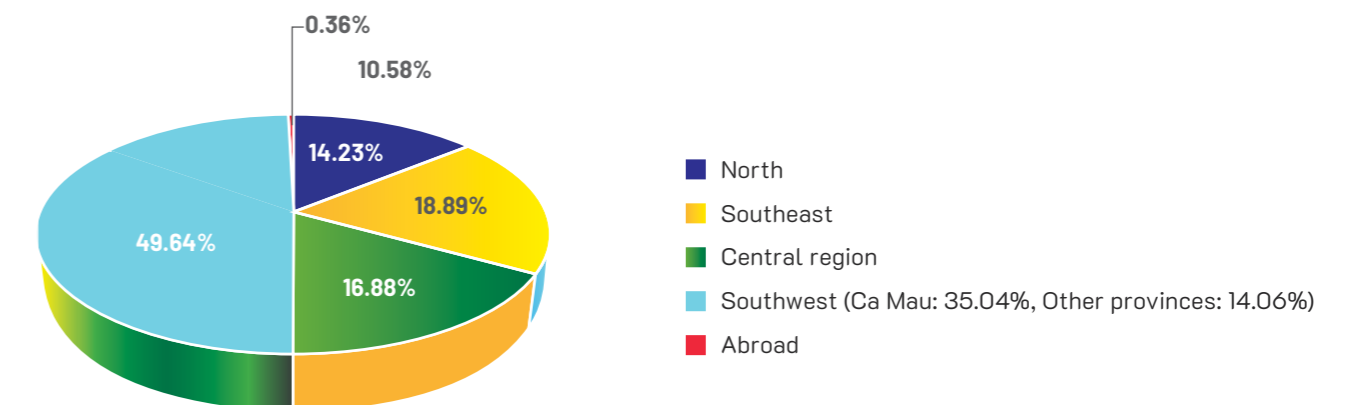
Increase staffing



Reduce staffing



Region



ORGANIZATION AND HUMAN RESOURCES

HUMAN RESOURCE REPORT 2023 (CONTINUED)

In 2023, a number of additionally recruited employees for divisions and branches increased by 68 employees compared to 2022: inadequate recruitment for divisions/units as planned & labor demand in business and production activities. 20/68 are female employees accounting for 29.41%; female employee ratio decreased by 2/14 accounting for 14.29% of total employees decreased in 2023.

The Company is committed to providing a policy without any gender-age or political opinion-based discrimination, etc.

The company is against all forms of child labor, forced or compulsory labor as stipulated in recruitment mechanisms and regulations of the Company (Clause 8.2, Article 8 of recruitment regulations).

Staffing: receiving, transferring, appointing, reappointing, etc. staff planning, evaluation and classification of cadres are in compliance with procedures, regulations depending on actual needs, appointed officers have well performed their roles and missions, contributed to the process of construction and development of the Company.

Staff plan is in compliance with instructions of the Company's Party Committee. On a yearly basis, the Company reviews, adjusts and supplements its staff plan to ensure at least 3 resource officers for each position according to criteria of 2-3 officers for each job role and one for no more than 3 job titles. The company's affiliates review, supplement and introduce officers through the Company's party committee/cell to submit to higher authorities for consideration. List of planned cadres is approved by hierarchy level of the company.

Newly recruited personnel are eligible for a 100% training program in each period. In 2023, the Company coordinated with trade unions to organize training programs for newly recruited staff and interns to attend programs such as factory tours, U Minh Forest, Uncle Ho Memorial House and direct dialogue between staff and the General Director.

EMPLOYEE WELFARE POLICY

Being aware of its responsibility for employees, the Company always sets up welfare regimes and policies, support programs to ensure employment and health for employees.

The Company has issued regulations on personnel management, collective labor agreements, employee policy, salary and bonus regulations as well as welfare regimes, regulations on rights, responsibilities and other regimes for employees such as working hours, rest time, working environment, promotion opportunities, income, training, feedback/recommendation, etc.

Salary and bonus policy

- Remuneration, bonus policies and other welfare regimens of PVCFC are continuously improved to ensure stable income for employees and to increase their commitment and engagement.
- The salary and bonus policy for employees not only depends on the Company's business results in the year but also based on efficiency/level of job satisfaction, compliance issues with regulations related to ethics and other internal processes. PVCFC also reviews other long-term factors such as past performance/compliance assessment results to consider the salary and bonus. When the Company has profits or profits exceeding the plan, a part is deducted as a reward fund and spent in the following years.



ORGANIZATION AND HUMAN RESOURCES

HUMAN RESOURCE REPORT 2023 (CONTINUED)

EMPLOYEE WELFARE POLICY (CONTINUED)

Insurance and welfare policies

PVCFC fully retains employee policies as stipulated, providing full insurance regimes as stipulated by Labor Code and the Law on Social Insurance such as Social Insurance, Health Insurance, unemployment insurance, retirement benefits, maternity allowance, etc.

Social insurance, health insurance and unemployment insurance

Insurance payment	Unit	Year 2021	Year 2022	Year 2023
Social insurance	VND	53,532,779,655	55,738,288,840	60,271,851,530
Health insurance	VND	9,547,281,420	9,956,269,170	10,640,754,935
Unemployment insurance	VND	3,910,995,569	2,937,511,100	4,959,883,920

Maternity leave in 2023

Total employees entitled to maternity leave were:
13 people

with total maternity pay of
1,236,803,300 VND

Total employees returned to work after parental leave were 08/13, 05/13 people will return to work in 2024 according to regulations, rate of employees returning to office after parental leave and retention rate in 2023 was 100%.



Training & coaching policies

PVCFC always puts a strong focus on human resource training and development, on a yearly basis, the Company builds human resource training and development plans including in-depth management training courses, regular training courses for working skills, foreign language as well as other internal training course for employees to improve their professional skills, knowledge, professional qualifications to ensure business and production activities. Additionally, PVCFC also organizes orientation/support training programs for local students, intern support programs, etc.

Types of training

- Sending employees on training courses organized by units/institutes/professional training schools; offering internal training courses by direct sharing, coaching, online or e-learning, creating the best conditions for employees to attend and uphold training efficiency as well as improve business and production process.
- Providing internship resource guide and training course at the factory/divisions, departments of the Company.
- Giving scholarships to local students and students of universities/colleges.

Changes in employee policies

In 2023, PVCFC made renovation of salary policy and other regimes to develop its human resource development strategy including: salary and bonus review policy for titles of regional managers, customer service managers of Sales Division; draft amendments on salary, bonus and welfare management regimes, employee policy, etc.

Some of typical training programs implemented in 2023 include:

The average training hours is
26 hours/person/year

High-level leaders (The Executive Board, Head/ Deputy head of division and equivalent)
996 hours/year

Middle-level leaders (Head/Deputy head of Department and equivalent, Head of Workshop, Team Leader)
1,690 hours/year

Employees
27,011 hours/year

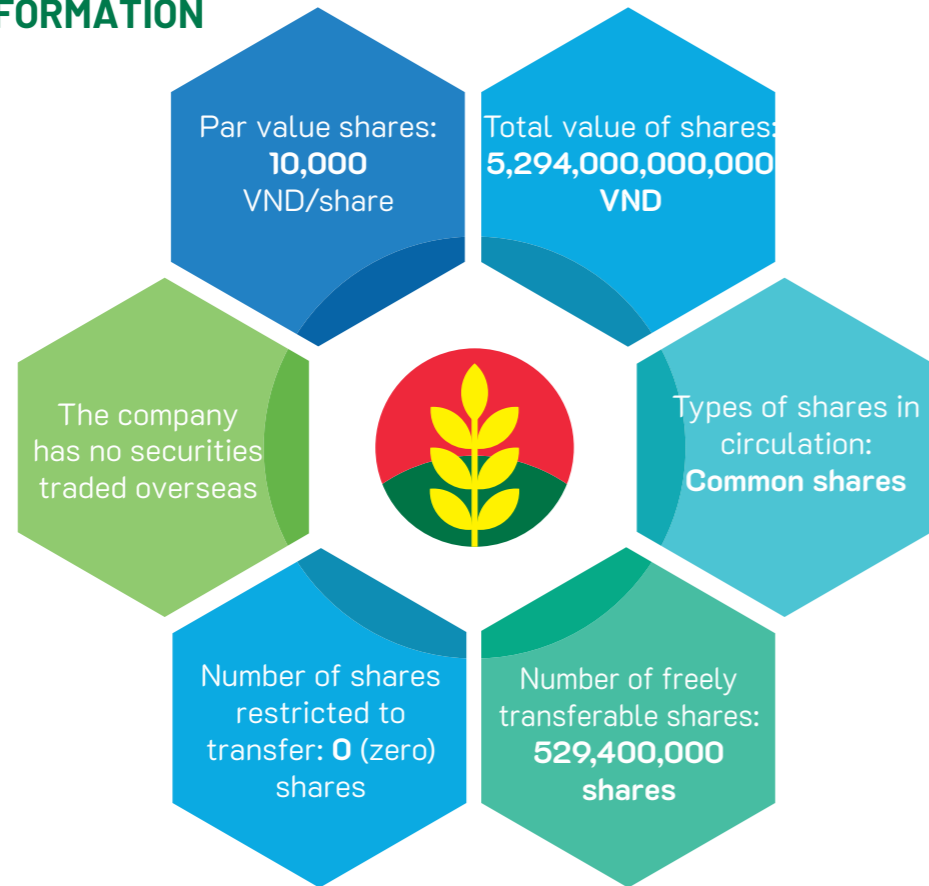
Number of training courses:

External 140 COURSES	Internal 237 COURSES
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SHAREHOLDER STRUCTURE, CHANGE IN OWNER'S INVESTMENT CAPITAL

(as of December 31, 2023)

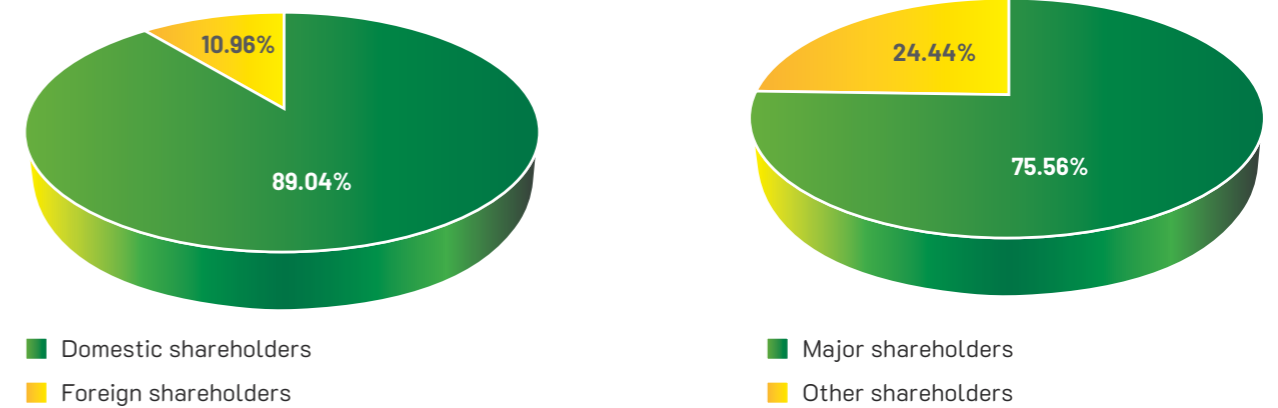
STOCK INFORMATION



SHAREHOLDER STRUCTURE

Shareholder	Number (person/organization)	Number of shares (shares)	Value at face value (VND)	Ratio (%)
I. Domestic shareholders	14,230	471,356,103	4,713,561,030,000	89.04
1 Institutional shareholders	64	409,242,565	4,092,425,650,000	77.30
1.1 Of which: PVN	1	400,023,057	4,000,230,570,000	75.56
1.2 Other	63	10,061,936	92,195,080,000	1.74
2 Individual shareholders	14,166	61,271,110	612,711,100,000	11.57
II. Foreign shareholders	161	58,043,897	580,438,970,000	10.96
1 Institutional shareholders	57	57,382,186	573,821,860,000	10.84
2 Individual shareholders	104	661,711	6,617,110,000	0.12
Total	14,391	529,400,000	5,294,000,000,000	100.00

Shareholder structure chart



INFORMATION ABOUT MAJOR SHAREHOLDERS OWNING MORE THAN 5% OF CHARTER CAPITAL

Name of shareholder	Business registration number/ID card	Address	Number of shares hold (share)	Proportion/capital (%)
Vietnam Oil and Gas Group - PVN	0106000811	18 Lang Ha, Ba Dinh District, Hanoi	400,023,057	75.56
Total			400,023,057	75.56

CHANGES IN OWNER'S INVESTMENT CAPITAL

In 2023, the Company had no change in owner's investment capital.

TREASURY SHARES

Current number of treasury shares: 0 (zero) shares

In 2023, the Company did not conduct treasury stock transactions.

OTHER SECURITIES

In 2023, the Company did not issue any securities.

REPORT OF THE EXECUTIVE BOARD

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES



PVCFC has implemented infrastructure and wharf projects; optimizing production, applying smart platforms in governance to achieve the goal of cost optimization.

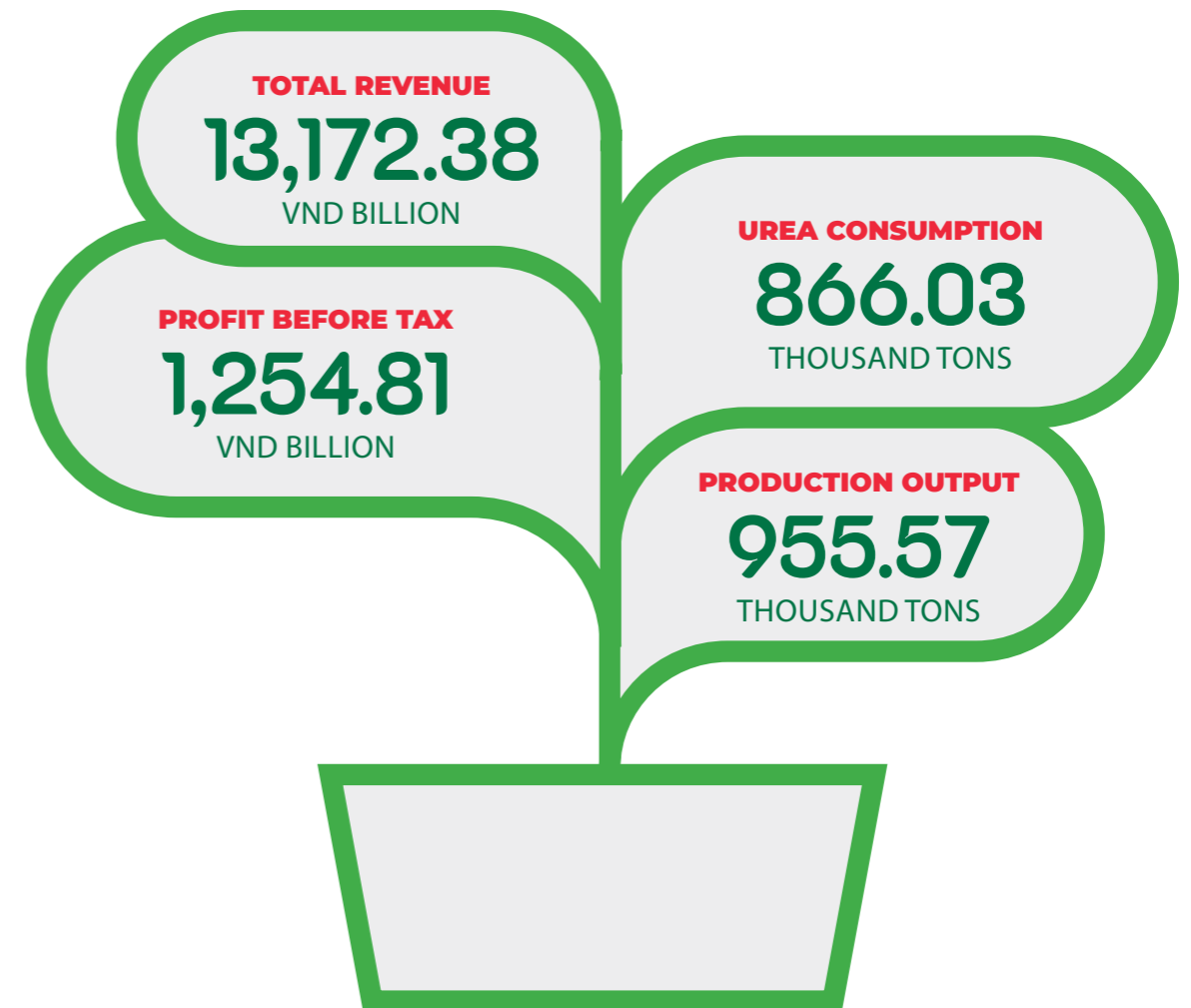
In 2023, geological tensions and wars had impacts on the global economy; FED voted to keep interest rates between 5-5.25%, the highest in the last 22 years. Meanwhile, fertilizer market saw unpredictable fluctuations and changes, fertilizer price reversed rapidly and maintained at lower level (lower than 14% as planned and reduced by 35% as of 2022); agricultural production has grown slower than previous years causing impacts on goods promotion and consumption activities; oil price was hiked by over 18% as planned. Policies such as the Law on VAT were detrimental to domestic production activities in the context of oversupply and an increase of imported products.

Facing multiple changes in the new status, PVCFC, based on its solid foundations of resource, governance system, culture, has proactively managed fluctuations, closely followed market developments to carry out updated adjustments to make appropriate decisions. PVCFC has implemented infrastructure and wharf projects; optimizing production, applying smart platforms in governance to achieve the goal of cost optimization. PVCFC has always set high goals with big pressures to thoroughly implement these projects since early 2023. These measures have helped PVCFC realize its 2023 business and production plans assigned by General Meeting of Shareholders through specific and impressive figures as follows:

PERFORMANCE OF PRODUCTION AND BUSINESS INDICATORS

In 2023, PVCFC completed and surpassed the main indicators of the plan, especially the indicator of outstanding growth in revenue and profit, which recorded the highest level ever.

- A production output of 955.57 thousand tons, equivalent to 101% of the plan and 104% as of 2022.
- Urea consumption reached 866.03 thousand tons, equivalent to 100.5% of the plan and 103% as of 2022. NPK fertilizer consumption reached 138.61 thousand tons marking a successful and impressive market penetration of NPK Ca Mau.
- Total revenue reached 13,172.38 billion VND, equivalent to 98% of the plan and 81% as of the same period of 2022. Revenue decreases in 2023 was caused by a delay in crop arrival compared to the same period and a sharp drop in selling price.
- Profit before tax reached 1,254.81 billion VND, equivalent to 122% of the plan and 27% as of 2022. A decline in profit as of 2023 was due to sharp decline in selling price. Despite efforts in strengthening sales programs and cost optimization as well as operation flexibility but failed to compensate for a deep decline in selling price.



REPORT OF THE EXECUTIVE BOARD

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES (CONTINUED)

DETAILED ASSESSMENT ON KEY TASKS

Production and Operations

Despite the shutdown of the gas supply rig by 29 times (206.1 hours) in 2023, Ca Mau Fertilizer Plant still maintains continuous and stable operation, total downtime (NH₃ factory) lasted 12.16 days (including 10 days of maintenance). By multiple and practical solutions, optimizing and removing bottlenecks, the plant has improved its capacity to the highest level as of previous year (urea capacity increased by 113.4%, NH₃ capacity increased by 114.2%). Especially, for the second time, PVCFC was awarded a certificate of continuous and stable operation in 350 days by Haldor Topsoe, reaching a milestone of 10 million tons after 11 years of operation.

Optimization emerges as an important strategic spearhead to increase capacity, optimizing material and fuel resources and improving product quality. In 2023, PVCFC continued implementing 20 optimization projects to reduce material and fuel consumption, optimizing equipment and machinery capacity, completing 05 projects (innovating air-compressor liquid separator filter, replacing new cushion for cooling tower,

TE system for NPK, bulk cargo export system, PE bag pressing system for Urea/NPK); 6 items under implementation of procurement, installation and operation in the overall maintenance 2024 (CO₂ in food processing, NPK supplementary feeding system, installing secondary reforming burner; installing CO₂ chiller, installing desulfurization system, installing Sub Cooler). Other items are under technical and economic feasibility studies, issuing bidding documents and delivery progress tracking.

Dam Ca Mau Fertilizer Plant has step by step get involved in Net zero greenhouse gas emissions program by 2050 by making use of and maximizing recovery of excess CO₂ or CO₂ emitted from gas emissions to enhance capacity of urea and CO₂ in food processing; using Biomass to produce high pressure steam to significantly save material gas; making use of excess heat to generate electricity as well as doing research on green energy consumption "Application of green hydrogen at fertilizer plant" or conducting feasibility studies on hydrogen production from Offgas.



Dam Ca Mau Fertilizer Plant reached a milestone of 10 million tons after 11 years of operation



Management of business - marketing communications

In the context of oversupply, longer growing season than previous year, deep decline in fertilizer price causing concerns of inventory, PVCFC applies flexible sales policies for each product, distribution agencies at all levels to achieve planned consumption targets with positive support and accompaniment of customers. Total consumption capacity reached 1.27 million tons, a 16% growth rate as of 2022. Export value reached 350 thousand tons, equivalent to 28% of total consumption output, exporting to Cambodia, Chile, Korea, Sri Lanka, Philippines, etc. PVCFC also closely monitors market trends to flexibly import and distribute some high-quality fertilizer products such as Potassium, DAP, SA with stable selling price, contributing to diversification of products, increasing revenue and profit.

- Successfully penetrating and developing the NPK market with a consumption output of NPK Ca Mau fertilizer of 138.61 thousand tons, up 166% as of 2022.
- Korea-Viet NPK fertilizer brand - one of high quality NPK products targeting high-end crops - has a firm position in the market. Therefore, PVCFC has purchased all shares of Korea-Vietnam Fertilizer Co., Ltd (KVF). By doing this, Ca Mau Fertilizer will officially

distribute two NPK products including NPK Ca Mau and NPK Korea-Vietnam.

- Strengthening sales promotion and support programs to achieve a consumption record. Some typical events include "Golden season - Win big" attracting participation of nearly 53,000 farmers; flash sales; free fertilizer trials; giving gifts; point of sale identity; early-season seminars and conferences; 10 factory tours for 1,750 farmers/level-2 agents. Conducting market research and survey to improve packaging and product design to meet the taste of customers; evaluating brand health and aiming for Top 1.
- PVCFC has built a diverse digital ecosystem in business activities such as ERP system, Digital Management System (DMS), Customer Relationship Management (CRM), App 2Nong and the latest "Anh Hai Ca Mau" digital human project, etc. Digital transformation will change the business model of Ca Mau Fertilizer. PVCFC, in the coming time, will continue exploiting these systems and adding e-commerce platforms and advertising rental services to App 2Nong.

Investment & Construction

Apart from expanding market share, international business, technology application, shift of business platform in line with new development trend, PVCFC pursues sustainable development and investment trends. We have invested in constructing infrastructures for production, building wholesale port and terminal system; investing in a new office in HCMC in line with development scale in the future; acquiring Korea-Vietnam Fertilizer Co., Ltd (KVF) to produce NPK Korea-Viet fertilizer. Other items include procurement of equipment for management, cyber security is implemented in accordance with the plan, ensuring continuous, safe operation; innovating and digitizing management related activities, improving labor productivity.

REPORT OF THE EXECUTIVE BOARD

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES (CONTINUED)

DETAILED ASSESSMENT ON KEY TASKS (CONTINUED)

Other management activities

Governance work

In 2023, PVCFC continued completing the corporate governance system according to good governance practices. At first, the company standardizes its risk management model in accordance with COSO's take on the three lines of defense; completing the risk management model toward an approach to streamlining document workflow (frameworks/procedures), completing governance model according to good governance practices. In addition, PVCFC conducts evaluation, construction of roadmap as well as reinforces corporate governance activities in line with good international practices based on ACGS (ASEAN Corporate Governance Scorecard, version 2021 and 2023). Organizing training course on "overview of ESG and related issues to PVN and chemical fertilizers", integrating ESG into operation and management toward sustainable development, contributing to the process of green transition and sustainable growth of the economy. On November 22, 2023, PVCFC's BOD has been honored with "Board of Directors committed to best governance practices" by VIOD.



Prime Minister Pham Minh Chinh visited PVCFC

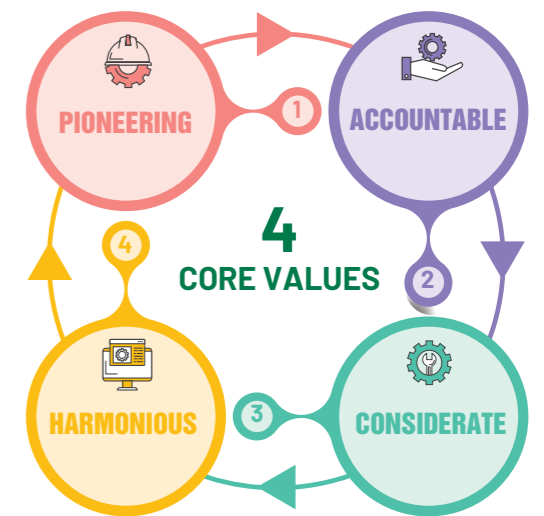


PVCFC also completes other governance systems and tools including:

- Building a concentrated data platform for data exploitation, analysis, and decision making. PVCFC is now implementing Data Lake and BI projects. In 2023, the company completed MS Azure landing zone architecture, organizing workshops with divisions; implementing sales, warehouse production designing and management modules; building financial and accounting modules, shopping and maintenance modules. PVCFC also completed the Executive Board Dashboard Report to drive sales, warehouse dashboard in 2023. These systems have been put into use.
- Aligning with implementation of Data platform and data digitization, PVCFC also integrates systems, automating key activities and system including: PI system, RFID, DMS, ERP, etc. upgrading infrastructure, deploying Cloud backup system, building risk management software ready for system integration in the future and ensuring system backup and security.

Organizational and corporate culture

Together with construction and implementation of development strategy, PVCFC has defined corporate culture and an important platform - an operating system that can help build brand and corporate strength. In 2023, PVCFC has integrated 4 core values into commendation policy, process and criteria, recruitment policy, employee performance evaluation process, personnel policy, salary and bonus policy; training program on Corporate Culture Handbook on E-learning system; promoting efficiency of corporate culture in governance activities; the 7 habits training course for middle managers; leading at the speed of trust, etc. toward employees, every individual is a culture ambassador of the company; maximizing internal strength of each individual in a multi-cultural, multi-regional group led by 4 core values: "Pioneering - Accountable



- Considerate - Harmonious". With its unique cultural achievements and efforts in promoting gender equality, PVCFC has been awarded GEARS Certificate at VBCWE form on June 14 2023.

REPORT OF THE EXECUTIVE BOARD

SITUATION OF PRODUCTION AND BUSINESS ACTIVITIES (CONTINUED)

DETAILED ASSESSMENT ON KEY TASKS (CONTINUED)

Other management activities (continued)

Restructuring process

Corporate restructuring is considered very important to adapt to the changing business environment, grasping new opportunities and enhancing efficiency and overall competitiveness. At PVCFC, we have built a better “physical condition” based on our platforms, vision, missions and strategic development orientations. Therefore, apart from reinforcing structure, selecting, planning and training human resource, PVCFC also implements restructuring process, completing business and production management platform in such a rapidly changing environment, specifically:

- Completing all information of PVCFC for disclosure, attracting foreign investors by digital platform; meeting potential investors; applying Malik management system to build

development strategy till 2035 and a vision to 2045 with development goals suitable with economic changes, energy transition, digital transformation, etc.

- Completed phase 1 of the Product Operation System Management Project - EPMS on Osisoft’s PI system platform. Completing Enterprise Resource Planning (ERP) system, E-office, Digital Management System (DMS), Customer Relationship Management (CRM), Human Resource Management System (HRM), App 2Nong and the latest “Anh Hai Ca Mau” digital human project, etc. upgrading infrastructure, deploying Cloud backup system, building risk management software ready for system integration in the future and ensuring information security and backup system.

Research & Development

PVCFC continues producing and testing products that can increase plant resistance, keep the plants upright under drought and saline soil conditions (N46.True and N46 C+), carrying out demonstration models in the Mekong Delta region. PVCFC is now collecting results, following and evaluating efficiency on each crop.

Aligning with testing domestic organic fertilizer products, PVCFC proactively seeks micro-biological products from Europe with

characteristics and ingredients suitable for domestic use. In addition, with an orientation of development of urban agriculture, PVCFC has conducted research on preservation technology, post-harvest processing technology as a premise to open new business opportunities and participate in the agricultural value chain.

Researching opportunities to produce petrochemical products such as Argon gas and Sorbitol production.

Cost management, saving/reduction

PVCFC implements synchronously and flexibly the optimal solutions to save energy and improve the efficiency of the plant, well implements cost management and product cost through the assignment of detailed cost plans. to each department to serve as a basis for controlling, evaluating the

implementation, and using reasonable costs. Building supplier data to make optimal purchasing and service rental decisions; maintaining optimal inventory level; effectively managing cash flow to maximize financial revenue. In 2023, total of cost savings/reduction reached 152.59 billion VND.

Training, human resource development, team of experts

PVCFC pays special attention to nurture and development of human resources by training activities for key positions to be able to undertake many different job positions and job rotation. The Company has approved additional business fields and expert planning till 2025 in accordance with Decision No.1235/QĐ-PVCFC approved by the General Director dated May 22 2023. A number of officially recognized experts are 06, 02 others with results held in reserve. Every year, the Company reviews, adjusts and supplements the planned team of experts. Total staff planning experts include 64 people under 25 fields.

Apart from ensuring safe and stable operation, PVCFC sends employees on maintenance and repairing activities at the plants under chain

of links. In 2023, over 30 employees attended maintenance activities at Nghi Son Oil Refinery, BSR, Thai Binh Thermal Power Plant, Vung Ang Thermal Power Plant. Besides, PVCFC periodically organized exchanges, experience sharing on operation, maintenance with many units; organizing skill competitions to improve professional qualification and ability to deal with high pressure situations at work.

Strengthening human resources for post-harvest activities, promoting research and development of new products for urban agriculture. Apart from ensuring salary and bonus policies for employees, PVCFC also implements employee competency framework to create a clear basis for exactly evaluating employee performance toward the 3P salary system.



REPORT OF THE EXECUTIVE BOARD

ASSESSMENT REPORT ON SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES



ASSESSMENT OF ENVIRONMENTAL INDICATORS



Environmental safety, security and fire prevention are closely monitored to ensure safe and stable operation, preserving environmental sanitary inside the plant and causing no impact on the surrounding area.

PVCFC now maintains and innovates ISO 14001:2015 environmental management system; ISO 45001:2018 Occupational health and safety management system; conducting monitor and control in accordance with newly issued environmental license according to Decision No.405/GPMT-BTNMT dated December 30 2022. In 2023, all environmental targets align with current standards.

The Company has installed 05 automatic environmental monitoring systems (3 gas stations and 2 water stations) information and data of gas emissions and waste water will be directly transmitted to Ca Mau Department of Natural Resources and Environment, periodical environmental monitoring is implemented 4 times/year in accordance with commitment to environmental impact assessment, taking samples for analysis periodically in every working shift to ensure compliance with environmental protection regulations. Discharge diameters are always in accordance with current regulations. Regarding solid waste (domestic waste, normal industrial solid waste, hazardous waste is collected, classified and treated in accordance with regulations.



EMPLOYEE EVALUATION

PVCFC implements salary, bonus, welfare policies in compliance with regulations of the Law and of the company for employees. PVCFC always pays special attention to the livelihood of employees from physical to mental strength, spiritual and material lives. And on top of that, PVCFC fully complies by labor safety regulations.

In 2023, PVCFC organized in-depth training courses on management and leadership skills, regular training courses on working skills, foreign language and other internal training courses under forms of in-person and online training to create the most favorable conditions for employees to attend, upholding training efficiency and better maintaining business and production activities.



EVALUATION ON CORPORATE RESPONSIBILITY TOWARD LOCAL COMMUNITY

In the history of 12 years, Ca Mau Fertilizer is considered as a leading enterprise in implementation of community social responsibilities, in which education and health are the two top priorities: maintaining "For Golden Harvests" scholarship fund, providing essential goods during the pandemic; building house of gratitude and rural road networks in during flood and storm seasons; giving rice to hospitals, taking care of Vietnamese heroic mothers and people who contributed to the revolution; joining hands in building training ecosystem, organizing blood donations, etc. implementing the project of planting 300,000 green trees in 2022-2024, etc.

For a detailed assessment report regarding environmental and social responsibilities, please see Sustainable Development section, page 192 - 265.

REPORT OF THE EXECUTIVE BOARD

INITIATIVES AND TECHNOLOGY SOLUTIONS ACHIEVED IN 2023

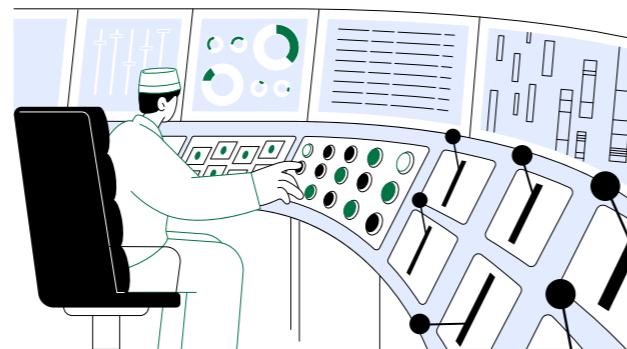
Despite the use of fossil energy (natural gas, electricity, etc.), PVCFC continuously improves technology and applies new initiatives to achieve energy optimization/reduction of material consumption.

Since early 2023, troubles of gas supply rigs have seriously impacted the downstream plant and production capacity of Ca Mau Fertilizer Plant. In parallel, average selling price decreased by 13% (1,487 VND/kg) as planned while gas price/gas cost over product unit increased by 11% as planned. However, with the spirit of continuous efforts, persistent determination, whole-hearted dedication of the Leadership Board and employees, PVCFC has renovated and optimized its production, minimizing costs, improving capacity; mobilizing all resources to increase production capacity, and building maintenance plans in the shortest time. Therefore, Ca Mau Fertilizer Plant always maintains safe, stable operation at high capacity toward material efficiency. Since early 2023, average capacity of NH₃ factory has reached over 113%, higher than that of the same period due to application of optimization solutions, removing bottlenecks to maintain operation stability with high capacity.

In recent years, Ca Mau Fertilizer Plant has made continuous efforts in maintaining and synchronously promoting “innovation, creativity”, conducting scientific research projects to optimize technology, improve capacity, and reduce material cost. In 2023, Ca Mau Fertilizer Plant was awarded a certificate of safety and stable operation in over 350 days. The leadership board has built detailed strategies to develop “high quality” human resources as a “key” factor for a long-term and sustainable development. Investing intelligence based on the principle of

“Humans are the most important resource for development”. By 2025, PVCFC will have 30 experts, 22 business fields, not only ensuring PVCFC’s requirements but also carrying external services. Thus, PVCFC, in its development strategy, will create favorable conditions for employees to enhance their intellectual intelligence, will and trust

With its endogenous strength, Ca Mau Fertilizer Plant has strengthened research and diversification of material, fuel resources for urea and NPK production, increasing feasibility, initiative and production sustainability. Expert teams of the plant continue promoting research, creativity and implementing projects of recovering excess CO₂ and CO₂ emitted from gas emissions to enhance capacity of urea and CO₂ in food processing; using Biomass to produce high-pressure stream to significantly save gas; making use of excess heat to generate electricity as well as doing research to converse to use of green energy “Application of green Hydrogen at fertilizer plant” or conducting feasibility study on producing hydrogen from Offgas processing.



In 2023, related units have completed installation and putting into operation of conversion items with technical efficiency as follows:

- 01 RENOVATING AIR-COMPRESSOR LIQUID TANK K04431 AND K06101**
Time of coming into operation: 08/2023
Technical efficiency:

 - Enhancing reliability for air-compressor K04431, K06101 operating at high load, reducing corrosion risks.
- 02 COMPLETING REPLACEMENT OF CUSHION FOR COOLING TOWER**
Time of coming into operation: 08/2023
Technical efficiency:

 - Enhancing reliability, improving cooling capacity of cooling tower.
 - After putting into operation, based on recorded results, cooling water temperature is reduced by 1.5°C, improving the system’s cooling capacity and supporting the process of load increase.
- 03 RESOLVING AIR-COMPRESSOR BLOCKAGE K04421**
Time of coming into operation: 08/2023
Technical efficiency:

Overall maintenance implemented in 2023

 - Checking/stimulating operation of QIC when changing differential pressure measurements.
 - Adjusting K2 value of QIC air-compressor K04421 from 6144.2 to 6089, ensuring stable operation, QIC value reduced by 650-700 kg/h, equivalent to ~ 1% load.

Continuous implementation:

 - 2024 overall maintenance: relocating and newly replacing O4FT4209 flow meter.
 - Implementing solutions of upgrading compressor separator filter K04421.
- 04 INSTALLING PE BAG MAKING MACHINE SYSTEM (4 PRODUCT PRODUCTION LINE; 2 NPK PRODUCTION LINES)**
Time of coming into operation: 12/2023
Technical efficiency:

 - Completing installation of 4 PE bag making lines to ensure 100% of PE bag making system for the Plan before launching to the market.
 - Ensure stable quality of Urea and NPK fertilizer products.
- 05 COMPLETING RENOVATION OF THE CHARGING SYSTEM FOR NPK FACTORY**
Time of coming into operation: 11/2023
Technical efficiency:

 - Enhancing system reliability, optimizing the process of TE charging for NPK production.
 - Improving the working environment for employees, minimizing working hours with chemicals.

REPORT OF THE EXECUTIVE BOARD

INITIATIVES AND TECHNOLOGY SOLUTIONS ACHIEVED IN 2023 (CONTINUED)

06 DESIGNING AND INSTALLING BULK EXPORTING SYSTEM FOR CA MAU FERTILIZER PLANT Time of coming into operation: 10/2023

Technical efficiency:

- Improving capacity and reducing production cost.
- Completing installation and acceptance of short-term bulk cargo conveyor system. Completing design documents of long-term bulk cargo conveyor systems from the plant to ship to be submitted to Specialized Project Management Division for instructions and implementation.

07 INSTALLING ADDITIONAL BLOCK AND BLEED VALVES R04204

Time of coming into operation: 08/2023

Technical efficiency:

- To shorten machine downtime, reducing energy consumption during machine downtime
- Reducing manpower on duty during machine downtime to adjust spectacle blinds during downtime.

08 CONNECTING THE OXYGEN ENRICHED PIPELINES FROM PRODUCTION CLUSTER N2 TO K06102

Time of coming into operation: 09/2023

Technical efficiency:

- Increasing oxygen flow to E06101, limiting corrosion due to shortage of oxygen.

09 REPLACING A NEW BURNER FOR THE SECONDARY

Time of coming into operation: 09/2024

Technical efficiency:

- Reformer to ensure its operation at high safety and reliability, improving transformation capacity and minimizing energy consumption.
- Completing design, procurement and manufacturing. Equipment is transported to the Plant for installation and overall maintenance in 2024.

10 INSTALLING AND OPERATING NEW MATERIAL FEEDING SYSTEM FOR NPK FACTORY,

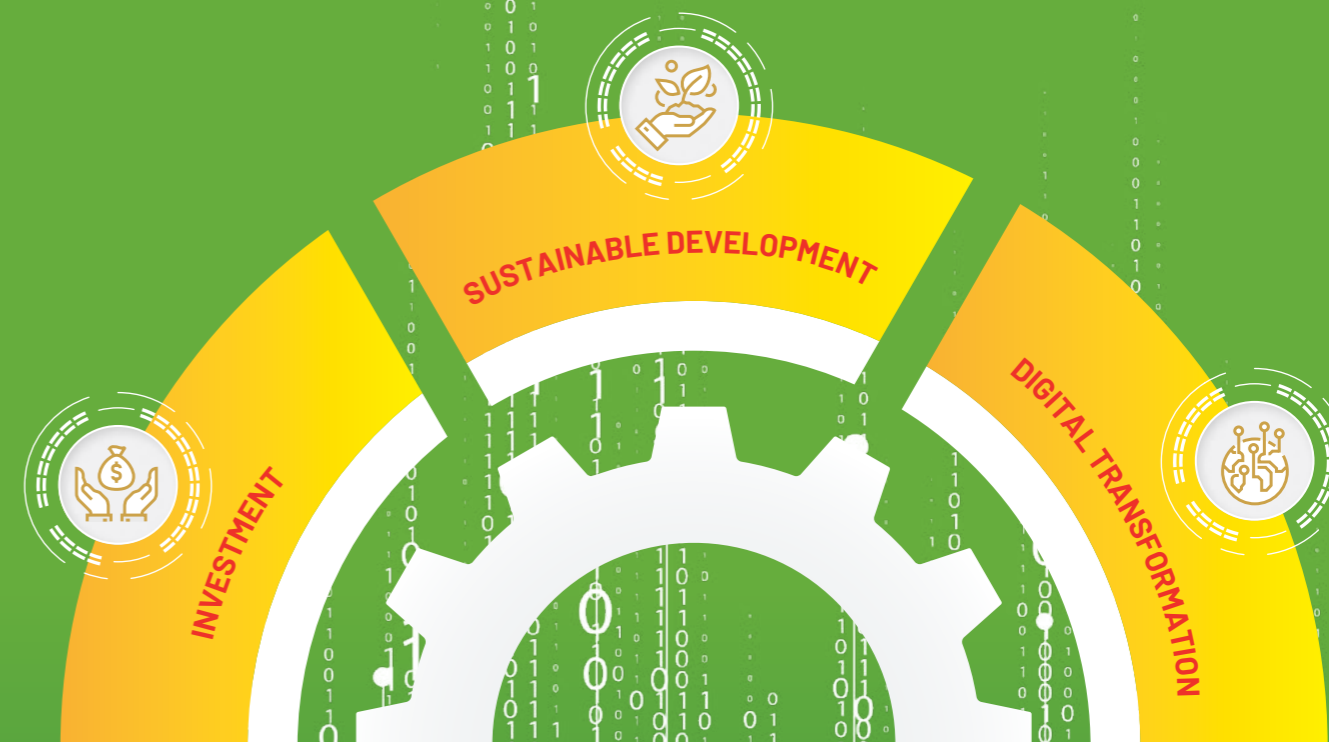
Time of coming into operation: 04/2024

Technical efficiency:

- Diversifying input material source and creating flexible operating mode.
- PVCFC has completed equipment procurement and fabrication, foundation construction is underway in 2024.

These conversion items have been completed and put into operation timely. It helps optimize Amo factory's capacity to 114.2% (the most optimal and highest capacity), except for item 9 and 10 to be implemented in 2024.

By completing these conversion items, Ca Mau Fertilizer Plant has feasibly optimized different operating modes depending on price fluctuations and market demand.



BUSINESS AND PRODUCTION PLAN IN 2024

Global economy is forecast to face multiple difficulties and challenges, global growth drivers have reached the limit; inflation may fall but geopolitical risks can affect energy and food industries. The picture of Vietnam's economy is forecast to be positive with a stronger recovery as of 2023. 2024 is a key year for PVCFC to accelerate and make breakthroughs to achieve its goals and 5-year targets in 2021-2025 period, and its development orientation with 3 strategic goals including investment, sustainable development and digital transformation.

Succeeding results achieved in the past years, PVCFC has defined 2024 as the year of "Value drives Prosperity" to maintain and further cultivate its core values. Accompanying the Government's goals, PetroVietnam and PVCFC continues works out groups of key tasks, goals, solutions and challenging targets to be submitted to General Meeting of Shareholders as follows:

REPORT OF THE EXECUTIVE BOARD

BUSINESS AND PRODUCTION PLAN IN 2024 (CONTINUED)

KEY TASK IN 2024

01	Operating Ca Mau Fertilizer Plant, ensuring production capacity of current products (urea, functional fertilizer and NPK) in a safe, effective and stable manner, optimizing plant performance.
02	Doing research and diversification of material, fuel resources for urea, NPK production, increasing feasibility, initiative and sustainability in business and production activities toward green production.
03	Diversifying groups of fertilizer products based on urea and NPK products; developing bio-organic & micro-organic products; products stimulating growth and foliar fertilizer products, water-soluble fertilizers.
04	Developing agricultural solutions: nutritional solutions for crops, ground improvement solutions. Doing research on trial business model to work out new farming solutions for urban and hi-tech agricultural development.
05	Developing and expanding NPK fertilizer markets in the Southern region and Central Highlands. Performing brand development strategy, promoting brand development for groups of products.
06	Strengthening implementation of business and production expansion and investment projects: industrial gas products from existing off-gas sources; doing research, investment development and diversification of chemical products by making use of resources and experience of fertilizer plant (CO ₂ in food processing, green hydrogen, green ammoniac, green methanol, etc. toward energy conversion); developing port, terminal and logistics infrastructure systems for business and production as well as distribution network.
07	Completing the building of a data warehouse and connecting application systems on the information technology platform. Developing solutions to ensure data security and overall system safety; Synchronizing information/data with the Group's ERP system.
08	Optimizing corporate governance system, improving competitiveness and market value of Ca Mau fertilizer.
09	Strengthening management, optimizing production cost, sales cost and corporate management cost to improve PVCFC's operating efficiency.
10	Building an expert team to meet actual needs in business and production activities as well as development strategies of PVCFC.
11	Maintaining corporate culture, creating motivation for growth and sustainable development.

TARGETS AND PLANS IN 2024

Production indicators

No.	Indicators	Unit	Plan 2024
1	Production output		
1.1	Urea converted	Thousand tons	892.0
	<i>Of which: Functional fertilizer</i>	<i>Thousand tons</i>	<i>110.0</i>
1.2	NPK	Thousand tons	180.0
2	Business output		
2.1	Urea	Thousand tons	748.5
2.2	Functional fertilizer	Thousand tons	110.0
2.3	NPK	Thousand tons	180.0
2.4	Self-trading fertilizer	Thousand tons	248.0

Financial plan

No.	Indicators	Unit	Plan 2024
I	Financial indicators (Consolidated company)		
1	Total revenue	VND billion	11,878.2
2	Profit before tax	VND billion	841.4
3	Profit after tax	VND billion	794.8
4	Tax and rising taxes payable to the State Budget	VND billion	227.7
II	Financial indicators (The Parent company)		
1	Equity	VND billion	9,850.2
2	Total revenue	VND billion	11,080.8
3	Profit before tax	VND billion	839.3
4	Profit after tax	VND billion	793.6
5	Profit before tax/equity ratio	%	8.5%
6	Payments to the state budget	VND billion	221.3
7	INVESTMENT IN BASIC CONSTRUCTION & EQUIPMENT PURCHASE		
7.1	Total investment capital requirement	VND billion	1,582.5
-	Basic construction investment and equipment purchase	VND billion	1,582.5
-	Contributed capital to member units	VND billion	
7.2	Source of Capital Investment	VND billion	1,582.5
-	Equity	VND billion	910.7
-	Other loans	VND billion	671.7

REPORT OF THE EXECUTIVE BOARD

BUSINESS AND PRODUCTION PLAN IN 2024 (CONTINUED)

LONG-TERM INVESTMENT AND DEVELOPMENT PLAN

With investment results achieved in 2023, PVCFC continues implementing 7 transition projects (M&A of NPK fertilizer plant) and 7 new projects; seeking investment opportunities for 11 projects including:

Transition project (projects approved feasibility study)

No.	Project	Group	Investment purpose	Total investment
1	Headquarters of work communication station in Ho Chi Minh City	B		Total Investment capital: 500 billion VND (Owner's equity: 100%)
2	Research, Application and Technology Transfer Center for Thanh Hoa-PVCFC hi-tech agricultural development	B		Total investment capital: 298 billion VND (Capital from Scientific Research Fund 100%)
3	Expansion of rain cover for Line A&D system of Ca Mau Fertilizer Plant	B		Total investment capital: 137.17 billion VND (Owner's equity: 30%; loan 70%)
4	Project of additional warehouse 12,000 tons	B		Total investment capital: 247.11 billion VND (Owner's equity: 30%; loan 70%)
5	Housing project for officers and employees of PetroVietnam Ca Mau Fertilizer JSC	B		Total investment capital: 170.30 billion VND (Owner's equity: 30%; loan 70%)
6	Project of CO ₂ in food processing at Ca Mau Fertilizer Plant	C		Total investment capital: 86.95 billion VND (Owner's equity: 100%)
7	M & A of an enterprise owning NPK fertilizer plant			Total investment capital: 656.89 billion VND (Owner's equity: 70%; loan 30%)

New projects

No.	Project	Group	Investment purpose	Total investment
1	Project of industrial gas production at Ca Mau Fertilizer Plant	B	According to strategic target of diversifying production materials, PVCFC has done research of recovery of Nitrogen, Argon from off-gas source and refinery in accordance with industrial gas standards, meeting the need of improving production capacity of urea and ammonia in the future, meeting domestic market demand of industrial gas, improving efficiency of material source toward energy transition of the Group. The project is under investment preparation and in the process of making a feasibility study report.	Total investment capital expected: 300 billion VND (Owner's equity: 30%; loan 70%)
2	Bulk cargo export system	B	Optimizing cost and time of exporting goods and quickly meeting partners' requirements. PVCFC is planning to invest in bulk cargo export system.	Total investment capital expected: 188.44 billion VND (Owner's equity: 30%; loan 70%)
3	Self-produced and self-consumed rooftop solar power project - Ca Mau Fertilizer Plant 5MWp	C	With an increasingly expanding production scale, demand for electricity consumption keeps increasing. In order to take advantage of sunny weather in Ca Mau province, PVCFC is seeking feasibility study consultants for solar power production project toward self-production, self-consumption to reduce power price, contributing to proactive use of electricity supplies, improving operational efficiency.	Total investment capital expected: 66.09 billion VND (Owner's equity: 100%)
4	Online hall and meeting room	C	Current hall and meeting room of PVCFC fail to meet requirements of meetings for the entire Gas-Power-Fertilizer groups, big events. PVCFC must regularly rent a bigger hall outside. Therefore, it is very necessary to build a new hall, ensuring initiative at work, improving quality of facilities and meeting the scale and stature of PVCFC in the coming time.	Total investment capital expected: 58.29 billion VND (Owner's equity: 100%)
5	Project of investment and construction of swimming pool at employee housing area.	C	Completing facilities, creating the best living and working environment for employees, ensuring social security and human resource development.	Total investment capital expected: 31.54 billion VND (Owner's equity: 100%)
6	E8 street Roof Project	C	Apart from investing in bulk cargo export system, roof system for goods export road is very necessary to ensure the goal of handling cargoes in all weather conditions.	Total investment capital expected: 26.65 billion VND (owner's equity 100%)
7	Ca Mau Fertilizer Production Plant - Binh Dinh Province.	C	Ca Mau Fertilizer Production Plant - Binh Dinh Province will meet requirements of production capacity and fertilizer and production material storage to boost business and production activities.	Total investment capital expected: 119.97 billion VND (Owner's equity: 100%)



REPORT OF THE EXECUTIVE BOARD

BUSINESS AND PRODUCTION PLAN IN 2024 (CONTINUED)

Investment preparation project

No.	Project	Group	Investment purpose	Total investment
1	Project of producing soluble and foliar fertilizers	B	Based on its strategy of fertilizer product diversification, increasing competitive advantages, expanding value chain, minimizing market risks and ensuring targets of revenue growth in accordance with the company's long-term business strategy.	Recorded for research and implementation
2	Wholesale warehouse project (HCMC and neighboring area)	B	Supplementing and completing warehousing systems, taking initiative in implementing business and production plans, creating favorable conditions for storing -supplying goods, acting as a focal point for delivery services and serving target markets.	Recorded for research and implementation
3	Warehouse project in An Giang/Dong Thap	B		Recorded for research and implementation
4	Warehouse project in Can Tho	B		Recorded for research and implementation
5	Warehouse project in the Central Highlands	B		Recorded for research and implementation
6	Green Hydrogen production project	B	Optimizing efficiency of use of input material sources of Ca Mau Fertilizer Plant in accordance with energy transition orientation of the Group, applying green technology in current production lines of the plant.	Recorded for research and implementation

No.	Project	Group	Investment purpose	Total investment
7	Industrial gas production factory	B	Based on its strategy of diversification of production materials, PVCFC has done research of recovery of Nitrogen, Argon from off-gas source and refinery in accordance with industrial gas standards, meeting the need of improving production capacity of urea and ammonia in the future, meeting domestic market demand of industrial gas, improving efficiency of material source toward energy transition of the Group.	Recorded for research and implementation
8	Project of sourcing alternative raw materials	B	Continue sourcing new raw materials replacing existing gas sources to reduce dependency on a single material source which is under gradual depletion.	Recorded for research and implementation
9	Potassium Sulfate Production Project (SOP)	B	Making use of the company's strengths to expand its portfolio of high-grade Potash Sulfate fertilizer to stay ahead of market trends in accordance with strategic development orientation and product diversification of PVCFC, increasing revenue and profit.	Recorded for research and implementation
10	Agricultural product processing & exporting factory	B	Engaging in agricultural product processing and exporting market in accordance with strategic orientation of PVCFC by taking advantage of available strengths, supporting and creating added values for agricultural products, increasing revenue and profit.	Recorded for research and implementation
11	Microbiological organic fertilizer production factory (M&A, capital contribution, cooperation)		PVCFC is running a trial business of microbiological organic products to evaluate the market absorption rate and to seek opportunities for developing organic products, M&A or capital contribution to expand scale and portfolio of products.	Recorded for research and implementation



REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS

ASSESSMENT OF THE BOARD OF DIRECTORS ON THE COMPANY'S OPERATIONS



TOTAL REVENUE
13,172 VND BILLION



PROFIT BEFORE TAX
1,255 VND BILLION

Following the success story of 2022 and 2023 despite multiple difficulties and challenges, PVCFC has taken advantage of rare opportunities to both consolidate its foundation, increase internal strength and maintain its operation toward sustainability, efficiency to create its position and strength for a new development period, affirming its leading position in the market.

ADMINISTRATION & MANAGEMENT

The General Director and Executive Board have run business and production activities in a flexible manner, making ceaseless efforts in overcoming difficulties and challenges to achieve targets assigned by BOD. During tough times of the domestic market, the Executive Board has sought new markets to boost export, accessing demanded markets and opening up new development directions for the future. In 2023, PVCFC reached a total revenue of 13,172 billion VND, profit before tax of 1,255 billion VND.

GOVERNANCE

BOD always and closely follows all business and production changes of PVCFC, directing and overseeing the Executive Board in implementing business plans in 2023 and Resolution approved by the General Meeting of Shareholders.

BOD has upheld its role and responsibility for building and issuing systems of internal management regulations, accessing and operating governance system in accordance with good governance practices to create unified and consistent governance regimes, effectively controlling and monitoring all activities of governance model, ensuring shareholders' interests and harmony in benefits of stakeholders including customers, employees and shareholders.

BOD has worked out operation guidelines for 2024 and the following years for the Executive Board to implement and complete strategic development goals of the Company.

BOD has directed to strengthen governance activities in accordance with good governance practices, reinforcing affiliated committees and establishing ESG Committee, step by step building ESG framework and strategy.

Ensuring shareholders' interests, in 2023, PVCFC completed a cash dividend payment rate of 30%. Dividend payment was made on September 11 2023, 11 days after the date of closing the list of shareholders (August 30 2023)

In 2024, PVCFC is expected to pay a 10% cash dividend for shareholders.



SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES

In any circumstance, PVCFC always considers social and environmental responsibilities as a duty that needs to be performed in all business and production activities. In 2023, PVCFC has excellently performed its social and environmental responsibilities, implementing social security programs, supporting localities to build hospitals, schools, etc. complying with environmental criteria in treatment of gas emissions, waste discharge, participating in tree planting activities, etc.

REPORT AND ASSESSMENT OF THE BOARD OF DIRECTORS

THE OVERSIGHT ROLE OF THE BOARD OF DIRECTORS OVER THE EXECUTIVE BOARD

Pursuant to the Company's Charter and internal regulations on Corporate governance, the Board of Directors has inspected and supervised the activities of the General Director and Executive Board in managing production and business and implementing resolutions of the resolutions of the General Meeting of Shareholders and the Board of Directors in 2023, as follows:

OVERSIGHT METHOD

- The Board of Directors assigned each BOD member to be in charge of each specific area and through the Committees, to supervise the General Director and Executive Board in organizing, implementing and executing resolutions of the Board of Directors. BOD has outlined contents that Executive Board should prepare for presentation/discussion/question at the BOB meeting. At the meeting, BOD reviews actual situation of implementation of resolutions, monthly, quarterly and accumulated business and production situation; discussing and making decision by resolutions as a basis for General Director and Executive Board to implement. Additionally, committees under BOD also discuss contents and issues of concern with members of Executive Board.
- Attending regular meetings of the Executive Board on business activities and quarterly briefings.
- The supervision of the activities of the General Director and the Executive Board was carried out regularly and continuously by the Board of Directors, ensuring the smooth management of all activities of the Company.

SCOPE OF OVERSIGHT CONTENT

- Supervising production and business activities, implementation of Resolutions/Decisions, policies of the Board of Directors, the work assurance for employees, labor safety, Covid disease control situation, human rights, salary and bonus regime...
- Updating and issuing Resolutions, Decisions and Regulations under the authority of the Board of Directors in accordance with the new situation and decentralization of management to create favorable conditions for the General Director to implement.
- Timely support to ensure the effective operation of the General Director, the assisting apparatus for the General Director and the Representative of the contributed capital of the one who has capital contribution at the Company.
- Reviewing and supervising monthly reports on production and business activities in 2023, financial statements of the first, second, and third quarters of 2023, fourth quarter of 2022 and financial statements of 2022 of the Company.

OVERSIGHT RESULTS

- With the results achieved in 2023, the Board of Directors discussed and evaluated: General Director and Executive Board have ensured continuous business and production activities, excellently performing planned targets of production, consumption, ensuring employment, employee health safety; ensuring responsible business with stakeholders, complying with current legal regulations as well as regulations of PVCFC.
- In 2023, the Company did not violate the provisions of the Law on labor safety, human rights, did not use child labor and did not force labor, did not violate the regulations and was not fined on environmental issues.

OPERATIONAL PLAN AND ORIENTATION OF BOD IN 2024

In 2024, given goals, missions and planned targets of 5-year plan 2021-2025, PVCFC has worked out 3 strategic pillars including: investment, sustainable development and digital transformation, BOD has identified specific goals as follows:



BUSINESS - PRODUCTION

- Directing operation and production of fertilizer products in a safe and stable manner.
- Doing research on diversifying material and fuel sources for production of urea, NPK, seeking green transition solutions.
- Diversifying groups of fertilizer products based on urea, NPK; developing bio-organic and micro-organic products, products stimulating growth and foliar fertilizers, soluble fertilizers.
- Developing agricultural solutions: nutritional solutions for crops, soil improvement solutions.
- Expanding NPK fertilizer markets in the Southern region and the Central Highlands. Completing brand development strategy, strengthening brand building and development for productions.
- Strengthening projects of business and production investment and expansion.



DIGITAL TRANSFORMATION

- Continuing building data warehouses and connecting apps systems on IT platforms, building solutions on data safety and overall system security.
- Completing and improving values of digital apps in distribution channel and customer service management.



CORPORATE GOVERNANCE

- Building corporate governance system in accordance with good governance practices.
- Monitoring groups of material risks such as strategic risk, operational risk, compliance risk, financial risk and climate change risk.
- Building and approving ESG framework and strategy, implementing ESG practices.
- Maintain corporate culture, BOD culture, creating environment and motivation for sustainable development, reviewing implementation of plans and development strategy of the Company.

REPORT OF THE SUPERVISORY BOARD

OPERATIONAL PERFORMANCE MONITORING AND FINANCIAL SITUATION IN 2023

BUSINESS AND PRODUCTION SITUATION

Implementation of business and production plans

In 2023, given multiple changes in Vietnam and around the world, deep decline in fertilizer price, sharp increase in input material price, by flexible, proactive, creative and innovative operational measures, PVCFC has deployed solutions for energy saving, reducing energy consumption and operational cost; seeking product supplies, strengthening domestic consumption and export, PVCFC has excellently performed its targets of production, consumption, profit, budget contribution and investment, especially PVCFC has completed the target of the highest production capacity. However, total revenue in 2023 was lower than planned target due to a decline in average selling price in 2023 by 13% (approx.1,493VND/kg) as planned. Specifically,

(Note: The Report of Supervisory Board has been updated according to audited consolidated financial statement (PVCFC & PPC)

Total converted Urea production output: 955.57 thousand tons, reaching 100.6% of the plan.		Total converted NPK output: 151.11 thousand tons, reaching 102.7% of the plan.	
Urea consumption output: 866.03 thousand tons, reaching 100.5% of the plan.	Urea-based product consumption: 72.51 thousand tons, reaching 103.6% of the plan.	NPK consumption output: 138.61 thousand tons, reaching 92.4% of the plan.	
Self-trading fertilizer: 183.24 thousand tons, reaching 86.8% of the plan.		Total revenue and income: 13,172 billion VND, reaching 98% of the plan.	
Profit before tax 1,254.81 billion VND, reaching 122.2% of the plan.	Profit after tax: 1,110.14 billion VND, reaching 121.4% of the plan.	Payments to the state budget: 426.81 billion VND, reaching 177.9% of the plan.	
Dividend payment: PVCFC has made 30% of dividend payment in 2022 (equivalent of 3,000 VND share)			

(Note: Some planned targets in 2023 have been implemented in accordance with Announcement No 2286/PVCFC-IR dated December 27 2023 of PVCFC. These targets have been adjusted to replace business and production targets approved by Resolution of annual meeting in 2023, No 1462/NQ-PVCFC dated June 12 2023).



Implementation of basic investment and construction projects

PVCFC has reviewed, evaluated projects before being implemented to ensure efficiency of cash flow and optimizing capital:

- Completing final settlement for molten urea based complex fertilizer production project with a capacity of 300,000 tons/year according to Decision No. 1435/QD-PVCFC dated June 9 2023 of BOD.
- Projects under implementation include: housing for officers and employees of PetroVietnam Ca Mau Fertilizer JSC; project of expanding rain roof for exporting system of Ca Mau Fertilizer Plant; Project of additional warehouse 12,000 tons, Thanh Hoa Research Center; wholesale warehouse in Long An; production project of CO₂ in food; project of industrial gas production, etc.
- Total investment value in 2023 was 404.72 billion VND, equivalent to 96.5% of the year plan (2023 plan was implemented according to Announcement No 2286/PVCFC-IR dated December 27 2023, investment value adjusted from 275.18 billion VND to 419.49 billion VND).

Governance

In 2023, PVCFC implemented and improved their governance system according to the best corporate governance practices to increase competitiveness and market value.

- Newly issuing and amending, supplementing, integrating some regulations such as: Whistleblowing, Information Disclosure, Risk Management, Internal Audit, Marketing Management, Business Management, Internal Regulations on Corporate Governance, Operational Regulations of BOD. These regulations are adjusted, integrating regulations into the business and production value chain of PVCFC in Q.1 2024.

REPORT OF THE SUPERVISORY BOARD

OPERATIONAL PERFORMANCE MONITORING AND FINANCIAL SITUATION IN 2023 (CONTINUED)

BUSINESS AND PRODUCTION SITUATION (CONTINUED)

- Continuing standardization of risk management models according to COSO and 3 lines of defense; streamlining the entire system of internal normative documents (value chain, regulatory framework, etc.) of PVCFC according to business and value chain model, completing governance model according to good governance practices. Additionally, PVCFC also evaluates, builds a roadmap and reinforces corporate governance according to good governance practices based on ACGS. Providing training courses on “overview of ESG and related issues to PVN and chemical fertilizers”, integrating ESG in corporate governance toward sustainable development goals, contributing to the process of green transition and sustainable economic growth.

Regarding the financial investment

As of December 31, 2023, PVCFC only invests in one (01) subsidiary company - PetroVietnam Packaging Joint Stock Company (PPC) with a contributed capital of 20.83 VND billion, accounting for 51.03% of the charter capital. In 2023, PPC has completed business and production targets, profit after tax in 2023 reached 8.02 billion VND, equivalent to 124.09% of the plan, return on equity reached 16.71% (ROE: 11.96%).

Evaluating the system of Internal Control, Internal Audit and Risk Management

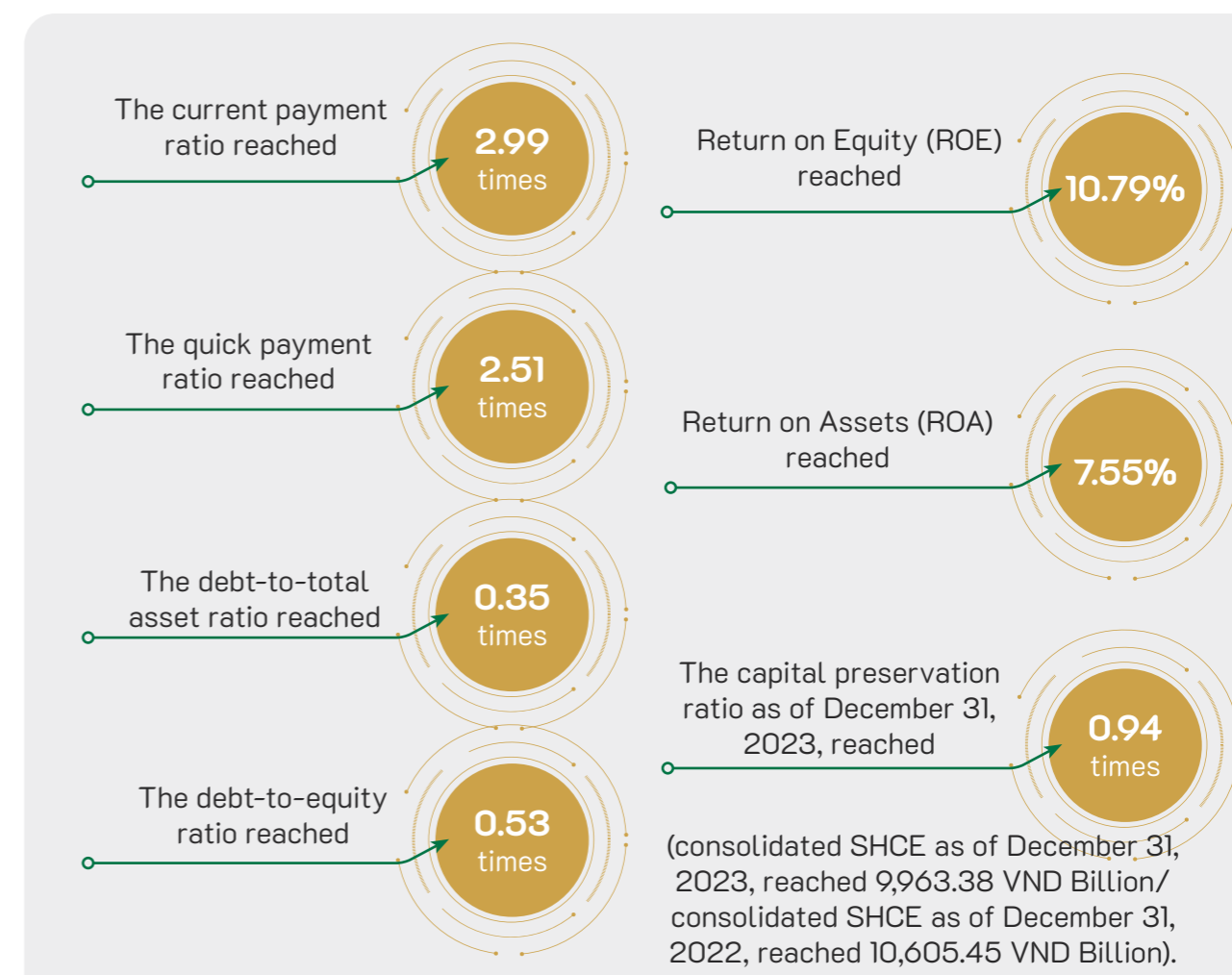
- The Company’s internal control system, internal audit, and risk management has operated effectively and efficiently to ensure compliance and prevent risks and fraud. With COSO and 3 lines of defense, PVCFC has focused on inspection, compliance audit on operation, finance and risk management.
- PVCFC has built internal process, risk management system under COSO standard with full professional process appropriate with structure, functions and missions of units. PVCFC has hired consultants to implement project of streamlining and standardizing internal normative documents; reviewing, updating and amending regulations and procedures according to business and value chain model.
- PVCFC closely monitors risk management activities and promptly reports to the Leadership Board for consideration and appropriate response.
- In 2023, the work of internal audit will be operated under a 3-year internal audit plan (2022-2024) and 2023 audit plan approved by BOD. Periodically, PVCFC conducts an audit, audit results are reported to BOD/Audit Committee & Risk Management, audit results are seriously directed and implemented by BOD/Audit Committee & Risk Management. On December 27 2023, BOD has issued Decision No 3420/QĐ-PVCFC on approval of 3-year internal audit plan (2024-2026).
- Internal Control, Internal Audit and Risk Management systems have been effectiveness and efficiency.



EVALUATING THE FINANCIAL STATEMENTS

The Supervisory Board has conducted an appraisal of quarterly financial statements, semi-annual financial statements and 2023 financial statements to ensure prudence, accuracy and transparency. The appraisal results are as follows:

- The financial reports fully and honestly reflected the financial situation of the Company as of December 31, 2023, as well as the results of business operations in 2023.
- Opening and recording accounting books, classifying economic contents are appropriate with accounting standards and current accounting regimes.
- Good financial indicators show that PVCFC is financially healthy, ensuring ability of debt payment, preserving and developing owner’s equity, specifically:



REPORT OF THE SUPERVISORY BOARD

OPERATIONAL PERFORMANCE MONITORING AND FINANCIAL SITUATION IN 2023 (CONTINUED)

EVALUATING THE ROLE, RESPONSIBILITIES AND INDEPENDENCE OF THE INDEPENDENT AUDITOR UNIT

Based on Audit Report, Management Letter, Audit Summary Report, the Supervisory Board will collect information and evaluate independence and efficiency of independent auditors according to criteria stipulated at form BM01/DHDCD.03.02 and form BM02/DHDCD.03.02 under rule of procedures for General Meeting of Shareholders issued in accordance with Decision No. 399/QD-PVCFC dated March 3 2023 and reporting at General Meeting of Shareholders. The results are as follow:

Deloitte Vietnam Audit Co. Ltd, was selected to audit PVCFC's 2023 Financial Report. Deloitte has conducted and audited the PVCFC's Financial Report carefully, independently and objectively. The audit unit has complied with professional ethical standards and regulations during the audit process. The Financial Report audit results fully, honestly and reasonably reflect the Company's financial situation as well as the results of production and business activities in 2023.

EVALUATING PERFORMANCE AND REPORTS OF THE BOARD OF DIRECTORS, GENERAL DIRECTOR AND OTHER EXECUTIVES

In 2023, BOD issued 86 Resolutions/Decisions on all aspects of activities in accordance with order, authority stipulated at Law on Enterprise and the company's Charter. BOD has played its role and responsibility carefully and cautiously. BOD has issued policies and regimes; directing and monitoring

implementation of policies, regimes, strategic orientations, business and production plans approved by the General Meeting of Shareholders, creating favorable conditions for the General Director to implement.

BOD always focuses on improving the capacity of good governance practices. BOD members (including independent Directors) fully attend meetings and work with a high sense of responsibility as well as excellently performing their missions.

Affiliated committees under BOD have upheld their roles, implementing their functions and missions to ensure common interests of PVCFC and shareholders.

The Executive Board shall seriously implement the Resolutions, Decisions, and Directives of the BOD and the GMS; flexibly and proactively manage the business operations of the Company and achieve beyond the production and business targets for the year 2023.

Reports of BOD and General Director submitted to General Meeting of Shareholders have fully and honestly reflected management, administration and operational results of PVCFC.

EVALUATING OF THE COORDINATION OF THE ACTIVITIES AMONG THE SUPERVISORY BOARD, THE BOD, THE EB AND THE SHAREHOLDERS

Coordination between Supervisory Board and BOD, EB is based on principles of transparency, accuracy, compliance with regulations of the Law and of PVCFC to ensure the highest legitimate interests of PVCFC and shareholders.



The Supervisory Board has closely coordinated with BOD, EB in inspection and supervision activities to work out prompt measures and solutions to deal with non-compliance issues, fraud and other hidden risks to ensure full compliance with current regulations of the State and of PVCFC.

The BOD and the EB closely coordinated and created favorable conditions for the Supervisory Board to carry out inspection and monitoring tasks; provided full and related information and documents, invited full participation in meetings, and implemented recommendations from the Supervisory Board.

The Supervisory Board fully fulfills its reporting obligations to the shareholders in accordance with the provisions of the Enterprise Law and the Company's Charter.

OPERATIONAL PLAN OF SUPERVISORY BOARD IN 2024

In 2024, Supervisory Board will implement their rights and responsibilities in accordance with the Law on Enterprise, the Company's Charter and tasks of annual General Meeting of Shareholders, Supervisory Board focuses on inspecting and supervising the following contents:

- Inspecting/supervising implementation and compliance with the Law on Enterprise, regulations of the State, inspecting implementation and compliance with resolution of General Meeting of

Shareholders, regulations, decisions and directives of the Company.

- Inspecting/supervising, evaluating financial health, capital balance and cash flow management, operational efficiency and debt payment ability, capital use and management, capital preservation and development, management of contributed capital in other enterprises.

- Inspecting/supervising implementation of business and production plan, R & D, management and implementation of investment projects and other activities at the Company.

- Reviewing, inspecting and evaluating efficacy and efficiency of internal control system, internal audit system, risk management and early warning system.

- Reviewing/suggesting contracts and transactions with stakeholders under approval authority of BOD or General Meeting of Shareholders, information disclosure on related people and transaction with related people.

- Conducting appraisal of semi-annual and annual financial statements.

- Preparing reports submitted to the General Meeting of Shareholders and implementing other tasks in accordance with current regulations of the Law on Enterprise and the Company's Charter.

PROPOSAL TO SELECT AUDIT FIRMS

By considering and evaluating competency of independent audit firms, improving audit efficiency of financial statements and creating favorable conditions for selection of independent audit units, Supervisory Board of PetroVietnam Ca Mau Fertilizer JSC respectfully submits to General Meeting of Shareholders for consideration and approval of authorizing BOD to select one of audit firms including: Deloitte Vietnam Co., Ltd, KPMG Vietnam Co., Ltd, Ernst & Young Vietnam Co., Ltd, PwC Vietnam Co., Ltd to conduct audit of financial statements in 2024.