



**CAMAU FERTILIZER®**  
FOR GOLDEN HARVESTS

**VALUE  
DRIVES**  
*Prosperity*



**2023**  
ANNUAL REPORT



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# VALUE DRIVES Prosperity

Overcoming difficulties and challenges of the fertilizer industry in 2023, PVCFC has flexibly and constantly strived to achieve and surpass its targets as planned with impressive results. This lays a solid foundation for PVCFC to pursue its continuing success story and spread its sustainable value chain to farmers, agriculture and community.

With the enthusiastic support of related agencies, departments and the Group, especially the trust of shareholders, customers and millions of farmers nationwide, PVCFC is confident to not only shine but also reach out on its journey toward “**VALUE DRIVES PROSPERITY**” in the future.

## ACRONYMS

AR	Annual Report	ODDS	Operating Directive Document System
GMS	Shareholders' General Meeting	PPC	PetroVietnam Packaging Joint Stock Company
BOD	Board of General Directors	PVCFC	PetroVietnam Ca Mau Fertilizer Joint Stock Company
EB	Executive Board	HR	Human Resources
SB	Supervisory Board	RM	Risk Management
NPBT	Net Profit Before Tax	ESG	Environmental, social, and governance
NPAT	Net Profit After Tax	IT	Information technology
FS	Financial Statements	COC	Code of Business Conduct
OM	Overall Maintenance	HCMC	Ho Chi Minh City
ERM	Enterprise Resource Management	HoSE	Ho Chi Minh Stock Exchange
FF	Firefighting	JSC	Joint-stock company



# LEADERSHIP MESSAGE

The success of PVCFC is a typical example demonstrating the message of **“VALUE DRIVES PROSPERITY”** that the Company has thoroughly pursued in its history of establishment and development. At the end of 2023, PVCFC was honored for the third time in the Top 50 Best Listed Companies of the year voted by Forbes Vietnam.



Dear valued shareholders, partners, customers and employees

On behalf of the Board of Directors, Executive Board of PetroVietnam Ca Mau Fertilizer JSC (PVCFC, HoSE: DCM), we would like to send our most respectful greetings and best wishes for good health, happiness and success!

Ladies & Gentlemen,

2023 saw changes in supply and demand balance, geopolitical tensions, quick developments of global and domestic economy. The year 2023 also witnessed a fertilizer price fluctuation ever in the history of the fertilizer industry. PVCFC always grasps thoroughly the mindset of governance in a changing world, closely follow market developments and work out updated plans to make appropriate decisions.

Next, facing the rapid market changes, brand perception is also changing rapidly. It is very quick for consumers to forget old brands and embrace new ones. We always grasp consumer habits and behavior to maintain a continuous connection with our customers.

In the era of digital transformation, PVCFC has been promoting digital transformation strategy by implementing and applying ERP, Big Data, DMS, etc. at different levels to effectively exploit market information and data, distributors, farmers. The initial results are very positive.

In 2023, facing multi-difficulty and challenges caused by market changes, PVCFC has made ceaseless efforts to overcome and achieve very impressive and comprehensive results in all aspects of activities. Not only did PVCFC boost production output, but also increase consumption volume. Specifically, till 24:00 pm of December 31, 2023, production output reached 955.6 thousand tons, breaking the record in 2022. The market output was up to 1.267 million tons in 2023, PVCFC's highest ever. The above production and consumption output is a clear proof for continuous efforts made by all employees of PVCFC in 2023.



**TILL 24:00 PM OF DECEMBER 31 2023,  
PRODUCTION OUTPUT REACHED**

**955.6**

THOUSAND TONS,  
BREAKING THE RECORD IN 2022





# LEADERSHIP MESSAGE

A prominent highlight of Ca Mau Fertilizer in 2023 was the fact that it increased its exports of fertilizers and earned more revenue. PVCFC has boosted exports and strengthened international business activities when the domestic demand was quiet to reduce inventory. Thanks to effective business and production measures, PVCFC's financial index was very impressive in 2023, exceeding its yearly plan target with a total turnover of 13,172 billion VND and a profit before tax of 1,255 billion VND.



**TOTAL REVENUE**  
**13,172**  
BILLION VND



**PROFIT BEFORE TAX**  
**1,255**  
BILLION VND



**Ladies and Gentlemen,**

The success of PVCFC is a typical example demonstrating the message of **“Value drives prosperity”** that the Company has thoroughly pursued in its history of establishment and development. At the end of 2023, PVCFC was honored for the third time in the **Top 50 Best Listed Companies of the year** voted by Forbes Vietnam. It was also the 2<sup>nd</sup> consecutive time PVCFC was awarded the **“Community Enterprise”**. These noble awards are not only typical milestones of PVCFC in a journey to elevate the company's brand but also make significant contributions to sustainable agricultural development of Vietnam.

In the context of rapid market changes in 2024, PVCFC has set up 03 strategic development goals including Investment, Sustainable Development and Digital Transformation. Together with a solid foundation and 03 strategic development goals, PVCFC hopes to create new development breakthroughs.

**“Value drives Prosperity”** is determined as a guideline for all aspects of PVCFC's activities in 2024 toward strong business transformation, great success, higher market positioning and international engagement.

On behalf of the Board of Leadership of PVCFC, we would like to send our sincere thanks to all shareholders, investors, customers, partners and agencies for your trust, enthusiastic cooperation and support. We would like to send our deepest gratitude to all employees for their significant contributions and dedicated efforts in the process of establishment and development of PVCFC.

**Wish you all good health, happiness and success!**

**Sincerely yours,**

**VAN TIEN THANH**  
General Director

**TRAN NGOC NGUYEN**  
Chairman



# VISION, MISSION, CORE VALUES



## VISION

To become the leading company in the region in the field of fertilizer production and trading.



## MISSION

Contribute to fertilizer supply and food security by pioneering nutritional solutions for plants.

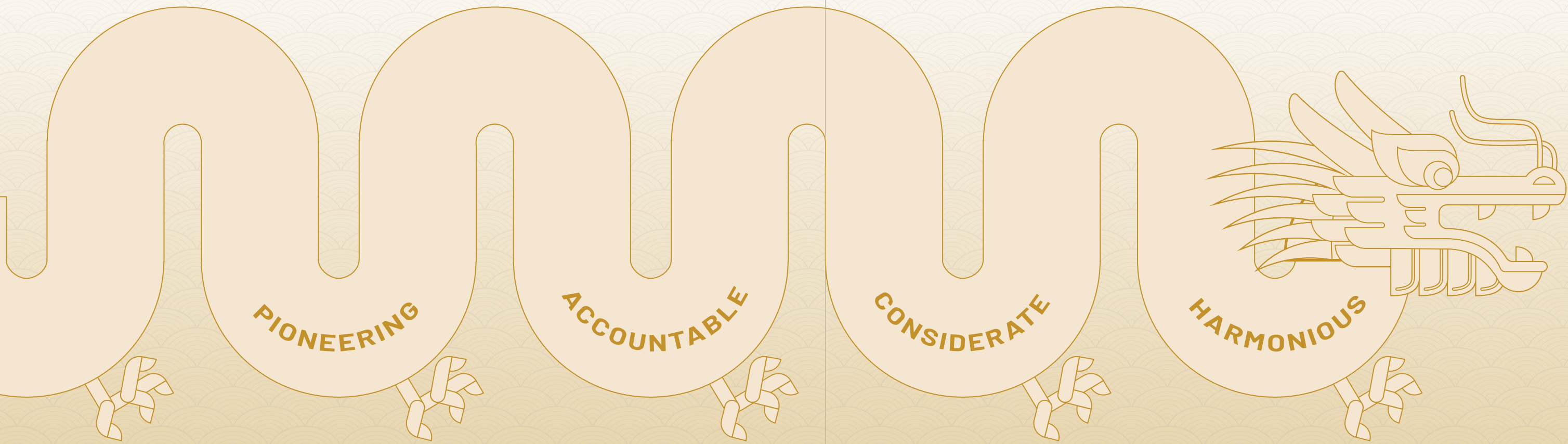


## CORE VALUES

All efforts to conquer and develop to always preserve the entire value chain **“Pioneering - Accountable - Considerate - Harmonious”**.

Ensuring credibility, fully gaining the trust and support from customers and the community on all the pathways through social security work, standing side by side with farmers.

An exciting, attractive, professional and dynamic working environment with the policy of developing production and business development strategies, selective investment and optimizing efficiency.







**UNLEASHING POTENTIAL  
NURTURING A STRONG FOUNDATION**



**OVERVIEW**

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# ACHIEVEMENTS IN 2023



**CAPITALIZATION SCALE**  
(as at December 29, 2023)

**17,152**  
BILLION VND



**TOTAL ASSET**

**15,238**  
BILLION VND



**TOTAL REVENUE**

**13,172**  
BILLION VND



**PROFIT BEFORE TAX**

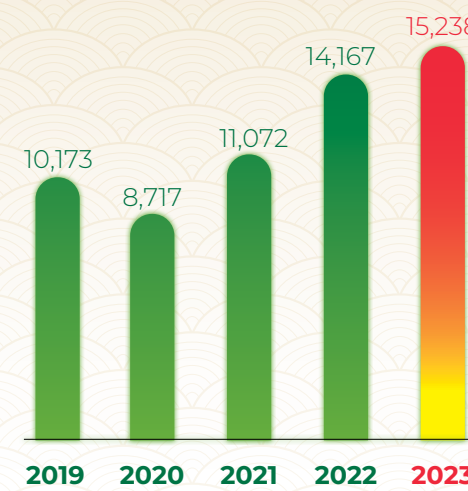
**1,255**  
BILLION VND



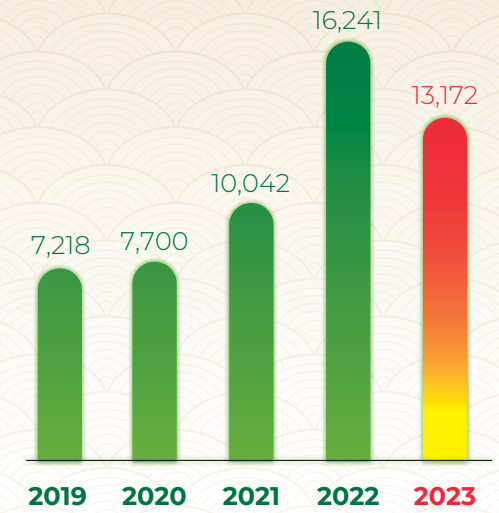
**Export volume**

**344,000**  
TONS

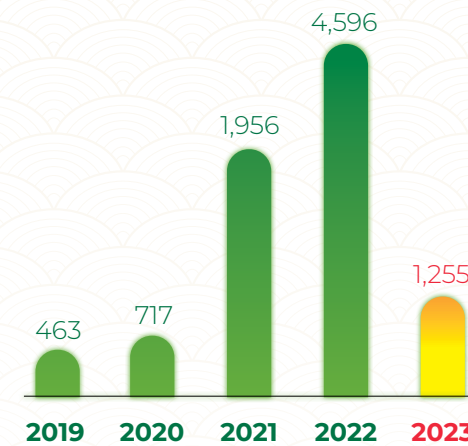
## MARKS OF GROWTH IN THE PERIOD OF 2019 - 2023



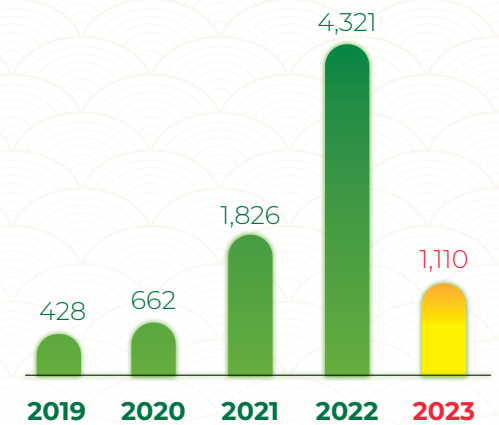
**TOTAL ASSET**  
(BILLION VND)



**TOTAL REVENUE**  
(BILLION VND)



**PROFIT BEFORE TAX**  
(BILLION VND)



**PROFIT AFTER TAX**  
(BILLION VND)





# OVERVIEW ABOUT PVCFC

## PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

**Listing code: DCM**

English name: PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Company name: Công ty Cổ phần Phân bón Dầu khí Cà Mau

Abbreviations: PVCFC

Charter capital 5,294,000,000,000 VND

Business registration certificate No.: 2001012298

### Headquarters:

Lot D, Industrial Park Ward 1, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province

Phone: (84 - 290) 3.819.000 - Fax: (84 - 290) 3.590.501

### Ho Chi Minh City Office:

Floor 18, Victory Building, No.12 Tan Trao, Tan Phu Ward, District 7, Ho Chi Minh City

Phone: (84 - 28) 54.170.555 - Fax: (84 - 28) 54.170.550

Website: [www.pvcfc.com.vn](http://www.pvcfc.com.vn)

### Contact information:

Any inquiries about the annual report in general and information disclosure for investors in particular, please contact:

IR Team

Mr. Do Thanh Hung

Email: [ir@pvcfc.com.vn](mailto:ir@pvcfc.com.vn)





# THE PROCESS OF FORMATION AND DEVELOPMENT

In 2008, the Ca Mau Fertilizer Plant project - one of the most important links of the Ca Mau Gas - Electricity - Fertilizer project cluster - was officially commenced at the ending point on the map of the country, shouldering a great mission for the development of the country's agriculture.

From the early days of establishment until now, after more than a decade of difficulties to grow up "more sustainable - more prosperous" PVCFC has increasingly affirmed its position as a leading brand in the field of fertilizer manufacturing and trading nationwide, contributing to ensuring food security and raising the value of Vietnamese agricultural products. The journey of more than a decade of formation and development of PVCFC is a glorious journey with many proud historical milestones.

## 2008

- Ca Mau Fertilizer Plant construction was officially started.

## 2011

- PetroVietnam Ca Mau Fertilizer Company Limited (under the Vietnam National Oil and Gas Group) was established on March 9, 2011.

## 2012

- The company's first commercial product bearing the brand name Ca Mau Fertilizer - For Golden Harvests was born on January 30, 2012.
- The company achieved production output of 500,000 tons of Urea after 10 months of operation.

## 2013

- PVCFC was honored with 2 important awards: "Vietnamese Gold Star" and "Typical Agricultural Product".
- Production output reached 1 million tons of Urea after 15 months of operation.

## 2014

- On November 12, 2014, PVCFC held a successful IPO with 128,951,300 shares of PVCFC being auctioned off, making PVCFC the largest IPO in 2014.
- PVCFC is officially recognized as a National Brand.

## 2015

- PVCFC shifted to operate under the model of a Joint Stock Company, listed on the Ho Chi Minh Stock Exchange with stock code DCM.
- High-end fertilizer product line N.HUMATE +TE was officially launched.
- Production output reached 3 million tons of Urea after 4 years of operation.

## 2016

- PVCFC received the Second Class Labor Medal.
- Launched two high-end functional product lines, respectively, N46.PLUS, N46.NANO C+.
- Production output reached more than 4 million tons of Urea after 5 years of operation.

## 2017

- PVCFC was honored in the Top 500 Largest Enterprises in Vietnam.
- Officially distributing a set of 7 outstanding products that provide a complete set of nutrients for plants.

## 2018

- The program "Experiencing high-tech products" was first introduced to cooperatives and farmers.
- Urea output reached 5 million tons. Sales volume increased for the first time, self-trading exceeded 10% compared to the plan.

## 2019

- PVCFC was honored with the title of "Prestigious Exporter".
- Being honored in the Top 100 Sustainable Enterprises of Vietnam in 2019.
- Making a production record, reaching the finish line 36 days earlier with a total output of 870 thousand tons, reaching 6 million tons of Urea.
- The DMS system was officially launched to help digitize business transactions.

## 2020

- Expanded the brand from "Ca Mau Nitrogen" to "Ca Mau Fertilizer".
- Won the Vietnam National Brand Award 2020.
- The revenue was recognized at a record level of VND 7,700 billion.
- The export output made a record of over 300,000 tons, reaching 7 million tons of Urea.



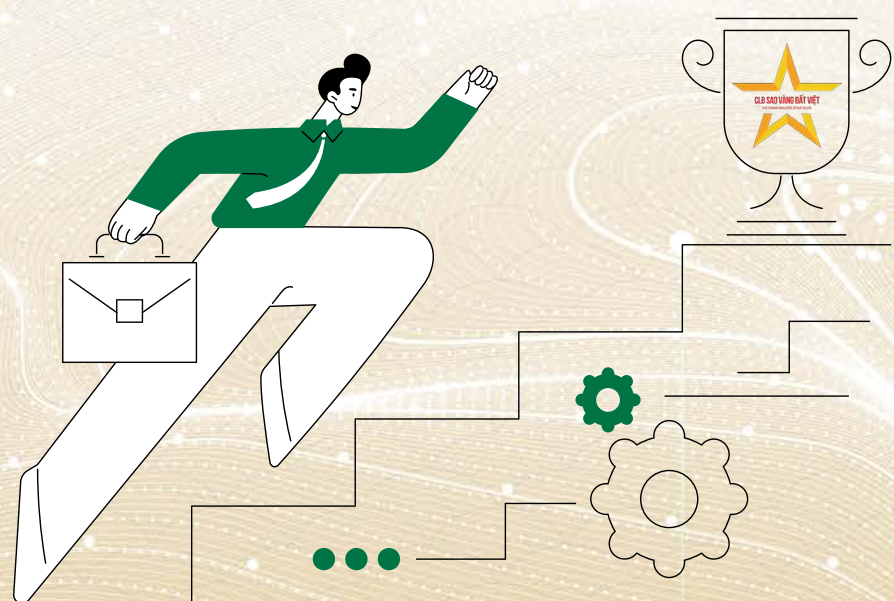
# THE PROCESS OF FORMATION AND DEVELOPMENT

## 2021

- Celebrating 10 years of the company's establishment 2011 - 2021.
- Honored in the Top 50 Best Listed Companies in Vietnam in 2021 by Forbes Vietnam magazine.
- Reached Top 500 largest enterprises in Vietnam (VNR500).
- For the first time, producing and launching an organic fertilizer product named OM CAMAU.
- Impressive business results with a record total revenue of VND 10,041.67 billion, fulfilling 110% of the plan. Profit before tax reached 1,956.27 VND billion, fulfilling 212% of the plan.

## 2022

- Honored to receive the 4<sup>th</sup> Vietnam Gold Star award
- For the second consecutive year, it reached the Top 50 Best Listed Companies in Vietnam as announced by Forbes Vietnam
- Won the National Brand award for the 5<sup>th</sup> consecutive time.
- Revenue and profit recorded the highest level ever:
  - Total revenue reached 16,240.76 VND billion achieving 112% of the plan
  - Profit before tax reached 4,596.31 VND billion achieving 118% of the plan



## 2023

Overcoming economic difficulties and changes in 2023, PVCFC has achieved impressive business results, exceeding its yearly plan

PVCFC launched the first artificial human project in agriculture named "Anh Hai Ca Mau", affirming its innovation, creativity to achieve sustainable development goals in the new era.

with a total turnover of **13,172 billion VND** and a profit before tax of **1,255 billion VND**

Ca Mau Fertilizer Plant reached a milestone of **10 million tons of Urea** as of December 7, 2023.

PVCFC has successfully penetrated and developed NPK fertilizer market with consumption output estimated at **138.61 thousand tons, equivalent to 166%** as of 2022.

Board of Directors of PVCFC was honored with the title "Board of Directors committed to good governance practice"



# BUSINESS FIELDS

## BUSINESS LINES

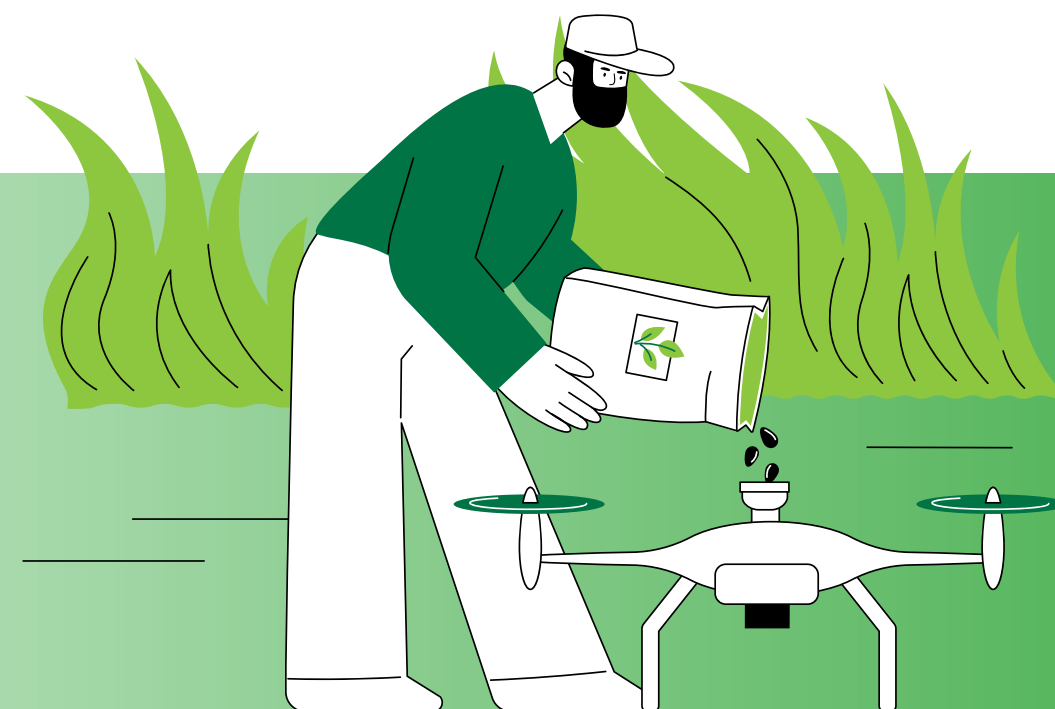
Incorporated on March 9, 2011, PVCFC is an enterprise with the following main functions and business lines: Manufacturing, trading and importing and exporting fertilizers, petroleum chemicals, mainly serving in the field of agriculture with a mission to serve millions of farmers with highly nutritious lines of fertilizers suitable for a wide range of crops and soils. Applying technological achievements on the foundation of the petrochemical industry helps PVCFC improve business efficiency, and at the same time contributing to changing the face of the country's agricultural economy towards sustainable green development.

## PRODUCTION CAPACITY

PVCFC currently owns 2 plants, Ca Mau Fertilizer Plant and Ca Mau NPK Plant.

### CA MAU FERTILIZER PLANT

- Ca Mau Fertilizer Plant always operates safely and stably with large capacity, bringing high product output and revenue. On December 7, 2023, Ca Mau Fertilizer Plant officially reached an output of 10 million tons of urea, optimizing its capacity of 110-115% compared to its design capacity, setting an important milestone in a journey of reaching new heights toward sustainable agriculture development of PVCFC.
- During 12 years of operation, the Company's technical team has constantly renovated and improved operational efficiency to optimize the granulation technology of Ca Mau Fertilizer Plant. Ca Mau Fertilizer Plant, in 2023, was honored with Certificate of Safe and Stable Operation Record for more than 350 days at a high capacity from Haldor Topsoe. This is the second time Ca Mau Fertilizer Plant received the Certificate of Record from Europe's leading Copyright House.
- Following its continuous successes, PVCFC and Haldor Topsoe are doing research on optimal solutions to further improve efficiency and capacity of Ca Mau Fertilizer Plant.



### CA MAU NPK PLANT

- Following the success of Ca Mau Fertilizer Plant, the birth of Ca Mau NPK Plant is a lengthy step forward in the complete strategy of plant nutrition solutions that PVCFC continuously deploys to contribute to diversifying sources of high quality fertilizers, accompany farmers in sustainable farming, increase the value of "greening" for the country's agriculture. Ca Mau NPK Plant has a capacity of 300,000 tons/year, using liquefied urea technology with production lines under the most advanced technology in the world today of contractor ESPINDESA - Spain and the main equipment of EU/G7 countries.
- With the motto "Quality First - Long-lasting Value", since its establishment, PVCFC's Leadership and employees have been consistently focusing

on expertise, in parallel with promoting innovations to conquer new technological achievements, all in order to upgrade the operational efficiency of plants to serve agriculture effectively with a chain of high quality products, ensuring food security, and at the same time raising the position of Vietnamese trade in the international arena.





# BUSINESS FIELDS

## BUSINESS AREA AND DISTRIBUTION SYSTEM

### BUSINESS AREAS

With a vision to become a leading enterprise in the field of fertilizer production and trading, PVCFC always focuses on developing production and business activities in the direction of organic, safe and sustainable, contributing value to society, bringing benefits to the community. Ca Mau Fertilizer brand is now present nationwide and expanding to international markets.

PVCFC's strategic target markets include the Mekong Delta, Southeast and Central Highlands, Cambodia. In addition, PVCFC also actively expands exploitation and penetrates domestic markets in the central and northern regions and markets in Southeast Asia, South Asia and Latin America.



## 2023

A prominent highlight of Ca Mau Fertilizer in 2023 was the fact that it increased its exports of fertilizers and earned more revenue. PVCFC has boosted exports and strengthened international business activities when the domestic demand was quiet to reduce inventory. As of 2023, Ca Mau fertilizer has made its presence in 18 countries with an export volume of 344,000 tons in 2023, accounting for approximately 26% of consumption output; export value reached 136 million USD, equivalent to 25% of fertilizer product revenue. Cambodia was PVCFC's largest export market with an output and export value of over 60%.





# BUSINESS FIELDS

## BUSINESS AREA AND DISTRIBUTION SYSTEM

### DISTRIBUTION SYSTEM

PVCFC currently owns a wide product distribution system, not only stretching the length of the country from North to South but also establishing a certain market share in Cambodia. In the following years, PVCFC still actively expands its distribution system, increases brand recognition, enhances competitiveness, towards prosperous and sustainable development and dedicates itself to the country's agriculture.

#### North Vietnam (27)

Vinh Phuc; Hai Duong; Ninh Binh; Hai Phong; Hung Yen; Nam Dinh; Thai Binh; Ha Nam; Ha Tinh; Nghe An; Thanh Hoa; Phu Tho; Tuyen Quang; Thai Nguyen; Son La; Dien Bien; Lai Chau; Lao Cai; Yen Bai; Ha Noi; Bac Ninh; Quang Ninh, Hoa Binh; Bac Kan, Bac Giang, Cao Bang, Ha Giang.

#### Central Vietnam (10)

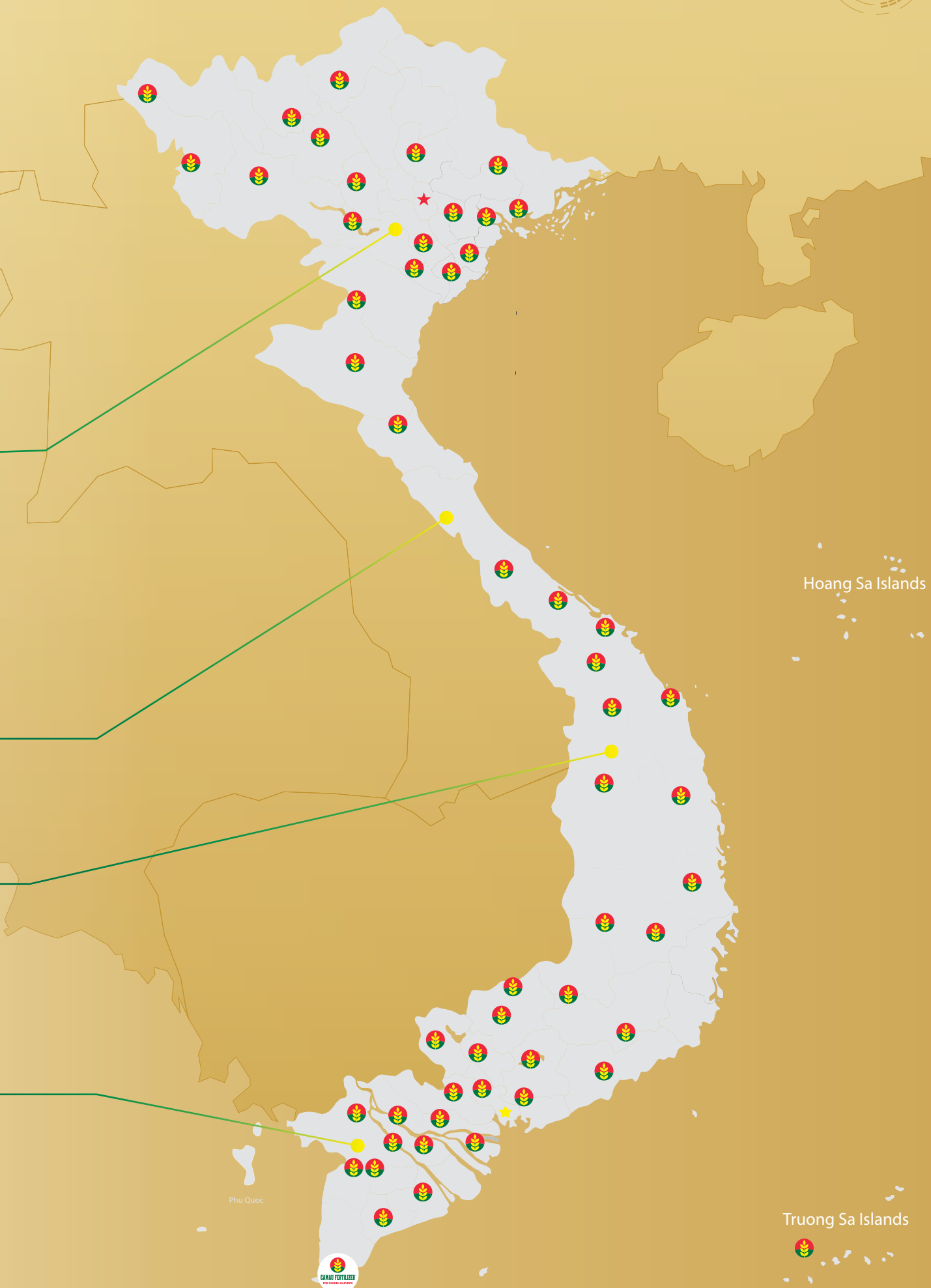
Quang Tri; Hue; Binh Dinh; Phu Yen; Gia Lai; Kon Tum; Khanh Hoa; Quang Ngai; Quang Nam; Da Nang.

#### Central Highlands and Southeast Vietnam (11)

Ho Chi Minh City; Dong Nai; Binh Duong; Binh Phuoc; Ba Ria - Vung Tau; Ninh Thuan; Dak Nong; Dak Lak; Lam Dong; Tay Ninh; Binh Thuan.

#### Southwest Vietnam (13)

An Giang; Bac Lieu; Ben Tre; Ca Mau; Tien Giang; Tra Vinh; Can Tho; Dong Thap; Soc Trang; Hau Giang; Kien Giang; Long An; Vinh Long.







# BUSINESS FIELDS

## LINE OF PRODUCTS IN THE BRAND NAME CA MAU FERTILIZER PRODUCTS

After more than a decade of growth through hardship, with the mission of perfecting a comprehensive set of nutritional products for plants, PVCFC is now the leading prestigious brand in the field of fertilizer production and trading across the country, bringing a chain of superior quality products to farmers, serving the national agriculture, contributing to ensuring food security and raising the value of Vietnamese agricultural products.

The product line under the Ca Mau Fertilizer brand now includes the product lines of single fertilizer, NPK fertilizer and high-grade organic fertilizer with high nutritional content, application of modern technology and many outstanding benefits, is always the first choice of farmers in each crop, giving farmers the “Golden season - Win big”, along with the direction of sustainable development and prosperity for the community.



### N.HUMATE+TE

N.Humate+TE is a high-class fertilizer line of PVCFC, manufactured according to modern processes with outstanding advantages:

- Resistant to saline and alkaline soil.
- Develop stronger trunk, stimulate flowering and fruit setting.
- Help prevent plant disease and pests.
- Help the roots to develop and absorb nutrients quickly.
- Add organic matter, improve soil fertility
- Reduce 15% of fertilizer compared to normal fertilization.



### UREA BIO CA MAU

Urea Bio Ca Mau is produced from a mixture of Urea raw materials and a solution of beneficial microorganisms Bacillus sp. with outstanding properties including:

- Provide nitrogen for soil and plants.
- Has the effect of increasing the ability to convert nutrients in the soil to recover degraded soil and increase soil fertility.
- Promote root system development, enhances nutrient absorption for plants.
- Increase resistance for plants, limiting pests.
- Increase the resistance for plants in alum, saline and organic poisoning conditions.
- Help plants grow and thrive.
- Increase productivity and quality of agricultural products.



LINE OF PRODUCTS IN THE BRAND NAME CA MAU FERTILIZER PRODUCTS (CONTINUED)



CA MAU FERTILIZER

Ca Mau Fertilizer is the first and only opaque granular fertilizer produced in Vietnam with outstanding features compared to other traditional nitrogenous fertilizers. PVCFC is also the first unit of Vietnam's fertilizer industry to successfully produce high-quality turbid nitrogen, which is popular and widely used. The outstanding features of Ca Mau Fertilizer include:

- Slow decomposition ability, limiting nitrogen loss, helping plants absorb nutrients better.
- The seeds are large, round, with little mites, and high hardness to facilitate transportation.
- High drying efficiency, low moisture content, no clumps, suitable for mixing with other single fertilizers, convenient in the fertilization process.
- Low content of soil discoloring agent (Biuret).



N46.PLUS CA MAU NITROGEN

N46.Plus is a Urea fertilizer product with N Dual Protect coating "dual nitrogen protection". The product has the following outstanding features:

- Save from 20 - 30% of fertilizer.
- Help green plants, increase productivity.
- Supplement 2 biological additives NBPT, DCD increases the efficiency of use.
- Easy to mix with other fertilizers.
- Environmental friendliness.

DAP CA MAU

DAP Ca Mau is a chemical inorganic fertilizer imported and distributed by PVCFC. The product has the following outstanding features:

- Promote tillering, budding, flower and fruit growth and seed growth.
- Provide adequate and balanced nutrients for plants.
- Helps plants to have a good metabolism with the environment, increase resistance, limit pests and diseases.
- No impurities that cause hardening of the soil.



SA CA MAU (AMMONIUM SULPHATE)

SA Ca Mau (Ammonium Sulphate Ca Mau) is imported and distributed by PVCFC. This product is manufactured by a modern production line with superior effects including:

- Provide plants with microelement nitrogen and sulfur.
- Essential for plant with great requirement of sulfur.
- Suitable for neutral, slightly acidic soil including alluvial soil, red soil and alkaline soil, sulfur deficient soil such as gray soil.
- Able to mix with other fertilizers.



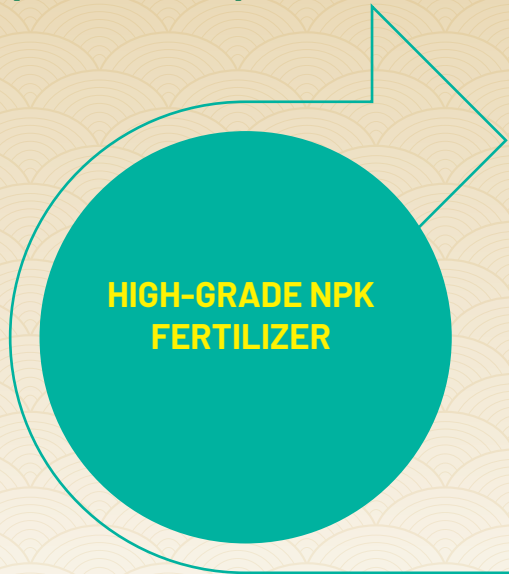
POTASSIUM CA MAU

Potassium Ca Mau is a fertilizer line imported and distributed by PVCFC. Products are manufactured on modern production lines with outstanding effects including:

- Help the tree to be firm, anti-fall, good growth.
- Increase productivity and quality of agricultural products.
- Suitable for all types of soil and plants.
- Promote tillering, flower and fruit growth and seed growth.
- Can be applied in combination with other fertilizers.



## LINE OF PRODUCTS IN THE BRAND NAME CA MAU FERTILIZER PRODUCTS (CONTINUED)



Ca Mau NPK - based on Polyphosphate technology is a fertilizer line of PVCFC produced on the most modern molten Urea technology of Espindesa Group - Spain according to imported machinery from EU/G7. With this technology, each fertilizer granule contains comprehensive nutrients for the plants to absorb evenly and effectively, saving fertilizer effort, increasing crop yield and improving farming efficiency. The



### NPK CA MAU GROWTH

High-nitrogen content formula enhances post-harvest recovery, plant growth and development. Outstanding product features include:

- Help the rice plant with healthy tillering and many effective shoots, long-lasting green leaves.
- Help seedlings grow fast, develop health, comprehensive; increase the biomass of vegetable crops.
- Help fruit trees, industrial plants recover well after the harvest periods.



### CA MAU NPK PRODUCTIVITY - QUALITY

The product has a formula containing high levels of Nitrogen and Potassium, suitable for the flowering, fruiting, and fruit care stages with the following outstanding advantages:

- Helps rice to bloom in a mass, ripen evenly, with large flowers, firm pearls.
- Limiting the growth of young shoots in the fruiting stage, increasing nutrient absorption into fruits, tubers and pearls.
- Accelerate fruit growth, more concentrated ripening, increase yield and quality of agricultural products.



### NPK CA MAU FOR RICE PLANTS

The product helps to optimize the nutritional needs of rice plants in each different growth stage, including outstanding features such as:

- Helps rice grow balanced, healthy tillering, durable green leaves, limiting pests.
- Create many effective shoots - big young rice - firm pearls.
- Increase productivity, quality of agricultural products and profits.



### NPK CA MAU MULTI-PURPOSE

The product is suitable for different types of crops in all stages of crop growth:

- Suitable for all crops in different ecological zones.
- Meet the nutritional needs at all stages of plant growth in all seasons.
- Increase productivity, quality of agricultural products and profits.



### CA MAU NPK FOR FRUIT TREES

Provide a full range of necessary nutrients according to the needs of growth and development at each different stage of fruit trees:

- Help orchards grow balanced, limit pests.
- Accelerate fruit growth, focus ripening, firm the intestines and enhance flavor.
- Increase productivity, quality of agricultural products and profits.



### PREMIUM ORGANIC FERTILIZER OM CAMAU

OM CAMAU is a line of premium organic fertilizers manufactured according to a unique formula, which is the optimal solution for rich soil - healthy plants with outstanding features including:

- The soil is fertile.
- The young roots grow much.
- Helps beneficial microflora grow.
- Helps plants absorb mineral nutrients better.
- Suitable for all types of soil and plants.



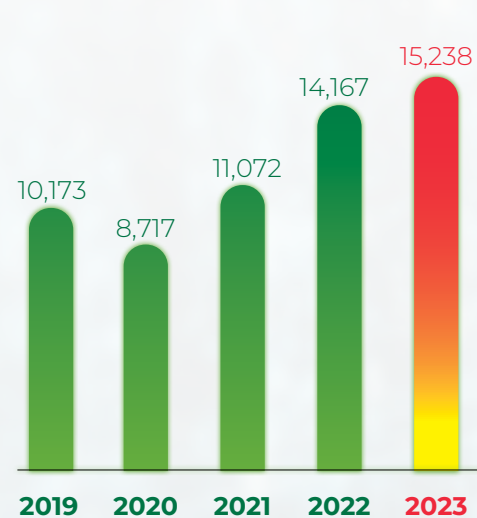
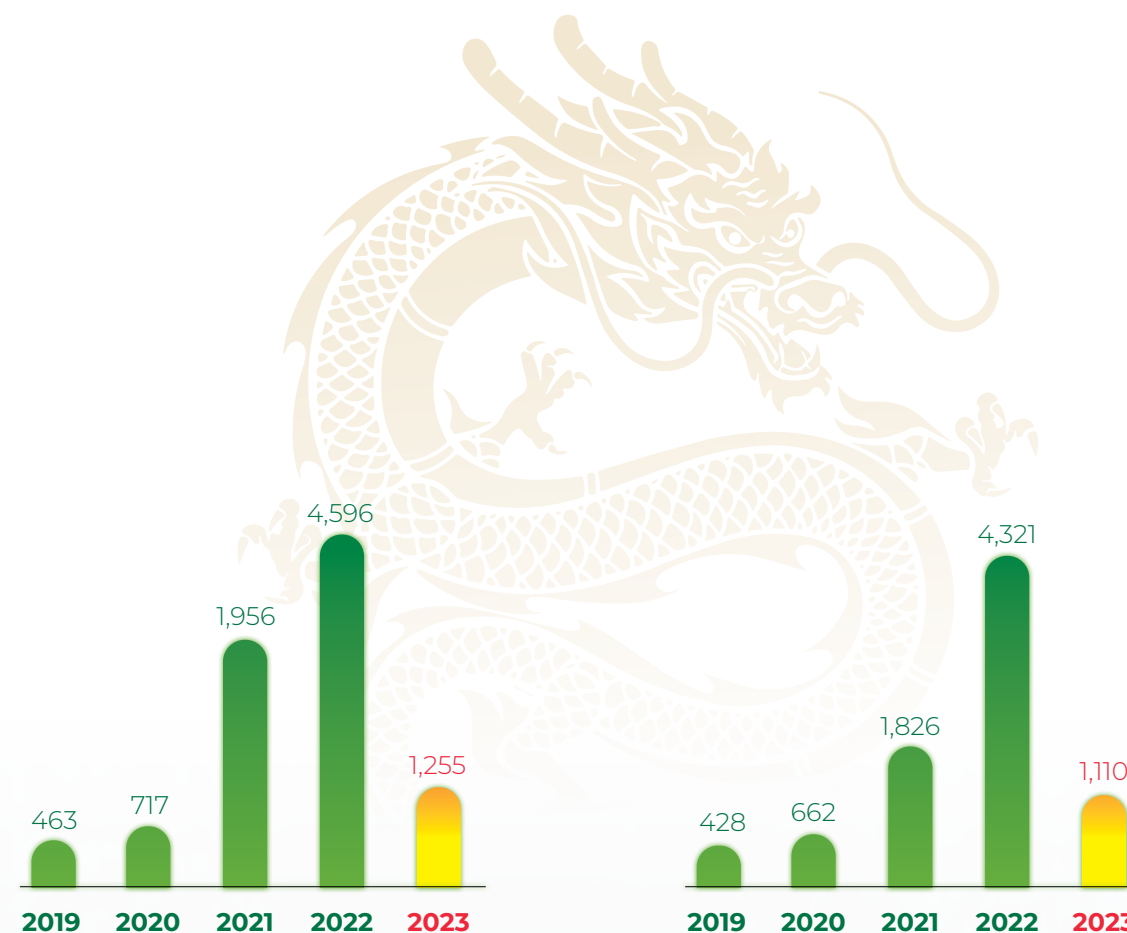


# FINANCIAL SUMMARY

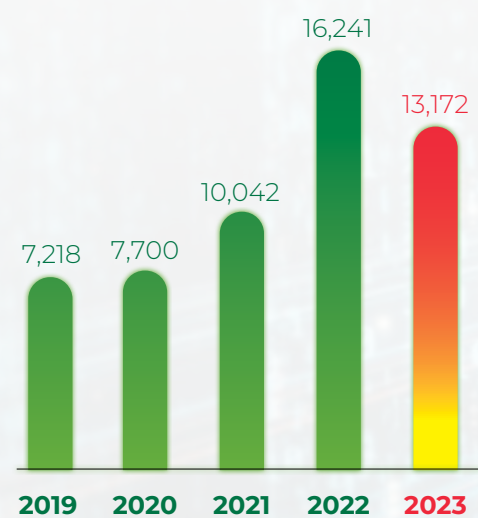
## FINANCIAL SUMMARY FOR THE PERIOD 2019 - 2023

Unit: Billion VND

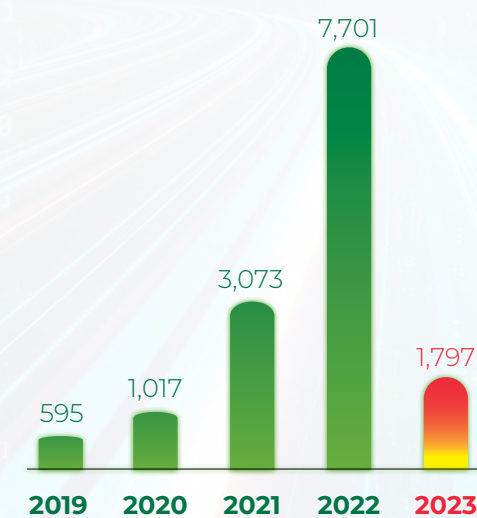
FINANCIAL INDICATOR	2019	2020	2021	2022	2023
Total asset	10,173	8,717	11,072	14,167	15,238
Total revenue	7,218	7,700	10,042	16,241	13,172
Profit before tax	463	717	1,956	4,596	1,255
Profit after tax	428	662	1,826	4,321	1,110
Earnings per share (VND)	595	1,017	3,073	7,701	1,797



**TOTAL ASSET**  
(BILLION VND)



**TOTAL REVENUE**  
(BILLION VND)



**EARNINGS PER SHARE**  
(VND)





# 10 MAJOR EVENTS IN 2023



Despite multiple difficulties and challenges caused by market changes, 2023 proved a successful year for PVCFC with impressive and comprehensive results.

These results are shown in 10 typical events as follows:



# 10 MAJOR EVENTS IN 2023

01

## CA MAU FERTILIZER PLANT MARKS 10 MILLION TONS

PetroVietnam Ca Mau Fertilizer JSC (PVCFC) continues to affirm its leading position as Vietnam's prestigious fertilizer manufacturer when Ca Mau Fertilizer Plant reached the capacity of 10 million tons of urea on December 7, 2023. In over a decade, Ca Mau Fertilizer Plant has always improved to increase the plant's capacity from design capacity to the current 115% of capacity. The plant produces approximately 860,000 tons of Urea for domestic use and export y-o-y. PVCFC is now the only local manufacturer capable of granular urea with stable quality, suitable for various crops and soils, making positive contributions to the goal of ensuring national food security.

THE PLANT PRODUCES APPROXIMATELY

**860,000**  
TONS OF UREA FOR  
DOMESTIC USE AND EXPORT Y-O-Y



02

## PVCFC AWARDED CERTIFICATE OF SAFE & STABLE OPERATION IN MORE THAN 350 DAYS FOR THE SECOND TIME

On October 31 2023, Ca Mau Fertilizer Plant under PetroVietnam Ca Mau Fertilizer JSC was officially awarded Certificate of Safe and Stable Operation in more than 350 days at high capacity by Haldor Topsoe. This is the second consecutive time Ca Mau Fertilizer Plant received the Certificate of Record from Europe's leading Copyright House.

During 12 years of operation, Ca Mau Fertilizer Plant has always prioritized reducing maximum energy consumption to meet requirements and standards of a global modern fertilizer plant. Getting better results by putting more effort, Ca Mau Fertilizer Plant has been honored with "Top 10% of factories with lowest energy consumption" and top 10% of global high-capacity factories without undergoing major innovation by Haldor Topsoe.

**TOP 10%**  
OF GLOBAL HIGH-CAPACITY FACTORIES  
WITHOUT UNDERGOING MAJOR INNOVATION





# 10 MAJOR EVENTS IN 2023

03

## SUCCESSFULLY PENETRATE AND DEVELOP NPK FERTILIZER MARKET

Despite many challenges such as raw material price hike, declining fertilizer price, low market demand, strong competition with imported fertilizer products, etc. PVCFC has excellently completed its missions and assigned targets. Especially, PVCFC has successfully penetrated and developed the NPK fertilizer market with a consumption output of 138.61 thousand tons, equivalent to 166% as of 2022.

With a goal of maintaining market share at target markets and penetrating into new markets, PVCFC, in 2023, has continuously adjusted its sales approach, implementing sales promotion programs; giving gifts and offering free trials on fertilizer products. The typical program named “Golden season - Win big” has helped spread the image of NPK fertilizer products to every farming area and local farmers nationwide.

CONSUMPTION  
OUTPUT

138.61

THOUSAND TONS OF UREA IN 2023



04

## SIGNING AGREEMENT OF CAPITAL TRANSFER WITH KOREA - VIETNAM FERTILIZER CO., LTD (KVF)

At the investor meeting organized by PVCFC on November 28 2023, General Director Van Tien Thanh announced to sign a deal with TKG Taekwang and Huchem (Korea) on approval of transferring a contributed capital at Korea - Vietnam Fertilizer Co., Ltd (KVF). KVF is located at Hiep Phuoc Industrial Park (Nha Be District, HCMC) with a total area of 8.8 ha.

According to PVCFC’s leaders, the deal allows PVCFC to proactively source a very competitive raw material supply for the plant. Additionally, PVCFC and KVF will cooperate to launch a new NPK fertilizer brand with an expected capacity of 360,000 tons/year.

EXPECTED NPK  
PRODUCTION CAPACITY

360,000

TONS/YEAR.





# 10 MAJOR EVENTS IN 2023

05

## PVCFC'S BOARD OF DIRECTORS RECEIVED THE TITLE "BOARD OF DIRECTORS COMMITTED TO GOOD GOVERNANCE PRACTICE"

At the 6<sup>th</sup> Annual Forum (AF6) organized by Vietnam Institute of Directors (VIOD) in Hanoi dated November 22 2023, PVCFC's Board of Directors was honored with "Board of Directors committed to good governance practice". VIOD highly recognizes and honors outstanding Board of Directors with excellent achievements in accordance with strict criteria, PVCFC is listed in Top 12 excellent enterprises, surpassing over 500 Board of Directors of other listed companies in Vietnam. The set of criteria of VIOD evaluates BOD's most effective performance by: supervisory role of BOD in protecting interests of shareholders, creating values for PVCFC's relevant stakeholders and complying with effective corporate governance principles, contributing to sustainable development and climate change adaptation.

**"BOARD OF DIRECTORS  
COMMITTED TO GOOD  
GOVERNANCE PRACTICE"**

**PVCFC IS LISTED  
TOP12  
EXCELLENT ENTERPRISES**



06

## TOP 50 BEST LISTED COMPANIES "FOR THE 3<sup>RD</sup> CONSECUTIVE TIME"

With a leading brand position and superior capacity, PVCFC has been named on the list of "50 best listed companies 2023" voted by Forbes Vietnam. This was the 3<sup>rd</sup> consecutive year PVCFC to be named on this list.

To be honored with this title, PVCFC has surpassed many rounds of evaluation and performance review of Forbes. At the preliminary round, PVCFC satisfied many conditions such as profitability in 2022, minimum revenue and capitalization of 500 billion VND. In the next round, PVCFC was quantitatively scored on five criteria including Compound Annual Growth Rate, Profit, ROE, ROC and EPS. Next, Forbes Vietnam conducted a qualitative investigation to evaluate the level of sustainable development of PVCFC. In 2022, PVCFC has recorded a revenue of 16,241 billion VND and profit of 4,596 billion VND, an increase of 62% and 135% respectively compared to 2021.

**PVCFC HAS BEEN NAMED  
ON THE LIST OF**

**TOP50  
BEST LISTED COMPANIES 2023**





# 10 MAJOR EVENTS IN 2023

07

## HONORED “COMMUNITY ENTERPRISES” FOR THE 2<sup>ND</sup> CONSECUTIVE YEAR

On November 15 2023, Ca Mau Fertilizer was honored as “Community Enterprises” at the Saigon Time CSR 2023. This was the 2<sup>nd</sup> consecutive year Ca Mau Fertilizer to be honored. The award was a motivation for the company to unite its steadfast strength and perseverance toward a more sustainable and prosperous agriculture sector of Vietnam.

As of 2023, despite being a young company with only 12 years of development, PVCFC is evaluated as one of the most dynamic and leading ones in social corporate responsibilities for community, employees. On its journey of development, PVCFC has spent a total amount of over 400 billion VND on community activities, supporting people with difficult circumstances.

**PVCFC HAS SPENT A TOTAL AMOUNT OF OVER 400 BILLION VND**



08

## PVCFC AWARDED GENDER EQUALITY CERTIFICATION - GEARS TOOL

As an active member of Vietnam Business Network Coalition for Women’s Empowerment (VBCWE) accompanied practical performances in promoting gender equality, PVCFC has become Vietnam’s first enterprises to be awarded Gender Equality Certification using GEARS tool. GEARS is developed by the Workplace Gender Equality Agency - WGEA of the Australian Government and adapted to practice by VBCWE.

As evaluated by VBCWE, PVCFC has built an effective, safe and happy living and working environment. Every employee is confident to express their ability without any discrimination regardless of gender, family background. Despite work pressure, PVCFC always makes the workplace - fertilizer plant - feel like home without any discrimination, each employee is confident, self-reliant, professional and united.





# 10 MAJOR EVENTS IN 2023

**09**

## PVCFC AWARDED “TYPICAL ENTERPRISES FOR EMPLOYEES”

At the Honor Ceremony for ‘Typical Enterprises for Employees’ dated October 29 2023 in Ha Noi, PVCFC was one of three units under Vietnam Oil and Gas Group (PVN) to be honored at this special event. The title “Typical Enterprise for Employees” aims to praise and honor enterprises that make efforts in improving the working environment for employees. PVCFC was well evaluated for its strict criteria by labor experts and trade unions, ensuring a deep reflection of the way it treats employees in many aspects of income, training, working environment, social welfare and other employee engagement activities, etc.

### “TYPICAL ENTERPRISE FOR EMPLOYEES”



**10**

## “ANH HAI CA MAU” - APPLYING DIGITAL HUMAN IN BUSINESS AND MARKETING MANAGEMENT

At the 2023 summary conference, PVCFC has officially launched the first digital human project of Vietnam agriculture sector named “Anh Hai Ca Mau”. The project affirms its position as a leading brand, taking the lead in applying digital technology; pioneering implementing Martech in communications, sales promotion activities of Ca Mau Fertilizer. “Anh Hai Ca Mau” will help improve customer experience, connect and promote the brand image of Ca Mau Fertilizer to customers.

### LAUNCHED THE FIRST DIGITAL HUMAN PROJECT OF VIETNAM AGRICULTURE SECTOR NAMED “ANH HAI CA MAU”





# OUTSTANDING HONORS AND AWARDS



A 12-year journey of promoting agricultural development of PVCFC has witnessed ups and downs, multiple changes: the more difficult it faces, the braver it becomes, the Company's strength is forced toward sustainability, every pace made by PVCFC marks a proud milestone. In 2023, PVCFC has been continuously honored with noble awards. These are not only worthy recognition for the Company's ceaseless efforts but also a motivation for PVCFC to move forward on its journey of pioneering creating a "more sustainable, more prosperous" agriculture.



## TOP 500 LARGEST VIETNAMESE COMPANIES

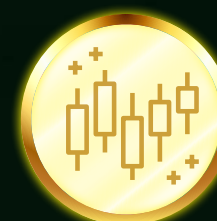
voted by Vietnam Report for the 3<sup>rd</sup> consecutive year.



### TOP 10

#### OUTSTANDING CORPORATE GOVERNANCE IN 2023

at the 2023 listed company vote organized by HoSE.



### TOP 50 BEST LISTED COMPANIES

voted by Forbes Vietnam for the 3<sup>rd</sup> consecutive time



### TYPICAL ENTERPRISE FOR EMPLOYEES 2023

co-organized by Vietnam General Federation of Labor, Ministry of Labor - War Invalids and Social Affairs, Vietnam Chamber of Commerce and Industry (VCCI).



### "COMMUNITY ENTERPRISE"

organized by Saigon Times Group for the 2<sup>nd</sup> consecutive year



### CERTIFICATION FOR GENDER EQUALITY USING GEARS

voted by VBCWE



# PVCFC ORGANIZATION CHART AND CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE

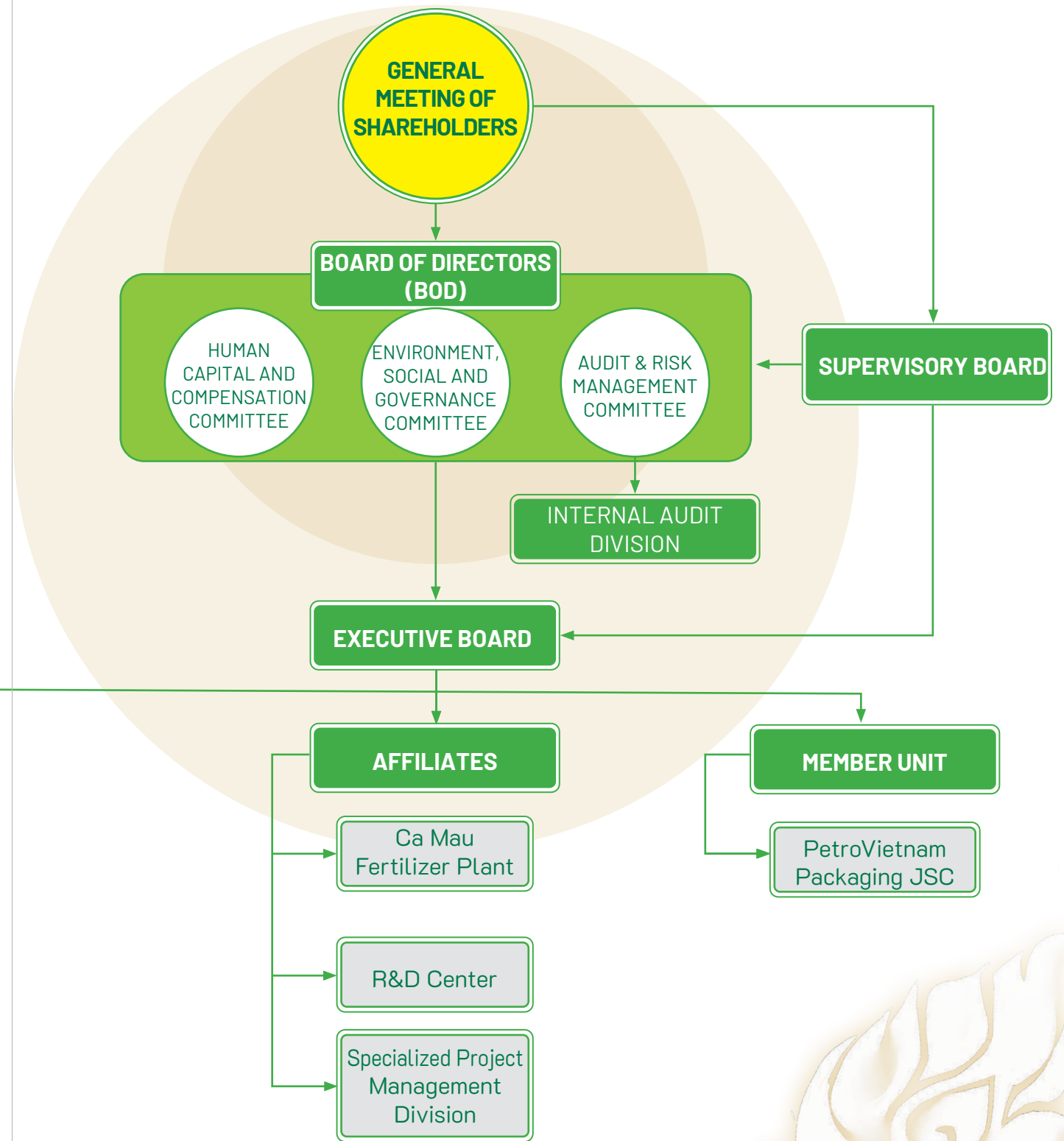
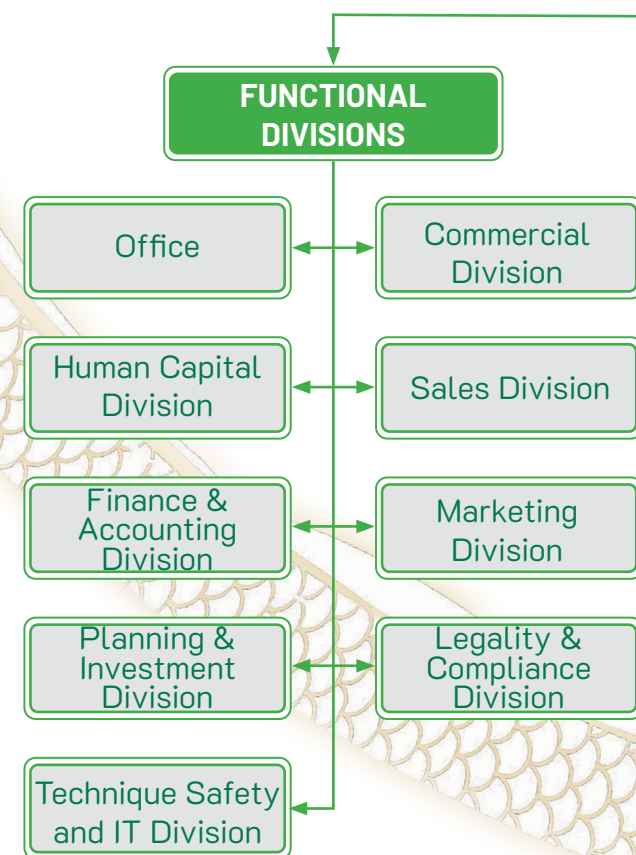
PetroVietnam Ca Mau Fertilizer Joint Stock Company, formerly known as PetroVietnam Ca Mau One Member Company Limited, is a member of Vietnam National Oil and Gas Group, incorporated under Decision No.474/QĐ - DKVN dated March 9, 2011 of the Members' Council of Vietnam Oil and Gas Group.

In January 2015, the Company officially transformed its operations into a Joint Stock Company with the name PetroVietnam Ca Mau Fertilizer Joint Stock Company. Over the process of its operation, the Company's organizational structure has changed from time to time.

PetroVietnam Ca Mau Fertilizer Joint Stock Company has implemented the Project of renovation and rearrangement of the Company's organizational structure towards compactness, multi-function, effective operation and in adaptation to the actual situation; improving the efficiency and effectiveness of production and business, the actual situation of company, and all levels of company management.



## PVCFC ORGANIZATION CHART





# PVCFC ORGANIZATION CHART AND CORPORATE GOVERNANCE

## PVCFC ORGANIZATIONAL STRUCTURE



## SUBSIDIARIES, ASSOCIATES

PetroVietnam Ca Mau Fertilizer Joint Stock Company currently has 01 subsidiary, PetroVietnam Packaging Joint Stock Company (PPC).

### PETROVIETNAM PACKAGING JOINT STOCK COMPANY - PPC

English name	PETROVIETNAM PACKAGING JOINT STOCK COMPANY
Abbreviations	PPC
Founding	10/06/2010
Authorized capital	47,995,160,000 VND
Main business sectors	Producing plastic origin products, mainly producing and trading PP and PE packaging products; production and sales of fertilizers and nitrogen compounds
Address	Lot A1-3, Tra Kha Industrial Park, Ward 8, Bac Lieu City, Bac Lieu Province
Phone	(84 - 291) 3.957.555
Fax	(84 - 291) 3.957.666
Email	sale@pbp.vn
Website	www.pbp.vn
Number of shares PVCFC holds at PPC	2,449,167 shares, equivalent to the value: 24,491,670,000 VND
Ratio of PVCFC holding PPC's charter capital	51.03%





## ABOUT THE BOARD OF DIRECTORS



**MR. TRAN NGOC NGUYEN**  
Non-executive Chairman

**Gender:** Male  
**Date of birth:** September 15, 1977  
**Qualification:** Ph.D. in Chemical Engineering, Master's degree in Economic Management

### Working history

Mr. Nguyen has over 20 years of experience in the oil and gas industry, holding many different positions: Process Engineer of Contractor Management Department, Refinery Technology Supervision Department of Binh Son Refinery; Deputy Head of Department, Head of Production Department; Deputy General Director of Binh Son Refining and Petrochemical Company Limited, now is Binh Son Refining and Petrochemical Joint Stock Company; General Director cum Member of the Board of Directors - Binh Son Refining and Petrochemical Joint Stock Company. He has been elected Chairman of the Board of Directors of PetroVietnam Ca Mau Fertilizer Joint Stock Company from January 10, 2019 to present.

Positions at other companies: None



**MR. VAN TIEN THANH**  
BOD Member cum General Director

**Gender:** Male  
**Date of birth:** July 09, 1968  
**Qualification:** Agricultural and Forestry Mechanical Engineer

### Working history

Mr. Thanh has many years of working experience and experience in the field of Engineering Technology with many different roles. Since 2005, he has worked in the Oil and Gas industry with positions such as: Deputy Head of Project Department, Ca Mau Gas - Electricity - Fertilizer Complex; Deputy Head of Department of Investment Preparation of Moroccan Projects of PetroVietnam Fertilizer and Chemicals Corporation. In 2011, in addition to the position of Deputy Head of Project Management Board of Ca Mau Gas - Power - Fertilizer Complex, he also held the position of Deputy Director of PetroVietnam Ca Mau One Member Company Limited. In April 2016, he concurrently held the position of Director of Research - Development Center, PetroVietnam Ca Mau Fertilizer Joint Stock Company. In June 2018, he was elected by the Shareholders' General Meeting to hold the position of Member of the Board of Directors cum General Director of PetroVietnam Ca Mau Fertilizer Joint Stock Company. In June 2023, he was continuously elected by the General Meeting of Shareholders as BOD member cum General Director.

Positions at other companies: None



**MR. TRAN MY**  
Non-executive Director

**Gender:** Male  
**Date of birth:** October 23, 1962  
**Qualification:** Engineer in Industrial Economics

### Working history

Mr. My started working at the Gia Lai - Kon Tum Department of Industry in 1985. After that, he held other positions such as Chief Accountant cum Head of Economic - Finance Department of the Project Management Board of Huong Dien Hydropower Plant. He started working at the Project Management Board of Ca Mau Gas - Power - Fertilizer Complex in 2006 and held the position of Deputy Head of Economics - Planning Department. In 2012, he started working at PVCFC and held the following positions: Head of Strategic Planning Division, Head of Planning & Investment Division. From January 2015, he was trusted by the Shareholders' General Meeting and elected as a non-executive Director of PVCFC.

Positions at other companies: None

*On August 1 2023, Mr. Tran My has been entitled for retirement under social insurance policy*



**MR. NGUYEN DUC HANH**  
Non-executive Director

**Gender:** Male  
**Date of birth:** October 28, 1972  
**Qualification:** Engineer in Energy Economics

### Working history

Mr. Hanh has many years of experience in business, consultancy, management and investment planning. He held the position of Head of Planning and Economic Department under Project Management Board of Ca Mau Gas - Power - Fertilizer Complex. Since 2012, he was appointed as Deputy Director of PetroVietnam Ca Mau Fertilizer One Member Co., Ltd; June 2014 - January 2015, he held the position of Board Member (concurrently); BOD Chairman of Vietnam Petroleum Packaging JSC from December 2012 to April 2016. From January 2015 to September 2020, he held the position of Deputy General Director and was unanimously elected by PVCFC's General Meeting of Shareholders as a non-executive Director since June 2020.

Positions at other companies: None



## ABOUT THE BOARD OF DIRECTORS



### MR. LE DUC QUANG Non-executive Director

**Gender:** Male  
**Date of birth:** June 19, 1975  
**Qualification:** Master of Business Administration, Chemical Engineer Petrochemical

#### Working history

After graduating from university, Mr. Quang started working since September 1997, he held many positions: Petroleum Technology Engineer; Specialist in Gas Department, Deputy Head of Gas Department, Deputy Head of Gas and Petrochemical Refining Department under Vietnam Oil and Gas Group. In June 2020, he was unanimously elected by the General Meeting of Shareholders of PVCFC as an independent Director. In April 2021, the General Meeting of Shareholders of PVCFC unanimously elected him to be non-executive Director.

Positions at other companies: None

### MS. DO THI HOA Independent Director

**Gender:** Female  
**Date of birth:** December 20, 1960  
**Qualification:** Bachelor of Industrial Accounting

#### Working history

Ms. Do Thi Hoa has worked in the oil and gas industry for 36 years from October 1980 to April 2016 before she was entitled for retirement under social insurance policy. She held many positions: General Accountant, Chief Accountant of PetroVietnam Transportation Company - General Department of Petroleum, now known as PVN; Head of audit team of member units, Deputy Head of Internal Audit Department, Deputy Head of Finance - Accounting and Auditing Department of PVN. She has been entitled for retirement under social insurance policy since April 2016. In April 2021, she was unanimously elected by the General Meeting of Shareholders of PVCFC as an independent Director.

Positions at other companies: None

### MR. TRUONG HONG Independent Director

**Gender:** Male  
**Date of birth:** April 5, 1959  
**Qualification:** Doctor of Agriculture, major in Soil and Fertilizer

#### Working history

After graduating from university, Mr. Hong started working at Coffee Research Institute since 1984 - now Central Highlands Agro - Forestry Science and Technology Institute, he experienced in various positions: Deputy Head of Agrochemical Analysis Department, Soil and Fertilizer Researcher, Principal Researcher, Deputy Head of Science Planning and International Cooperation Department.

From 2003 - 2019, he worked at the Central Highlands Agro-Forestry Science and Technology Institute and experienced many positions: Acting Director of Eakmat Center for Agro-Forestry Technology Transfer and Research, Deputy Head of Science Planning and International Cooperation Department, Director of Gia Lai Agricultural and Forestry Experimental Research Center, Deputy Director of Central Highlands Agro-Forestry Science and Technology Institute, Acting Director of Central Highlands Agro-Forestry Science Institute. Since May 2019, he has been entitled for retirement under social insurance policy. In April 2021, he was unanimously elected by PVCFC's General Meeting of Shareholders as independent Director.

Positions at other companies: None

### MR. NGUYEN DUC THUAN Non-executive Director

**Gender:** Male  
**Date of birth:** March 8, 1974  
**Qualification:** Engineer of Transport Economics

#### Working history

Mr. Thuan has 25 years of working experience in many positions: worked as contract employee at Gas Works Enterprise under Gas Product Processing and Trading Company; Planning and Engineering Specialist of Board of Project Management No 1 & 5 Le Duan under PetroVietnam; Engineering Specialist of HCMC-Phu My Gas Pipeline Management Board under PetroVietnam; Director of Petroleum Real Estate JSC - HCMC Branch under Petroleum Real Estate JSC; Deputy Chief of Office of PetroVietnam Ca Mau Fertilizer JSC; BOD Chairman, Deputy Cell Secretary of Vietnam Petroleum Packaging JSC. On January 20 2024, he was unanimously selected by PVCFC's extraordinary General Meeting of Shareholders as non-executive Director.

Positions at other companies: BOD Chairman of PPC



## ABOUT THE EXECUTIVE BOARD



**MR. VAN TIEN THANH**  
General Director

**Gender:** Male  
**Date of birth:** July 09, 1968  
**Qualification:** Agricultural and Forestry  
Mechanical Engineer

### Working history

He has many years of working experience and experience in the field of Engineering Technology with many different roles. Since 2005, he has worked in the Oil and Gas industry with positions such as: Deputy Head of Project Department, Ca Mau Gas - Electricity - Fertilizer Complex; Deputy Head of Department of Investment Preparation of Moroccan Projects of PetroVietnam Fertilizer and Chemicals Corporation. In 2011, in addition to the position of Deputy Head of Project Management Board of Ca Mau Gas - Power - Fertilizer Complex, he also held the position of Deputy Director of PetroVietnam Ca Mau One Member Company Limited. In April 2016, he concurrently held the position of Director of Research - Development Center, PetroVietnam Ca Mau Fertilizer Joint Stock Company. In June 2018, he was elected by the Shareholders' General Meeting to hold the position of Member of the Board of Directors cum General Director of PetroVietnam Ca Mau Fertilizer Joint Stock Company. In June 2023, he was continuously elected by the General Meeting of Shareholders as BOD member cum General Director.



**MR. TRAN CHI NGUYEN**  
Deputy General Director

**Gender:** Male  
**Date of birth:** September 21, 1975  
**Qualification:** Bachelor of Economics in  
Accounting, Bachelor of Law, Master  
of Business Administration

### Working history

Before 2008, Mr. Nguyen worked at Ca Mau Post Accounting Department with many different positions. From 2008 - 2011, he worked at the Finance - Accounting Department of the Project Management Unit of Ca Mau Gas - Power - Fertilizer Complex with the titles of Expert; Deputy Head of Department. Starting in 2012, he held the position of Chief Controller at PVCFC. In January 2015, he was appointed to the position of Member of the Board of Directors. From April 2016 to November 2019, he concurrently held the position of Chairman of the Board of Directors of PetroVietnam Packaging Joint Stock Company. In June 2020, he was appointed as Deputy General Director of PetroVietnam Ca Mau Fertilizer Joint Stock Company.



**MR. LE NGOC MINH TRI**  
Deputy General Director

**Gender:** Male  
**Date of birth:** October 19, 1970  
**Qualification:** Bachelor of Economics majoring in  
Accounting of Enterprises

### Working history

He has many years of experience in the field of Accounting and Auditing at units in the Oil and Gas industry such as: Accountant at PetroVietnam Tourism Corporation; Chief Accountant of Ca Mau Gas - Power - Fertilizer Complex Project Management Board. In 2011, in addition to the position of Accountant of the Project Management Board of Ca Mau Gas - Electricity - Fertilizer Complex, he was appointed to hold the position of Chief Accountant of PetroVietnam Ca Mau One Member Company Limited. From June 2015 to now, he has been appointed as Deputy General Director of PetroVietnam Ca Mau Fertilizer Joint Stock Company.



**MR. NGUYEN TUAN ANH**  
Deputy General Director

**Gender:** Male  
**Date of birth:** February 24, 1976  
**Qualification:** Master of Commerce, Bachelor of  
Accounting, Bachelor of Business

### Working history

Mr. Anh has many years of experience in various fields and hold positions: worked for Petroleum Construction & Investment Company in 1998; worked for Petroleum Insurance Corp in 2002; worked as Manager of PetroVietnam Northern LPG JSC in 2006; appointed as Director of Northern Fertilizer and Chemicals Co., Ltd in 2008. October 2009, worked as Head of Foreign Cooperation Project Department, Head of Investment and Construction Department and Head of Fertilizer Business Department of PetroVietnam Fertilizer and Chemicals Corporation. April 2014, worked as Deputy General Director of Vietnam Petrochemical and Fiber JSC. June 2017, appointed as Deputy General Director of PetroVietnam Ca Mau Fertilizer Joint Stock Company.



# ABOUT THE EXECUTIVE BOARD



## MS. NGUYEN THI HIEN Deputy General Director

**Gender:** Female  
**Date of birth:** July 13, 1974  
**Qualification:** Master of Economics  
**Working history**

Ms. Hien has years of experience in various fields and held many positions: March-October 1996, worked as Assistant Director of Investment Consultant Company; October 1996 - December 2001 worked as Economic Financial Analyst, estimating analyst/Head of Economics-Finance of Thermal Power Design Office - Power Engineering Consulting JSC 2 (EVN); January 2002 - August 2005 worked as Specialist/Deputy Head of Planning and Economic Department under Project Management Board of Ca Mau Gas - Power - Fertilizer Complex; September 2005 - June 2007 worked as Deputy Head of Planning and Economic Department of PetroVietnam Fertilizer and Chemicals Corporation -DC Vietnam Corp; June 2007 - March 2008 worked as Head of Supervisory Board of PetroVietnam Fertilizer and Chemical Corporation; April 2008 - January 2011 worked as BOD's member of PetroVietnam Fertilizer and Chemical Corporation, BOD Chairwoman of Southern Petroleum Housing Development and Management JSC; Chairwoman of Southeast PetroVietnam Fertilizer and Chemicals Company; February 2011 - December 2018 worked as BOD Vice Chairwoman of PetroVietnam Fertilizer and Chemicals Corporation, Chairwoman of Southeast PetroVietnam Fertilizer and Chemicals JSC; January 2019, she was appointed as Deputy General Director of PetroVietnam Ca Mau Fertilizer JSC.

## MR. NGUYEN THANH TUNG Deputy General Director

**Gender:** Male  
**Date of birth:** March 27, 1979  
**Qualification:** Master of Business Administration, Engineer in organic -petrochemical technology  
**Working history**

Mr. Tung has many years of working experience and experience in the fields of production with many different roles. Since April 2004, he has held the position of DCS Operation Engineer; From February 2007 - October 2010 was the shift leader of the Urea Workshop at Phu My Fertilizer Plant, PetroVietnam Fertilizer and Chemicals Corporation. At PetroVietnam Ca Mau One Member Company Limited, now is the PetroVietnam Ca Mau Fertilizer Joint Stock Company, he has held the following positions: February 2010, Manager of Urea workshop; March 2012, Deputy Head of Production Department; January 2013, Head of Production Operations Management Board; February 2016, Deputy Director of the Plant; February 2018, Director of the Plant. In July 2020, he was appointed as Deputy General Director of PetroVietnam Ca Mau Fertilizer Joint Stock Company and concurrently Director of Ca Mau Fertilizer Plant. On May 19, 2022, he stopped concurrently holding the position of Director of Ca Mau Fertilizer Plant.

## MR. DINH NHU CUONG Chief Accountant

**Gender:** Male  
**Date of birth:** February 20, 1977  
**Qualification:** Master of Finance - Banking, Bachelor of Economics and Accounting, IT Engineer

### Working history

Mr. Cuong has extensive experience in the field of Accounting, holding positions. From 1998 to March 2007, he held the following positions: General Accountant, Finance, Planning and Investment Department of Ca Mau City; In charge of the City's Accounting and Budget Department, Ca Mau City. In April 2007, he was shifted and held many positions in the Oil and Gas industry such as: Accountant of the Project Management Unit of Ca Mau Gas - Electricity - Fertilizer Complex; Expert; Accounting manager; Deputy Head of Finance - Accounting Division of PetroVietnam Ca Mau Fertilizer Joint Stock Company. In February 2016, he was appointed Chief Accountant cum Head of Finance - Accounting Division of PVCFC.

## MR. DO THANH HUNG Corporate Secretary

**Gender:** Male  
**Date of birth:** May 3, 1975  
**Qualification:** Master of Business Administration, Bachelor of Political Economy, Engineer in Petroleum Refining and Petrochemical Technology, Corporate Secretary Master Program (CSMP-VIOD), Director Certification Program (DCP-VIOD)

### Working history

Before joining PVCFC, Mr. Hung has many years of experience in field of oil and gas processing and corporate governance in organizations such as: R&D Center for petroleum processing - Vietnam Oil and Gas Group (1998-2006), Petroleum Finance Corporation-HCMC branch (2006-2011), Vietinbank - Branch No 7 (2011-2016). Since 2016, Mr. Hung started to work for PetroVietnam Ca Mau Fertilizer JSC. Thanked to in-depth knowledge and experience in fields of investment, finance, banking as well as has expertise in enterprise law, oil and gas processing and corporate governance, Mr. Hung has made positive contributions to advising and consulting activities for BOD regarding corporate governance.



# ABOUT THE SUPERVISORY BOARD



**MS. PHAN THI CAM HUONG**  
Head of Supervisory Board

**Gender:** Female  
**Date of birth:** May 8, 1977  
**Qualification:** Bachelor of Economics majoring in State Finance

**Working history**

Ms. Huong has 11 years of experience working as Accountant, Chief Accountant of Thien Thanh Production and Trading Co., Ltd; Accountant of Tan Thanh Phu My Vina Co., Ltd.

From 2011 to 2015, she worked at PVCFC and held positions: General Accounting Specialist, Deputy Head of the Accounting Department. She has been elected as Head of the Supervisory Board since January 2015 till now.

**MR. DO MINH DUONG**  
Supervisor

**Gender:** Male  
**Date of birth:** November 15, 1979  
**Qualification:** Master of Business Administration, Bachelor of Economics and General Accounting

**Working history**

Since 2002 he started to work as Deputy Manager of Food Technology Store - under Ca Mau Trading JSC. Till February 2008, he worked at Board of Project Management of Ca Mau Gas - Power - Fertilizer Cluster. As of October 2012, he started to work at PVCFC and held positions: Accounting Specialist; Specialist; Team Leader of Internal Control Division; he was elected by General Meeting of Shareholders as a member of Supervisory Board since April 2016, PetroVietnam Ca Mau Fertilizer JSC.

**MR. TRAN VAN BINH**  
Supervisor

**Gender:** Male  
**Date of birth:** December 26, 1989  
**Qualification:** Master of Business Administration, Bachelor in Finance - Banking

**Working history**

Mr. Binh has worked for PVCFC since April 2012. He has held many positions: 5 years working as Accounting Specialist; 1 year working as Deputy Head of General Accounting Department; 2 years working as Chief Accountant cum Head of General Accounting Department at Branch of PVCFC - R&D Center. In April 2021, he was unanimously elected by PVCFC's General Meeting of Shareholders as a member of the Supervisory Board.

*On June 12 2023, Mr. Tran Van Binh resigned from his position as a member of the Supervisory Board to hold his new position at PVCFC.*

**MR. LE CANH KHANH**  
Supervisor

**Gender:** Male  
**Date of birth:** September 28, 1970  
**Qualification:** Bachelor in Finance, Accounting and Economics

**Working history**

For over 30 years, Mr. Khanh has held many positions in various fields: Chief Accountant - Shrimp Center - Can Tho University, Credit Specialist - FOS Support and Development Program in Vinh Long province; General Accountant - Groupama Vietnam General Insurance Co., Ltd; Chief Accountant - Can Tho Automobile Mechanical JSC (CAMECO); Chief Accountant - PetroVietnam Packaging JSC (PPC). On June 12 2023, he was elected by PVCFC's General Meeting of Shareholders as a member of Supervisory Board.





**CREATING SOLUTIONS  
THRIVING AGRICULTURE**



### DEVELOPMENT STRATEGY

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# OVERVIEW OF FERTILIZER INDUSTRY 2023

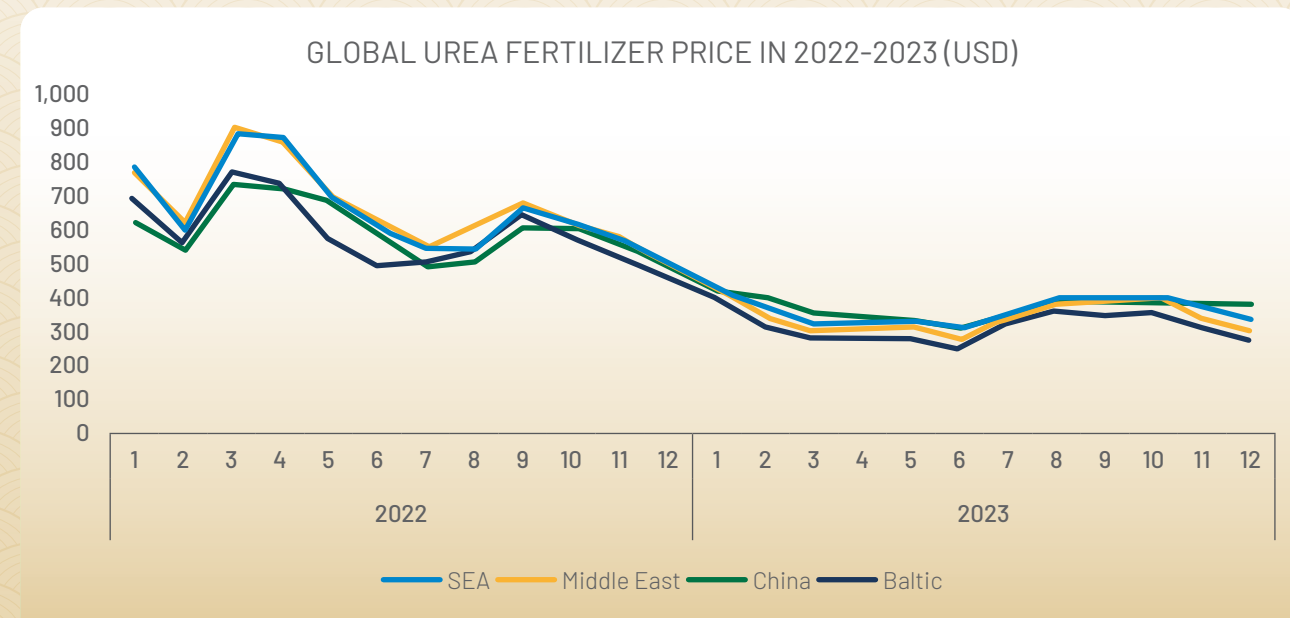
## GLOBAL FERTILIZER MARKET

### UREA MARKET

2023 marked a significant year of global urea market reaching approximately 190.4 million tons, up 4.1% as of 2022, the highest design capacity in 14 years. However, urea output was only slightly increased approximately 1% compared to previous year with a capacity of 157.9 million tons. The rise mainly came from the Asia region (China, Brunei, Indonesia, and India); Europe (Russia and Ukraine). In the meanwhile, some other regions such as West Asia and America witnessed a decline in output.

Especially, India and Bangladesh saw a start of new urea plants: India expects to put into operation six new urea plants with a capacity of 1.3 million tons per each year; Bangladesh has launched Southeast Asia's largest urea plant with a capacity of 924,000 tons/year. China has put into operation 3 new urea plants since October 2023. Brunei and Indonesia recorded strong growth. Meanwhile, the Middle East excluding Egypt, saw a decline in production in Iran and Saudi Arabia. Europe, especially Russia and Ukraine, also witnessed a urea output growth thanks to recovery of manufacturing of urea plants after a period of difficulty due to high gas prices in previous year.

Global opaque granular Urea fertilizer price trend and forecast



(Source: Fertecon)



GLOBAL UREA OUTPUT REACHED

157.9

MILLION TONS

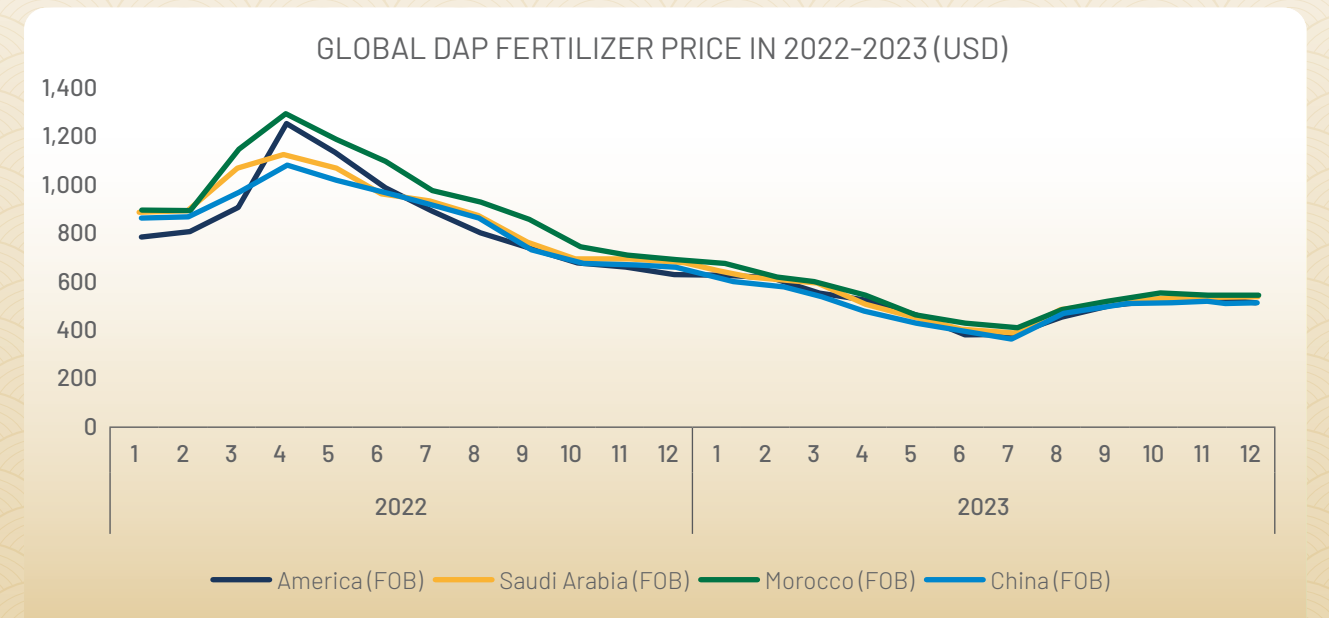
1% COMPARED TO 2022



### PHOSPHATE MARKET

In 2023, global phosphate production capacity was forecast to reach 63.6 million tons of P<sub>2</sub>O<sub>5</sub>, up 3% as of previous year. The actual output was forecast to rise by 3% reaching 52.7 million tons of P<sub>2</sub>O<sub>5</sub> thanks to recovery of manufacturing in Africa, South Asia and East Asia. By 2024, phosphate production capacity is forecasted to increase by 2% reaching 64.7 million tons of P<sub>2</sub>O<sub>5</sub> and actual output is expected to increase by 3% reaching 54.4 million tons of P<sub>2</sub>O<sub>5</sub>.

Global DAP fertilizer price trend and forecast



(Source: Argus)

GLOBAL P<sub>2</sub>O<sub>5</sub> OUTPUT REACHED

52.7

MILLION TONS

3% COMPARED TO 2022



# OVERVIEW OF FERTILIZER INDUSTRY 2023

## GLOBAL FERTILIZER MARKET

### POTASH MARKET

Global potash production capacity was forecast to reach 64.3 million tons in 2023, up 2% as of 2022. Actual output reached approximately 48.5 million tons, up 4% as of previous year due to an increase in supply from Lao PDR and Canada plus operation of new plants and improved operational capacity. However, the output of some plants in Russia and Belarus reduced due to impacts of Russia - Ukraine conflict and sanctions imposed by the US and EU.

Lao DPR, Thailand, Vietnam and Canada emerged as spotlights in potash development and production expansion. Lao DPR has restarted producing MOP, Thailand has revived its potash mining product, Vietnam has planned to boost commercial production of MOP while Canada continued to pour capital into Jansen Potash project. However, Canada witnessed a production drop at Mosaic plant and closure of Potash mine due to high inventory. The U.S.A is expected to boost Potash sales. Belarus and Russia saw a decline in output due to sanctions and conflicts.

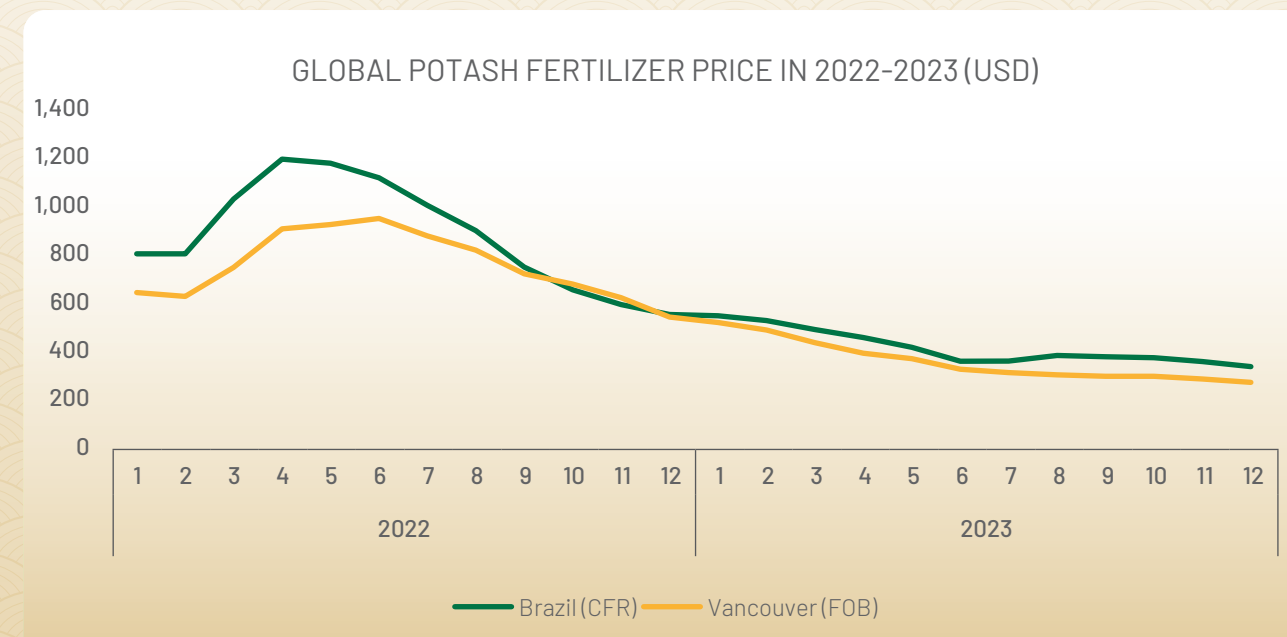
**GLOBAL POTASH OUTPUT REACHED**

**48.5**

MILLION TONS

**▲ 4% COMPARED TO 2022**

Global potash fertilizer price trend and forecast



(Source: Argus)

### NPK FERTILIZER MARKET

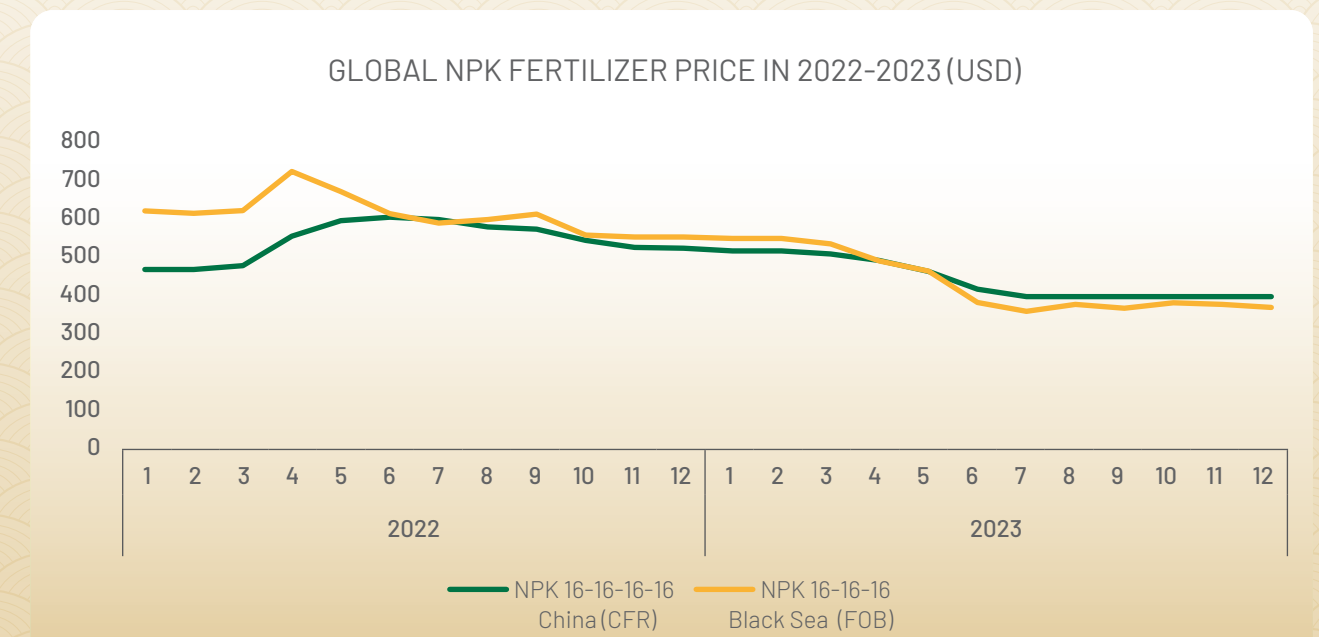
Global NPK fertilizer price saw a significant decrease from January to July 2023 due to buyers' limited participation because they were uncertain about price trends, high inventory and a drop in single fertilize price. From August to December 2023, NPK fertilizer price slightly inched back in almost markets due to rising material price and high demand. This led to price of NPK 16-16-16 fertilizer in Southeast Asia dropped by 27% down to 522 USD/ton, NPK 15-15-15 fertilizer price in China dropped by 22% down to 554 USD/ton while the fertilizer price in Morocco falling by 32% down to 506 USD/ton.

In the first half of 2023, NPK fertilizer market turned its eyes to large bidders in India, many tenders failed because buyers did not accept

the price. From January to July, the price of NPK 16-16-16 fertilizers in Southeast Asia fell by 31%, the price of NPK 10-26-26 fertilizer dropped by 32% in India. From January to July saw a limited supply due to export restrictions placed by Russia and China.

However, from August to December, the price of NPK fertilizer inched back due to high demand and rising material price. Especially, the demand in India, Southeast Asia and Europe increased. In the meanwhile, the supply from China decreased due to export restrictions plus limited supply from Russia. In December, the price of NPK 15-15-15 fertilizer in China rose by 3% up to 492 USD/ton, price of NPK 16-16-16 fertilizer in Southeast Asia rose by 7% up to 490 USD/ton.

Global NPK fertilizer price trend and forecast



(Source: Argus)



# OVERVIEW OF FERTILIZER INDUSTRY 2023

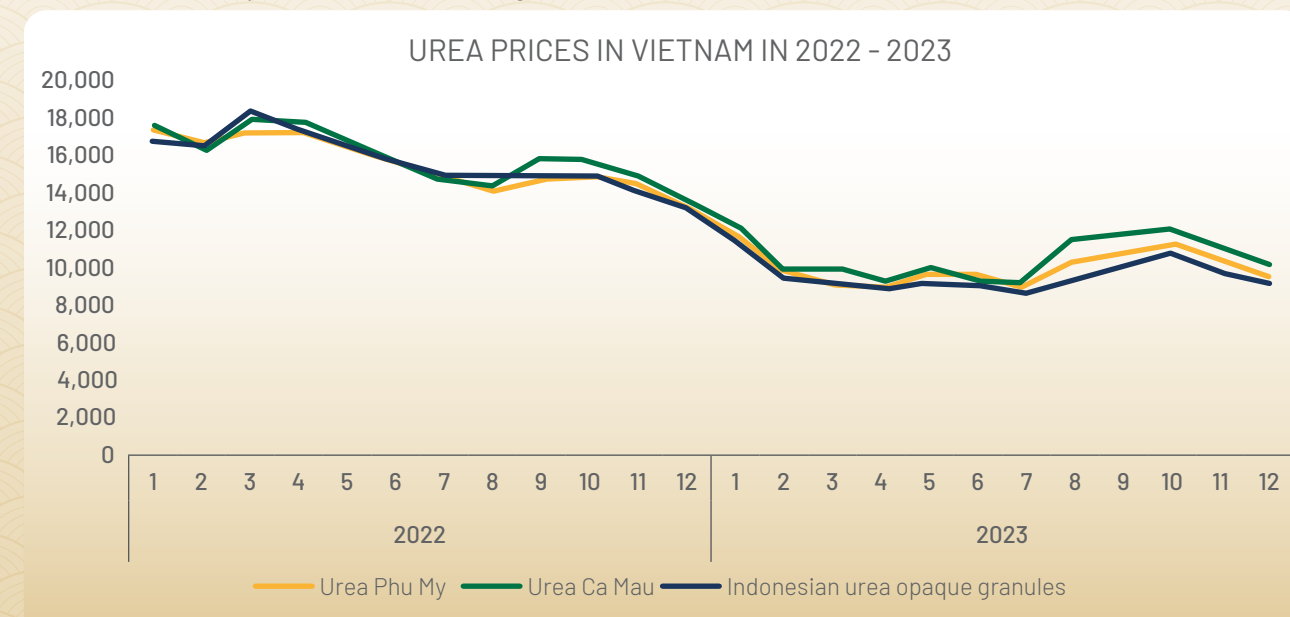
## VIETNAM FERTILIZER MARKET

### UREA MARKET

According to AgroMonitor, Vietnam urea market saw an increase in supply and a slight decrease in total demand in 2023 causing a pressure on urea price. A decrease in global urea price in the first half of 2023 had impacts on consumer sentiment, most transactions were small scale due to caution from distributors. Total domestic and import supply combined with inventories were estimated at 2.95 million tons, up 2.35% as of previous year. Imported products increased significantly as an offsetting for a light decrease in production. Weak demand due to a sharp drop in export while domestic consumption slightly recovered in general.

Amount of urea inventories was higher than that of two previous years with an average inventory amount of over 400,000 tons compared to 300,000 tons in 2022 and 220,000 tons in 2021. The highest level of inventories was recorded in the last two months of 2023 because manufacturers and traders prepared products for the Winter-Spring crop. However, the Winter-Spring crop in 2023 was one month delayed compared to previous years, there was a supply surplus in the last two months causing a drop in urea price since a slight recovery recorded from August to October 2023.

Domestic UREA prices (Unit: VND/kg)



(Source: AgroMonitor)

**TOTAL DOMESTIC AND IMPORT SUPPLY COMBINED WITH INVENTORIES WERE ESTIMATED AT**

**2.95**  
MILLION TONS

**▲ 2.35%**  
AS OF PREVIOUS YEAR

### DAP MARKET

According to AgroMonitor, 2023 saw an increase in both supply and demand of DAP in Vietnam compared to 2022. Total supply reached 953,000 tons, up 241,000 tons, imported products increased by 25% up to 438,000 tons, products imported from China rose by 97%. Domestic production also increased by 7.5%, lower than 2020-2021 due to scarcity of apatite ore.

Total demand of DAP in 2023 was estimated at 710,000 tons, up 150,000 tons, and exports rose by 50% up to 180,000 tons. Domestic consumption serving production and crop cultivation also increased.

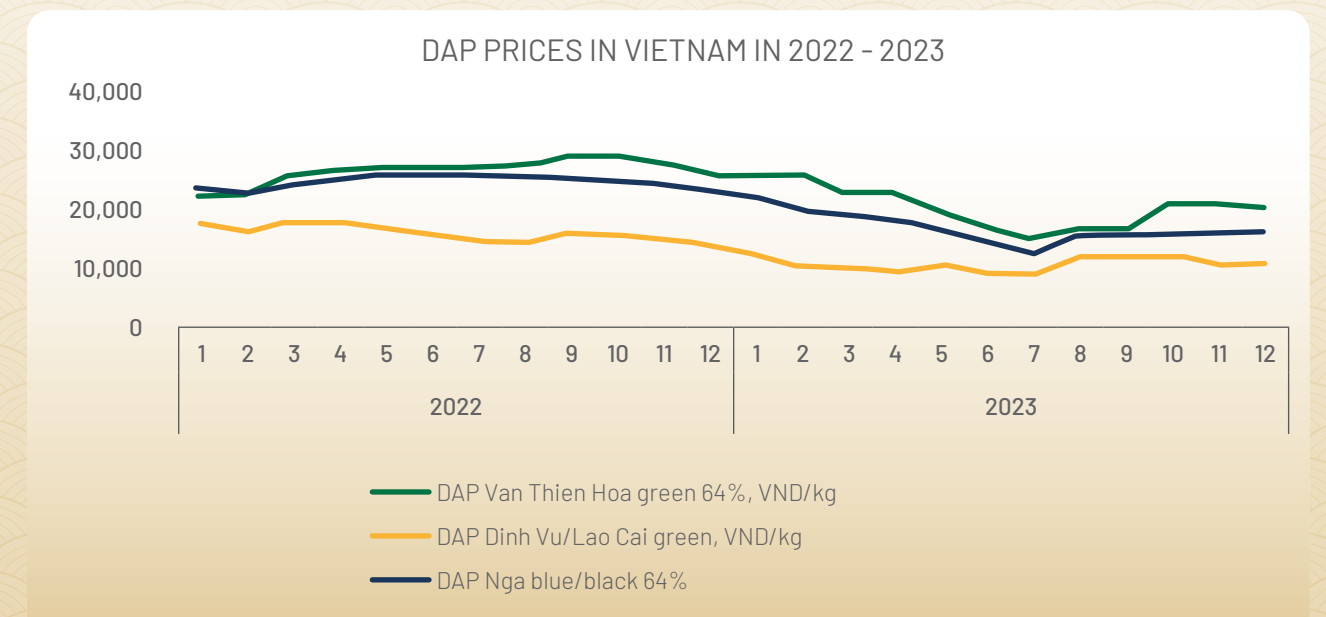
However, due to excess supply, inventory increased by 59% at the end of 2023, inventory in the first 7 months of 2023 maintained at 99,000-152,000 tons and rose to 170,000-250,000 tons in the last 5 months due to an increase in import.

**TOTAL SUPPLY IN VIETNAM REACHED**

**953**  
THOUSAND TONS

**▲ 241 THOUSAND TONS**  
COMPARED TO 2022

Domestic DAP prices (Unit: VND/kg)



(Source: AgroMonitor)

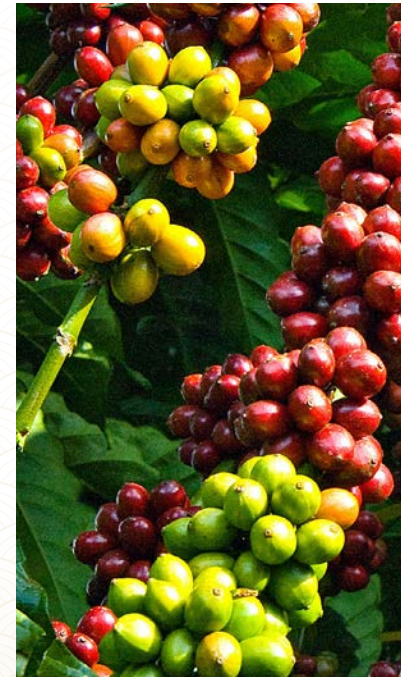


# OVERVIEW OF FERTILIZER INDUSTRY 2023

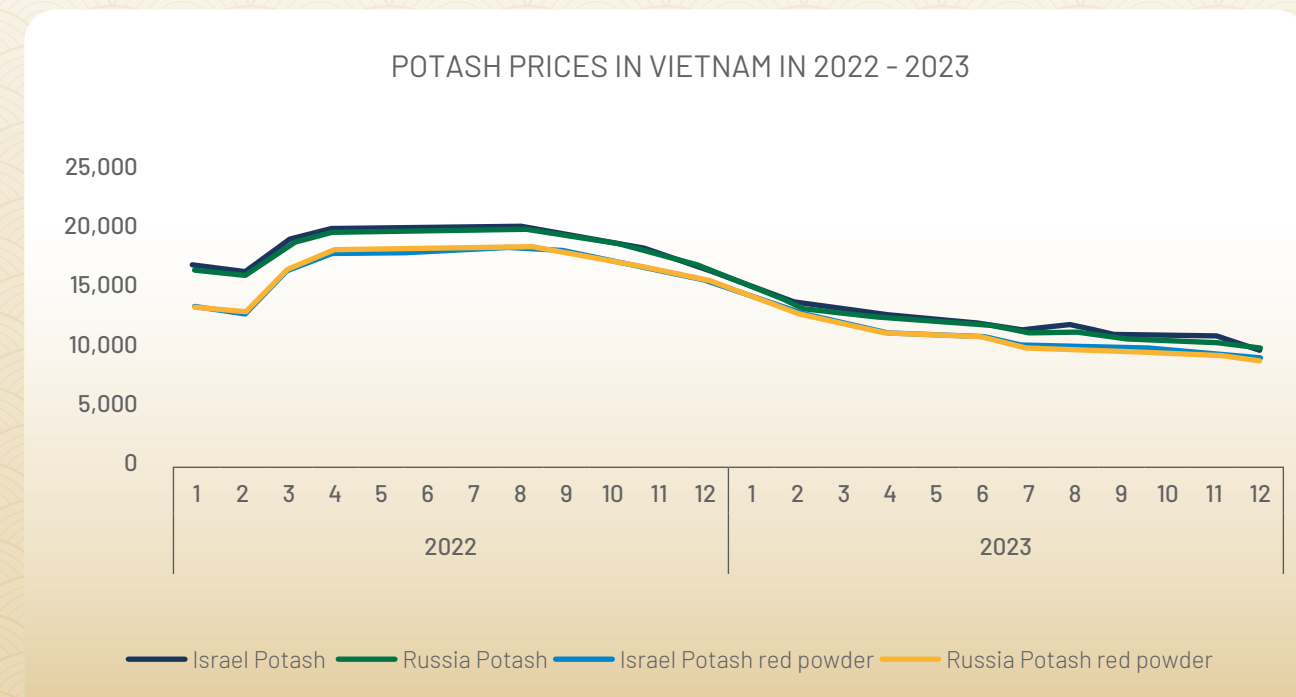
## VIETNAM FERTILIZER MARKET

### POTASH MARKET

According to AgroMonitor, Potash price in Vietnam 2023 dropped continuously but not returned to pre-crisis level in February 2021. Urea and DAP prices were almost equal to that level in June-July 2023. Potash transactions were quiet due to risks of falling price leading to limited purchase of distributors. Potash consumption for crops slightly increased by 5% while NPK consumption decreased by 15%. Total Potash demand fell by 17.3% compared to previous year, total supply also dropped by 3.8% mainly due to low inventories at the beginning of the year despite an increase of 25% in import in the last 5 months. The first 7 months of 2023 saw a decrease in potash inventories due to release of inventory at high price plus limited import. From August to October saw a gradual increase and reached the highest level of 252,000 tons at the end of October and maintained at 228,000-238,000 tons in November and December.



Domestic Potash prices (Unit: VND/kg)



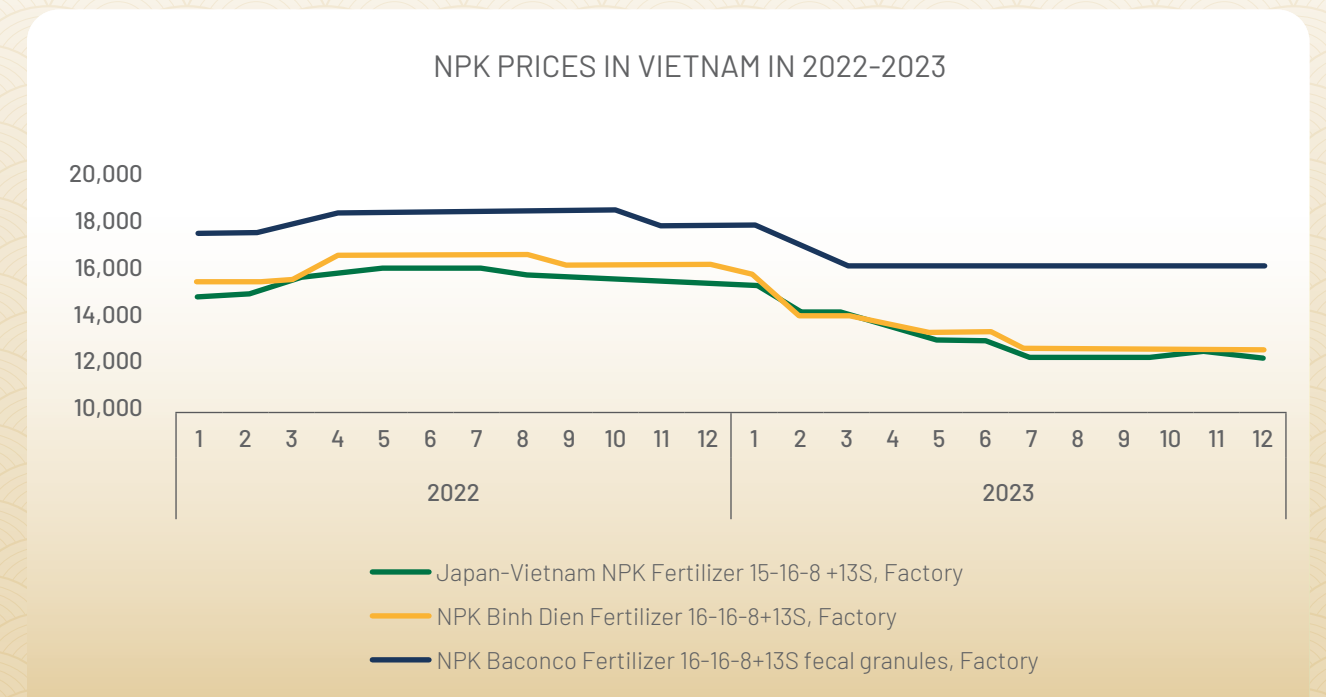
(Source: AgroMonitor)

### NPK MARKET

According to AgroMonitor, the Vietnamese NPK market saw a fluctuation in both supply and demand in 2023. Inventories decreased by 16% as of early 2022 with a capacity of 279,000 tons. Total NPK fertilizer production output enjoyed a slight increase of 1.36% to 2.63 million tons despite impacts of a decline in single fertilizer price faster than that of mixed fertilizers, this led to partial recovery of NPK fertilizer consumption. Production capacity of plants under Chemical Group dropped by 7% down to 1.05 million tons, other plants enjoyed an increase of 7.8% up to 1.58 million tons.

Imported NPK fertilizers significantly increased by 46.7% up to 548,000 tons, imported NPK fertilizers from China and Russia increased by 43% and 86% respectively. Average import price decreased compared to 2022 leading to high import output. Specifically, the imported NPK price from Russia was 508 USD/ton and 524 USD/ton from China, despite a decline in price compared to 2022 but still higher than that of 2021.

Domestic NPK prices (Unit: VND/kg)



**TOTAL DOMESTIC NPK FERTILIZER PRODUCTION OUTPUT**

**2.63**  
MILLION TONS

**▲ 1.36%**  
COMPARED TO 2022

(Source: AgroMonitor)



# PROSPECTS FOR FERTILIZER INDUSTRY IN 2024

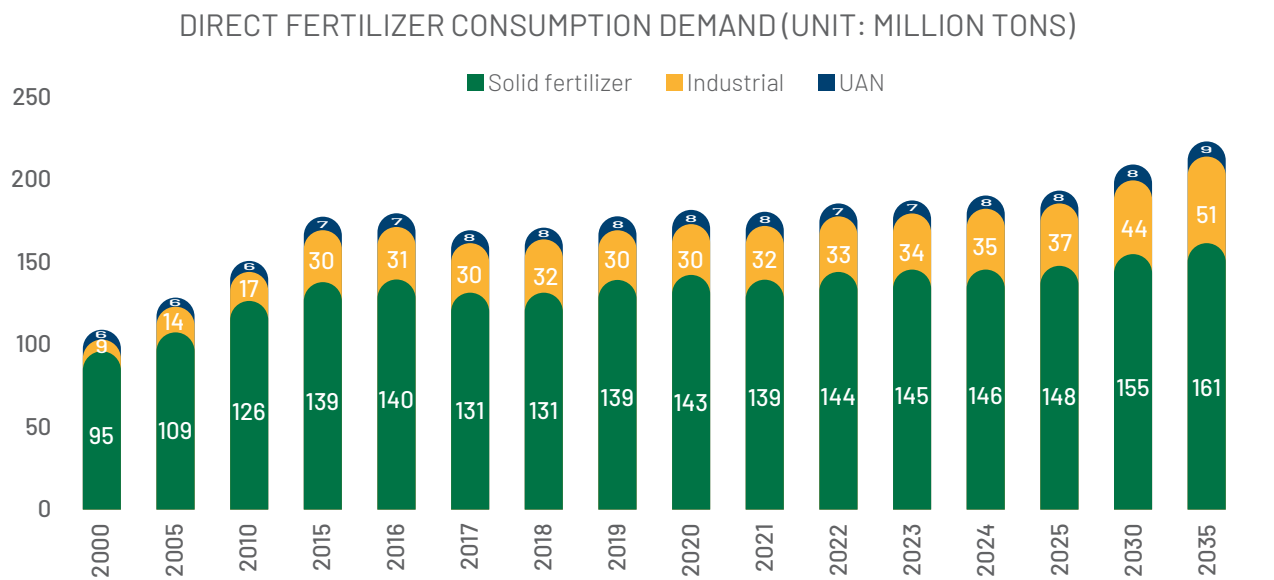


## WORLD FERTILIZER MARKET

### UREA MARKET

The global urea production capacity in 2024 is estimated to reach 237.232 million tons, continuing the upward trend compared to 2023.

Southeast Asia maintains a stable supply at 17.151 million tons. South Asia increases to 40.163 million tons; East Asia increases to 77.098 million tons, while Africa increases to 17.025 million tons.



(Source: Fertecon)

The global urea consumption demand in 2024 is estimated to reach 189 million tons, showing a slight increase compared to 2023, with approximately 146 million tons projected for direct fertilizer usage.

The forecasted annual growth in demand, estimated at around 2.2 million tons per year during the same period (including both fertilizers and industrial urea), is lower than the growth rate of supply (capacity), at approximately 6.3 million tons per year. This indicates a more intense competition in the future for the urea market.

Asia will remain the largest market for direct urea usage and is expected to dominate growth in total volume over the next two decades, albeit with a forecasted modest growth rate of only 0.7% per year, with the largest volume increase anticipated in South Asia. China's growth rate is slowing down due to market saturation coupled with government interventions.

A strong growth forecast is expected in Latin America and Africa, the regions with the most potential for agricultural development.

**EXPECTED CAPACITY OF WORLD UREA PLANTS IN 2024**

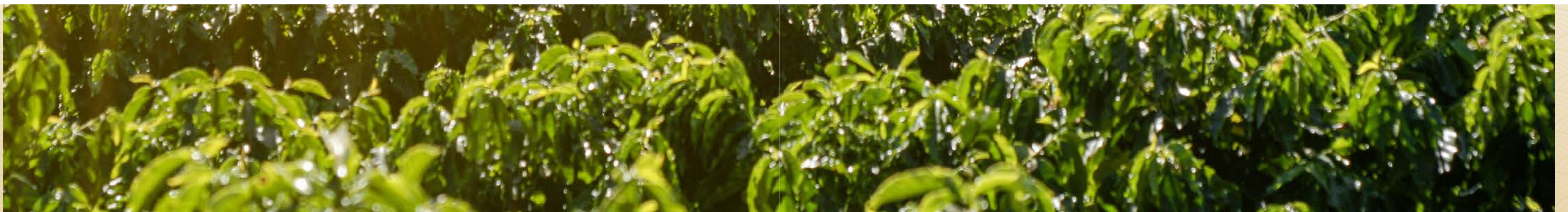
**237.2**

MILLION TONS

**EXPECTED CONSUMPTION DEMAND**

**189**

MILLION TONS



(Source: Mosaic)



# PROSPECTS FOR FERTILIZER INDUSTRY IN 2024

## WORLD DAP MARKET

The global demand for DAP in 2024 is forecasted to be around 73-76 million tons, showing a slight increase compared to last year due to the projected prospects of seasonal conditions and expanded agricultural cultivation areas worldwide. Furthermore, the continuous decrease in DAP prices has contributed to stimulating consumer demand for DAP, while the prices of some major agricultural products such as corn and soybeans remain attractive compared to DAP prices for farmers in key consumption markets.

Overall, the demand is expected to continue improving in major markets such as Brazil, Argentina, North America, and Asia, while consumption levels in India and China are somewhat slower compared to the rest of the world.

**FORECASTED GLOBAL DAP DEMAND IN 2024**  
**73-76**  
 MILLION TONS

## WORLD POTASH MARKET

Global potash consumption is expected to see significant improvement in 2024, reaching an estimated 68-72 million tons. Major consumer markets are maintaining their growth momentum, notably Latin America (15-16 million tons), China (14-16 million tons), North America (8.5-9.5 million tons), India (2.6-3.2 million tons), and other Asian countries (8.5-9.2 million tons), etc.

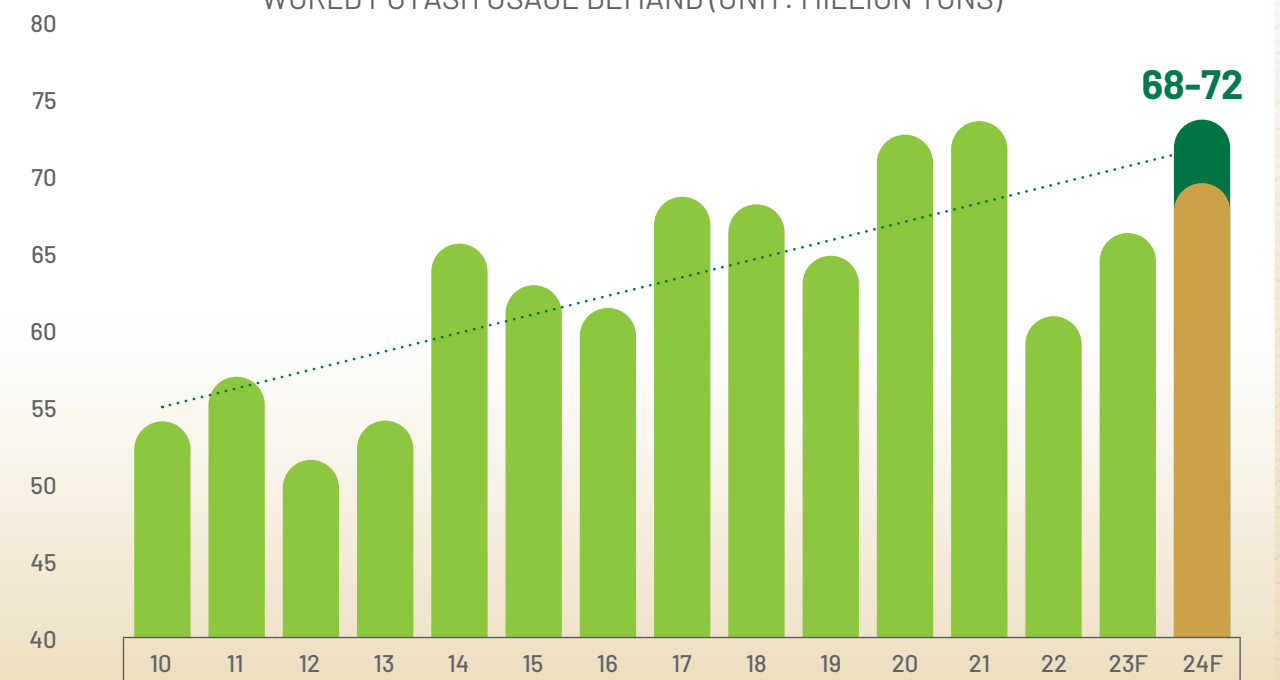
**FORECASTED GLOBAL POTASH DEMAND IN 2024**  
**68-72**  
 MILLION TONS

GLOBAL DAP USAGE DEMAND (UNIT: MILLION TONS)



(Source: Mosaic)

WORLD POTASH USAGE DEMAND (UNIT: MILLION TONS)



(Source: Mosaic)



# PROSPECTS FOR FERTILIZER INDUSTRY IN 2024

## DOMESTIC FERTILIZER MARKET

### VIETNAM UREA MARKET

In 2024, urea demand in Vietnam is forecasted to recover after facing two years of price turbulence. However, this growth is expected to be moderate due to high urea prices in the first half of 2023. AgroMonitor predicts domestic urea consumption in Vietnam in 2024 to be in the range of 2.05-2.11 million tons, an increase from 1.74-1.93 million tons in 2022-2023.

Vietnam's urea exports in 2024 are forecasted to see slight growth or stability compared to 2023, as global nitrogen supply is expected to increase. The Asian region is expected to witness increased

**FORECASTED DOMESTIC UREA CONSUMPTION IN 2024**

**2.05 - 2.11**  
MILLION TONS



production from new urea plants, particularly in India and Bangladesh, which could introduce additional competition for Vietnam, although the Cambodian market still holds export potential. Vietnam's urea exports in 2024 are estimated to be in the range of 550-570 thousand tons.

Domestic urea supply is projected to reach 2.2-2.4 million tons. Forecasted urea imports in 2024 are lower than in 2023, estimated at 200-250 thousand tons, reflecting a slowdown after a lively year and depending on competition from domestic production and pricing policies.

### VIETNAM DAP MARKET

In 2024, it is forecasted that DAP imports to Vietnam may increase compared to 2023, with the potential for a strong recovery in the latter half of the year due to factors such as China's export policies and developments in the Red Sea region. It is estimated that DAP imports will reach 440-460 thousand tons. China, being the largest supplier, is expected to limit exports in the first quarter but increase them after the spring season. Russia, another important source, will continue to impose export taxes, with shipping costs expected to rise due to tensions in the Red Sea. South Korea, although the third-largest market, still faces issues with high Cadmium content in the product.

**ESTIMATED DOMESTIC DAP PRODUCTION IN 2024**

**400 - 420**  
THOUSAND TONS

Regarding demand, the world DAP prices are expected to increase in the first quarter of 2024 but decrease thereafter, supporting domestic DAP consumption, particularly in the early second quarter as the Spring-Summer crop season begins. Global demand for P<sub>2</sub>O<sub>5</sub>-containing fertilizers is also expected to increase slightly, with increases anticipated in East Asia, South Asia, and West Asia. Domestic DAP consumption is projected to rise to 620-660 thousand tons, compared to 530 thousand tons in 2023.

Domestic DAP production is expected to increase, with plants adjusting production according to supply demand dynamics and price trends. The estimated production volume is 400-420 thousand tons, an increase from 362 thousand tons in 2023.

### VIETNAM POTASH MARKET

The outlook for the potash supply in Vietnam in 2024 is expected to be influenced by global supply and potash pricing trends. The potash price is forecasted to stabilize after a downward trend from late 2023 to early 2024, moving closer to pre-energy crisis levels. AgroMonitor predicts that potash domestic consumption for crops and production materials will increase, with estimated consumption reaching 250-300 thousand tons for crops and 500-550 thousand tons for production materials.

**EXPECTED POTASH CONSUMPTION IN 2024 FOR CROPS**

**250 - 300**  
THOUSAND TONS



The production volume of MOP in Laos, with planned production expansions, is expected to increase the supply to the Southeast Asian market and impact regional trade flows. This could create price pressure and competition with other suppliers. It is anticipated that Vietnam's potash imports in 2024 will rise to the range of 800-850 thousand tons, reflecting increased imports from Laos and the potential decrease in imports from countries such as Russia, Canada, Israel, Belarus, and Uzbekistan due to geopolitical issues and possible increases in transportation costs.

### VIETNAM NPK FERTILIZER MARKET

In 2024, both consumption and production of NPK fertilizers in Vietnam are forecasted to increase. Consumption is expected to grow by 11-15% to reach 2.9-3 million tons, while production is projected to increase by 1-3% to reach 2.63-2.65 million tons. Specifically, production volumes of NPK Ca Mau and NPK Phu My are expected to rise.

Regarding imports, it is anticipated that they will either remain stable or experience a slight decrease compared to 2023, with the main sources being China and Russia. The forecast for NPK fertilizer imports in 2024 is 500-550 thousand tons, a reduction from 548 thousand tons in 2023, continuing the trend of product diversification and distribution of imported goods.

**THE FORECAST FOR NPK FERTILIZER IMPORTS IN 2024**

**500 - 550**  
THOUSAND TONS





# SWOT ANALYSIS



## MAINTAINING MARKET LEADERSHIP

During the past, PVCFC has been one of the leading enterprises in the Urea when positioning and leading the market in terms of market share, brand, selling policy and ability to adjust selling price.

PVCFC ensures that it can be able to compete with locally manufactured products, especially with imported products. Maintain a certain sale price gap compared to similar products, restrict involving in price wars in a negative manner because it reduces PVCFC's internal strength and detrimental to business.

By putting Ca Mau NPK Fertilizer Plant into operation, PVCFC has step by step shown its pioneering and leading role in affirming its position as Vietnam's leading fertilizer trading and production company and beyond across Southeast Asia.

## STRONG AND MARKET-COVERED TIER 1 AND TIER 2 DISTRIBUTION SYSTEM

Tier 1 and Tier 2 distribution system is strong and covers the market, especially the key markets in the Mekong Delta and Cambodia which creates a firm foundation for PVCFC to deploy its focus strategy, with selection and priority, for the purpose of optimizing revenue, selling price, and business efficiency. At present, more than two thirds of PVCFC's sales

volumes come from the Mekong Delta market, therefore, distribution planning plays an important part of PVCFC's business strategy.

## STREAMLINING SALES SYSTEM FOR COST SAVING

In the coming time, to further promote and optimize the distribution model, PVCFC continues to research and test new forms of distribution on the basis of ensuring harmonious interests of manufacturers - distributors - consumers. By strengthening application of IT into production, sales and distribution management, PVCFC considers it as one of the most important and effective tools that the company should own.

PVCFC always ensures a neat and well organized distribution system, prioritizing recruiting local sales team who has a deep understanding of the market, products and regional culture; upholding proactive, creative and dynamic role of management teams of all levels; encouraging motivating and building a results-oriented sales team, creating a fair sales compensation plan based on employees' efforts.

Above all, it is required to streamline the sales system with timely updating of market situation and competitor information to meet diverse needs and strict requirements of distribution system and consumers.

## GRADUALLY IMPROVING BUSINESS EFFICIENCY OF TANGIBLE ASSETS AND INCREASING INTANGIBLE ASSET VALUE

PVCFC always strives to ensure important goals for shareholders are being achieved; continuously improving financial indicators such as ROA, ROE, EPS, etc. In general, through working with financial institutions, foreign investment funds, PVCFC has received positive assessments on financial indicators and sales growth.

In the coming time, the Company strives to increase value of intangible assets such as brand, copyright, technology, invention and solutions throughout the value chain to enhance market value of assets.

## PRODUCTION COST IS STILL A RELATIVELY DISADVANTAGE COMPARED TO OTHER COUNTRIES

Due to many reasons, PVCFC's Urea production cost is still quite high as compared to some other countries. Production cost in some countries is less than 200 USD/ton because they have advantages in resources and less investment costs. Many of them are in the Middle East and Baltic region possessing abundant oil and gas resources and having a developed oil and gas industry.

In Asia, some plants in Indonesia, Malaysia and China, Brunei also have competitive and lower production costs than PVCFC's. Thus, PVCFC's competition in export markets sometimes faces certain disadvantages compared to competitors in the region.

## LOGISTIC COST OCCUPIES FOR A HIGH PROPORTION, LIMITING LONG-TERM COMPETITION

Logistics activities in supply chain and fertilizer distribution from Ca Mau Fertilizer Plant to many domestic markets are carried out by multi-modal transport leading to a remarkable cost arisen. This cannot be settled down early in the medium-term or long-term and depends on many intermediaries, thereby affecting PVCFC's product distribution to domestic consumers.





# SWOT ANALYSIS



## THE NATIONAL ASSEMBLY WILL PASS THE LAW ON VAT SOON

From 2014 until now, the VAT Law applies to fertilizer manufactures and trading units that are not imposed VAT. Thus PVCFC and many production and trading units in the industry bear a large input costs. It is estimated that the non-deductible input costs are from 500-700 billion VND per year. This makes it difficult for business and production activities in the context of severe competition domestically and internationally.

However, amendment proposals of Law on VAT have been submitted to the Government and the National Assembly for consideration to make fertilizers subject to VAT at a reasonable level, creating favorable conditions for domestic fertilizer manufacturers.

According to experts, Law on VAT is drawing a special attention and support from the National Assembly, Ministries and related agencies, it can be passed soon in the next sessions. If feasible, this can be a big opportunity for domestic fertilizer manufacturers, creating favorable conditions for reducing input costs, reducing product price, improving production efficiency and boosting domestic consumption.

## WELL EXPLOITING OPPORTUNITY FROM FERTILIZERS FOR RICE AND FRUIT TREES IN MEKONG DELTA

Mekong Delta is the largest fertilizer consumption market in Vietnam with the demand from farmers on Urea from 680,000 to 720,000 tons/year, DAP from 360,000 to 390,000 tons/year, Potassium from 220,000 to 260,000 tons/year, NPK from 800,000 to 1,100,000 tons/year and other fertilizers from 1,000,000 to 1,200,000 tons/year.

**Ca Mau Fertilizer Plant is located in Mekong Delta.** This is the largest market in the country with potential agricultural and aquatic development, in which rice and fruit growth and export are the regional strength. Annual rice cultivation area is stable at 1.6 million hectares with 2 main crops of Winter-Spring and Summer-Autumn, excluding the third crop with an area of 650,000-750,000 hectares operating under export orientation (rice export of Mekong Delta account for 80% of total annual rice export, from 6 - 7 million tons, valued at more than USD 3 billion/year). It can be seen that with the Urea market share of 60% - 65% at Mekong Delta, this is an advantage that many other enterprises in the same industry are difficult to have.

**For fruit tree market,** area of land for growing fruit trees in the Mekong Delta accounts for more than 60% of the total fruit tree area in the country of more than one million hectares, in which many products are provided to the processing companies in the region for domestic consumption and export. In the coming years, this will be a major market share for new products and NPK products of PVCFC.

According to economic experts and scientific research teams, if invested appropriately, the economic efficiency from the fruit tree market will be higher than that of rice growth. Therefore, the potential development of fruit trees in the Mekong Delta is expected to bring more opportunities and to improve in the future.

This will help PVCFC develop and new products and NPK products as well as give nutrient solutions serving the regional development in the future.

**For vegetable market,** with a large cultivation area, distributed in fertile lands stretching across low lying areas along the basins of Tien Giang and Hau Giang rivers with a short cultivation time has created favorable for PVCFC to expand new fertilizers and high value organic fertilizers, making a great contribution to supporting the supply chain of “green - clean - beautiful” vegetable

products that are suitable to consumer taste and gradually meet the demand of retail supermarkets of the large domestic and foreign corporations.

**With the largest number of Level 1 and Level 2 agents nationwide,** PVCFC has been maintaining and expanding its market share of strategic fertilizer products, making important contributions to the structure of product consumption. In addition, with an advantage of bordering Cambodia, provinces in the Mekong Delta Region have been actively expanding trade exchange activities with Cambodian partners in various fields; strengthening market connectivity between the Mekong Delta and Cambodia; creating sustainable advantages to maintain and promote trade exchange between Vietnam and Cambodia in general and traders in border provinces in particular.

## TAKING ADVANTAGES FROM INDUSTRIAL TREES IN SOUTHEAST AND CENTRAL HIGHLANDS

Southeast and Central Highlands are potential markets for fertilizers serving industry trees, in which the demand for Urea consumption is from 180,000 to 220,000 tons/year; NPK from 1,100,000 - 1,200,000 tons/year; Potassium from 130,000 - 160,000 tons/year; and DAP from 40,000 - 50,000 tons/year; and other



# SWOT ANALYSIS

fertilizers from 500,000 - 650,000 tons/year. According to statistics, most of coffee and rubber trees in Vietnam are concentrated in the Southeast and Central Highlands, of which coffee is allocated in 3 provinces i.e., Dak Lak, Gia Lai, and Lam Dong in Central Highlands, with an area of more than 600,000 hectares. An area of 930,000 hectares of rubber located in Southeastern provinces, other crops such as pepper, cashew, tea, cassava and other fruit trees with high economic value. In general, demand for NPK, SA, Potassium fertilizer consumption for industrial crops is huge in these two regions. There is a high and promising potential for agricultural development in the future.

PVCFC is focusing on developing its distribution channels, supplying other high-value products based on original products including Urea, NPK, microbial and organic fertilizers to adapt to crop-species diversity and soil characteristics, climate conditions. NPK fertilizer products have been receiving positive feedback from agents and consumers thanks to quality, design, price suitable for soil characteristics and crops in the Central Highlands. These are important factors for PVCFC to continue its efforts in upholding its available potential and advantages, creating long-term engagement with agents and farmers in Southeastern and Central Highlands regions in the coming time.

## EXPANDING AND DEVELOPING MARKET SHARE IN CAMBODIA, INTERNATIONAL MARKETS

Cambodia has been an important market of PVCFC in its development strategy based on continuously increasing demand with annual average Urea consumption need of 380,000 - 410,000 tons/year; 250,000 - 280,000 tons of DAP/year; 260,000-300,000 tons of NPK/year and other types of fertilizers. If making good use of this opportunity, it will help PVCFC successfully penetrate and expand its brand "Ca Mau Fertilizer" to Cambodian.

Ca Mau Urea accounts for approximately 35%-40% market share per year, PVCFC, in the coming time, will boost NPK fertilizer consumption to 15-20% of market share in Cambodia. This aims to make a breakthrough in business strategy in Cambodia in particular and in Southeast Asia in general in its international market development strategy.

PVCFC continues to expand its presence in other countries such as Southeast Asia, South Asia, Latin America including Thailand, Myanmar, the Philippines, Bangladesh, Nepal, Sri Lanka, India, Brazil. These are large-scale and stable consumers of fertilizers, PVCFC will uphold its advantages in terms of price, product quality in these markets because its products have been positively valued by customers who tend to use granular fertilizers. In the coming years, PVCFC continues to develop new markets in Europe, Oceania and North America. In the early months of 2024, PVCFC has signed some important supply contracts in some demanded markets such as Australia, New Zealand. It is expected to achieve more positive results in the coming time.

Market diversification helps PVCFC reduce business risks in the context of domestic market saturation, severe competition in Southeast Asia and Asia regions with many new fertilizer plants putting into operation. Additionally, it helps reduce dependency on seasonal cycles, especially at the low season of the domestic market. It also aims to maintain its competitive advantages in international markets; proactively and deeply participating in the global business network toward higher standards of fertilizer industry in the new situation.

## EXPORT PRICE OF AGRICULTURAL PRODUCTS IS FORECAST TO RISE IN 2024

With the recovery of agricultural market in the past years, Vietnam's agricultural export is expected to continuously improve



## INPUT MATERIAL EXPENSE

In general, forecasts said that input materials of urea production still face multiple difficulties due to high oil prices at 75-80 USD/barrel. This will have impacts on product cost and competitiveness of PVCFC, making it less competitive compared to other fertilizer plants in Middle East, Baltic and Southeast Asia. Especially with low costs, Russia and Iran are now ready to reduce product prices to win attractive deals while earning reasonable profit margins.

## COMPETITION PRESSURE FROM ASIA

BFI Plant, Brunei, with a capacity of 1.27 million tons/year - one of the latest plants operating in recent time - has caused big pressures for the Southeast Asia region due to its low-cost advantage plus positive support of The Government of Brunei. BFI has penetrated into the Vietnamese market through small and medium-size shipments mainly serving needs of materials for NPK fertilizer plants in Southern Vietnam.

China continues innovating its domestic fertilizer business and production industry, promoting investment in gas powered environmentally friendly machinery. Scale is now China's biggest advantage. China still imposes export quotas on fertilizer, but this policy can change from the beginning of Quarter 2 2024, this can be able to create enormous pressures on other regions around the world.





# PVCFC SUSTAINABLE VALUE CHAIN

**ASSISTING**

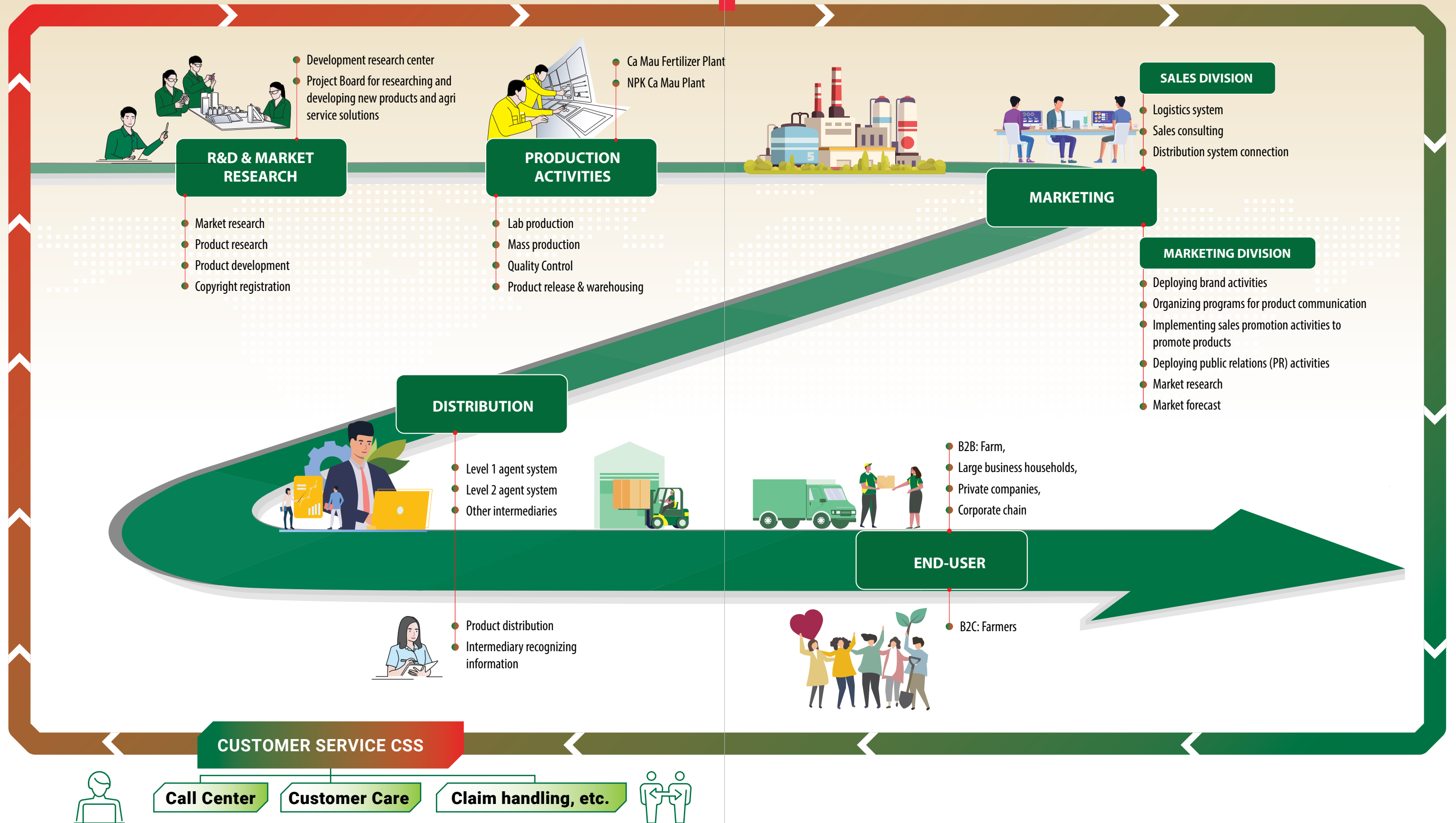
**DIVISION**

**Direct**

Big Data, Finance & Accounting Div.,  
Technique Safety and IT Div., Supervisory Board

**Indirect**

Human Capital Div., Planning & Investment Div., Commercial Div.





# DEVELOPMENT ORIENTATION

1



## DIGITAL TRANSFORMATION

PVCFC has been making certain investments in digital transformation by implementing and applying big projects: ERP system, Big Data, DMS, etc. at different levels to effectively exploit market information and data, distributors, farmers and gaining initial successes.

In 2024 and coming years, PVCFC commits getting involved deeply into Vietnam agriculture sector by collecting, exploiting data on climate, environment, crops, soil in some key regions by using tools, software, sensors, camera, automatic control devices, coordinating with related departments and agencies, enterprises, customers to effectively promote digital transformation for businesses and customers.

Continuing to invest and upgrade the “digital human” project and other new projects to further improve its communications and feedback channels with farmers and distributors based on online platforms for user feedback, enabling users to ask questions, addressing users’ inquiries. Farmers will receive information about products, quality, price and instructions of fertilizer usage on different crops in a quick and timely manner. Then, it also helps improve farming efficiency, reduce risks for farmers in the process of cultivation and production.

2



## INVESTMENT

Completing procedures for receiving, transferring M&A projects implemented by PVCFC in 2023 to quickly stabilize business and production activities, making use of available advantages, minimize and cut down unnecessary costs toward optimal efficiency of the whole system.

Conducting research, seeking new investment projects closely associated with the value chain, especially projects of warehouse, transport, production, domestic distribution system to serve missions and goals of scale and presence expansion in the domestic market and meet diverse needs of customers.

In order to ensure proactive and flexible supply of input materials for production in the coming time, PVCFC is seeking opportunities from potential projects abroad; evaluating feasibility and efficiency of these projects to consider purchasing projects with high potentiality to create long-term competitive advantages over competitors.

3



## GREEN PRODUCTION AND APPLICATION OF CIRCULAR ECONOMY MODEL

One of the solutions to reduce carbon emissions is to deploy energy saving measures in production activities. Being aware of this, PVCFC, for many years, has invested in initiatives, technical solutions for all production phases of Ca Mau Fertilizer Plant, including many practical and highly effective solutions, cost and energy saving; improving output efficiency for production processes and Ca Mau fertilizer products.

Making use of emissions released by the plant as fuel for fertilizer production helps save significant costs for PVCFC, ensuring environmental protection. PVCFC’s engineers have strengthened research and application of recovery and purification technology of CO<sub>2</sub> rich gas sources. The initial success has not only helped save fuel costs and earn dozens of billion VND per year but also minimize the amount of CO<sub>2</sub> emitted to the environment. In addition, PVCFC is in the process of doing pre-feasibility research of industrial gas production projects (Nitrogen, Agon, Green Hydrogen), CO<sub>2</sub> in food to further apply R&D solutions to improve green, sustainable production efficiency.

## DEVELOPMENT ORIENTATIONS IN 2024

In 2024, PVCFC will focus on 3 key pillars including: promoting investment; strengthening comprehensively digital transformation in main activities such as production, business, governance, logistics; building sustainable development strategy toward green, clean development and reducing greenhouse gas emissions.

### Developing environmentally friendly products

PVCFC has completed a comprehensive set of nutritional solutions by Bio-Coating technology, Complex Humate, bio-technology, slow-release fertilizer (SRF), Controlled Release Fertilizers (CRF) and BioMix, etc. to produce high quality fertilizer products and to bring high economic efficiency to farmers, improving crop yield and pest resistance, making positive and effective contributions to greenhouse gas emissions.

Especially, by applying Bio-Coating Technology helps PVCFC create new products that save fertilizer (N.46 Plus), fertilizers improving antibiotic resistance (N46.True), bio-fertilizer (N46.Rich), bio-Urea. These products help save 15-20% of fertilizer which is appropriate with greenhouse gas emissions programs and enhance economic efficiency for farmers.

PVCFC also revises soil nutrient maps for each ecological region integrated with the database, promoting database digitalization and nutritional needs of crops to improve fertilizer use efficiency and reduce greenhouse gas emissions.

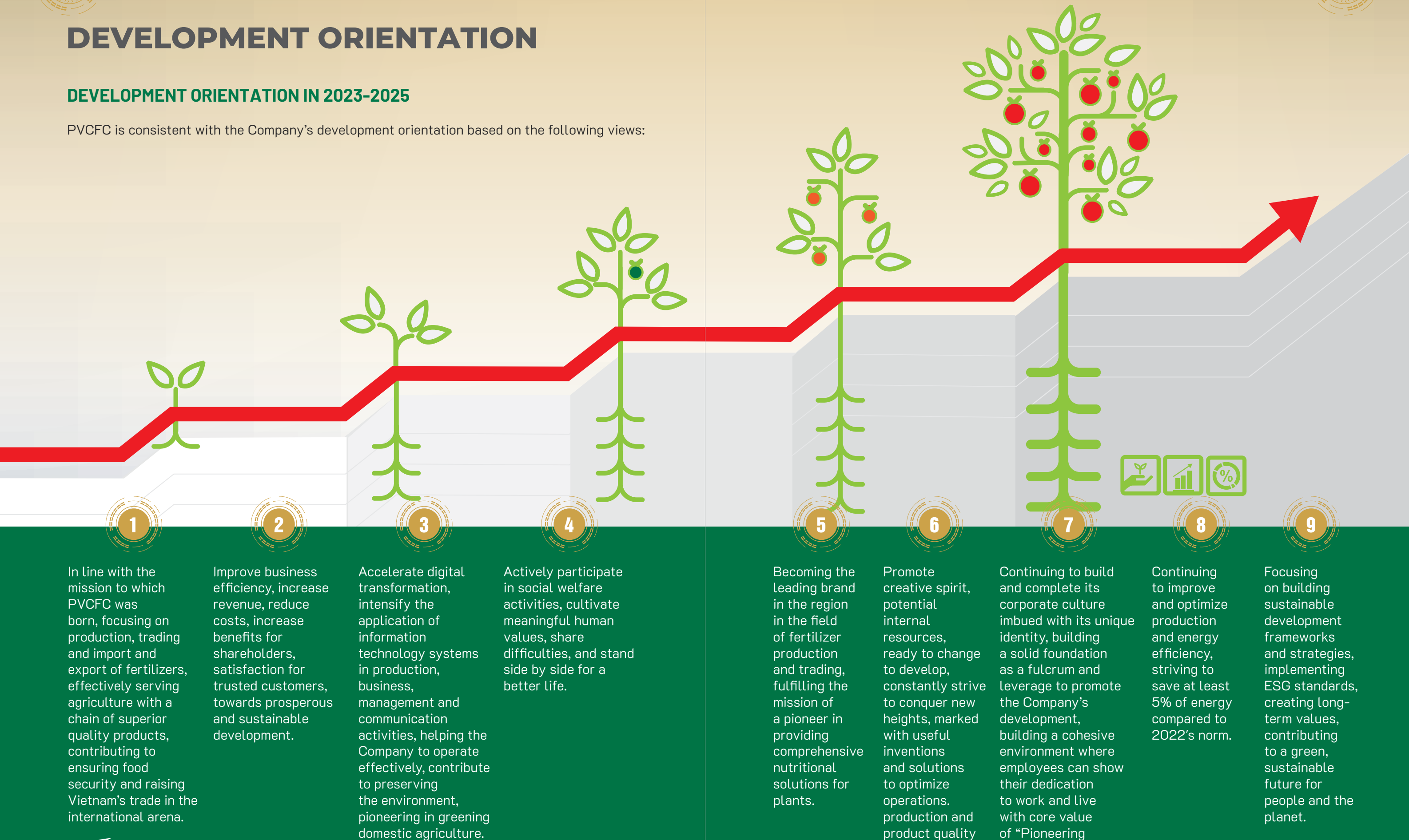
2024



# DEVELOPMENT ORIENTATION

## DEVELOPMENT ORIENTATION IN 2023-2025

PVCFC is consistent with the Company's development orientation based on the following views:



1

In line with the mission to which PVCFC was born, focusing on production, trading and import and export of fertilizers, effectively serving agriculture with a chain of superior quality products, contributing to ensuring food security and raising Vietnam's trade in the international arena.

2

Improve business efficiency, increase revenue, reduce costs, increase benefits for shareholders, satisfaction for trusted customers, towards prosperous and sustainable development.

3

Accelerate digital transformation, intensify the application of information technology systems in production, business, management and communication activities, helping the Company to operate effectively, contribute to preserving the environment, pioneering in greening domestic agriculture.

4

Actively participate in social welfare activities, cultivate meaningful human values, share difficulties, and stand side by side for a better life.

5

Becoming the leading brand in the region in the field of fertilizer production and trading, fulfilling the mission of a pioneer in providing comprehensive nutritional solutions for plants.

6

Promote creative spirit, potential internal resources, ready to change to develop, constantly strive to conquer new heights, marked with useful inventions and solutions to optimize production and product quality of PVCFC.

7

Continuing to build and complete its corporate culture imbued with its unique identity, building a solid foundation as a fulcrum and leverage to promote the Company's development, building a cohesive environment where employees can show their dedication to work and live with core value of "Pioneering - Accountable - Considerate - Harmonious".

8

Continuing to improve and optimize production and energy efficiency, striving to save at least 5% of energy compared to 2022's norm.

9

Focusing on building sustainable development frameworks and strategies, implementing ESG standards, creating long-term values, contributing to a green, sustainable future for people and the planet.





# DEVELOPMENT ORIENTATION

## REGARDING THE TARGET MARKET



PVCFC's strategic target markets in the coming time focus on the Mekong Delta, Southeast and Central Highlands, Cambodia. In addition to these markets, the Company actively expands, explores, and penetrates potential international markets in South Asia, Latin America, Oceania, and Europe.

## REGARDING THE GROWTH TARGET



PVCFC strives to increase sales of fertilizer product lines from 6 - 10% per year, depending on the specific product structure and proportion of each product to ensure the completion of revenue and profit targets.

In terms of revenue, improving the growth rate from 5 - 10%/year and striving by 2025, PVCFC is one of the five leading businesses in Vietnam in terms of revenue.

## REGARDING THE TARGET MARKET SHARE



PVCFC aims to maintain a domestic fertilizer market share of at least 10%/year on a national scale.

Regarding Urea, maintain the domestic market share from 30 - 35%/year

Regarding NPK, strive to meet 10 - 20% of domestic market share and focus on dominating the domestic target at least 30%/market.

Regarding other fertilizer product lines, strive to meet 15 - 20% depending on specific product segments.

## REGARDING PRODUCT STRUCTURE



PVCFC continues to focus on manufacturing, trading and distributing Urea core products in the domestic market. Depending on the period, PVCFC proactively exploits export channels in a reasonable manner, ensuring domestic supply and demand balance to reduce risks of Urea supply surplus.

Regarding NPK, PVCFC strives to increase consumption in the domestic market, especially the target markets of the Mekong Delta, the Southeast and the Central Highlands, and the strategic market in Cambodia.

Besides the inorganic product line, PVCFC gradually expanded its portfolio and exploited the organic fertilizer segment with the product OM CAMAU to adapt to the changing business environment in the new situation.

In addition, in order to be proactive in trading other fertilizer products, PVCFC researched and exploited more import and export segments to organize the import of DAP, Potassium, NPK, SA fertilizer sources to serve the demand for raw materials of NPK Plant and other domestic distributors.

In an upcoming middle and long-term period, especially in 2023-2025 period, PVCFC aims to achieve bigger strategic goals, working out overall orientations in the new period.

## REGARDING DISTRIBUTION CHANNEL DEVELOPMENT



The Company continues to consolidate, develop and expand the distribution system at all levels, with orientation in the period of 2021 - 2025, the growth of the first-level distribution system is 2 times higher than the current one; the growth of the second-tier distribution system at 6-10%/year and the goal of at least 15,000 tier-2 agents.

The development of the distribution system is absolutely necessary to promote the consumption of NPK and other products as PVCFC enters a new stage of development with many new challenging goals.

Regarding the target market, PVCFC's focus is still on developing and consolidating the distribution system at all levels in the Mekong Delta, Southeast and Central Highlands, Cambodia, in parallel with developing a distribution model on the basis of effective application of IT in sales and distribution system management in order to rise to master the market and compete successfully against domestic and foreign competitors.

## REGARDING RESEARCH AND DEVELOPMENT (R&D)



PVCFC promotes research and development on the basis of devoting more resources from material resources, developing personnel, supplementing equipment, and modern and advanced laboratories to maximize R&D.

The priority goal of R&D is to introduce new fertilizer product lines with higher value than current products, competitive prices, and meet the needs of farmers and distribution systems, ensuring economic efficiency and business scale in each market.

In term of solutions, apart from internal resources, PVCFC also coordinates with international and domestic Institutes, Organizations, Schools through prestigious experts, scientists to create high quality products/nutrient solutions, meeting stringent requirements of the market and customers in the future.

## REGARDING MERGERS AND ACQUISITIONS (M&A)



With financial strength, PVCFC continues to conduct research and implement M&A projects with high feasibility to diversify its supply chain, prioritize exploiting the domestic market. The goals of M & A approach are not only to meet financial and business targets, but also ensure long-term competitiveness, brand development, closely control of the distribution system and maintain long-term competitiveness of PVCFC in the market.





### OPERATIONAL SITUATION IN 2023

- 96 Situation of production and business activities 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
<b>I OUTPUT INDICATORS</b>							
<b>1 Manufacturing products</b>							
-	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%
<b>2 Functional fertilizer</b>							
-	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%
<b>II CONSOLIDATED FINANCIAL INDICATORS</b>							
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%
<b>III FINANCIAL INDICATORS OF THE PARENT COMPANY</b>							
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%
<b>IV INVESTMENT IN BASIC CONSTRUCTION &amp; EQUIPMENT PURCHASE</b>							
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

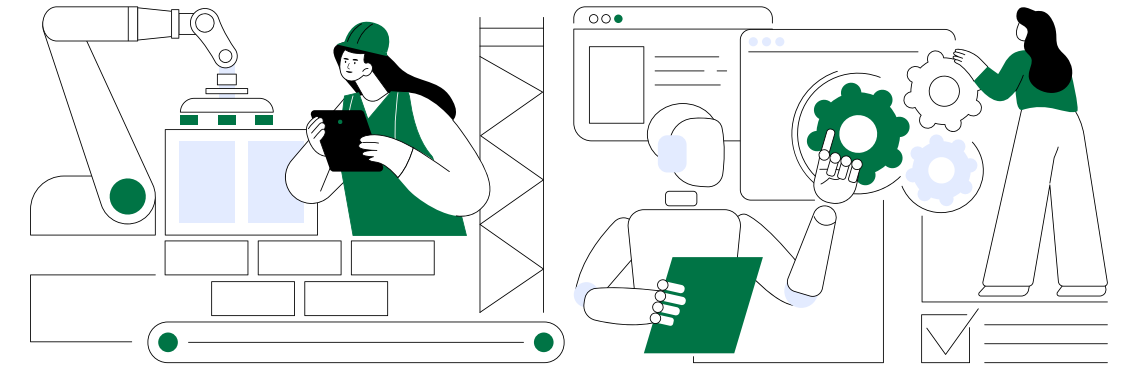
**866.03**  
THOUSAND TONS

**↑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.

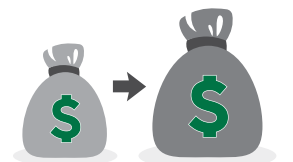
PROFIT BEFORE TAX

**↑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
<b>1</b>	<b>Indicators of liquidity</b>				
	Short-term payment ratio	Time	4.04	2.99	
	Quick payout ratio	Time	3.25	2.51	
<b>2</b>	<b>Capital structure indicators</b>				
	Liabilities/Total Assets ratio	%	25%	35%	
	Liabilities/Equity ratio	%	34%	53%	
<b>3</b>	<b>Performance indicators</b>				
	Inventory turnover	Day	4.56	4.74	
	Net Revenue/Total Assets	%	112.41%	82.49%	
<b>4</b>	<b>Profitability indicators</b>				
	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

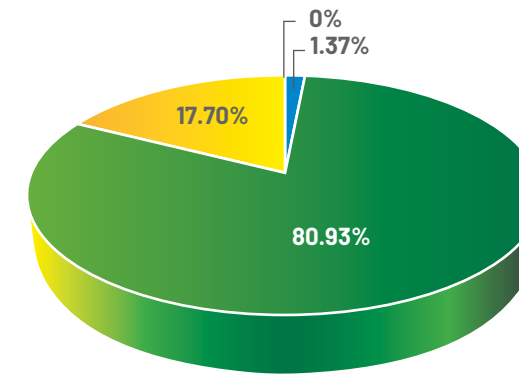


male  
**893**  
EMPLOYEES

The Company's labor structure is shown as follows:



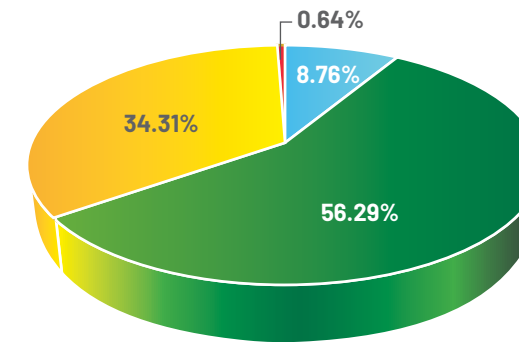
## Classification by term of labor contract



- 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



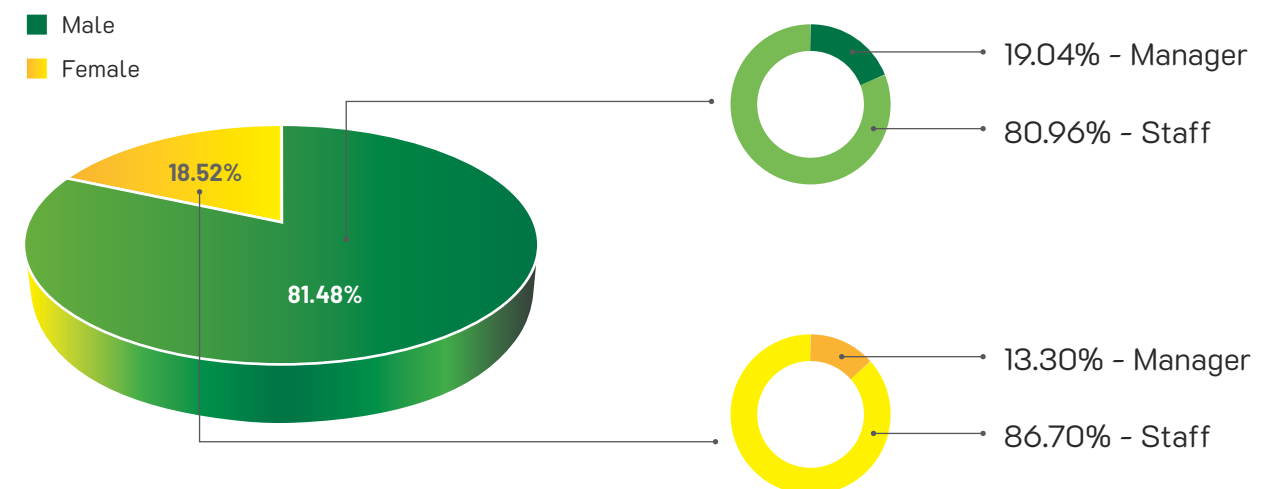
## Classification by level of expertise



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



## Classification by gender



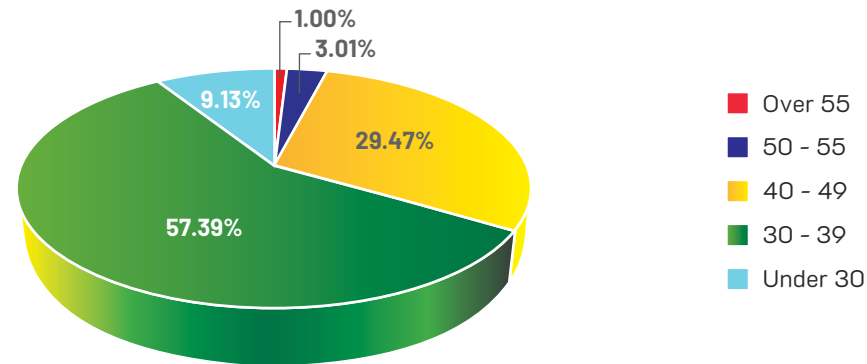


# ORGANIZATION AND HUMAN RESOURCES

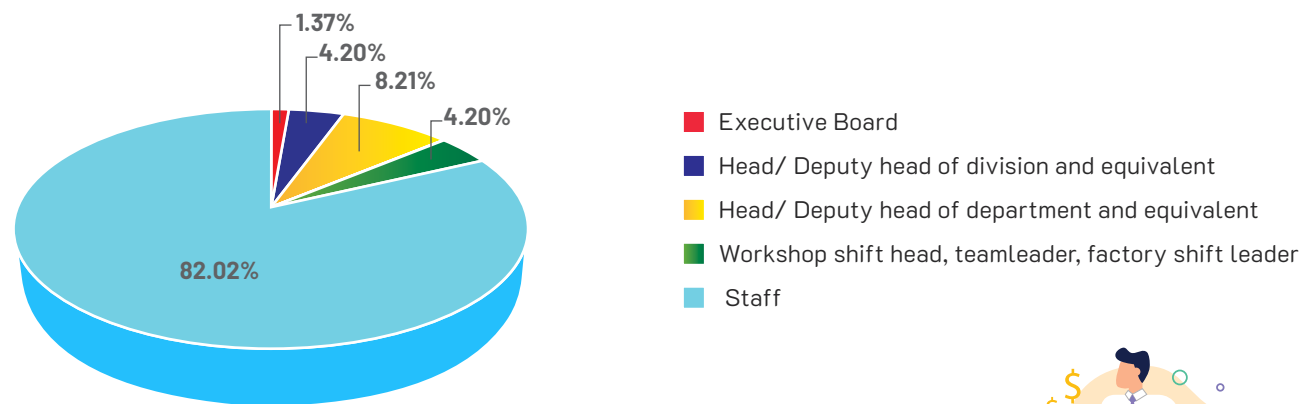
## HUMAN RESOURCE REPORT 2023 (CONTINUED)



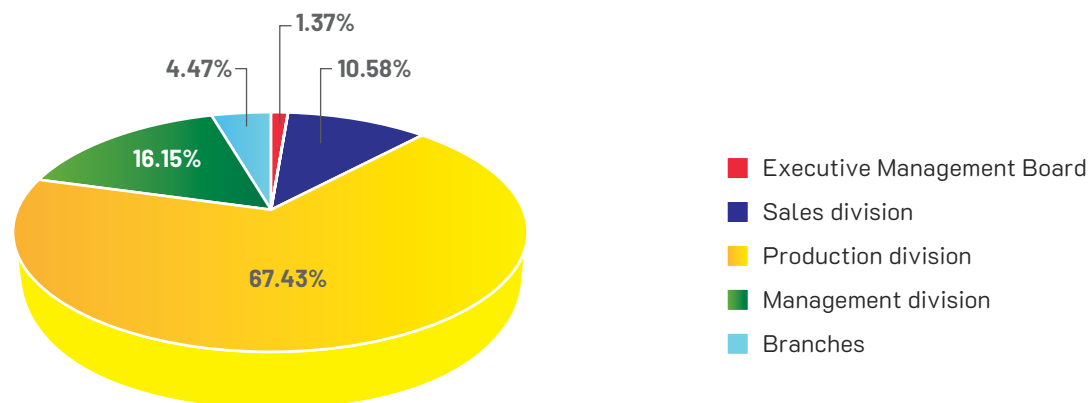
### Classification by age



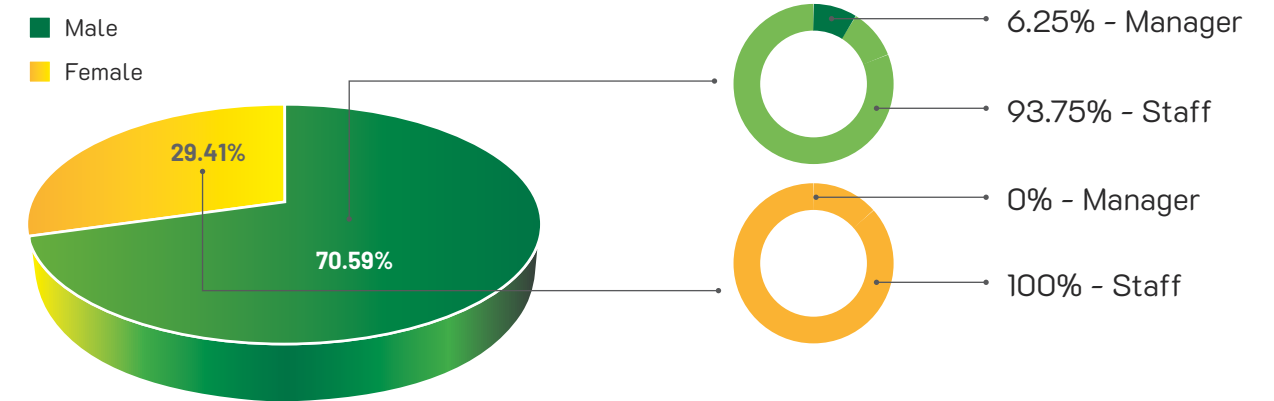
### Classification by management levels



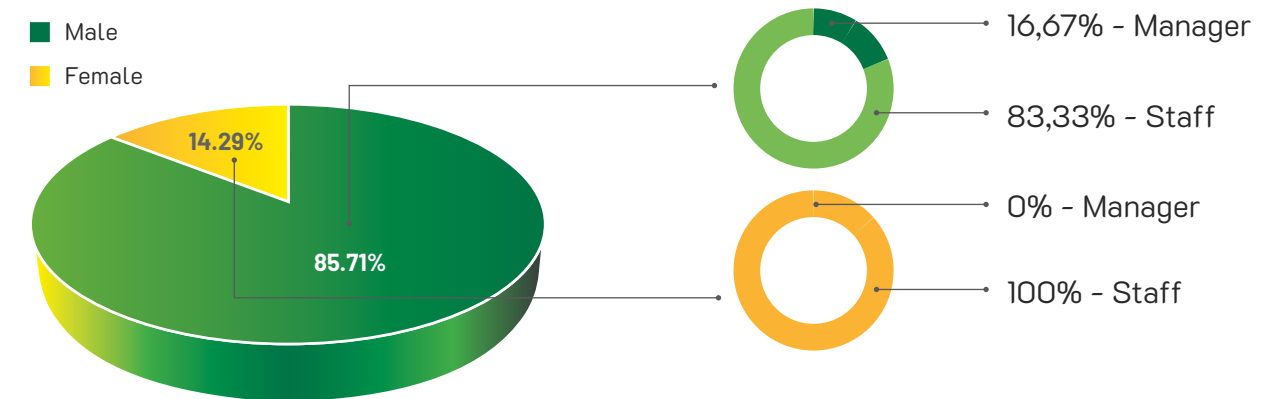
### Classification by functional divisions



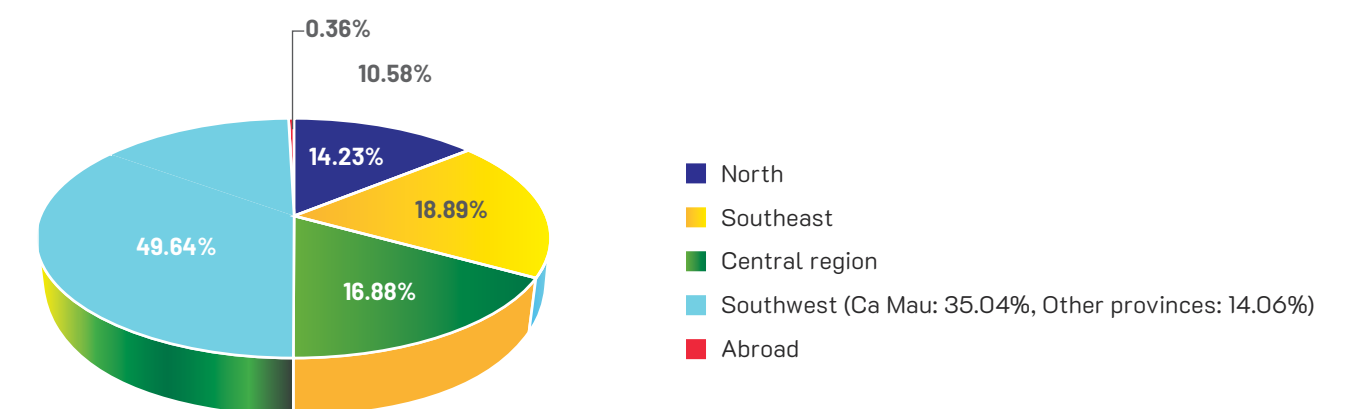
### Increase staffing



### 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:

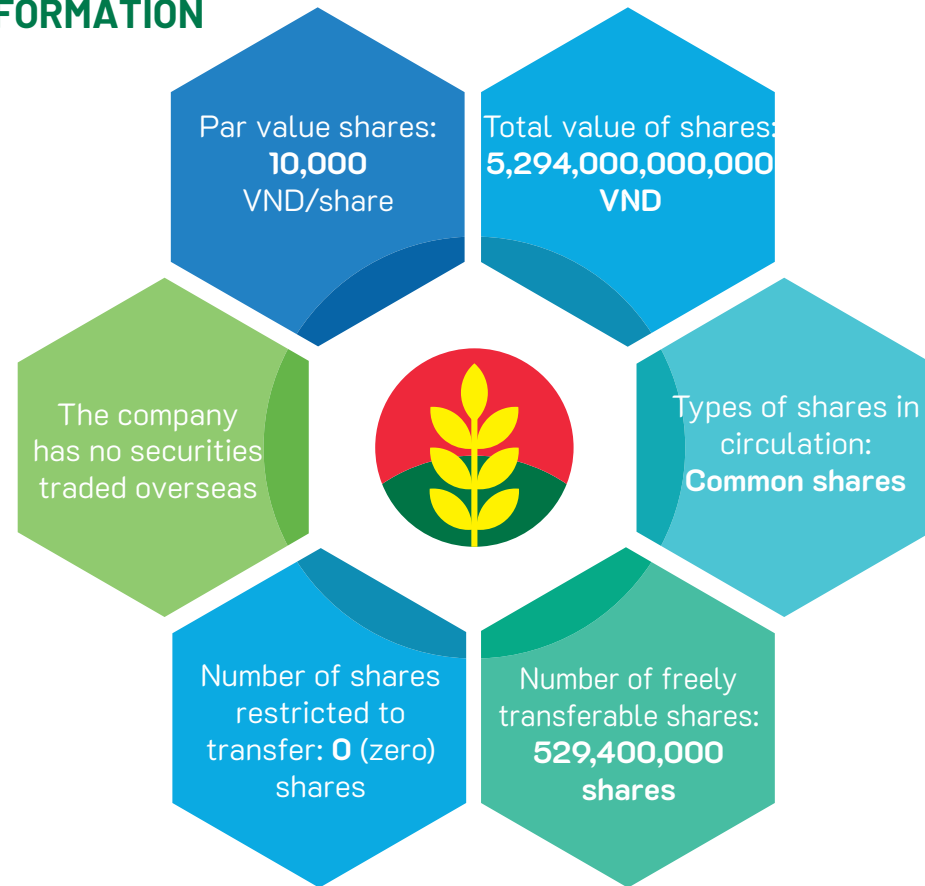
External <b>140</b> COURSES	Internal <b>237</b> COURSES
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# SHAREHOLDER STRUCTURE, CHANGE IN OWNER'S INVESTMENT CAPITAL

(as of December 31, 2023)

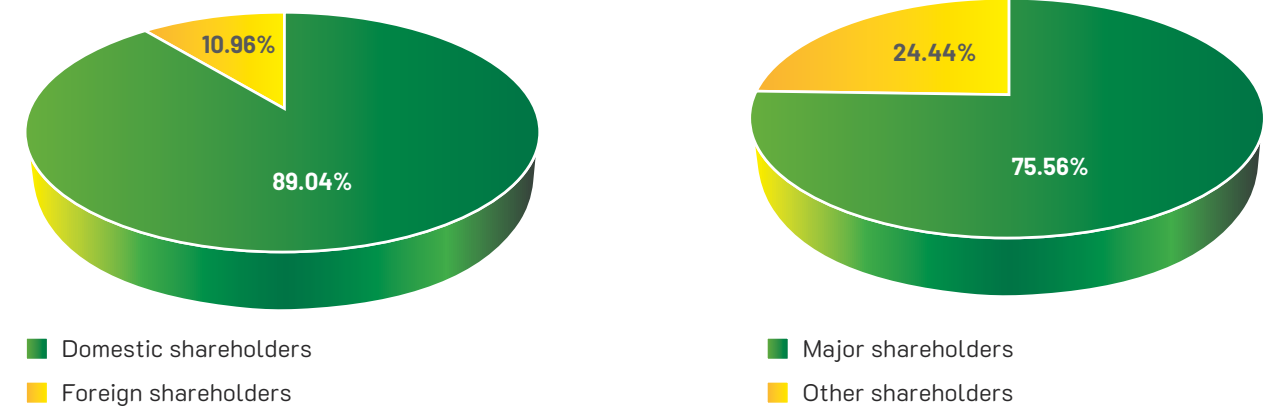
## STOCK INFORMATION



## SHAREHOLDER STRUCTURE

Shareholder	Number (person/organization)	Number of shares (shares)	Value at face value (VND)	Ratio (%)
<b>I. Domestic shareholders</b>	<b>14,230</b>	<b>471,356,103</b>	<b>4,713,561,030,000</b>	<b>89.04</b>
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
<b>II. Foreign shareholders</b>	<b>161</b>	<b>58,043,897</b>	<b>580,438,970,000</b>	<b>10.96</b>
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
<b>Total</b>	<b>14,391</b>	<b>529,400,000</b>	<b>5,294,000,000,000</b>	<b>100.00</b>

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
<b>Total</b>			<b>400,023,057</b>	<b>75.56</b>

## 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.

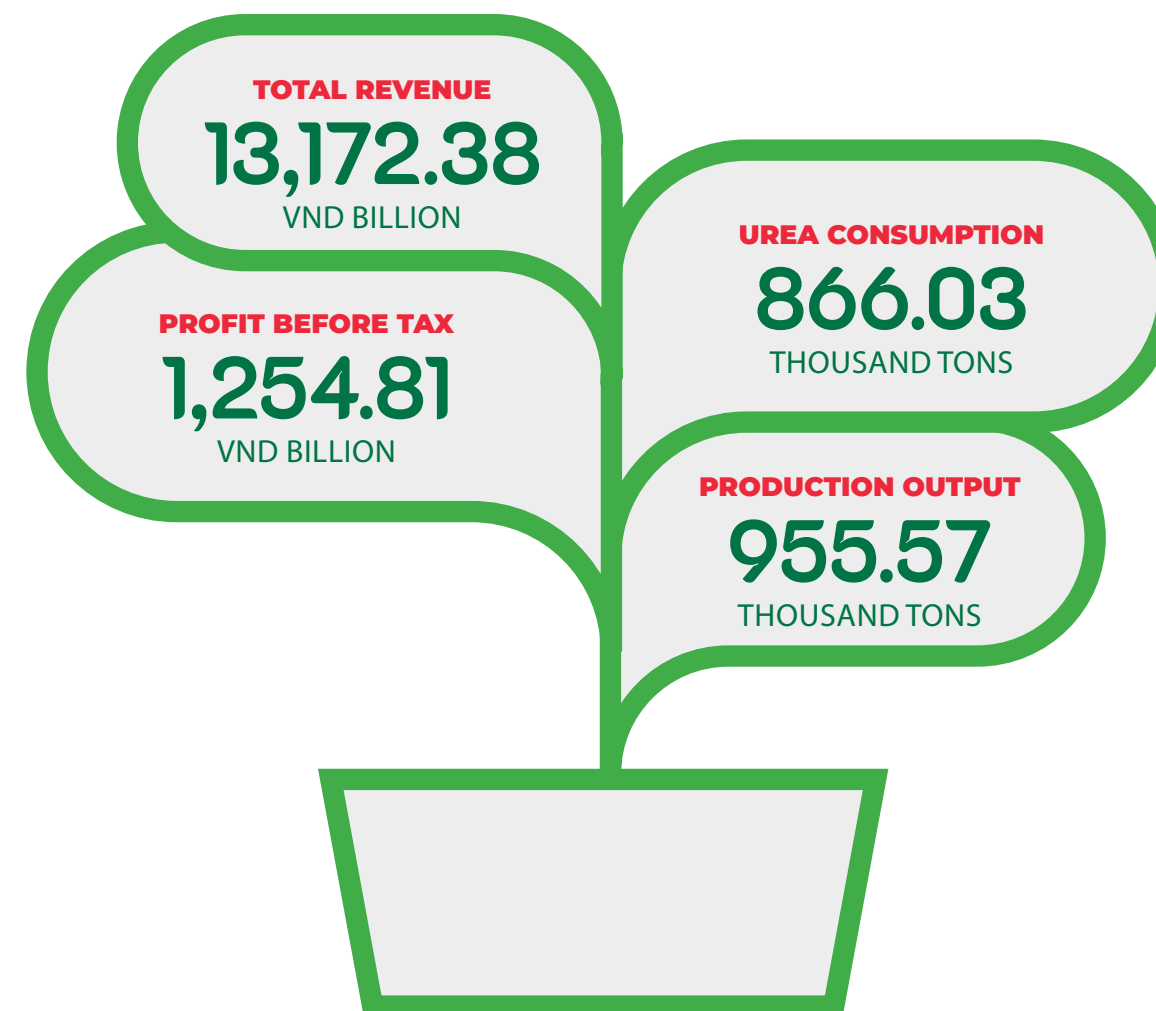
Facing multiple changes in the new status, PVCFC, based on its solid foundations of resource, governance system, culture, has proactively managed fluctuations, closely followed market developments to carry out updated adjustments to make appropriate decisions. PVCFC has implemented infrastructure and 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 (NH<sub>3</sub> 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%, NH<sub>3</sub> 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 (CO<sub>2</sub> in food processing, NPK supplementary feeding system, installing secondary reforming burner; installing CO<sub>2</sub> 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 CO<sub>2</sub> or CO<sub>2</sub> emitted from gas emissions to enhance capacity of urea and CO<sub>2</sub> 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

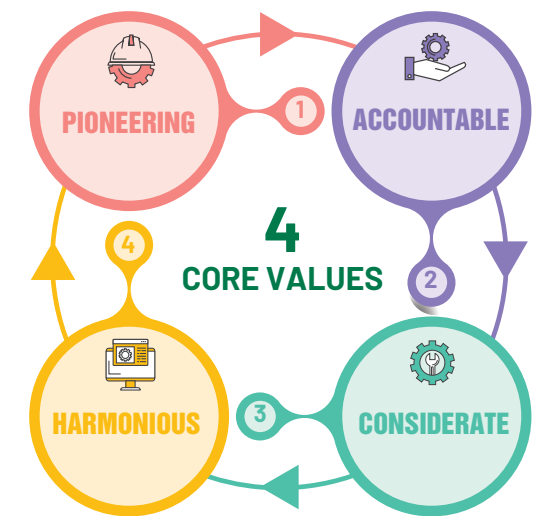


PVCFC also completes other governance systems and tools including:

- 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 NH<sub>3</sub> 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 CO<sub>2</sub> and CO<sub>2</sub> emitted from gas emissions to enhance capacity of urea and CO<sub>2</sub> 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 04FT4209 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,

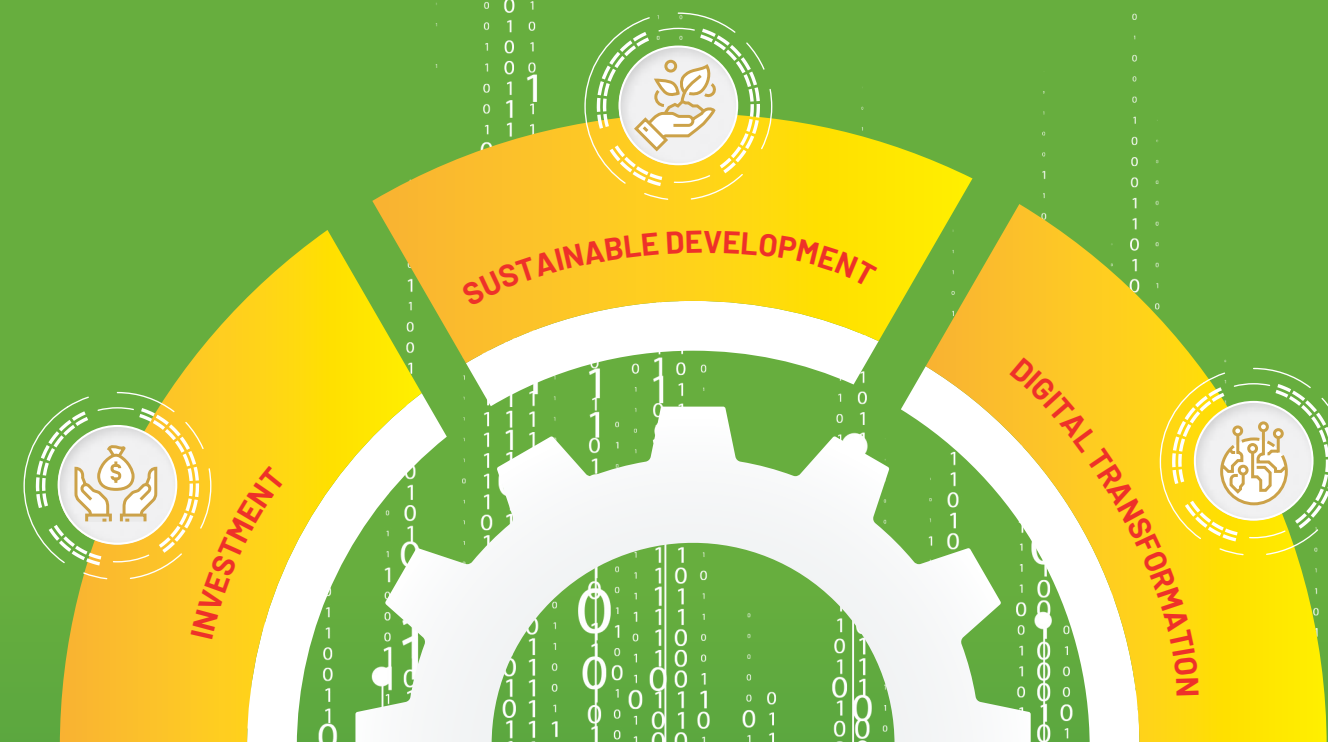
Time of coming into operation: 04/2024

#### 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 <sub>2</sub> 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
<b>1</b>	<b>Production output</b>		
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
<b>2</b>	<b>Business output</b>		
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
<b>I</b>	<b>Financial indicators (Consolidated company)</b>		
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
<b>II</b>	<b>Financial indicators (The Parent company)</b>		
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
<b>7</b>	<b>INVESTMENT IN BASIC CONSTRUCTION &amp; EQUIPMENT PURCHASE</b>		
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 <sub>2</sub> 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)*

<b>Total converted Urea production output:</b> <b>955.57</b> thousand tons, reaching <b>100.6%</b> of the plan.		<b>Total converted NPK output:</b> <b>151.11</b> thousand tons, reaching <b>102.7%</b> of the plan.	
<b>Urea consumption output:</b> <b>866.03</b> thousand tons, reaching <b>100.5%</b> of the plan.	<b>Urea-based product consumption:</b> <b>72.51</b> thousand tons, reaching <b>103.6%</b> of the plan.	<b>NPK consumption output:</b> <b>138.61</b> thousand tons, reaching <b>92.4%</b> of the plan.	
<b>Self-trading fertilizer:</b> <b>183.24</b> thousand tons, reaching <b>86.8%</b> of the plan.		<b>Total revenue and income:</b> <b>13,172</b> billion VND, reaching <b>98%</b> of the plan.	
<b>Profit before tax</b> <b>1,254.81</b> billion VND, reaching <b>122.2%</b> of the plan.	<b>Profit after tax:</b> <b>1,110.14</b> billion VND, reaching <b>121.4%</b> of the plan.	<b>Payments to the state budget:</b> <b>426.81</b> billion VND, reaching <b>177.9%</b> of the plan.	
<b>Dividend payment:</b> 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 CO<sub>2</sub> 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

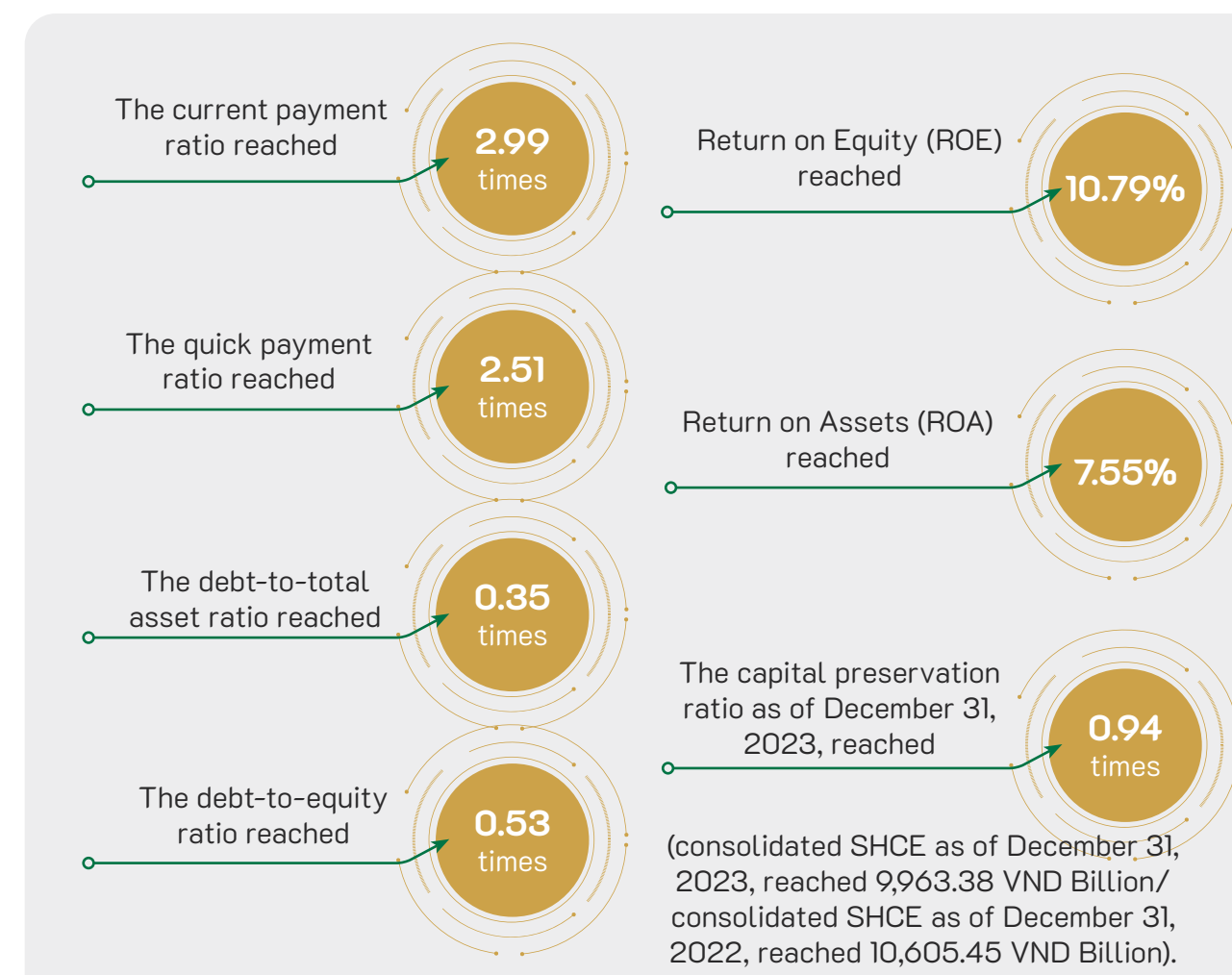
- The Company’s internal control system, internal audit, and risk management has operated effectively and efficiently to ensure compliance and prevent risks and fraud. With COSO and 3 lines of defense, PVCFC has focused on inspection, compliance audit on operation, finance and risk management.
- PVCFC 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/QD-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.





## CORPORATE GOVERNANCE

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**BUILDING IDENTITY  
AS A THOUGHT LEADER**





# GENERAL MEETING OF SHAREHOLDERS

Ensuring equality to all shareholders based on PVCFC’s policies, all information related to PVCFC’s operations are disclosed in a full, accurate and promptly manner in accordance with the current legal regulations to shareholders and other relevant parties.

The Company published information disclosure regulations (information disclosure rules on stock market) based on compliance with regulations of the Law, stipulating scopes, subjects and order of information disclosure (regulations of information disclosure and sending invitation letters to shareholders at least 21 days before the date of organizing General Meeting of Shareholders)

Information disclosure must comply with policy of information disclosure, being posted on the company’s website and sending to management agencies as stipulated.

Policy of information disclosure, rules on organizing General Meeting of Shareholders, election regulations demonstrate that all shareholders are eligible for participating and contributing opinions, ensuring equal access documents and voting rights to exercise rights of shareholders.

The Company establishes IR team to receive, discuss and respond to opinions of shareholders and investors; contact information channel via phone, email, fax, etc. is publicly announced on the Company’s website for shareholders to easily contact.

In 2023, apart from organizing Annual General Meeting of Shareholders, PVCFC also organized 01 extraordinary General Meeting of Shareholders on January 10 2023 to ratify contents under authority of General Meeting of Shareholders. Information about meetings, resolutions/decisions of General Meeting of Shareholders (including resolutions of General Meeting of Shareholders approved under forms of obtaining shareholders’ written opinions) is as follows:

No.	Number of resolutions	Date	Content
1	1462/NQ-PVCFC	12/06/2023	Resolution of Annual General Meeting of Shareholder in 2023
2	1481/NQ-PVCFC	13/06/2023	Issuing charters of PetroVietnam Ca Mau Fertilizer JSC
3	1492/NQ-PVCFC	14/06/2023	Approving amendments, supplements to Gas Purchase Contract with Vietnam Oil and Gas Group
4	70/NQ-PVCFC	10/01/2024	Resolution of extraordinary General Meeting of Shareholders
5	88/NQ-PVCFC	12/01/2024	Issuing amended charters, supplementing charters of PetroVietnam Ca Mau Fertilizer JSC
6	90/QĐ-PVCFC	12/01/2024	Amending and issuing internal regulations on management of PetroVietnam Ca Mau Fertilizer JSC
7	91/QĐ-PVCFC	12/01/2024	Amending and issuing operational regulations of BOD of PetroVietnam Ca Mau Fertilizer JSC

- On June 12 2023, the Company successfully organized an Annual General Meeting of Shareholders 2023 as scheduled. The Company has disclosed meeting documents and sent invitation letters to shareholders 28 days before organizing General Meeting of Shareholders (documents accounted on May 16 2023 and organizing General Meeting of Shareholders on June 12 2023).
- At the Annual General Meeting of Shareholders dated June 12 2023, the General Meeting of Shareholders have approved the amendments, supplements of Charters, Gas Purchase Contract with Vietnam Oil and Gas Group (a major shareholder and a related party) and authorized BOD to amend, supplement and issue internal charters on corporate governance, operational regulations of BOD appropriate with the Company’s charters and current legal regulations. In July 2023, based on the company’s charters approved by General Meeting of Shareholders, BOD has approved and issued internal regulations on corporate governance attached with Decision No 1824/QĐ-PVCFC dated July 18 2023, operational regulations of BOD attached with Decision No 1823/QĐ-PVCFC dated July 18 2023 to implement and publicly announce on the Company’s website. Corporate governance regulations clearly stipulate governance principles, governance structure, composition and operation of BOD, Committees, procedures of organizing General Meeting of Shareholders and issuing resolutions, decisions, etc. to improve efficiency of corporate governance of PVCFC.
- Number of members of BOD, Supervisory Board, EB attending the Annual General Meeting of Shareholders:
  - » All BOD members: 7/7 members
  - » All members of Supervisory Board: 3/3 members
  - » General Director: 1/1
  - » Representatives of independent audit unit - Deloitte Vietnam: 1
- At the meeting, the Presiding Committee has invited the third party (shareholder) to join Vote Counting Committee to supervise vote counting to ensure objectivity and transparency.
- At the 2023 extraordinary shareholder meeting was organized on January 10 2024, PVCFC has disclosed meeting documents and sent invitation letters on December 06 2023 (35 days before the date of organizing the meeting). The meeting was held in an online format combined with in-person format and electronic voting (stipulated on the Company’s charter). The Company opened a voting portal 03 days before the meeting day for shareholders early and remotely. At the meeting, shareholders many raise questions and conduct online discussion with the Presiding Committee.
- At the extraordinary General Meeting of Shareholders, shareholders voted for BOD members and approved amendments and issued operational regulations of BOD, internal regulations on corporate governance, the Company’s charter and amended/supplemented business lines.
- Shareholders are eligible for contributing opinions at all sessions of the General Meeting of Shareholders. Shareholders’ contributed opinions and responses of the Presiding Committee are recorded in the minute of the meeting.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## INFORMATION OF BOD MEMBERS, COMMITTEES, INTERNAL AUDIT DIVISION

### BOD MEMBERS

No.	BOD members	Position	Date of starting/of no longer being Member of the BOD/ Independent Member of the BOD			Number of shares owned at period closing	Stock ownership ratio at period closing
			Appointment date	Dismissal date	Date of first appointment		
1	Mr. Tran Ngoc Nguyen	Chairman of the BOD	10/01/2024		10/01/2019	0	0.000000%
2	Mr. Van Tien Thanh	BOD member cum General Director	12/06/2023 <sup>(1)</sup>		12/06/2018	109,000	0.020589%
3	Mr. Tran My	Non-executive Director	25/06/2020	10/01/2024 <sup>(2)</sup>	15/01/2015	2,900	0.000548%
4	Mr. Nguyen Duc Hanh	Non-executive Director	25/06/2020		25/06/2020	8,000	0.001511%
5	Mr. Le Duc Quang	Non-executive Director	27/04/2021		25/06/2020	0	0.000000%
6	Mr. Truong Hong	Independent Director	27/04/2021		27/04/2021	0	0.000000%
7	Ms. Do Thi Hoa	Independent Director	27/04/2021		27/04/2021	0	0.000000%
8	Mr. Nguyen Duc Thuan	Non-executive Director	10/01/2024 <sup>(3)</sup>		10/01/2024	0	0.000000%

(1) Mr. Van Tien Thanh continues to be appointed by General Meeting of Shareholders as BOD member from June 12, 2023.

(2) Mr. Tran My resigned from August 1, 2023 and approved by General Meeting of Shareholders from January 10, 2024 at the extraordinary meeting.

(3) Mr. Nguyen Duc Thuan was appointed by the General Meeting of Shareholders from January 10, 2024 at the extraordinary meeting.





# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## INFORMATION OF BOD MEMBERS, COMMITTEES, INTERNAL AUDIT DIVISION (CONTINUED)

### BOD MEMBERS (CONTINUED)

#### Structure of BOD members

PVCFC's BOD well recognizes the importance of diversity of BOD members and ensures the best practices of this orientation. The Company's internal governance regulations outline direction and policies on ensuring gender, age and professional skill diversity of BOD align with the Company's long-term development strategy. In recent years, based

on the Company's development strategy, the Company targeted to add 01 female member of BOD and 01 other BOD member who is experienced in agriculture sector and soil health. This target was achieved in 2021. In the coming year, the Company will continue pursuing the board's diversity.

No.	Criteria	Mr. Tran Ngoc Nguyen	Mr. Van Tien Thanh	Mr. Tran My (resigned from August 1, 2023)	Mr. Nguyen Duc Hanh	Mr. Le Duc Quang	Ms. Do Thi Hoa	Mr. Truong Hong	Mr. Nguyen Duc Thuan
1	Position in the Board of Directors/participation in the Executive Board	Chairman/ Non-executive	BOD member cum General Director	Non-executive Director	Non-executive Director	Non-executive Director	Independent Director	Independent Director	Non-executive Director
2	Gender	Male	Male	Male	Male	Male	Female	Male	Male
3	Age	46	55	61	51	47	63	64	49
4	Areas of expertise	Ph.D. in Chemical Engineering, Master's degree in Economic Management	Agricultural and Forestry Mechanical Engineer	Engineer in Industrial Economics	Engineer in Energy Economics	Master of Business Administration, Chemical Engineer Petrochemical	Bachelor of Industrial Accounting	Doctor of Agriculture, major in Soil and Fertilizer	Engineer of Transport Economics
5	Audit & Risk Management Committee	-	-	Member	-	Member	Chairman	-	Member
6	Human Capital and Compensation Committee	-	-	Member	Member	-	Member	Chairman	-
7	ESG Committee	-	-	-	Chairman	Member	-	-	-
8	Positions at other companies	None	None	None	None	None	None	None	Chairman of the BOD's PPC

- ESG Committee was established on February 29 2024 including non-executive Director - Mr. Nguyen Duc Hanh and non-executive Director - Le Duc Quang.
- Members of the Audit and Risk Management Committee include Mrs. Do Thi Hoa, Mr. Tran My, Mr. Le Duc Quang. From March 1 2024, the members of committee include Mrs. Do Thi Hoa, Mr. Truong Hong, Mr. Nguyen Duc Thuan. 2/3 Independent Directors and 1 Non-executive Director.

**ESG COMMITTEE**

**2**  
NON-EXECUTIVE DIRECTORS

**AUDIT & RISK MANAGEMENT COMMITTEE**

**2**  
INDEPENDENT DIRECTORS

**1**  
NON-EXECUTIVE DIRECTOR

**HUMAN CAPITAL AND COMPENSATION COMMITTEE**

**2**  
INDEPENDENT DIRECTORS

- Human Resource and Compensation Management Committee (including Mr. Truong Hong, Mr. Nguyen Duc Hanh, Mr. Tran My) was renamed as Human Capital and Compensation Committee from March 1 2024 including 02 independent Directors: Mr. Truong Hong and Mrs. Do Thi Hoa.
- The Company charter requires each director term should not exceed 5 years. An independent director should not sit in the board in more than 2 consecutive terms. A director should not sit in the board of more than 5 other companies.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## INFORMATION OF BOD MEMBERS, COMMITTEES, INTERNAL AUDIT DIVISION (CONTINUED)

### POSITIONS HELD AT OTHER ORGANIZATIONS OF BOD MEMBERS AND CONFLICTS OF INTERESTS RELATED TO PVCFC

No.	BOD member	Owning, holding management and executive positions at other listed companies	Conflicts of potential interests with PVCFC
1	Mr. Tran Ngoc Nguyen	No	No
2	Mr. Van Tien Thanh	No	No
3	Mr. Tran My	No	No
4	Mr. Nguyen Duc Hanh	No	No
5	Mr. Le Duc Quang	No	No
6	Mr. Truong Hong	No	No
7	Ms. Do Thi Hoa	No	No
8	Mr. Nguyen Duc Thuan	Chairman of the BOD's PPC	Yes (from date of being appointed as BOD member on January 10 2024)



### CORPORATE SECRETARY - IN CHARGE OF CORPORATE GOVERNANCE

BOD has appointed a person in charge of corporate governance cum corporate secretary, Information about personnel in charge as follows:

#### Mr. Do Thanh Hung

##### Specialized training

- Engineer in Refining-Petrochemical Technology.
- Bachelor of Political Economics.
- Master of Business Administration.
- CSMP-VIOD Corporate Secretary.
- Director Certification (DCP-VIOD).

##### Working experience

- 1998 - 2006: R & D Center for oil and gas processing - Vietnam Oil and Gas Group.
  - Conducting research and analysis on the quality of crude oil of crude oil and petroleum products and petroleum products.
  - Conducting research, assessing, evaluating petroleum market and products; setting, appraising and managing investment projects.
- 2006 - 2011: Petroleum Finance Corporation - HCMC branch.
  - Proposing, implementing and managing project investment, financial investment and services in financial companies.
- 2011 - 2016: Vietinbank - Branch No 7, HCMC.
  - Planning.
  - Banking risk management, dealing with debt problems.
  - Managing quality system according to ISO.
- 2016 - now: PetroVietnam Ca Mau Fertilizer JSC.
  - He has legal expertise and experience in fields of investment, finance, banking, law on enterprise, expertise and experience in field of petroleum processing (main business line of PVCFC), corporate governance to advise and consult BOD in corporate governance.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## COMMITTEES UNDER BOD

- PVCFC has now 03 committees under BOD (i) Audit and Risk Management Committee, (ii) Human Capital and Compensation Committee and ESG Committee (established in March 2024).
- Members of Committees are non-executive Directors, Chairwoman of Audit & Risk Management Committee is independent Director - Ms. Do Thi Hoa, Chairman of Human Capital and Compensation Committee is independent Director - Mr. Truong Hong. Members of Human Capital and Compensation Committee are independent Directors.
- Structure, scale and components of Committees are appropriate with practical conditions of the Company. Committees support BOD to uphold synergy, improve role and bring into plays management efficiency of the Company.

## INFORMATION ABOUT MEETINGS AND MEMBER PARTICIPATION OF COMMITTEES (IN 2023)

Audit & Risk Management Committee	Number of meetings: 04	Note
Independent Director, Ms. Do Thi Hoa - Chairwoman	4/4	
Non-executive Director - Mr. Tran My	2/2	
Non-executive Director - Mr. Le Duc Quang	4/4	
Human Capital and Compensation Committee	Number of meetings: 02	
Independent Director, Mr. Truong Hong - Chairman	2/2	
Non-executive Director - Mr. Tran My	1/1	Resigned from August 1, 2023
Non-executive Director - Mr. Nguyen Duc Hanh	2/2	

**Note:** In 2023, Audit & Risk Management Committee organized 04 meetings, 03 in-person meetings and 01 online meeting.

## INTERNAL AUDIT DIVISION

- Internal Audit Division: established in November 2020 under BOD to implement internal audit of PVCFC according to Decree No 05/2019/ND-CP. The Division includes 05 members with specialized expertise in fields: Law, Finance, Audit, Accounting, Technical technology.
- Head of the Internal Audit Division is Mr. Vu Chi Duong - Master of Finance-Banking, Bachelor of Accounting-Audit, Bachelor of Law. Mr. Vu Chi Duong has years of experience in fields of legal affairs, finance-accounting, internal control, risk management, audit.
- Working history of Mr. Vu Chi Duong:

Working time	Titles, positions, workplace
03/2001 - 01/2004	Legal specialist, Ba Ria Thermal Power JSC
02/2004 - 11/2007	Contract economic specialist, Management Board of Ca Mau Gas -Electricity Complex
12/2007 - 12/2008	Corporate Credit Specialist, PetroVietnam Finance JSC-Vung Tau branch
12/2008 - 08/2009	Accounting specialist in charge of HCMC branch, PetroVietnam Power Technical Services JSC
09/2009 - 11/2011	Head of Payment and Commercial Accounting Department, Phu My Fertilizer Plant, PetroVietnam Fertilizer and Chemicals JSC
12/2011 - 06/2015	Specialist level 2, Internal Control Department, Vietnam Oil and Gas Group
07/2015 - 07/2017	Compliance Team Leader - Internal Control Department, PetroVietnam Ca Mau Fertilizer JSC Cum member of Supervisory Board, PetroVietnam Packaging JSC
08/2017 - 05/2018	Deputy Head of Compliance Inspection Unit, Internal Control Department, PetroVietnam Ca Mau Fertilizer JSC Cum member of Supervisory Board, PetroVietnam Packaging JSC
06/2018 - 11/2020	Head of Risk Management Department, Internal Control Department, PetroVietnam Ca Mau Fertilizer JSC. Cum Head of Supervisory Board, PetroVietnam Packaging JSC
12/2020 - 07/2021	Internal auditor - Internal Control Division, PetroVietnam Ca Mau Fertilizer JSC Cum Head of Supervisory Board, PetroVietnam Packaging JSC
08/2021 - 06/2022	Deputy Head of Internal Audit Division, PetroVietnam Ca Mau Fertilizer JSC Cum Head of Supervisory Board, PetroVietnam Packaging JSC
06/2022 - 06/2023	Head of Internal Audit Division, PetroVietnam Ca Mau Fertilizer JSC Cum Head of Supervisory Board, PetroVietnam Packaging JSC
07/2023 - now	Head of Internal Audit Division, PetroVietnam Ca Mau Fertilizer JSC



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## MEETINGS AND FUNCTIONS OF BOD

### Functions of BOD

BOD members fully attend BOD meetings, documents are sent to members 05 days before the date of organizing meetings and updated before the meetings.

BOD members in 2023 do not hold any management and executive positions in any related companies; holding no cross-ownership with suppliers or other related parties. In particular, Mr. Nguyen Duc Thuan as BOD member was appointed on January 10 2024 as BOD Chairman of PetroVietnam Packaging JSC - a subsidiary of PVCFC.

On January 29 2024, chaired by BOD Chairman, non-executive Directors organized a private meeting to discuss operation related issues of General Director, reviewing the succession plan of key personnel of the Company under management of BOD.

On June 12 2023, the Company successfully organized the Annual General Meeting of Shareholders 2023 as scheduled.

BOD decided to finalize the list of shareholders entitled to receive 2022 cash dividend on July 17 2023, payment was made on September 11 2023 in accordance with regulations of the Company's charter (payment made within 3 months since date of being approved by General Meeting of Shareholders).

In 2023, BOD directed and supervised the transaction of purchasing 100% of contributed capital in Korea-Vietnam Fertilizer Co., Ltd (KVF). This transaction is under authority of BOD, it helps PVCFC increase its capacity and expand its market, etc. The purchasing deal was appraised by an independent unit to ensure transparency and price matching.

The BOD, with effective support from Corporate Secretary, oversees compliance with regulations and selected corporate governance frameworks. At PVCFC, we commit to compliance with

### THE MEETINGS OF BOARD OF DIRECTORS

NO.	Members of the BOD	Attending meetings	Ratio
1	Mr. Tran Ngoc Nguyen	13/13	100%
2	Mr. Van Tien Thanh	13/13	100%
3	Mr. Tran My	8/8	100%
4	Mr. Nguyen Duc Hanh	13/13	100%
5	Mr. Le Duc Quang	13/13	100%
6	Mr. Truong Hong	13/13	100%
7	Ms. Do Thi Hoa	13/13	100%

(\*) Reason for not attending:  
Resign from August 1, 2023

corporate governance regulations in Vietnam and fully comply with good governance practices introduced in ASEAN Corporate Governance (ACGS) Scorecard 2023. In 2023, PVCFC has 100% complied with corporate governance regulations in accordance with current legal regulations of Vietnam. PVCFC's response to ACGS 2023 is presented at page 191. Corporate governance activities were presented at Charter, Internal Regulations on corporate governance including basic regulations on: role, right, structure of parties involved in corporate governance such as General Meeting of Shareholders, BOD, committees under BOD, Supervisory Board, Executive Board, etc. Issues are under supervision (supervisory environment) including risk management, internal control, internal audit, independent audit, etc.; principles and regulations on assessment and compensation, etc.

One of the key tasks of BOD in 2023 was to seek a candidate to replace Mr. Tran My who resigned in August 2023 to submit to the General Meeting of Shareholders for voting in January 2024. Apart from nomination from shareholders/groups of shareholders owning from 10% of capital and up, BOD including independent Directors also seek candidates from their networks as well as

discuss with other professional organizations. As a result, Mr. Nguyen Duc Thuan has been nominated by a major shareholder and approved by the General Meeting of Shareholders.

The Board acknowledges that climate change is now a material issue. Although BOD always pays special attention to safety, health and environment, but BOD has continuously and drastically implemented a lot of activities related to orientation, strategy for implementation of ESG standards.

- At the periodical meeting in November 2023, Mr Nguyen Duc Hanh has been assigned by the Board to in charge ESG activities. All BOD members have been well trained on ESG and they shall organize training/introduce ESG to other departments and divisions of PVCFC.
- At the extraordinary meeting organized on January 10 2024, shareholders have raised questions related to the ESG issues and the Company's Leadership Board has shared detailed information about implementation of the ESG standards. The Leadership Board has committed to implementing corporate governance practice and ESG according to good governance practices.

PVCFC has built a special section of Health-Safety-Environment on its website, updating results of periodically and quarterly environmental measures. This affirms the company's commitments to compliance with environmental issues and climate change. At the same time, all activities implemented by PVCFC are toward management of reduction of impacts of climate change.

Apart from General Meetings of Shareholders, PVCFC has organized investor meetings under the form of public or private to create conditions for shareholders/investors to grasp and discuss information about the company's business and production activities. In 2023, PVCFC organized 01 officially public meeting with investors/analysts in November 2023 to provide and update information in a timely manner. These meetings have been publicly announced on the Company's website. PVCFC has frequently met/discussed with investors/analysts at a smaller scale to answer/provide information to investors as requested. Updating reports/periodical newsletter on the Company's

business and production situation.

BOD has reviewed business and production strategy at least 1 time in every 6 months through BOD meetings. To make these effective, before BOD meetings, the Executive Board should need to provide reports on implementation of business strategy approved by BOD and being sent to BOD members for consideration. BOD has also assigned jobs for individuals in charge of reviewing business strategies to report to BOD. These efforts have helped BOD adjust or increase essential resources timely, ensuring business activities align with the Company's development strategy.

On a quarterly basis, based on risk management report of the General Director, Internal Audit Division, Audit & Risk Management Committee, BOD evaluates efficiency and appropriateness of risk management and internal control systems to ensure effective control of material risks. Material risks in 2023 under control by BOD included: market risk, input material risk, climate change risk, IT risk (including information security and continuity of operations), production safety risk, etc. On a periodical basis, BOD reviews management of material risks in BOD meetings. It is a belief of BOD that risk management and internal control systems in 2023 have operated effectively.

As a yearly activity, BOD evaluates its capital resources, its capital structure of PVCFC to ensure appropriateness with the company's long-term business strategy as well as risk appetite identified by the company. BOD believes that structure of current capital and debt is appropriate with the above-mentioned content and this helps PVCFC prepare for any possibly adverse situations in the future.

Carrying out information disclosure in a full, accurate and timely manner as stipulated without being fined or reminded.

The Company recorded no information/conviction related to insider trading incidents involving insiders or employees of the Company in the last 3 years.

BOD has issued 3-year board meeting agenda (2024-2026) which clearly identify board meeting agenda contents in BOD meetings for each month.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## OPERATIONS OF COMMITTEES UNDER BOD

In 2023, as stipulated at operation regulations, committees under BOD have implemented activities as follows:

### OPERATIONS OF AUDIT & RISK MANAGEMENT COMMITTEE

Audit & Risk Management Committee has implemented its supervisory roles: (i) monitoring operations of BOD through meetings, discussions, measures of issuance of resolutions of BOD; (ii) supervising operations of Executive Board through complying with resolutions/decisions of BOD as well as decentralization mechanisms between BOD and General Director; (iii) supervising through report channels and contacts with members of Executive Board, Chief Accountant, Internal Audit Division, Head of Legal and Compliance Division; (iv) supervising through report channels of independent audit unit.

- Apart from discussing, exchanging specific issues in a regular basis, Audit and Risk Management Committee, in 2023, has organized 04 meetings including: (i) dealing with material issues on risk management to provide comments and suggestions for Executive Board; (ii) evaluating implementation of internal audit of Internal Audit Division in business and production activities according to the approved plan.
- Considering & evaluating material risks; supervising management of material risks to ensure good management of material risks in line with risk appetite of the company; ensuring internal control activities supporting PVCFC to well manage risks detected.
- Approving internal audit procedures through each audit reporting, approving directive on implementation of recommendations of Internal Audit Division, directing EB to organize implementation of recommendations of Internal Audit Division, working out solutions to handle recommendations, proposals of Internal

Audit Division and evaluating operational efficiency of internal audit on a yearly basis.

- Supporting BOD to update and approve risk management regulations, internal audit regulations. Audit & Risk Management Committee bears the responsibilities of proposing organizational structure of Internal Audit Division on appointing, dismissing positions of head of Internal Audit Division and submitted to BOD.
- Audit & Risk Management Committee has reported to BOD one evaluation on implementation of audit and risk management of PVCFC in 2023 on various aspects: (i) Remuneration, operating costs another interests of Audit & Risk Management Committee and each member of Audit & Risk Management Committee; (ii) summarizing meetings conclusions and recommendations of Audit & Risk Management Committee; (iii) supervising independent audit and financial statement, operational and financial situations of the company; (iv) monitoring transactions with related parties including: evaluating transactions between the company, subsidiaries, other companies where PVCFC holds over 50% of charter capital with BOD members, General Director, executive directors of enterprises and related parties; (v) transactions between the Company and companies in which BOD member, General Director, executive directors of enterprises are founding members or business managers in the latest 3 years before implementing transactions; (vi) evaluating internal control system, internal audit and risk management; (vii) evaluating coordination between Audit & Risk Management Committee with BOD, General Director and shareholders; (viii) operational plans of the Committee in 2024.

## Results of supervision and evaluations

- Supervising with independent audit unit: audit committee is assigned the job of supervising independency of external auditor unit including evaluation of non-audit services and reporting to BOD. In 2023, external auditor unit has provided non-audit services with service fees as follows:  
Audit service fee: 927.8 million VND (VAT included)  
Non-audit service fee: 333,7 million VND
- Monitoring of financial reports and financial situation of the Company: The Company's financial report is prepared based on accounting standards and current accounting regime, fully, truthfully, and reasonably reflecting the essential aspects of the Company's financial situation. Financial situations and financial assessment indicators of Parent Company are healthy, ensuring payment ability, preserving and developing capital.
- The coordination of the Auditing and Risk Management Committee's activities with those of the BOD, General Director, and shareholders is closely based on the principles of transparency, clarity, compliance with legal regulations, and company regulations to ensure the balanced interests of the company and its shareholders.
- The Committee has received cooperation and support from the BOD and EB in carrying out its duties.

## THE HUMAN CAPITAL AND COMPENSATION COMMITTEE

In addition to regular discussions on specific issues, in 2023, the Human Capital and Compensation Committee held 02 meetings and evaluated and reported to the BOD on issues related to governance, human capital and remuneration.

In 2023, the Committee has implemented tasks stipulated at Regulations of issuance according to Decision No 1733 QD/PVCFC dated August 4 2021 of BOD, specifically:

- Reviewing and evaluating corporate governance policy and supervising implementation of corporate governance. PVCFC has step by step digitalized many stages in its management, business and production systems, technical support system. These efforts have made effective contributions to business and production management.
- Supervising compliance with corporate governance policy (Handbook) and Code of Ethics of the Company. Corporate governance policies and Code of Ethics

are closely monitored by Human Capital and Compensation Committee to ensure compliance.

- Advising, consulting BOD on fields of organization, human resource, salary and bonus and other policies of the company. Human Capital and Compensation Committee advises BOD on senior personnel for Executive Board and BOD.
- Reviewing, evaluating remuneration and bonus related issues, policies for executive and management boards, management officers before being submitted to BOD for consideration and decision making.
- Supervising management of salary, remuneration plan and welfare policy of the Company.
- Reviewing contents related to salary, bonus policy, policies included in annual report of the Company.
- Evaluating Board, Board's members, Board's Committees and members of Board's Committees in 2023.

## ESG COMMITTEE

Based on an orientation of building sustainable development framework and strategy, BOD has established ESG working group led by BOD member - Mr. Nguyen Duc Hanh. In March 2024, ESG Committee was officially established, BOD member - Mr. Nguyen Duc Hanh took the role of Committee Chairman to implement upcoming plans on ESG.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## OPERATIONS OF EACH MEMBER OF BOD

BOD has assigned the jobs for each member of BOD in each specific field. Accordingly, each BOD member has proactively planned their work. On a periodical basis, each BOD member inspected, supervised and urged executive board to implement Resolutions/Decisions of BOD, proactively exchanged and discussed to promptly set up business and production plans, specifically:

No.	BOD member	Position	Fields of responsibility
1	<b>Mr. Tran Ngoc Nguyen</b>	BOD Chairman	Performing functions, duties and rights of BOD chairman according to the Company's charter and current legal documents, being responsible to General Meeting of Shareholders on operations of BOD according to the Company's charter.
			Supervising and directing overall implementation of activities under authority of BOD including: construction, implementation and supervision of the Company's development strategies.
2	<b>Mr. Van Tien Thanh</b>	BOD member - General Director	Performing functions, duties of BOD member/General Director according to the regulations of the Law and the Company's charter. Being responsible to General Meeting of Shareholders and regulations of the law on management of business and production activities.
			Being responsible for effectively implementing resolutions, decisions of BOD.
3	<b>Mr. Tran My</b>	Non-executive Director	Supervising and directing implementation of activities under authority of BOD in related fields: planning, investment, insurance, shareholder relations, internal affairs office under BOD and other duties at Committees: Audit & Risk Management Committee, and Human Capital and Compensation Committee.

No.	BOD member	Position	Fields of responsibility
4	<b>Mr. Nguyen Duc Hanh</b>	Non-executive Director	Supervising and directing implementation of activities under authority of BOD in related fields: business, marketing, IT, trade and service, training, social security, corporate culture, unions, construction of corporate governance system according to good governance practices/pioneering practices of BOD.  Being in charge of construction and implementation of ESG practices including climate change. Since establishment of ESG Committee, Mr. Hanh has also played the role of Chairman of ESG Committee.
5	<b>Mr. Le Duc Quang</b>	Non-executive Director	Supervising and directing implementation of activities under authority of BOD in related fields: operation of Ca Mau Fertilizer Plant, factories of PPC-subsiary, environment security, safety and health, firefighting and prevention, economic-technical norms, ISO, legal affairs, compliance and implementation of other duties at Audit & Risk Management Committee.
6	<b>Mr. Truong Hong</b>	Independent Director	Supervising and directing implementation of activities under authority of BOD in related fields: R & D (Research and Development).  Chairman of Human Capital Management and Compensation Committee.
7	<b>Ms. Do Thi Hoa</b>	Independent Director	Supervising and directing implementation of activities under authority of BOD in related fields: Finance-Accounting, auditing, internal control, inspection and supervision, risk management.  Chairman of the Audit and Risk Management Committee.

During the period of resignation of Mr. Tran My - non-executive Director - (from August 1 2023), works and duties of Mr. Tran My was assigned for Mr. Nguyen Duc Hanh - non-executive Director.

All BOD members, on the basis of assigned duties, have excellently performed their roles and responsibilities, contributing to excellent performances of PVCFC to achieve planned targets of 2023 assigned by the General Meeting of Shareholders.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## OPERATIONS AND ASSESSMENT RESULTS OF INDEPENDENT DIRECTORS ON OPERATIONS OF BOD

### REGARDING THE ACTIVITIES OF INDEPENDENT DIRECTORS

- Independent Directors have effectively fulfilled their roles in checking and representing the business operations of the company, performing their functions and tasks correctly to ensure the common interests of the Company and its shareholders.
- Independent Directors of PVCFC have fully participated in meetings and contributed opinions and votes to the decisions of the BOD. The contributions of Independent Directors in their assigned areas in 2023 have demonstrated their roles, responsibilities, objectivity, and independence.
- As Chairmen of Audit & Risk Management Committee and Human Capital and Compensation Committee, Independent Directors have excellently performed their duties and responsibilities.

### ASSESSMENT OF INDEPENDENT DIRECTORS ON OPERATIONS OF BOD

- BOD has built operational plans, assigning specific fields to each BOD member according to functions, duties; motivating and upholding knowledge, experience of each member and creating favorable conditions for independent Directors to fully carry out their rights and obligations.
- Operations of BOD have been complied with corporate governance principles as stipulated at the Law on Enterprise, the Company's charter, internal governance regulations, operational regulations of BOD and other regulations of the Law.
- BOD has fully complied with governance regulations of public company, ensuring favorable conditions for independent Directors to fully carry out their rights and obligations.
- BOD has well performed its role of inspection, supervision of management of business and production activities of the Company. Inspection and supervision are regularly and closely implemented ensuring compliance with current regulations. BOD has regularly updated, adjusted decentralization for the Executive Board to limit its participation in specific activities, supporting the Executive Board to focus more on supervision and orientation activities.
- BOD frequently reviews, updates target and plans to ensure appropriateness with the Company' development strategy, building longer-term strategies to promote the company's sustainable development.
- BOD also focuses on improving governance capacity by hiring consultancy companies (IFC, Deloitte, CGS, etc.) to evaluate corporate governance, building a roadmap toward good governance practices, step by step building sustainable development framework and strategy and ESG practices.
- BOD, EB and Supervisory Board have coordinated to work out timely solutions to ensure thorough business and production activities and achieve the highest results.

## PERFORMANCE EVALUATION OF BOD

### PERFORMANCE EVALUATION OF BOD/EB AND MEMBERS

BOD has built evaluation criteria of performance of BOD. Members of BOD carried out an evaluation process and the Secretary summarized the evaluation results. At the BOD meeting in December 2023, BOD has conducted evaluation and agreed on effective performance of BOD in 2023.

Performance evaluation criteria of BOD has been built by good corporate practices with 5 components including:

#### 01 AUTHORITY AND GENERAL INFORMATION WITH 8 CRITERIA

Integrity, vision expertise, mission, strategy, supervision result evaluation of General Director and Executive Board, etc.

#### 02 BOD COMPOSITION WITH 6 CRITERIA

Structure of BOD, types of coordination between members aligning with good governance practices and corporate culture, etc.

#### 03 STRUCTURE OF COMMITTEES WITH 4 CRITERIA

Number of committees, structure and performance of committees, etc.

#### 04 WORKING REGULATIONS WITH 13 CRITERIA:

Operating procedures of BOD; schedule compliance, document provision; operational performance of Executive Board; transparency evaluation of financial statements and risk management, etc.

#### 05 OBLIGATIONS AND RESPONSIBILITIES WITH 5 CRITERIA

Implementation of obligations and responsibilities of BOD/BOD members.

In order to evaluate each member of BOD and Executive Board and other key officers under authority of BOD, the Company has issued personnel management regulations to evaluate each member of BOD, Executive Board and key officers under authority of BOD.

The basis of evaluation is based on balance between short-term factors including yearly business performance with long-term factors, financial and non-financial performance indicators consisting of the following groups of factor: (i) performance of duties and responsibilities (quality, quantity, progress, work performance in each position, time and sense of responsibility); (ii) political attitude and ethics, lifestyle; (iii) trends of prospects in career development.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## PERFORMANCE EVALUATION OF BOD (CONTINUED)

### PERFORMANCE EVALUATION OF BOD/EB AND MEMBERS (CONTINUED)

#### Specific evaluation:

- BOD members have seriously implemented all approved regulations such as corporate governance regulations, operating regulations, coordination regulations between Standing Committee of the Company's party committee, BOD and General director, compliance with regulations of the Law and the Company's charter.
- BOD has reviewed, updated and submitted to General Meeting of shareholders for approving amendments of the company's charter, internal corporate governance regulations, operating regulations of BOD; amending, supplementing Gas Purchase and Sales Contract with Vietnam Oil and Gas Group appropriate with current regulations according to good governance practices; issuing regulations, mechanisms, decisions under authority of BOD appropriate with actual situations, work requirements, agreeing on development orientations to create the most favorable conditions for Executive Board to manage all operational aspects, building a stronger company.
- The Board of Directors has issued regulations on management of conflicts of interests and transactions with related parties; Regulation of Whistleblowing, Code of Conduct and published on the Company's information portal.
- BOD has appointed Mrs. Do Thi Hoa as lead independent Director in charge of managing independent Directors to enhance independence, avoid abuse of power and prevent potential conflicts of interests. The lead independent Director is responsible for:
  - Acting as an intermediary between Chairman and other BOD members when necessary;
  - Convening and chairing meetings of non-executive members of BOD
  - Participating in evaluation of work performance of BOD chairman on demand.
- BOD and consulting units have evaluated the effectiveness of corporate governance to improve governance capacity; building corporate governance toward sustainability based on ESG criteria; establishing a working group in charge of building ESG framework and strategy. In March 2023, BOD established the ESG Committee.
- Based on assigned tasks, BOD members have proactively planned and seriously implemented their rights and duties; frequently discussing contents and direction at work, reviewing and updating operating plans of BOD, ensuring appropriateness with practical corporate governance situation.
- Closely monitoring operational activities of the company, contributing opinions, discussing with the General Director on rights and duties of BOD.
- Corporate governance must be in line with internal corporate governance regulations, the Company's charter and operating regulations of BOD. BOD chairman and its members frequently monitor and urge serious implementation of resolutions of the General Meeting of Shareholders, resolutions/decisions of BOD, supervising and directing management tasks of the General Director.



- Organizing annual General Meeting of Shareholders in accordance with regulations and issuing related resolutions for the Executive Board.
- BOD has reviewed and ensured appropriateness with the Company's development strategy. According to amendments of operating regulations of BOD in July 2023, BOD has specifically decided to consider and review its development strategy once every 6 months.
- In 2023, BOD evaluated that members of BOD/Executive Board and other key officers have well/excellently performed their tasks.

### EVALUATION OF PERFORMANCE OF COMMITTEES

On a yearly basis, BOD approves operational plans of Committees under BOD. The Committees implement their tasks according to the approved plans. At year end, based on the operational performance and task completion level, BOD evaluates performance of the Committees. In 2023, the Audit & Risk Management Committee, Human Capital and Compensation Committee were highly valued for performing well.

### EVALUATION OF PERFORMANCE OF INTERNAL AUDIT DIVISION

Given the opinions of the Audit and Risk Management Committee, BOD approves the operational plan of Internal Audit Division y-o-y (approving 3-year plan from 2023). The Internal Audit Division implements its tasks according to the approved plans. Based on operational performance, BOD evaluates the operational performance of the Internal Audit Division. In 2023, the Internal Audit Division was highly valued by well performing its tasks.



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## RESOLUTIONS/DECISIONS OF BOD ISSUED IN 2023

In 2023, BOD received 67 written proposals of General Director, issued 86 resolutions/decisions related to all operational aspects of PVCFC for the General Director, some important resolutions/decisions are as follows:

No.	Number	Date	Content
1	12/NQ-PVCFC	03/01/2023	Resolution on approving 2023 business and production plan of PetroVietnam Packaging JSC
2	120/NQ-PVCFC	17/01/2023	Resolution on human resource of Internal Audit Division
3	129/NQ-PVCFC	18/01/2023	Resolution of BOD meeting on January 16 2023
4	130/NQ-PVCFC	18/01/2023	Resolution on approving contents of the Contract of “supplying chemical for urea production”
5	161/NQ-PVCFC	02/02/2023	Resolution of BOD meeting in January 2023
6	178/NQ-PVCFC	07/02/2023	Resolution on approving 2023 business ad production plan of PVCFC
7	204/QĐ-PVCFC	10/02/2023	Decision on approving and issuing the Regulation of whistleblowing of PVCFC
8	360/NQ-PVCFC	27/02/2023	Resolution of BOD meeting in February 2023
9	481/NQ-PVCFC	14/03/2023	Resolution of BOD meeting in March 2023
10	483/QĐ-PVCFC	14/03/2023	Decision on approving Contract/Transaction with related persons of PVCFC
11	495/NQ-PVCFC	14/03/2023	Resolution on extending time of organizing the Annual General Meeting of Shareholders in 2023
12	592/NQ-PVCFC	22/03/2023	Resolution of BOD meeting dated March 20, 2023
13	603/QĐ-PVCFC	22/03/2023	Decision on approving and issuing risk management regulations of PVCFC
14	1145/QĐ-PVCFC	12/05/2023	Decision on issuing 2023 action plan of BOD of PetroVietnam Ca Mau Fertilizer JSC
15	1161/NQ-PVCFC	15/05/2023	Resolution of BOD meeting dated May 05, 2023
16	1166/QĐ-PVCFC	15/05/2023	Decision on re-appointing officer (Mr. Van Tien Thanh)

No.	Number	Date	Content
17	1167/QĐ-PVCFC	15/05/2023	Resolution on human resource of PPC
18	1168/NQ-PVCFC	15/05/2023	Decision on approving the agenda and documents of the Annual General Meeting of Shareholders of PVCFC in 2023
19	1283/QĐ-PVCFC	29/05/2023	Decision on approving value chain, regulation framework, plan on updating, amending, supplementing documents under authority of BOD
20	1291/QĐ-PVCFC	29/05/2023	Decision on temporarily approving 5-year plan (2021-2025) of PVCFC
21	1343/QĐ-PVCFC	01/06/2023	Decision on convening personnel and assigning tasks at the Annual General Meeting of shareholders in 2023 of PVCFC
22	1377/NQ-PVCFC	05/06/2023	Resolution on human capital of PPC and PVCFC
23	1450/NQ-PVCFC	09/06/2023	Resolution of BOD meeting in June 2023
24	1453/QĐ-PVCFC	09/06/2023	Decision on finalizing investment capital for completed projects - NPK project
25	1473/QĐ-PVCFC	13/06/2023	Decision on issuing internal audit regulations
26	1666/QĐ-PVCFC	30/06/2023	Decision on approving list of credit organizations and deposit limit from July 1 2023 to end of June 30 2024 of PVCFC
27	1799/NQ-PVCFC	17/07/2023	Resolution of BOD meeting in July 2023
28	1800/QĐ-PVCFC	17/07/2023	Decision on paying cash dividends to shareholders in 2022
29	1823/QĐ-PVCFC	18/07/2023	Decision on amending, issuing operational regulations of BOD
30	1824/QĐ-PVCFC	18/07/2023	Decision on amending, issuing internal corporate governance regulations
31	1983/QĐ-PVCFC	02/08/2023	Decision on assigning roles, responsibilities and special assignments of BOD
32	2278/NQ-PVCFC	31/08/2023	Resolution of BOD meeting in August 2023
33	2304/QĐ-PVCFC	06/09/2023	Decision on establishing a Coordination Team in charge of implementing ASEAN corporate governance scorecard
34	2352/QĐ-PVCFC	12/09/2023	Resolution on issuing document management regulations
35	2480/NQ-PVCFC	28/09/2023	Resolution of BOD meeting in September 2023





# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## RESOLUTIONS/DECISIONS OF BOD ISSUED IN 2023 (CONTINUED)

No.	Number	Date	Content
36	2600/QĐ-PVCFC	11/10/2023	Decision on issuing information disclosure regulations
37	2681/QĐ-PVCFC	19/10/2023	Decision on issuing operational and organizational regulations of Branch of PetroVietnam Ca Mau Fertilizer JSC - R & D Center
38	2686/QĐ-PVCFC	20/10/2023	Decision on approving business and production plan of PVCFC by 2025
39	2687/NQ-PVCFC	20/10/2023	Resolution of BOD meeting in October 2023 of BOD
40	2703/QĐ-PVCFC	23/10/2023	Decision on issuing marketing management regulations
41	2765/NQ-PVCFC	27/10/2023	Resolution on organizing the extraordinary General Meeting of Shareholders 2023
42	2766/QĐ-PVCFC	27/10/2023	Resolution on establishing Council of Whistleblowing of PetroVietnam Ca Mau Fertilizer JSC
43	2997/NQ-PVCFC	24/11/2023	Resolution of BOD meeting in November 2023
44	3008/NQ-PVCFC	27/11/2023	Resolution on approving restructuring plan of PetroVietnam Ca Mau Fertilizer JSC by 2025
45	3009/QĐ-PVCFC	27/11/2023	Decision on approving plans of Extraordinary General Meeting of Shareholders 2023 of PetroVietnam Ca Mau Fertilizer JSC
46	3014/QĐ-PVCFC	27/11/2023	Decision on establishing Board of implementation and Construction of Sustainable Development Strategy and Orientation of PetroVietnam Ca Mau Fertilizer JSC
47	3113/NQ-PVCFC	06/12/2023	Resolution on approving contents, documents of Extraordinary General Meeting of Shareholders

No.	Number	Date	Content
48	3234/NQ-PVCFC	18/12/2023	Resolution on approving business and production plan in 2024 of PVCFC
49	3306/QĐ-PVCFC	20/12/2023	Decision on re-appointing Mrs. Nguyen Thi Hien as Deputy General Director
50	3397/NQ-PVCFC	26/12/2023	Resolution of BOD meeting in December 2023
51	3405/NQ-PVCFC	27/12/2023	Resolution on approving 3-year operational plan 2024-2026 of PVCFC's BOD
52	3406/NQ-PVCFC	27/12/2023	Resolution on adjusting 2023 plan targets of PVCFC
53	3407/QĐ-PVCFC	27/12/2023	Decision on adjusting, supplementing staffing management plan by 2025 and 2026-2031
54	3413/QĐ-PVCFC	27/12/2023	Decision on issuing business management regulations
55	3420/QĐ-PVCFC	27/12/2023	Decision on approving 3-year audit plan 2024-2026
56	3473/QĐ-PVCFC	29/12/2023	Decision on approving and issuing "Economic-technical norms" of PetroVietnam Ca Mau Fertilizer JSC



# STRUCTURE AND ACTIVITIES OF THE BOARD OF DIRECTORS

## COORDINATION BETWEEN BOD, SUPERVISORY BOARD, EXECUTIVE BOARD WITH OTHER MANAGEMENT STAFF

- BOD, Supervisory Board and Executive Board and other management staff of PVCFC continue maintaining a close coordination based on principles of flexibility and adaptability, ensuring benefits of the company, shareholders, employees and related parties.
- Given its rights and responsibilities, BOD has issued regulations/mechanisms on all operational aspects for the General Director to implement. In the working process, BOD has discussed, exchanged and agreed with the General Director to promptly approve, adjust and update documents proposed by the General Director on ensuring a continuous development and stability of business and production.
- Resolutions of BOD assigned to the General Director are inspected and supervised by BOD. BOD has organized meetings with EB to build, adjust business and production targets aligning with each period.
- BOD and General Director always maintain a close management - e executive relationship and implement in accordance with the company's charter and regulations on corporate governance.
- The General Director, on a quarterly basis, sends financial statements to BOD. BOD regularly directs the General Director to implement audits, evaluating financial statements as stipulated to timely support the process of decision-making of the General Meeting of Shareholders.
- The General Director, regarding inspection and supervision, creates favorable conditions, promptly allocates personnel to coordinate and provide documents for BOD and Supervisory Board to perform their supervisory roles.
- Apart from inspecting, supervising the process of drafting, issuing regulations/mechanisms on business and production activities, Supervisory Board has participated in consulting, contributing opinions to make it appropriate with actual situation.
- The Supervisory Board is invited to attend BOD meetings to evaluate implementation of orientations, strategies, establishing orientations, outlining strategic solutions as a basis for implementation.
- The Supervisory Board has coordinated with BOD, Executive Board to propose related units to carry out independent audit, financial statement in 2023 to submit to the General Meeting of Shareholders for approval; successfully organizing the annual General Meeting of Shareholders 2023.

## REMUNERATION, OPERATING EXPENSES AND OTHER BENEFITS OF BOD AND EACH MEMBER OF BOD

- Details of remuneration of BOD are included in report on salary, bonus, remuneration and other benefits of Executive Board.
- Administrative expenses and other related expenses of BOD are in compliance with regulations of the company and accounted in general and administrative expenses of the Company.

## CORPORATE GOVERNANCE TRAINING

- All members of BOD, Executive Board, Supervisory Board, Corporate Secretary, persons in charge of corporate governance and related departments are entitled to training courses, programs of updating new regulations on corporate governance.
- Each newly-appointed BOD member is entitled to induction training programs with basic contents including: culture, goal, business model, corporate strategic orientation. New members of BOD are entitled to in-depth training programs on corporate governance such as Director Certification Program (DCP)-VIOD. BOD, Executive Board has sent representatives to training courses, seminars on corporate governance, good governance practices in the region and around the world, updating new regulations of Enterprise Law, Law on securities, Degrees, Circulars co-organized by HCMC Stock Exchange, VIOD, etc.
- BOD has approved orientation training plan for Mr. Nguyen Duc Thuan - BOD member - who was appointed on January 1- 2024 including training programs: culture, goal, business model and corporate strategic orientation; certified BOD member; ESG awareness and practices.

**Corporate governance Training programs in 2023**

- Good corporate governance practices go beyond compliance - Creating sustainable development value from breakthrough leadership thinking
- Talk on “How to uphold corporate culture in corporate governance”
- BOD member certification
- BOD culture and cultural governance
- “Enterprise Value Map (EVM) - Linking strategy value”
- 6<sup>th</sup> annual forum on “Unleashing the power of green finance and governance”
- Seminar on M&A transaction process
- Human resource capacity model
- Overview of ESG and issues raised by PVN and member units of course 1
- Advanced digital transformation



# STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

## MEMBERS AND STRUCTURE OF THE SUPERVISORY BOARD

No.	Full name	Title	Date of starting/of no longer being member of Supervisory Board		Shares ownership ratio at period closing
			Date of appointment	Dismissal date	
1	Ms. Phan Thi Cam Huong	Head of Supervisory Board	09/01/2015		0.000038%
2	Mr. Do Minh Duong	Supervisor	27/04/2021		0.000378%
3	Mr. Tran Van Binh (*)	Supervisor	27/04/2021	12/06/2023	0.000002%
4	Mr. Le Canh Khanh (**)	Supervisor	12/06/2023		0.000000%

(\*), (\*\*) On June 12, 2023, at the Annual General Meeting of Shareholders, the Annual General Meeting of Shareholders has dismissed Mr. Tran Van Binh as supervisor and appointed Mr. Le Canh Khanh as the company's supervisor.

## OPERATIONS OF SUPERVISORY BOARD

Based on operational regulations and plan of Supervisory Board approved by General Meeting of Shareholders at the annual General Meeting of Shareholders in 2023, some of typical activities of Supervisory Board as follows:

- Supervisory Board has proactively implemented inspection and supervision of management of BOD, EB; inspecting and supervising compliance with regulations of the Law, the company's charter, resolution of General Meeting of Shareholders, regulations and mechanism of the company; inspecting and supervising implementation of business and production activities, finance, investment, etc. Implementing its responsibilities and rights in a honest, cautious manner, complying with regulations of the Law, the Company's charter, and operational regulations of the Supervisory Board.
- Inspection, supervision are implemented by reviewing, analyzing, evaluating and contributing opinions and recommendations to documents, regulations submitted to BOD for approval; supervising investment, construction and implementing strategic orientations, business and production plans by attending meeting, seminars and studying related reports; appraising business and production reports and quarterly, semi-annual and annual financial statements in a cautious, honestly and objective manner; implementing specialized inspections at functional divisions, affiliated units and affiliates of the company; supervising implementation of recommendations of inspection groups; fully attending BOD meetings, briefings and other related meetings of the Company.
- On the basis of inspection, supervision of actual operational situations at the above-mentioned unit, Supervisory Board has carried out specific assessments on operational performance, timely detecting errors, limitation, frauds and potential risks to provide early warnings, contributing opinions, recommendations to BOD, General Director regarding operational and management of business and production activities.

Given proactive inspection and supervision according to the Resolution of the General Meeting of Shareholders, the Supervisory Board in 2023 has excellently performed its operational plan approved by the General Meeting of Shareholders.

## OPERATION OF EACH MEMBER OF SUPERVISORY BOARD

Supervisory Board includes 03 members, supervisors carry out their responsibilities, tasks independently based on specific tasks assigned as follows:





# STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

## OPERATIONS OF SUPERVISORY BOARD (CONTINUED)

### Mr. Do Minh Duong Supervisor

- Supervising investment work; human resource, training, salary and policy of the Company.
- Setting up appraisal reports, quarterly semi-annual and annual financial statements.
- Setting up appraisal report on salary fund implemented in 2023.
- Setting up periodical report of Supervisory Board, report of PVN as required according to regulations of Enterprise Law and the Company's charter.
- Participating in inspection of Divisions/Departments/Units under the plan of the Supervisory Board or coordinating with Internal Audit Division, related divisions; collecting opinions of members at inspections, setting up minutes of inspection under scope of work assigned in accordance with 2023 plan.
- Participating in supervision of year-end inventory count.
- Supervising implementation of recommendations of inspection groups on the basis of scope of work assigned.



### Mr. Tran Van Binh Supervisor (resigned from June 12 2023)

- Supervising implementation of procurement and operational management of the Plant from January 1 to June 12 2023.
- Supervising science and technology fund and implementing R & D.
- Making report of Supervisory Board and submitting to General Meeting of Shareholders, PVN or other major shareholders on demand according to regulations of Enterprise Law and the Company's charter from January 1 to June 12 2023.
- Reviewing/recommending contract, transaction with related persons under approval authority of BOD or General Meeting of Shareholders and information disclosure on related persons and transaction of related persons from January 1 to June 12 2023.
- Supervising implementation of recommendations of inspection groups on the basis of scope of work assigned.

### Mr. Le Canh Khanh Supervisor (appointed on June 12 2023)

- Inspecting science and technology fund and implementing R & D.
- Supervising and joining in the process of inspection of financial situation, preservation and development of capital of a subsidiary in Bac Lieu (PPC).
- Participating in inspection of year-end inventory count.

**Comment:** *Members of Supervisory Board have made efforts and proactively implemented their responsibilities, tasks, timely proposing suggestions and recommendations within the scope of assigned tasks, excellently performing assigned tasks, complying with provisions of the Law on Enterprise, the Company's charter and operational regulations of Supervisory Board.*



# STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

## MEETINGS OF SUPERVISORY BOARD

In 2023, Supervisory Board has organized seven (7) meetings to approve some issues such as: approval of reports submitted to General Meeting of Shareholders; appraisal of financial statements, evaluation of business and production situation; construction and implementation of operational plan of Supervisory Board; inspection plan at branches, affiliated units, functional divisions and approval of inspection results; assignation of tasks for Supervisory Board.

## THE MEETINGS OF SUPERVISORY BOARD

No.	Members	Position	Attending meetings	Ratio	Reason for not attending
1	Ms. Phan Thi Cam Huong	Head of Supervisory Board	7/7	100%	
2	Mr. Do Minh Duong	Supervisor	7/7	100%	
3	Mr. Tran Van Binh	Supervisor	4/4	100%	Dismissed on June 12, 2023
4	Mr. Le Canh Khanh	Supervisor	3/3	100%	Appointed on June 12, 2023



## RESULTS OF THE SUPERVISORY BOARD MEETINGS

No.	Date	Content	Conclusion/evaluation	Attendance rate	Voting rate
1	06/01/2023	Assigning tasks for members of Supervisory Board	Re-assigning tasks of each member of Supervisory Board appropriate with actual situations of the Company.	3/3	3/3
2	17/03/2023	Appraising business and production situation and financial statement in 2022	In 2023, targets of production, consumption, overall revenue and payment to the State's budget was higher than the plan; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Appraising salary fund implemented in 2023	Salary/remuneration fund, bonus fund in 2023 was determined on the basis of employment situation and 2023 plan targets; salary, bonus and settlement deduction and payment are implemented according to current regulations.	3/3	3/3
		Approving draft report of Supervisory Board and submitted to annual General Meeting of Shareholders; proposing selection of audit unit of 2023 financial statement	Agreeing and approving contents of draft report submitted to annual General Meeting of Shareholders and independent audit unit to audit 2023 financial statement.	3/3	3/3
		Coordination plan of auditing Sales Division with Internal Audit Division	Agreeing on audit implementation	3/3	3/3
		Sending personnel to review settlement documents of NPK project as proposed by BOD	Agreeing on sending 02 supervisors attending verification team to review settlement documents as stipulated.	3/3	3/3



# STRUCTURE AND ACTIVITIES OF THE SUPERVISORY BOARD

## MEETINGS OF SUPERVISORY BOARD (CONTINUED)

### RESULTS OF THE SUPERVISORY BOARD MEETINGS (CONTINUED)

No.	Date	Content	Conclusion/evaluation	Attendance rate	Voting rate
3	23/03/2023	Approving draft report of Supervisory Board and submitted to General Meeting of Shareholders; proposing selection of audit unit of 2023 financial statement	Agreeing and approving contents of draft report submitted to General Meeting of Shareholders and independent audit unit to audit 2023 financial statement (evaluating the independence and effectiveness of independent audit).	3/3	3/3
4	29/05/2023	Appraising business and production situation and financial statement in Q.1 2023	In Q,1 2023, the Company has excellently performed and exceeded its targets of production, consumption, overall revenue and payment to the State's budget; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Supplementing reporting contents of Supervisory Board and submitted to annual General Meeting of Shareholders.	Agreeing on supplementing contents of "compliance evaluation with regulations on approval and implementation of transactions between the Company and related persons" and reporting to Supervisory Board.	3/3	3/3
5	29/06/2023	Resignation of members of Supervisory Board	Accepting resignation letter of Mr. Tran Van Binh and reporting to General Meeting of Shareholders for approval.	3/3	3/3
		Assigning tasks for members of Supervisory Board	Re-assigning missions of each member of the Supervisory Board based on voting results at the Annual General Meeting of Shareholders dated June 12 2023.	3/3	3/3
		Implementing operational plan of Supervisory Board in the last 6 months of 2023	Agreeing on operational contents of Supervisory Board in the last 6 months of 2023	3/3	3/3
		Implementing inspection/supervision plan at affiliated units	Agreeing with a detailed inspection/supervision plan of affiliated units	3/3	3/3

No.	Date	Content	Conclusion/evaluation	Attendance rate	Voting rate
6	12/10/2023	Appraising business and production situation and audited 2023 mid-year financial statement	In the first 6 months of 2023, targets of production, consumption, payment to the State's budget and investment exceeded the plan; revenue and profit were lower than the plan due to a decline in average selling price; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Appraising operations of Supervisory Board in Q.3 2023 and implementing operational plan of Supervisory Board in the last 3 months of 2023	Agreeing with the operational performance of Supervisory Board in Q.3 2023 and operational plan in the last 3 months of 2023	3/3	3/3
7	08/12/2023	Implementing inspection/supervision plan of operations of PetroVietnam Packaging JSC	Agreeing on approving a detailed inspection plan of PetroVietnam Packaging JSC	3/3	3/3
		Appraisal of business and production situation and financial statement in Q.3 2023	In Q.3 2023, PVCFC completed and exceeded its targets of production output, consumption, overall revenue and contributions to the State's budget, revenue and profit lower than the plan due to a decline in average selling price; financial situation was healthy, preserving and developing capital.	3/3	3/3
		Implementation results of operational plan 2023 of Supervisory Board	Agreeing with the results of implementing operational plans in 2023 of Supervisory Board approved by General Meeting of Shareholders	3/3	3/3
		Detailed inspection, supervision plan of Supervisory Board in 2024	Agreeing with the implementation of detailed inspection and supervision content and plans of Supervisory Board in 2024 and submit to General Meeting of Shareholders for approval at the Annual General Meeting of Shareholders 2024	3/3	3/3

### SALARY, COMPENSATION - RELATED OPERATING EXPENSES AND OTHER BENEFITS OF SUPERVISORY BOARD AND SUPERVISORS

Salary, remuneration and operating expenses of each member of Supervisory Board are paid in compliance with the Company's regulations and approved by General Meeting of Shareholders. Total income of Supervisory Board in 2023 was 3.63 billion VND.



# TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

## SALARY, REWARDS, REMUNERATION AND BENEFITS

PVCFC applies the best measures to identify BOD effectiveness through the BOD evaluation process. All BOD members are evaluated at least once a year to appraise their work performance as a governance entity and operational effectiveness of BOD to make appropriate adjustments.

- Full-time members of Executive & Management Boards are entitled to a salary, part-time members of Executive and Management Boards and Non-executive Directors are entitled to remuneration.
- Salary, remuneration of Executive & Management Boards is identified and paid based on business and production performance, management and executive and supervisory effectiveness of each member.
- On a yearly basis, BOD evaluates work performance of each member of Management and Executive Boards through self-evaluation of each member. Then, BOD organizes an official meeting for careful consideration to identify work performance, contribution and efforts made by each member of BOD in an accurate, full and objective manner.
- Evaluation results based on 3 levels in correspondence with the weighing system as bonus and salary formulation such as (1) Excellent performance: 1.20; (2) task completion: 1.00; (3) task non-completion: salary: 0.80 and bonus: 0.00. Evaluation of work performance of each member shall be considered and applied by BOD in upcoming appropriate time.
- Salary, remuneration, bonus and benefits paid to BOD in 2023 based on business and production performance reached 24.332 billion VND calculated based on the number of 17 members of BOD, Executive Board and Supervisory Board. Salary, remuneration, bonus and benefits paid to BOD shall be calculated and paid in correspondence to actual number of members, time in office and salary coefficient, remuneration for each title of management board, executive board and work performance that BOD members undertook including long-term factors such as compliance with regulations of the Law and social-environmental regulations.
- Remuneration of BOD members and members of Supervisory Board is fixed income. Nearly 90% of income of BOD and Supervisory Board is fixed, other 10% comes from bonus and other benefits.

Salary, remuneration, bonus and benefits of each BOD member paid in 2023 is as follows:

## BOARD OF DIRECTORS AND BOARD OF SUPERVISORS

Unit: Million VND

No.	Full name	Position	Salary, remuneration	Bonus and benefits	Total	Notes
<b>I. Board of Directors</b>			<b>8,903.70</b>	<b>1,138.48</b>	<b>10,042.17</b>	
1.	Tran Ngoc Nguyen	BOD Chairman	1,916.85	300.65	2,217.50	
2.	Van Tien Thanh	BOD member General Director	1,916.85	300.65	2,217.50	
3.	Tran My	Non-executive Director	928.06	121.30	1,049.36	Until the end of July 2023
4.	Nguyen Duc Hanh	Non-executive Director	1,590.97	207.94	1,798.91	
5.	Le Duc Quang	Non-executive Director	1,590.97	207.94	1,798.91	
6.	Truong Hong	Independent Director	480.00	-	480.00	
7.	Do Thi Hoa	Independent Director	480.00	-	480.00	
<b>II. Supervisory Board</b>			<b>3,350.33</b>	<b>275.17</b>	<b>3,625.51</b>	
1.	Phan Thi Cam Huong	Head of Supervisory Board	1,511.90	158.09	1,669.98	
2.	Do Minh Duong	Supervisor	1,259.74	82.33	1,342.06	
3.	Tran Van Binh	Supervisor	531.92	34.76	566.69	From January 1 to June 12, 2023
4.	Le Canh Khanh	Supervisor	46.77	-	46.77	Since June 12, 2023
<b>Total</b>			<b>12,254.03</b>	<b>1,413.65</b>	<b>13,667.68</b>	



## TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

### SALARY, REWARDS, REMUNERATION AND BENEFITS (CONTINUED)

#### EXECUTIVE BOARD AND CHIEF ACCOUNTANT

Unit: Million VND

No.	Full name	Position	Salary, remuneration	Bonus and benefits	Total	Notes
<b>I.</b>	<b>Executive Board</b>		<b>7,954.83</b>	<b>1,039.71</b>	<b>8,994.53</b>	
1.	Tran Chi Nguyen	Deputy General Manager	1,590.97	207.94	1,798.91	
2.	Le Ngoc Minh Tri	Deputy General Manager	1,590.97	207.94	1,798.91	
3.	Nguyen Tuan Anh	Deputy General Manager	1,590.97	207.94	1,798.91	
4.	Nguyen Thi Hien	Deputy General Manager	1,590.97	207.94	1,798.91	
5.	Nguyen Thanh Tung	Deputy General Manager	1,590.97	207.94	1,798.91	
<b>II.</b>	<b>Chief accountant</b>		<b>1,511.90</b>	<b>158.09</b>	<b>1,669.98</b>	
1.	Dinh Nhu Cuong	Chief accountant	1,511.90	158.09	1,669.98	
	<b>Total</b>		<b>9,466.72</b>	<b>1,197.79</b>	<b>10,664.51</b>	

**Note:** Salaries and remunerations include: Monthly salaries and additional salaries paid in 2023 and expected to be spent in 2024 according to the source of the Salary and Remuneration Fund implemented in 2023 (temporarily calculated based on pre-audit data).

Bonuses and benefits include: bonus implemented in 2023 (temporarily calculated according to pre-audit data) is expected to be paid in 2024.

### INSIDER TRADING

In 2023, Mr. Van Tien Thanh - BOD member cum General Director purchased 79,000 DCM shares, a number of shares hold after the transaction is 109,000 shares.

In addition, the Company, in 2023, received no information about other insider trading.

### LIST OF RELATED PERSONS OF THE COMPANY AND TRANSACTIONS OF RELATED PERSONS OF THE COMPANY WITH THE COMPANY ITSELF

#### LIST OF RELATED PERSONS OF THE COMPANY

In 2023, there was no transaction carried out between the Company, its subsidiaries, other companies controlled by the Company with over 50% of charter capital and up with BOD members, General Director and related persons of these members; transactions between the Company with companies in which BOD members are founding members or business managers during at least 3 years before time of transactions carried out at PVCFC.

#### TRANSACTION BETWEEN THE COMPANY WITH RELATED PERSONS OF THE COMPANY; OR BETWEEN THE COMPANY WITH MAJOR SHAREHOLDERS, INSIDERS, RELATED PERSONS OF INSIDERS

The Company signs, amends, supplements purchase contracts with Vietnam Oil and Gas Group - the Company's major shareholder .

At the annual General Meeting of Shareholders 2023, the meeting has voted on amendments and supplements to purchase contract with Vietnam Oil and Gas Group - the Company's major shareholder (Vietnam Oil and Gas Group is not entitled to voting right to avoid conflicts of interests).

Names of organizations/ individuals	Transactional relationship with the Company	NSH Certificate No., Date of issue, place of issue	Address of head office/contact information	Time of transaction with the Company	No. Resolutions/ Decisions of General Meeting of Shareholders/ BOD, etc. approved (if any, clearly state date of issue)	Content, quantity, total transaction value
Vietnam Oil and Gas Group	Major shareholder 75.56%	0100681592, 24/06/2015,	18 Lang Ha, Thanh Cong Ward, Ba Dinh District, Ha Noi	05/10/2023	1492/NQ-PVCFC, 14/6/2023	24/11/2022

Transaction value with related persons of the Company (transaction with subsidiaries of Vietnam Oil and Gas Group - the Company's largest shareholder).

(Principles of contract, transaction with related persons approved by BOD, signed and issued by Mrs. Do Thi Hoa - independent Director, in which, BOD members - representatives of Vietnam Oil and Gas Group - are related party who is not allowed to vote to avoid conflicts of interests).



## TRANSACTIONS, REMUNERATIONS AND BENEFITS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND SUPERVISORY BOARD

### LIST OF RELATED PERSONS OF THE COMPANY AND TRANSACTIONS OF RELATED PERSONS OF THE COMPANY WITH THE COMPANY ITSELF (CONTINUED)

	From January 1, 2023 to December 31, 2023 (according to pre-audit Financial Statements)
<b>Sales</b>	
<b>a. Subsidiary</b>	22,400,000,000
PetroVietnam Packaging JSC	22,400,000,000
<b>b. Other related parties</b>	487,955,633
Petroleum Power Renewable Energy JSC	487,955,633
	<b>22,887,955,633</b>
<b>Procurement of goods and services</b>	
<b>a. Vietnam Oil and Gas Group and its subsidiaries</b>	4,612,476,290,909
Vietnam Oil and Gas Group	4,099,498,688,207
Branch of PetroVietnam Power Corporation -JSC-PetroVietnam Ca Mau Power Company	361,052,660,649
PetroVietnam Fertilizer and Chemical Corporation-JSC- Petrochemical business branch	127,929,716,919
Branch of PetroVietnam Gas Corporation-Ca Mau Gas Company	13,882,272,942
Petroleum College	9,408,682,192
Vietnam Petroleum Institute	509,020,000
Vietnam Petroleum University	195,250,000
<b>b. Subsidiary</b>	213,185,121,241
PetroVietnam Packaging JSC	213,185,121,241

	From January 1, 2023 to December 31, 2023 (according to pre-audit Financial Statements)
<b>c. Other related parties</b>	62,426,809,333
PVD Technical Training JSC	25,264,370,890
PetroVietnam Security Services JSC - Southwest Branch	16,078,667,942
Saigon Petroleum JSC	10,846,409,568
Petroleum Drilling, Trading & Technical Services JSC	7,511,994,000
HCMC Branch of Indochina Petroleum Transport JSC	1,292,437,000
Branch of Petroleum Fertilizer and Chemical Corporation - JSC - Phu My Fertilizer Plant	842,283,519
Indochina Petroleum Transport JSC	379,740,300
Petroleum Securities JSC	132,000,000
Branch of Saigon Petroleum JSC in Ca Mau - Petroleum Station No 10	64,017,218
Petroleum Hotel JSC	14,888,896
Southwest Petroleum Fertilizer and Chemical JSC	-
	<b>4,888,088,221,483</b>

- **Transaction between the Company's internal actors, related persons of insiders with subsidiaries or companies hold and controlled by public companies:** No
- **Transaction between the Company with other subjects:** No
- **Transaction management with related parties:** The company has issued regulations on management of conflicts of interests and transactions with related parties. These regulations specifically stipulate cases considered as conflicts of interests and transactions with related parties, common principles to deal with these conflicts. Accordingly, Audit and Risk Management Committee (including 100% of Non-executive Directors) is responsible for reviewing and supervising transactions with related parties. Transactions with related parties shall be implemented and reviewed according to principles of fairness and arms' length to ensure maximum interests of the Company. Accordingly, related members shall not be allowed to participate in the process of evaluation/approval of these transactions.

**Assessment:** In 2023, the Company has fully complied with regulations of the Law on transactions between the Company and related persons.



# RISK MANAGEMENT

Corporate risk management system of PVCFC has been built since 2018. Risk management activities have been continuously improved. In 2019, PVCFC has done research by itself and successfully built risk management software and officially put into operation in 2020. It marked a significant milestone of PVCFC's pioneering efforts to closely connect risk management with daily operations, creating a strong digital transformation in risk management.

PVCFC has applied "The three lines of defense" to support BOD and the General Director to be responsible for supervision and operation of risk management by identifying factors that can affect missions, vision and strategic goals of the Company, working out solutions to minimize threats and grasping opportunities.



## THE THREE LINES OF DEFENSE INCLUDE

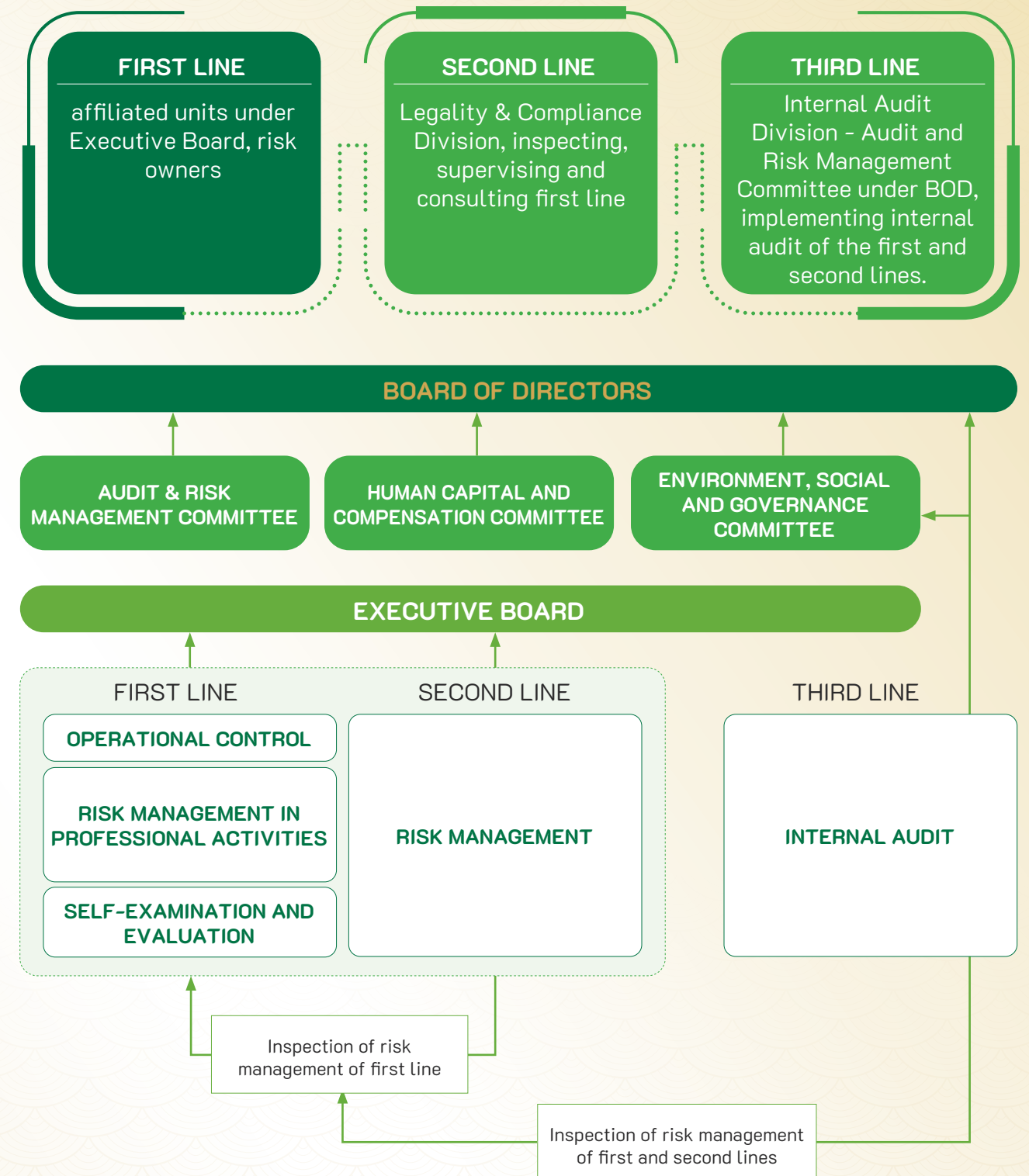


Photo: Model of "The three lines of defense" of PVCFC



# RISK MANAGEMENT

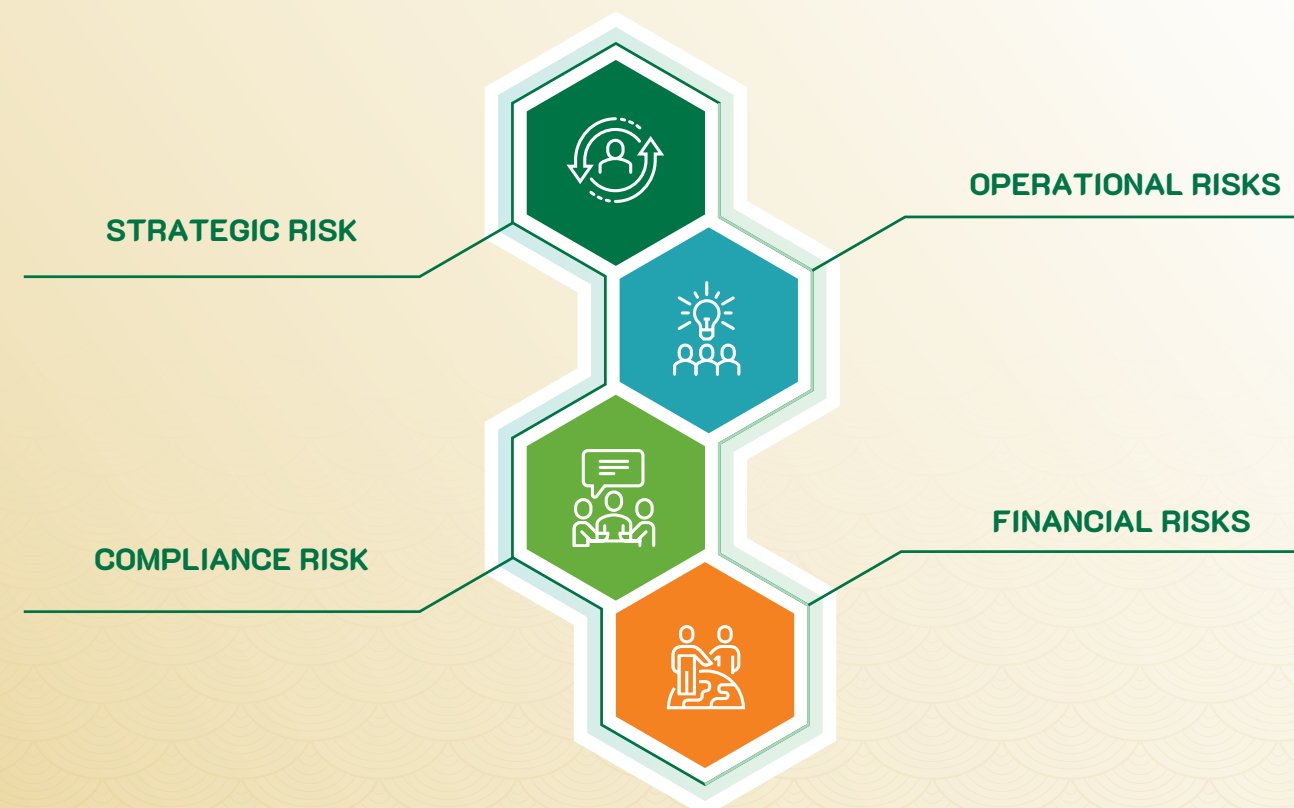
## REVIEW, ASSESSMENT OF RISKS IN 2023

Since implementation of risk management, PVCFC has issued Risk Appetite Statement, Risk Acceptance Criterion and Risk Measures; building risk management regulations and implementation procedures, issuing company and unit-level risk documents.

Following operational practices over the past years, PVCFC has reviewed, updated risk management frameworks aligned with the company's strategic goals in each period. In 2023, facing multiple challenges in Vietnam and around the world in fertilizer business and production, PVCFC, responding to requirements of new status, reviewed, evaluated, updated current risk management related documents and regulations.

In the past year, BOD has issued the updated risk management regulations, updating Risk Management Statement, Risk Acceptance Criterion and Risk Measures. Then, the General Director has reissued the risk management process. Executive Board has reviewed, evaluated, identified and issued company-level risk documents and unit-level risk documents to identify the root causes of risks, outlining solutions and actions in details, assigning wholesale units and coordinating units the jobs of ensuring efficiency of risk management goals.

By classifying risks in 4 main groups at risk management regulations, PVCFC has identified company-level material risks as follows:



### STRATEGIC RISK

→ Risk of price fluctuations in proprietary trading (Potash, DAP, etc.) can affect the approved profit plan: Possibility of price fluctuations can lead to reduction of efficiency of proprietary trading (Potash, DAP, etc.), decrease in profit as approved by the Company.

→ Risk of competition with other manufactures in the region: product competition with other competitors in the region can cause negative impacts on revenue plan and output approved by the Company.

### OPERATIONAL RISKS

→ Risk of machine downtime or stoppage and load shedding caused by gas supply rig malfunction can lead to output loss: the possibility of machine stoppage due to interruption of gas supply (recovery time can reach >24h or gas shortage) leading to output loss.

→ Risk of production equipment and machinery failures can cause output loss: Possibility of production equipment and machinery failures is very difficult for replacing or taking a long time to prepare and causing output loss.

→ Network and information security risks

» The likelihood of cyber-attacks and cybersecurity vulnerabilities can threaten the integrity of intellectual assets and other sensitive information, causing operational disruption as well as affecting the Company's financial performance and operational results.

» The possibility of Ransomware attack can exfiltrate network data, encrypting server system platforms and files, apps and backup system.

» The possibility of confidential information related to employees, customers or the company's operation is exposed to unauthorized parties, causing losses in revenue, assets, regulation and other issues.

→ There is a potential risk that Ca Mau branded products (organic, NPK) fail to meet requirements of physical/chemical properties according to announced standards: there is a potential risk that Ca Mau branded products (organic, NPK) fail to meet requirements of physical/chemical properties according to announced standards; causing impact on reputation and incurred costs related to product recall and claiming compensation.



# RISK MANAGEMENT

## REVIEW, ASSESSMENT OF RISKS IN 2023 (CONTINUED)

### COMPLIANCE RISK



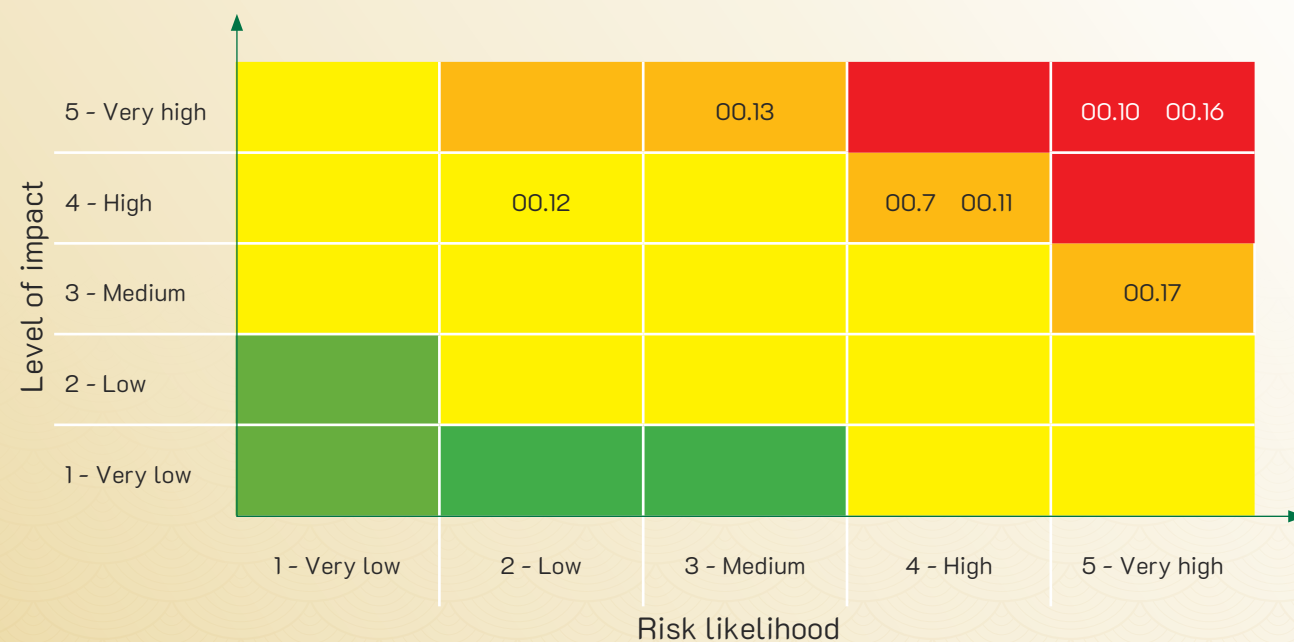
Risks of violating regulations on safety, health and environment: the likelihood that the Company violates regulations on environment, health, safety, security and requirements of license or fails to ensure environmental responsibilities. Then, it can lead to serious personal injuries, loss of life, disruption in business and production activities, and big financial losses.

### FINANCIAL RISKS



PVCFC is implementing financial management tools but fails to identify company level risks related to finance.

The above risks are classified on risk likelihood and level of impact on company level risk heat map:



THE COMPANY LEVEL RISK HEAT MAP

## ESG RISK MANAGEMENT

Based on the inevitable need for sustainable development trend for all companies, PVCFC always pays a special attention to risk management based on 3 elements: environment, society and governance. PVCFC is aware that ESG practices bring more opportunities, financial benefits such as expansion of opportunities in investment capital attraction or long-term economic values including assurance of sustainable business, assurance of prestige and improvement of corporate brand.

Based on early-built risk management system, PVCFC always review, evaluates material risk in a yearly basis. Regarding ESG practices, PVCFC classifies list of risks under 3 factors of E-S-G. This supports the process of management and control of potential risks in accordance with orientation on environment, society and governance.

Regarding environment, PVCFC always ensures operational safety in compliance with the State's regulations on gas emissions, waste, QHSE standards and related standards. Therefore, the Company always strictly control risks of safety violations, health and environment, preventing any possible incident and setting violation threshold.

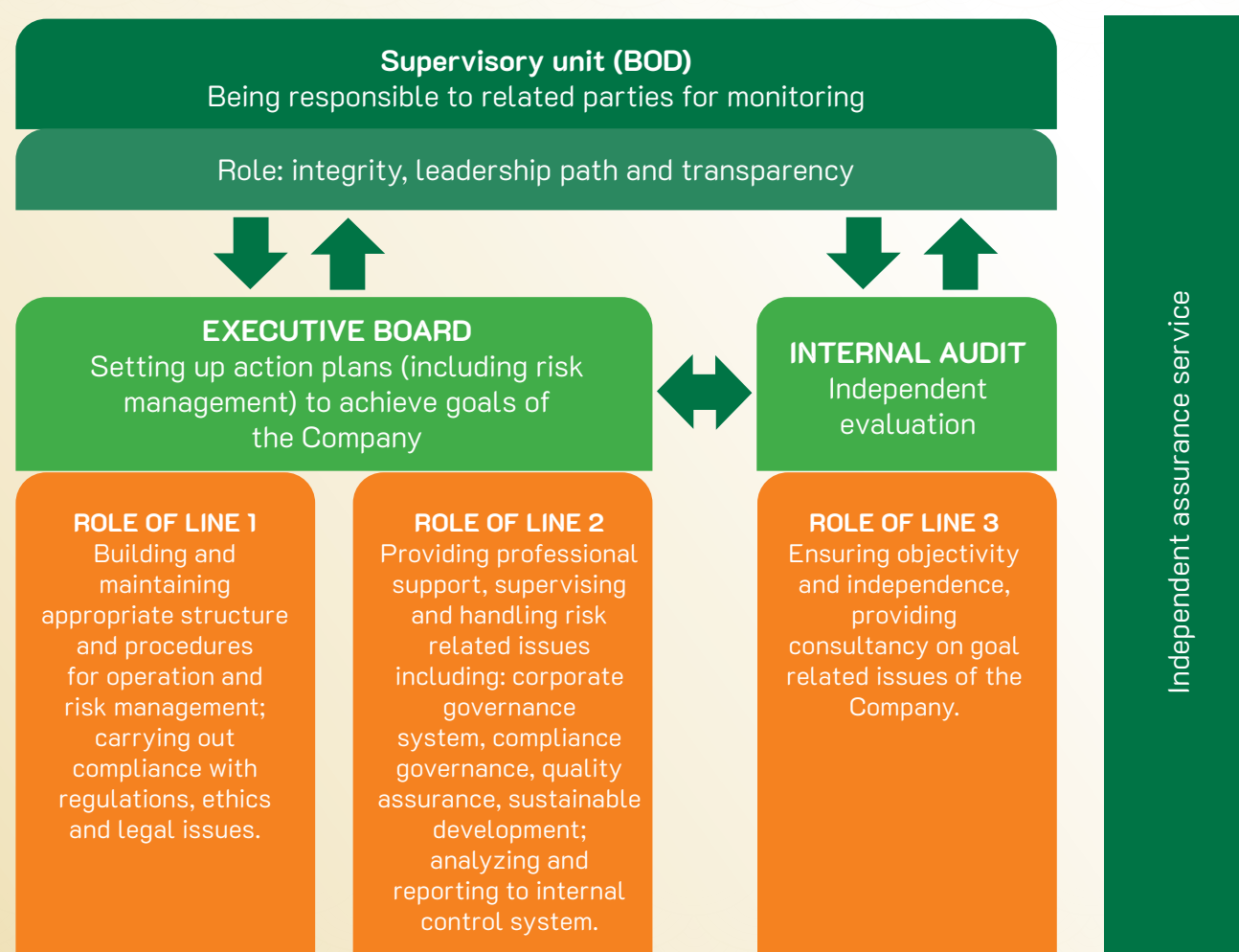
Given big benefits of ESG system, PVCFC is always ready for completing and improving corporate governance activities in general and risk management in particular. With a desire of becoming one of the pioneers in ESG practices of the Group in particular and of Vietnam in general as well as increasingly enhancing its position in the region toward sustainable development and prosperity.





# KEY INTERNAL CONTROL ACTIVITIES OF PVCFC

There are always potential business risks that can prevent enterprises from achieving their goals. PVCFC is fully aware that an effective internal control system must ensure prevention and reduction of possible risks. In order to ensure stability in current conditions and sustainable development in the future, PVCFC has built, completed and standardized its internal control system according to the model of The three lines of defense (issued in July 2020 by The Institute of Internal Auditor IIA) based on appropriateness with basic characteristics of enterprises.

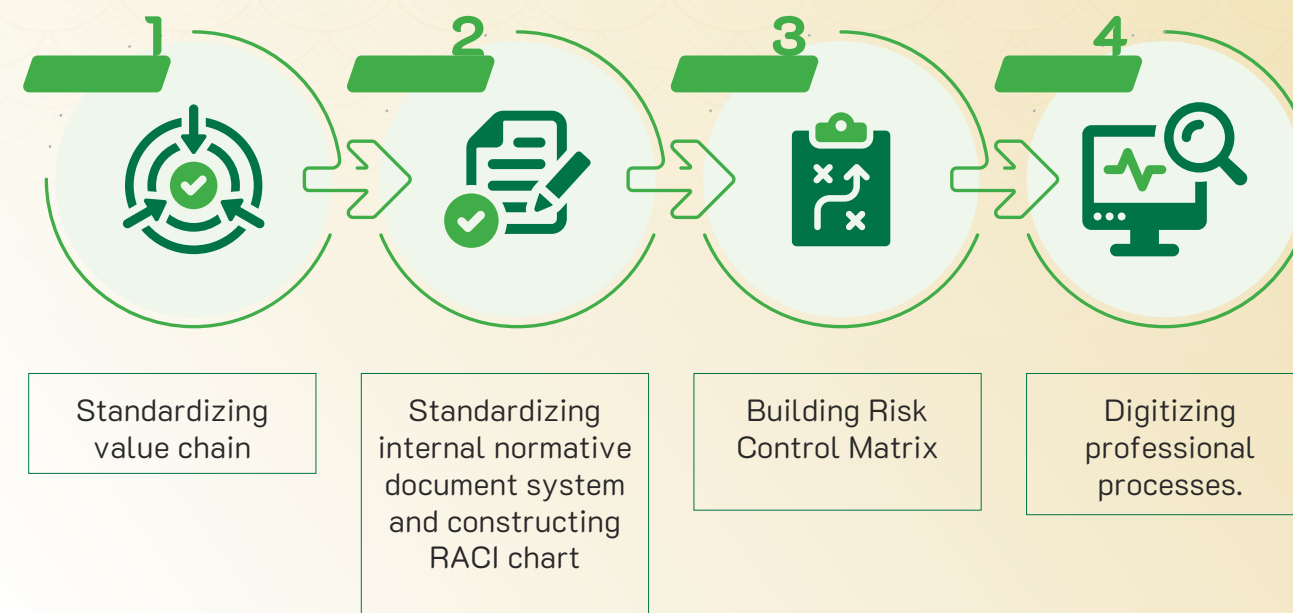


Note

- Flow responsible disclosure
- Assigning responsibility, guiding, providing resources, supervising
- Arranging, coordinating, communicating, cooperating

Photo: 3 Lines of Defense

According to good practices, PVCFC focuses on completing system of principles, regulations, policies to optimize its activities, minimizing material risks, creating added values and improving its competitive position compared to competitors. PVCFC has implemented Policy Framework Project to consolidate governance system with a roadmap of 4 items including:



Accordingly, value chain standardization is considered as a premise for PVCFC to plan activities related to creation or increase of product & service value and important activities capable of creating sustainable competitive advantage for the Company.

Based on the value chain, PVCFC shall issue RACI Chart for regulations to support BOD, General Director, divisions and units to decentralize implementation of each activity in the entire value chain rather than separately implementing according to each functional division. Next, PVCFC shall identify material checkpoints and build the control matrix. This helps Line 1 (divisions) identify work risks and risk response solutions; Line 2, 3 to strengthen data synchronization on risk profiles/input process to support activities of inspection and supervision according to risk orientation and creating conditions for accelerating the process of decision-making of competent units thanked to elimination of unnecessary checkpoints or unnecessary control points. Given the achieved results, after completion of process standardization, PVCFC shall promote digitalization of professional process by electronic office (EO) software, ERP and others. This accelerates thorough connection of information and data, speeding coordination progress between divisions as well as process of decision-making of competent units.

## ASSESSMENT ON IMPLEMENTATION OF CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD

Report on implementation of ASEAN Corporate Governance Scorecard is presented in detail at: <https://www.pvcfc.com.vn/en-US/investor-relations/esg-1>





## SUSTAINABLE DEVELOPMENT REPORT

- 194 Overview on the sustainable development report
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- 260 GRI content index

# BUILDING TRUST THE KEY TO SUCCESS





# OVERVIEW ON THE SUSTAINABLE DEVELOPMENT REPORT

During its development process, PVCFC has always aimed for sustainable development as a strategic goal while pursuing economic growth on the principle of environmental stakeholders, a harmonious balance of interests, and towards the prosperity of the community and society. Therefore, the sustainable development report is built as a bridge between PVCFC and stakeholders, helping to clarify the company's strategic direction and commitments with stakeholders, clearly defining our strategic orientations and commitments to implementation of social - environmental criteria, contributing to promotion of business trend toward green growth and sustainable development in Vietnam and around the world.

By implementing the sustainable development report, beside the economic aspect, PVCFC also identifies and evaluates its social and environmental responsibilities and contributions, supporting PVCFC to maintain

a balance of upcoming operational plans toward sustainable development goals and society in the next financial years.

In 2023, PVCFC made the sustainable development report on the basis of reference to GRI 2021 Universal Standards. Additionally, we also refer to guidance, recommendations and policy consultancy related to sustainable fertilizer use and management of Food and Agriculture Organization (FAO); complying with standards and practice guidelines in the fertilizer industry of International Fertilizer Association (IFA) to ensure safe, effective and sustainable fertilizer production, distribution and use, contributing to green and sustainable agricultural development goals in Vietnam. In addition, we also refer to operations of PVCFC with sustainable development goals (SDG) of the United Nations related to the fertilizer industry including: Goal 2, 12, 13 and 15. Then, PVCFC adjusts its operational

plan in accordance with SDGs to deal with global challenges and promote sustainable development in the fertilizer industry and more.

## REPORT CONTENT

Sustainable Development Report 2023 of PVCFC included information related to commitment/policies, governance measures, operating solutions and performance of PVCFC on material issues. 2023 is the 9th year PVCFC integrates the Sustainable Development Report shown in 01 chapter of the Annual Report.

There is no restatement information made from the 2022 report in the 2023 Sustainable Development Report. Accordingly, all information in this document is guaranteed to be consistently published with previous information of PVCFC.

## SCOPE OF REPORT

The report was made in Vietnam focusing on fertilizer trading and production activities. PVCFC's report included: all information and operating results of Parent Company and 01 Subsidiary - Petroleum Packaging Joint Stock Company (PPC).

## REPORTING PERIOD

Information and data included in the report was updated in the 2023 fiscal year of PVCFC, starting from 01 January 2023 and ending on 31 December 2023.



## CONTACT INFORMATION

We are looking forward to receiving your sincere comments to make our report more transparent, complete and accurate. Should you have any opinion related to sustainable development issues, please send us at:

Mr. Do Thanh Hung - Corporate Secretary

Email: [ir@pvcfc.com.vn](mailto:ir@pvcfc.com.vn)

HP: 0913897704





# OVERVIEW ON THE SUSTAINABLE DEVELOPMENT REPORT

## EXTERNAL ASSURANCE

PVCFC commits to complying with principles of integrity, accuracy and transparency in all data and information in the report. Therefore, apart from carrying out internal audit, our sustainable development indicators are guaranteed by third-party/independent audit, specifically:

- Consolidated financial indicators (assets, revenue, profits, budget contributions) are audited by Deloitte Vietnam Auditing Company Limited.
- Energy audit of Ca Mau Fertilizer Plant in 2021 was conducted by Vietnam Technology Solutions JSC, being evaluated and approved by Ca Mau Department of Industry and Trade. In 2024, PVCFC is assessing and making energy audit report by Bach Khoa Energy Saving Joint Stock Company and a team of survey experts, expected to be completed by June 2024.
- Energy consumption at Ca Mau Fertilizer Plant was certified by the Ammonia Production Technology Copyright House from Haldor Topsoe - Denmark.
- Waste management indicators:
  - Domestic waste statistics are authenticated by Ca Mau Urban Environment JSC.
  - Industrial solid waste statistics are authenticated by Cao Gia Quy Environment Co., Ltd.
  - Hazardous waste statistics are authenticated by Moc An Chau Warehousing and Commercial Forwarding JSC.
- Automatic monitoring data system is continuously collected with a frequency of 5 minutes/ data and directly transmitted to the Department of Natural Resources and Environment of Ca Mau province. In 2023, 99.86% of wastewater monitoring station data, waste cooling water station, exhaust gas monitoring station at granulation chimneys and 96.975% of emissions monitoring station data at Ammonia chimneys and monitoring stations Emissions at the NPK chimneys are transmitted to the Department of Natural Resources and Environment of Ca Mau province (except for days of machine downtime due to maintenance and internet failure), the results recorded no parameter exceeding the allowable limit.

## OUTSTANDING SUSTAINABLE DEVELOPMENT INDICATORS IN 2023

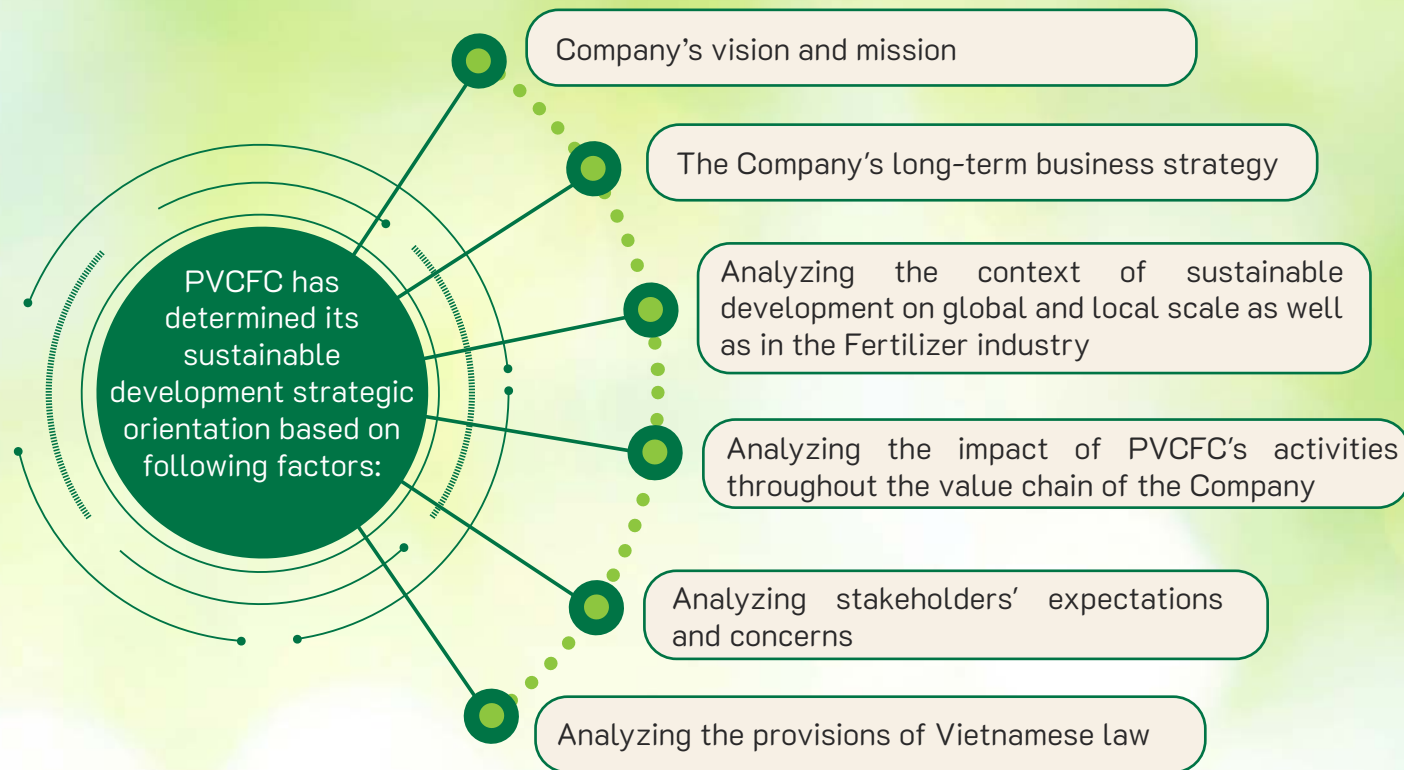
ECONOMY	Total asset <b>15,238</b> VND billion	Consolidated profit before tax <b>1,255</b> VND billion	Total consolidated revenue <b>13,172</b> VND billion
	State budget contribution <b>426.81</b> VND billion		Total social security budget <b>80</b> VND billion
ENVIRONMENT	Greenhouse gas emissions intensity decreased by <b>0.56%</b> compared to 2022	"Top 10% of factories with the lowest energy consumption in the world" honored by Haldor Topsoe	Energy use intensity decreased by <b>0.23%</b> compared to 2022
SOCIETY	35.04% of the Company's employees are locally recruited.		Total training hours <b>29,697</b> hours
	The average number of training hours: <b>26</b> hours/person/year	Number of unsafe working hours <b>0</b>	Number of cases of occupational diseases <b>0</b>



# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## STRATEGIC ORIENTATION FOR SUSTAINABLE DEVELOPMENT

### OVERVIEW



PVCFC's sustainable development orientation ensures alignment with the vision and common goals of creating real values for stakeholders and taking into account development trends of fertilizer industry and around the world but not limited to issues such as climate change, energy, circular economy, waste treatment, employee rights and benefits, etc.



## SUSTAINABLE DEVELOPMENT AND VALUE CHAIN

As a fertilizer manufacturer, PVCFC's business and production activities have environmental and social impacts throughout the value chain. We are aware of the importance of identifying, evaluating and managing the impacts of PVCFC's production and business activities on environmental and social factors throughout PVCFC's value chain.



### R&D

We have analyzed effects of products from the research state on factors such as greenhouse gas emissions, water, soil health as well as biodiversity. Based on our understanding of these impacts, we always create environmentally friendly products causing not harm to farmers.

### Input materials - Production - Distribution

We understand the impacts of raw material use on the environment as well as other impacts during the production process. Therefore, we always set annual goals of input materials saving as well as improvement of energy efficiency in the production process. PVCFC carries out a series of initiatives to improve input material usage efficiency and reduce average energy consumption per product.

### Usage

We also understand the impacts of fertilizer products on the environment, water, soil and biodiversity. We have been implementing many measures to increase farmers' understanding and sustainable fertilizer practices to minimize the impact on the environment.

### Waste management

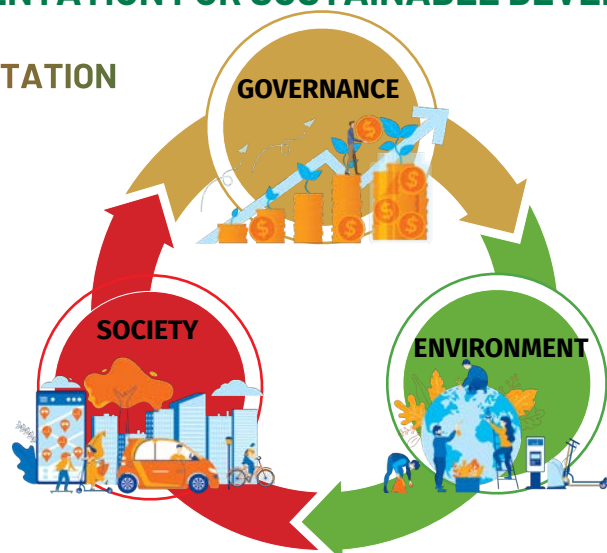
We are now analyzing and managing the impacts of waste across our value chain. We have managed and treated waste during the production process according to regulations of the law. We are studying environmental impacts of using fertilizer including the environmental and social impacts of fertilizer packaging.



# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## STRATEGIC ORIENTATION FOR SUSTAINABLE DEVELOPMENT (CONTINUED)

### STRATEGIC ORIENTATION



Based on our analysis, we have worked out basic sustainable development strategic orientation framework of PVCFC as follows:

BUSINESS STRATEGY				
Industry practices	Environment (E)	Society (S)	Governance (G)	General practices
	<ol style="list-style-type: none"> <li>Clean technology</li> <li>Climate change</li> <li>Energy</li> <li>Sustainable agriculture</li> <li>Biodiversity</li> <li>Water, air and waste</li> </ol>	<ol style="list-style-type: none"> <li>Occupational safety and health</li> <li>Customer rights and welfare</li> <li>Local community</li> <li>Talent attraction and retention</li> </ol>	<ol style="list-style-type: none"> <li>Business ethics</li> <li>Sustainable supply chain</li> <li>Risk management and supervision</li> <li>Operating performance</li> <li>Management of conflict of interest</li> </ol>	 
STAKEHOLDER ENGAGEMENT FOR DEVELOPING REGULATIONS				

Accordingly, PVCFC's sustainable development orientation will be consistent with its business strategy, complying with regulations of the law, reflecting the expectations/concerns of relevant stakeholders. PVCFC's sustainable development orientation will also be based on general practices such as GRI, SDGs and specific practices of the Fertilizer industry including practices of the International Fertilizer Association (IFA). Sustainable Development Framework is built with three pillars: Environment, Society and Governance. For each pillar, we identify the areas of sustainable development of our focus. Periodically, BOD and Executive Board will review this sustainable development framework and make appropriate adjustments.

## COMPLIANCE WITH ENVIRONMENTAL AND SOCIAL REGULATIONS

PVCFC always strictly complies with regulations of the law on environmental protection, waste and gas pollution control, resource saving, etc., actively doing researches and studying in-depth knowledge related to current environmental management regulations and ensuring assurance management according to ISO 14001:2015 standards.

PVCFC has issued quality, safety and environmental policies; issuing guidance regulations and procedures of implementation, carrying out inspection and testing to control the environment at manufacturing areas and other areas where the Company is operating. Policies, regulations, and procedures are widely disseminated to all employees to raise their sense of responsibility for community and living environment, etc.

The Company also coordinates with businesses, organizations with rich experience in assessing and improving environmental conditions.

All of the Plant's waste sources are strictly controlled and minimized in quantity quality control is ensured to meet regulations before being discharged into the environment.

In 2023, Ca Mau Fertilizer Plant always strictly controls and records no case of serious environmental incident at the plant area. PVCFC always fully meets the requirements, policies and regulations of the Law on Environmental Protection, contributing to environmental protection funds towards environmental community responsibilities.





# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## SUSTAINABLE DEVELOPMENT GOVERNANCE

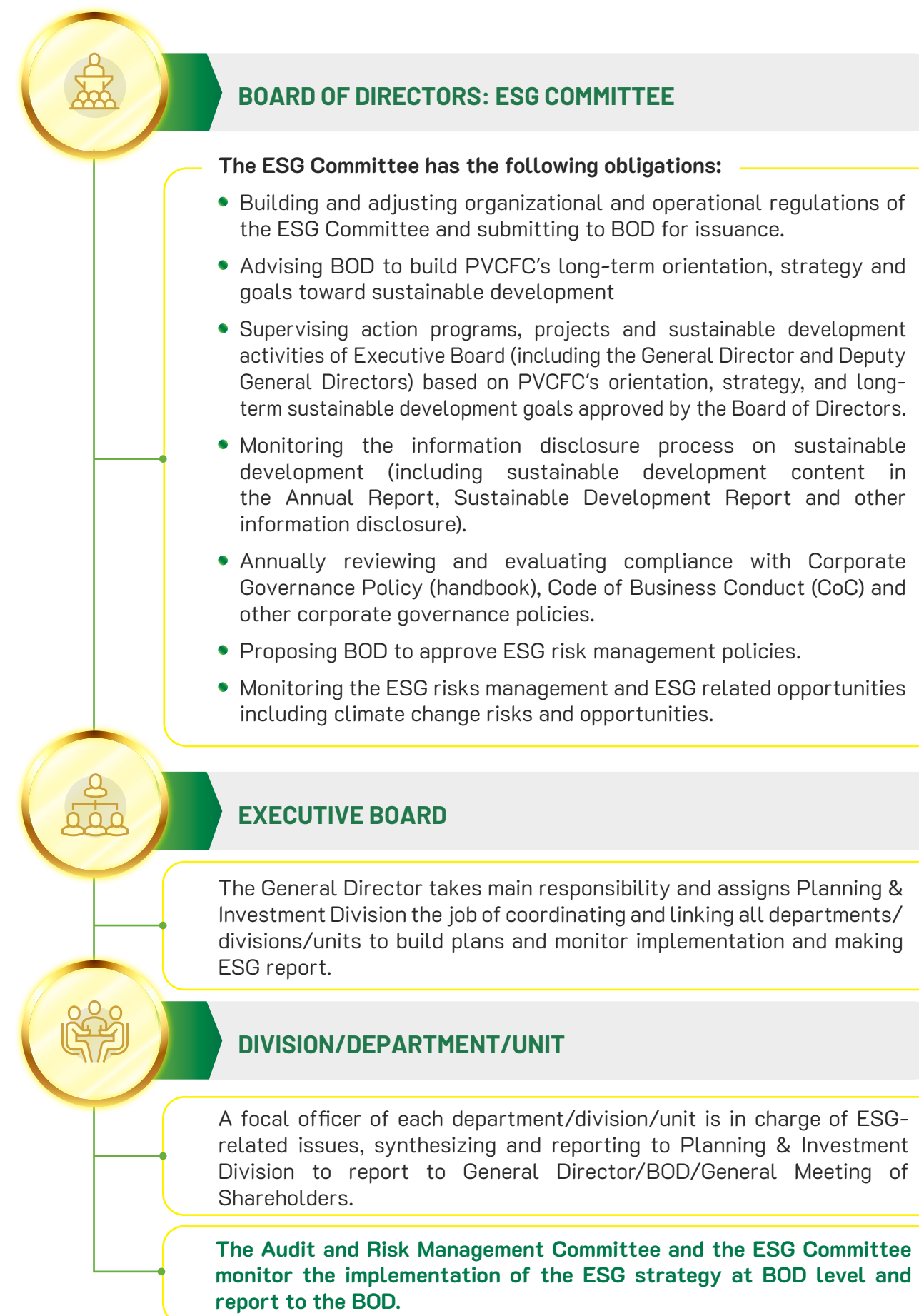
### SUSTAINABLE DEVELOPMENT GOALS

Since 2023, with the sustainable development orientation, the Company has established a sustainable development working group, assigning Mr. Nguyen Duc Hanh - non-executive Director the job of building sustainable development strategic orientations and supervising implementation. The working group includes members of the Executive Board and leaders of relevant functional divisions.



In March 2024, the Company has established the Environment - Society and Governance Committee (ESG Committee) as a specialized unit under BOD with the function of advising, consulting, and supervising sustainable development and corporate governance related areas for BOD (announced on the Company's Website).

## PVCFC'S SUSTAINABLE DEVELOPMENT MANAGEMENT STRUCTURE





# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## SUSTAINABLE DEVELOPMENT GOVERNANCE (CONTINUED)

### ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Being aware of possible risks, the Company has issued Risk Management Regulations, including management principles under the Company's risk management activities as the legal basis for the BOD, Audit and Risk Management Committee General Director, Supervisory Board, Internal Audit Division and affiliated units of the Company carry out risk management, applied consistently and closely associated with the Company's Mission, Vision, Core Values and Strategic Goals.

The Company's risks are identified, evaluated and prioritized by the appropriate management level based on "Risk Measures" assessing the possibility of risk as well as level of impact of the risks. All Company's employees must comply with the risk management framework, regulations and procedures approved. Details of the risk policy are described in the Risk Management section from page 184 to page 189 of the Report. Social Environmental risk management policy is essential to sustainable governance and an important key

to driving PVCFC to improve its sustainable development efforts now and in the future.

The Company's risk appetite statement addresses aspects related to the Company's operations, including environmental - social risks and IT risks.

The Company commits to complying with regulations of the law (including regulations on labor safety and environment) of Vietnam and countries and territories where PVCFC is operating.

The Company has proactively identified and ensured compliance requirements, establishing and operating management systems including (but not limited to): Code of Business Conduct (COC), policies, procedures and instructions in investment, business and production operations and implementation of contracts/commitments with customers, suppliers and partners.



Based on PVCFC's risk management framework, PVCFC is now focusing on the following environmental and social risks including:

	Risks	Risk management actions
ENVIRONMENT	<b>Gas leak</b>	<ul style="list-style-type: none"> <li>In order to manage and control these risks, the Company has issued operating procedures and production related regulations and strict compliance requirements to prevent and minimize gas leak, etc</li> <li>The Company has installed monitoring stations at necessary places to continuously monitor air quality to detect leaks early and take timely measures to handle.</li> </ul>
	<b>Climate Change</b> <b>Due to the characteristics of the Company's operations with natural gas as input materials and large-scale energy consumption in the production process, PVCFC creates a large amount of greenhouse gas emissions during the production process.</b>	<ul style="list-style-type: none"> <li>Continuously improving input gas efficiency.</li> <li>Conducting research on improving production processes toward energy efficiency.</li> <li>Using renewable energy.</li> <li>Doing research on greener products for the environment, etc.</li> </ul>
	<b>Wastewater and solid waste have had effects on air quality and biodiversity</b>	<ul style="list-style-type: none"> <li>Regulations and processes for clean water use, waste and wastewater treatment are also developed and issued to ensure compliance with quality standards of Vietnam and other countries/territories where PVCFC is operation.</li> <li>Signing solid waste treatment contracts with professional units with extensive experience, being recognized by reputable organizations or competent authorities.</li> </ul>
	<b>The risk of chemical fertilizer overuse compared to crop needs can affect soil health and water pollution, causing impacts on ecosystem and creating greenhouse gas emissions</b>	<ul style="list-style-type: none"> <li>Product instructions for crop care are disseminated under various forms: distributing leaflets, posting on the website, on the 2Nong app on mobile devices, organizing live seminars for agents/farmers on how to use products at the right time, right product, right dosage, minimizing losses and negative impacts on the environment</li> </ul>



# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## SUSTAINABLE DEVELOPMENT GOVERNANCE (CONTINUED)

	Risks	Risk management actions
ENVIRONMENT	The risk of a high job quit rate reduces operating efficiency and it requires more resources for the company to recover.	<ul style="list-style-type: none"> <li>The Company has built a culture based on its original culture identity, mobilizing employees to participate in practice to always ensure Physical - Spiritual - Intellectual Strength and long-term working orientation as well as showing their dedication to work.</li> <li>The Company's policy ensures that the payment of salaries, bonuses, and remunerations to employees in consistency with their effort and in compliance with payment time or payment of taxes according to each party's responsibility with full payment of social insurance.</li> <li>The Company has set up talent attraction policies, training personnel according to expert ranks, and internship programs to supplement human resources.</li> </ul>
	The risk of underemployment can lead to challenges of career promotion faced by laborers. This risk can arise due to a variety of factors, including economic downturns, technological advances, changes in industry demand and changes in Government policies.	<ul style="list-style-type: none"> <li>Always ensuring stable employment for labors, minimizing the risk of unemployment that can lead to social disruption.</li> <li>Creating conditions to increase the rate of local labor use.</li> <li>Investing in new projects to increase revenue and profits, increasing job opportunities for other subjects.</li> </ul>

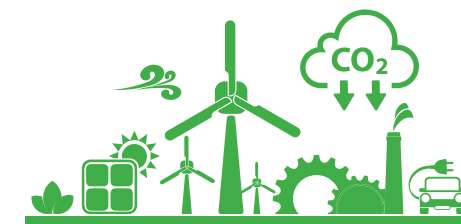
Every unit, individual and staff member is responsible for social and environmental risk management related to the Company's production and business activities. Social, environmental management criteria are assigned to divisions/departments and will be periodically evaluated by each level of management.

### INFORMATION RISK MANAGEMENT AND REPORTING ON SUSTAINABLE DEVELOPMENT

Information risk management or sustainable development practices are regulated according to the regulations on information/document management issued by BOD.

Upon Reporting on Sustainable Development, BOD sets up a working group, relevant divisions/ departments send information/documents to the working group for synthesizing and reporting. The Audit & Risk Management Committee and the ESG Committee are responsible for monitoring, and BOD approves information disclosure on sustainable development to ensure planned requirements.

## CONTEXT OF SUSTAINABLE DEVELOPMENT IN 2023



In recent years, the global fertilizer industry has faced great challenges and opportunities with the influence of important international events, typically the COP26 Conference held in 2021, where Vietnam committed to achieve net zero emissions by 2050. Commitments from the COP26 conferences also emphasizes the importance of transition toward sustainable agricultural system, in which the Fertilizer industry plays a key role due to its significant contributions of greenhouse gas emissions from input materials to production and especially during the process of fertilizer use. In addition, the European Union has issued the Carbon Border Adjustment Mechanism Regulations (CBAM) in 2023, putting a tax on carbon intensive goods that are entering the EU based on the intensity of greenhouse gas emissions. glass during the production process, requiring the Fertilizer industry to increase transparency and reduce CO2 emissions. In addition, guidelines from specialized associations such as the International Fertilizer Association (IFA) also continuously encourage global fertilizer manufacturers around the world to focus on applying new fertilizer production technologies toward performance optimization and sustainable development. Finally, it is necessary to mention the global trend of a transition toward production of sustainable fertilizer products with clean energy as input materials, doing research on new fertilizer products with the goal of not only meeting crop nutritional needs but also reducing environmental impact. These macro changes have posed both challenges and opportunities for fertilizer companies to evaluate opportunities as well as manage sustainable development related risks.

In the domestic market, we have been hit by regulations on reduction of greenhouse gas emissions; regulations on greenhouse gas inventory as well as social and environmental information disclosure regulations. This requires us to constantly improve production and management processes to better meet requirements of emission reduction and making it public.

Despite multiple challenges, we understand and are proud of being a part of this trend, with a strong commitment to the future of sustainable agriculture.



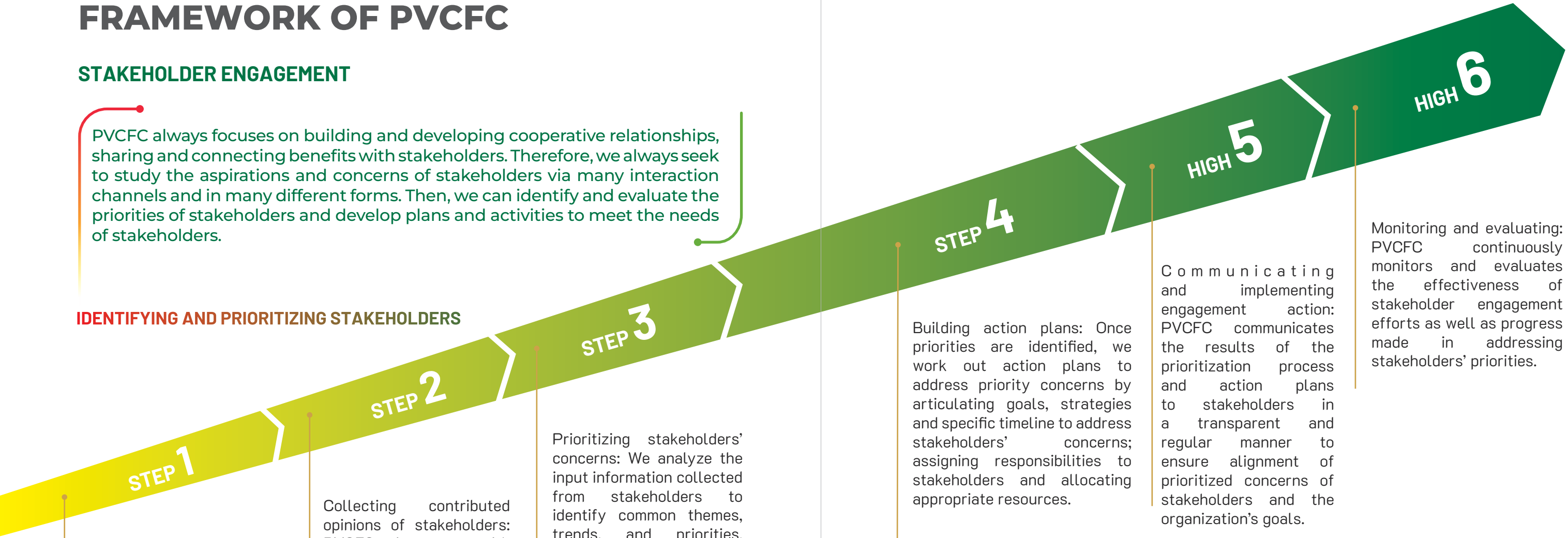


# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## STAKEHOLDER ENGAGEMENT

PVCFC always focuses on building and developing cooperative relationships, sharing and connecting benefits with stakeholders. Therefore, we always seek to study the aspirations and concerns of stakeholders via many interaction channels and in many different forms. Then, we can identify and evaluate the priorities of stakeholders and develop plans and activities to meet the needs of stakeholders.

### IDENTIFYING AND PRIORITIZING STAKEHOLDERS



**STEP 1**  
Identifying key stakeholders: PVCFC identifies all stakeholders directly or indirectly affected by PVCFC's activities, decisions or business results. Accordingly, stakeholders identified by PVCFC include both internal and external parties with related interests:

- Shareholders - Investors
- Partners
- Customers
- Suppliers
- Community, society
- Government and State agencies
- Press and media
- Employees

**STEP 2**  
Collecting contributed opinions of stakeholders: PVCFC interacts with stakeholders through various methods such as survey, interview, workshop or online platforms to collect their contributed opinions, feedback, concerns and expectations.

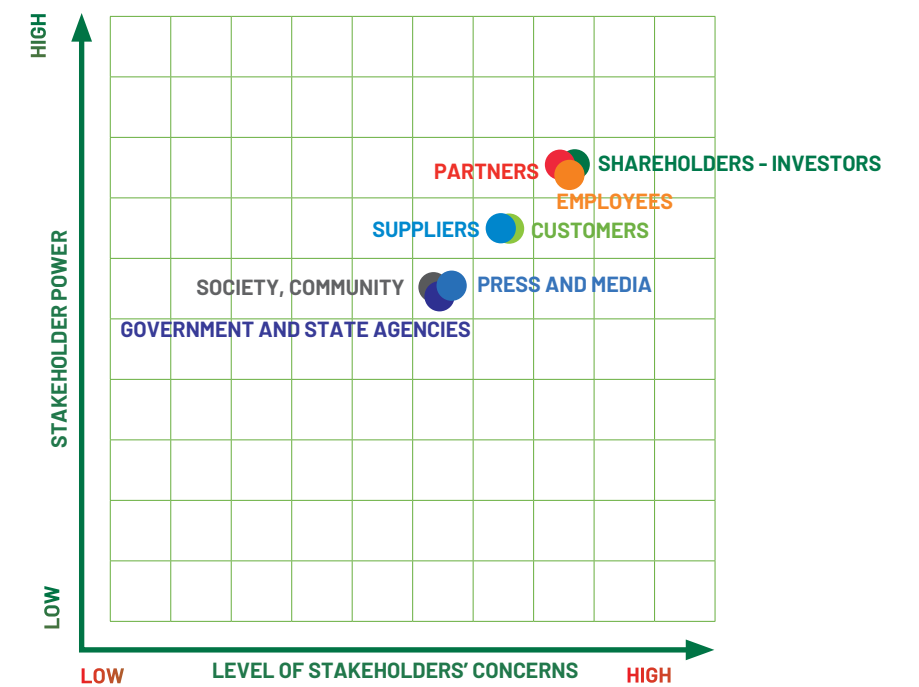
**STEP 3**  
Prioritizing stakeholders' concerns: We analyze the input information collected from stakeholders to identify common themes, trends, and priorities. Then, we rely on factors such as the importance of the issue, the impact of the issue on PVCFC and its stakeholders, urgency and feasibility to determine the priority level of the concerns of stakeholders.

**STEP 4**  
Building action plans: Once priorities are identified, we work out action plans to address priority concerns by articulating goals, strategies and specific timeline to address stakeholders' concerns; assigning responsibilities to stakeholders and allocating appropriate resources.

**HIGH 5**  
Communicating and implementing engagement action: PVCFC communicates the results of the prioritization process and action plans to stakeholders in a transparent and regular manner to ensure alignment of prioritized concerns of stakeholders and the organization's goals.

**HIGH 6**  
Monitoring and evaluating: PVCFC continuously monitors and evaluates the effectiveness of stakeholder engagement efforts as well as progress made in addressing stakeholders' priorities.

### STAKEHOLDER PRIORITIZATION MATRIX

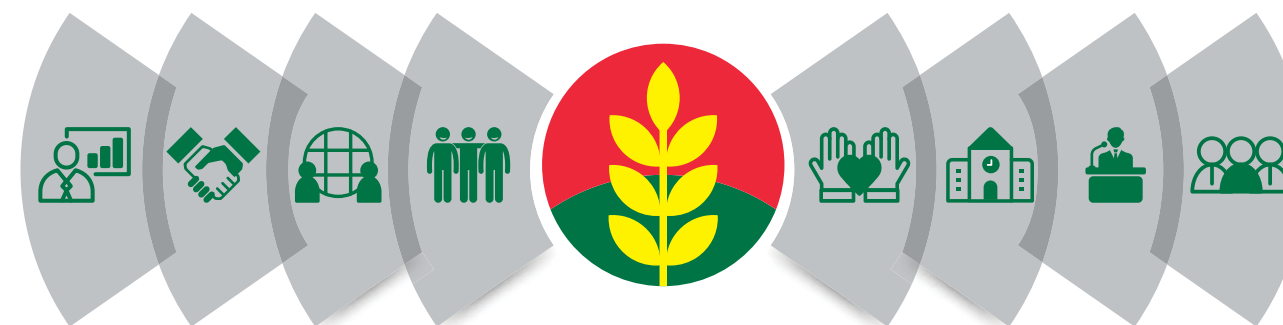




# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## STAKEHOLDER ENGAGEMENT (CONTINUED)

### STAKEHOLDER APPROACH






Stakeholders	Concerns	Approaches	PVCFC's actions
<p><b>SHAREHOLDERS - INVESTORS</b></p>	<ul style="list-style-type: none"> <li>Ensure capital efficiency;</li> <li>Ensure information disclosure in open and transparent manner and on schedule;</li> <li>Stabilize and improve corporate and stock values in stock exchange;</li> <li>Continuously improve corporate governance capacity;</li> <li>Pursue equal treatment, ensure benefits for shareholders and investors.</li> </ul>	<ul style="list-style-type: none"> <li>Organize Annual or Extraordinary General Meeting of Shareholders as specified.</li> <li>Receiving via email, fax, directly via phone number: 0290 3819 000, website: pvcfc.com.vn, investor relations section: <a href="https://www.pvcfc.com.vn/quan-he-dau-tu">https://www.pvcfc.com.vn/quan-he-dau-tu</a></li> <li>Organize annual meetings to summarize and report on the Company's business and production activities for shareholders and investors.</li> <li>Information to be disclosed on the Company's website.</li> <li>Attend investors' forums and seminars to share information and investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Be aware of fully carrying out information disclosure related procedures of Ministry of Finance to ensure timely providing information to shareholders, investors, ensure transparency in business and production activities.</li> <li>Information disclosure and exchange must ensure equality for all investors</li> <li>The Company has successfully organized the 2023 Annual General Meeting of Shareholders on June 12, 2023. The meeting has attracted the participation of shareholders and authorized individuals representing 80.71% of the total voting shares.</li> <li>The Company has successfully organized the Extraordinary General Meeting of Shareholders on January 10, 2024.</li> </ul>
<p><b>PARTNERS</b></p>	<ul style="list-style-type: none"> <li>Cooperation for mutual development.</li> <li>Promote responsible business and production conduct</li> </ul>	<ul style="list-style-type: none"> <li>Meeting and discussing directly</li> <li>Agreeing on the cooperation contract between the two parties</li> </ul>	<ul style="list-style-type: none"> <li>Maintain principles of equality, integrity for mutual benefits in all business cooperation activities of PVCFC.</li> <li>Pursue equal treatment between local and foreign partners</li> <li>In 2023, PVCFC has signed a cooperation program and become a strategic partner distributing high-quality DAP products of Hong Lan Van Thien Hoa Van Nam Chemical Co., Ltd.</li> <li>In 2023, on purpose of increasing fertilizer exports to Cambodian market, PVCFC officially concluded a strategic cooperation agreement with Yetak Group (Cambodia) on June 12, 2023.</li> </ul>
<p><b>SUPPLIERS</b></p>	<ul style="list-style-type: none"> <li>Pursue fair treatment between suppliers</li> <li>Co-operate for mutual development</li> <li>Promote sustainable growth;</li> <li>Supplier rights including the right to be timely guaranteed payment</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen direct meetings and exchanges with suppliers through information channels (email, tel...).</li> <li>Through mechanisms and regulations related to procurement, product and service consumption.</li> <li>Through bidding activities and criteria for supplier evaluation.</li> <li>Build interactive communication channels to improve product and service quality</li> </ul>	<ul style="list-style-type: none"> <li>Abandon on any abusive actions against the Company's brand reputation to create unreasonable claims against suppliers, determine not to cooperate with units for enticing or paying commissions, gratuity or in-kind gifts to PVCFC's employees.</li> <li>Supplier selection process is based on equality quality, technical capacity and working experience of suppliers in the past, etc.</li> <li>PVCFC has cooperated with Suppliers through regulations and procedures for purchasing goods/ renting services according to: Decision No. 1807/QD-PVCFC dated August 13, 2021 on issuing Procurement Regulations for goods and service rental; Decision No. 2229/QD-PVCFC dated October 14, 2021 on issuing PVCFC's goods procurement and service rental procedure;</li> <li>PVCFC respects the legitimate and reasonable rights of suppliers. We have worked out policies to ensure payment to suppliers including: (i) all contracts stipulate the agreed-upon payment terms and conditions; (ii) building internal procedures to ensure payment requirements within 15 days as requested.</li> <li>Contact information is available at the Company's contact section on the website from the Contact section <a href="https://www.pvcfc.com.vn/lien-he">https://www.pvcfc.com.vn/lien-he</a></li> </ul>



## STAKEHOLDER ENGAGEMENT (CONTINUED)

### STAKEHOLDER APPROACH (CONTINUED)

Stakeholders	Concerns	Approaches	PVCFC's actions
 <p><b>CUSTOMERS FARMERS</b></p>	<ul style="list-style-type: none"> <li>Ensure product information transparency;</li> </ul>	<ul style="list-style-type: none"> <li>Coordinate with team of leading experts through specialized programs, talks and dialogues with farmers on television.</li> <li>Organize training sessions for farmers on methods of fertilizer application.</li> <li>Organize meaningful programs such as promotion programs, giving gifts for farmers.</li> <li>Establish toll-free number to receive direct information and feedback from farmers</li> </ul>	<ul style="list-style-type: none"> <li>Consider customer trust and satisfaction as a measure of product quality and value, brand prestige in the market.</li> <li>Ensure supply of high-quality product, international advanced and environmentally friendly technologies with reasonable price suitable for various types of soil and plants to help farmers save costs and increase product-use efficiency.</li> <li>Continuously apply advanced technologies in new products to improve farming productivity with reasonable price.</li> <li>Proactively protect customers from fake and poor-quality fertilizers, strengthen communications activities to help farmers identify original product from counterfeit one.</li> </ul>
 <p><b>CUSTOMERS DISTRIBUTOR, AGENTS</b></p>	<ul style="list-style-type: none"> <li>Diversified product portfolios with multiple prices.</li> <li>Continuously improve service quality and sales process</li> <li>Increase customer interactions and engage in active listening.</li> </ul>	<ul style="list-style-type: none"> <li>Signing agency contracts and sales contracts</li> <li>Interact, exchange and collect customer data to meet their needs and desires through locally-based employees.</li> <li>Implement periodic customer service programs including visiting, giving gifts to customers on special events and occasions.</li> <li>Organize exchanging activities for distribution agents.</li> <li>Receive and respond to customer complaints through telephone customer service</li> </ul>	<ul style="list-style-type: none"> <li>Organizing thematic programs, talks, and dialogues with farmers via television: "Enhancing Vietnamese agricultural products" program with the media, Livestream "Golden Season - Win Big", etc.</li> <li>Ca Mau Fertilizer has organized: 17 editions (13 live/live stream editions and 4 filmed editions) of the Ca Mau Fertilizer Nutrition Solution Program (PVCFC fanpage) - consulting on building content of technique demonstration and getting involved in filming; making 06 video reportages under the "Enhancing Vietnamese Agricultural Products" program (coordinated with VTV9); consulting on building content of technique demonstration and getting involved; coordinating to make 6 video programs of key crops (rice, jackfruit, dragon fruit, coffee, durian), livestream programs on introduction of Ca Mau fertilizer products and nutrition solutions (PVCFC fanpage), etc.</li> <li>Organizing many meaningful programs such as: promotions, giving gifts to farmers under the "Golden Season - Win Big" program, Flashsale program, etc.</li> <li>Establishing a toll-free telephone switchboard: 1800 888 606 and Fanpage, Website to receive direct feedback from farmers</li> <li>Signing agency contracts and sales contracts with partners across the country and Cambodia.</li> <li>Interacting, exchanging, and collecting customers data, studying their needs and aspirations.</li> <li>Implementing customer care and engagement programs by visiting, gift giving, sightseeing, trips.</li> <li>Organizing exchanging activities between distribution agents through customer conferences, carrying out visits to agents and customers C1, C2, etc.</li> </ul>
 <p><b>SOCIETY, COMMUNITY</b></p>	<ul style="list-style-type: none"> <li>Implement environmental regulations to ensure fire safety and environmental health at fertilizer production plants;</li> <li>Environmentally friendly products with advanced quality;</li> <li>Contribute to the local community where PVCFC is operating.</li> </ul>	<ul style="list-style-type: none"> <li>Co-ordinate with local authorities;</li> <li>Disseminate and raise awareness of environmental safety;</li> <li>Promote bilateral exchanges through events</li> </ul>	<ul style="list-style-type: none"> <li>Connecting production and business activities with environmental responsibility, social safety and security: The Company has deployed 180 demonstration models of NPK Ca Mau fertilizers, 8 demonstration models of NPK PolyS, 20 demonstration models of NPK Ca Mau. N46.TRUE for rice, 20 product demonstration models of N46.C+ for rice farming areas, etc. helping farmers save production costs and increasing crop productivity.</li> <li>Implementing annual social security programs and activities: In 2023, the Company has spent about 80 billion VND on coordinating with local authorities, departments and agencies nationwide to implement some activities such as giving scholarships; building stations, schools; building roads, electricity system, etc.</li> <li>Funding events and activities of relevant agencies in the fields of agriculture, rural areas, farmers, fertilizer, etc.</li> <li>To ensure that the quality of output waste causing no impact on surrounding environment, the Company has carried out periodic environmental monitoring on frequency of 4 times/year in accordance with Environmental License No. 405/GPMT-BTNMT approved by the Ministry of Natural Resources and Environment dated December 30, 2022.</li> <li>In 2023, 99.86% of wastewater monitoring station data, waste cooling water stations, exhaust gas monitoring stations at granulation chimneys and 96.975% of gas emissions monitoring station data at Ammonia chimneys and gas emission monitoring station at the NPK chimney were transmitted to the Department of Natural Resources and Environment of Ca Mau province (except for days of machine downtime due to maintenance and internet failure) and the results recorded no parameter exceeding the allowable limit.</li> </ul>



## STAKEHOLDER ENGAGEMENT (CONTINUED)

### STAKEHOLDER APPROACH (CONTINUED)

Stakeholders	Concerns	Approaches	PVCFC's actions
<p><b>GOVERNMENT AND STATE AGENCIES</b></p>	<ul style="list-style-type: none"> <li>Make contributions to the State Budget;</li> <li>Implement corporate social responsibilities;</li> <li>Implement and support the State's policies;</li> <li>Strictly abide by the laws;</li> <li>Promote local economic development and fertilizer industry</li> </ul>	<ul style="list-style-type: none"> <li>Make reports in accordance with provisions of the laws in the whole business and production process.</li> <li>Contribute opinions on documents, decisions, laws issued by State agencies.</li> <li>Co-ordinate with inspection teams of Ministries, Departments to solve related issues, overcome shortcomings and limitations (if any) upon request and recommendations of inspection teams.</li> <li>Co-ordinate with State management agencies to prevent counterfeit products and poor-quality products.</li> <li>Participate in organizations and associations such as Vietnam Fertilizer Association, Association of Oil and Gas young business</li> <li>Attend conferences, specialized seminars organized by Ministries, Departments.</li> </ul>	<ul style="list-style-type: none"> <li>Strictly abide by regulations of the Laws on tax, environmental protection, labor safety, etc.</li> <li>Proactively co-ordinate with local authorities to in constructing workshops and construction stages on schedule, contributing to the State budget and creating jobs for local laborers.</li> <li>Propose appropriate adjustments on shortcomings of policies, regulations, support the Government and authorities at all levels to better perform management activities.</li> </ul>
<p><b>PRESS AND MEDIA</b></p>	<ul style="list-style-type: none"> <li>Provide promptly, accurate and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>Ensure transparency and publicity in information disclosure to mass media.</li> <li>Make contact and answer questions in media interviews (directly or indirectly).</li> <li>Prepare press releases, arrange press conferences to announce important updates.</li> <li>Keep important news and events up to date on the Company's website;</li> <li>Create English version content on the Company's website: pvcfc.com.vn</li> </ul>	<ul style="list-style-type: none"> <li>Building good relationships with media and press agencies on the principles of transparency and legality.</li> <li>The messages, information provided ensure accuracy, clarity, completeness and objectivity, helping the press agencies access accurate information about the Company's operations: <a href="https://vnexpress.net/pvcfc-nang-cong-suat-san-xuat-ure-len-116-4599055.html">https://vnexpress.net/pvcfc-nang-cong-suat-san-xuat-ure-len-116-4599055.html</a>, <a href="https://dtc.sgpp.org.vn/pvcfc-sap-dua-san-pham-vao-thi-truong-kho-tinh-nhat-the-gioi-post111895.html">https://dtc.sgpp.org.vn/pvcfc-sap-dua-san-pham-vao-thi-truong-kho-tinh-nhat-the-gioi-post111895.html</a>,...</li> <li>Providing information, recommendations on fake/poor quality fertilizers to the press promptly communicating to farmers: How to distinguish between genuine and fake/poor quality products on social networks (Facebook) <a href="https://danviet.vn/tieu-dung-thong-minh-phan-bon-ca-mau-la-lua-chon-hang-dau-20231105152101853.htm">https://danviet.vn/tieu-dung-thong-minh-phan-bon-ca-mau-la-lua-chon-hang-dau-20231105152101853.htm</a>,...</li> </ul>
<p><b>EMPLOYEES</b></p>	<ul style="list-style-type: none"> <li>Ensure stable income, remuneration policy and occupational safety;</li> <li>Ensure a civilized and fair working environment;</li> <li>Provide training courses to improve capacity and professional skills, promote self development;</li> <li>Dedication and contributions to be recognized</li> </ul>	<ul style="list-style-type: none"> <li>Conduct annual surveys on working environment;</li> <li>Organize annual staff conference;</li> <li>Organize year-end meeting review;</li> <li>Organize training courses;</li> <li>Promote effective internal communications;</li> <li>Strengthen mechanisms for complaint handling;</li> <li>Issue and implement policies;</li> <li>Promote two-way information and consultation.</li> </ul>	<ul style="list-style-type: none"> <li>Issuing the Collective Labor Agreement</li> <li>Establishing Trade Unions, Veterans Associations, Youth Unions, Club for the Advancement of Women, etc.</li> <li>Collecting opinions via email, survey, reports, etc.</li> <li>Organizing voting for outstanding individuals and groups</li> <li>Organizing activities of raising awareness of Safety - Health - Environment for employees.</li> <li>The "Recreating PVCFC culture" projects has reached a deeply mature stage</li> <li>Building training plans, organizing courses on boosting knowledge, organizing talks with experts.</li> <li>Organizing internal activities: Arts, culture, sports, tourism, etc.</li> <li>Propagating and encouraging employees to participate in social security programs for the poor, families under preferential treatment policy, poor children, building houses of gratitude, etc.</li> <li>Building communication channels in the workplace for employees to interact with internal communications</li> </ul>



# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## MATERIAL TOPICS

### PROCESS TO IDENTIFY MATERIAL TOPICS

To ensure that PVCFC's efforts and resources create the highest results in sustainable development activities, PVCFC evaluates and identifies material topics based on GRI 3 standards, GRI 2021 version. Accordingly, key sustainable development topics are identified by 4 main steps:

#### STEP 1: ANALYZING THE SITUATION

To study the internal and external issues capable of affecting the sustainable development issues, PVCFC has carried out activities to analyze and study the situation:

Conducting market analysis and fertilizer industry analysis.

Identifying parties in interests and related parties

Analyze production and business activities, products and markets

Analyzing the situations affecting sustainable development activities domestically and internationally and by industry.

Consulting opinions with customers, partners, shareholders, investors for analysis.

Consulting opinions with experts and consulting units in specific strategic projects.

#### STEP 2: DETERMINING ACTUAL AND POTENTIAL IMPACTS

Given the above situation, we have determined the impacts of the Company's production and business activities from the perspective of actual and potential environmental and social impact, both positive and negative perspective. These factors are determined through various sources of information, from assessment reports, internal analysis to external reports and analysis. We also refer to opinions of parties in interest on issues that the Company needs to pay attention from the perspective of environmental and social impacts.

#### STEP 3: ASSESSING THE SIGNIFICANCE OF IMPACTS

Regarding actual negative impacts, the significance of these impacts is measured by the consequences it causes in fields of finance and non-finance.

Regarding potential negative impacts, the significance of these impacts is measured by two main groups of factors: the consequences it creates and the likelihood. This assessment is similar to what we conduct in our Enterprise Risk Management (ERM) framework.

We conduct measuring of positive impacts based on the potential scale and scope that these positive impacts are created actually and potentially.

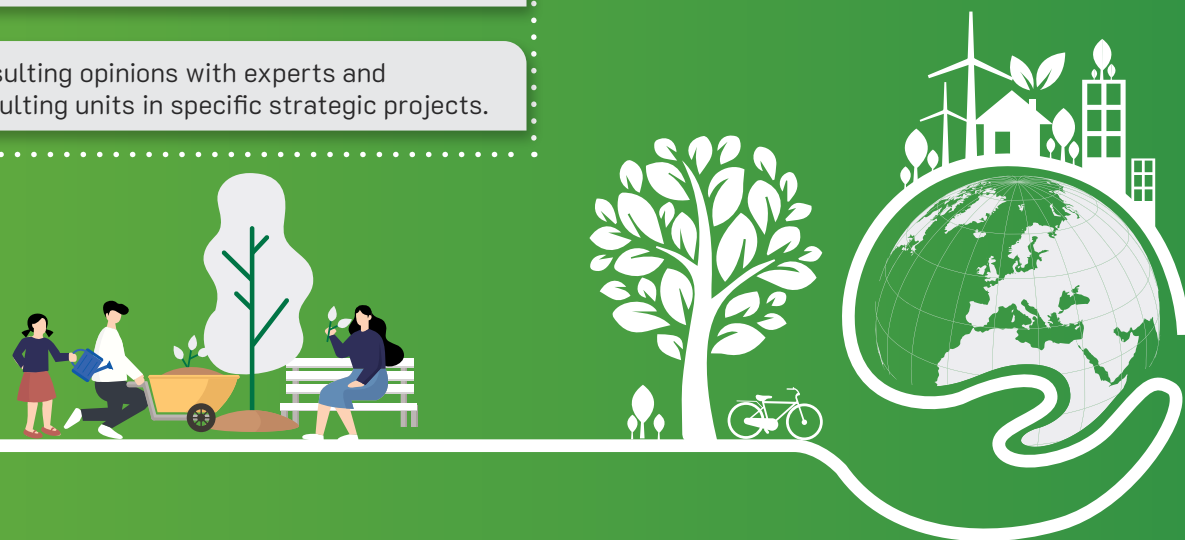
While the process of assessing the significance of the impacts, we also take into account the opinions of parties in interests.

Assessment of the significance of impacts helps us focus all resources to create the best results as well as help us determine the priority of report contents.

#### STEP 4: PRIORITIZING MATERIAL TOPICS FOR REPORTING

Based on the significance of the impacts in Step 3, we make a list of topics of high level of significance based on the perspective of the Company and of other parties in interest.

Material topics will be reviewed, evaluated and approved by BOD and EB.





# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## MATERIAL TOPICS (CONTINUED)

### PVCFC'S MATERIALITY MATRIX



● GOVERNANCE ● ENVIRONMENT ● SOCIETY





# SUSTAINABLE DEVELOPMENT FRAMEWORK OF PVCFC

## MATERIAL TOPICS (CONTINUED)

### IMPORTANCE OF MATERIAL TOPICS

	MATERIAL TOPICS	IMPORTANCE
<b>GOVERNANCE</b>	Economic performance	Achieving high business efficiency is very important for PVCFC to bring sustainable values and prosperity to stakeholders, actively contributing to sustainable development goals.
<b>ENVIRONMENT</b>	Water consumption and waste water	Ineffective management of water consumption and wastewater can pose risks to the Company's operations such as disruptions in supply chain or reputational damage due to environmental incidents. Given measures to reduce water consumption and recycle wastewater, PVCFC contributes to minimizing environmental impact and demonstrates its commitment to sustainable development.
	Input material	PVCFC's input materials are mainly natural gas from fossil fuel sources. PVCFC continuously improves/converts to save raw materials, minimize risk of loss, PVCFC is making efforts to seek alternative raw material sources to reduce environmental impacts.
	Climate change	Climate change has a significant impact on the agriculture sector, including changes in yield of crops, pest prevalence and soil fertility. Production and use of fertilizers also contribute to greenhouse gas emissions, especially N2O and CO2 emissions. This poses both challenges and opportunities for PVCFC in improving products suitable for changing climate conditions, reducing gas emissions from fertilizer production, contributing to promoting Vietnam's agriculture towards safe and sustainable development.
	Energy management	Fertilizer production requires a significant amount of energy consumption such as heating, drying and chemical reaction. Effective energy management is essential to minimize energy costs and maintain PVCFC's competitiveness. Additionally, energy production and consumption are the main causes of greenhouse gas emissions and negative impacts on the environment. By reducing energy consumption and switching to cleaner energy sources, PVCFC can minimize environmental impacts and contribute to sustainable development goals.

	MATERIAL TOPICS	IMPORTANCE
	Waste management	Fertilizer production generates huge amounts of waste such as solid waste, wastewater and gas emissions. Proper waste management is essential to mitigate environmental impact, prevent air, soil and water pollution and protect ecosystems and human health.
	Biodiversity	Biodiversity is essential for the long-term sustainability and resilience of agricultural and fertilizer production systems. By recognizing the importance of biodiversity and integrating biodiversity conservation into its operations and business strategies, PVCFC can make significant contributions to environmental protection, sustainable development goals and food security.
<b>SOCIETY</b>	Occupational health and safety	It is PVCFC's responsibility to always consider health and safety as a top priority. Good management of occupational safety and health will help prevent financial, human and material losses and other legal consequences as well.
	Training and development	Human resource (HR) is one of the solid foundations that help us complete our strategic plans and goals. Human resource training and development as well as policies to attract and retain talent are necessary for PVCFC to build a long-term and strong bond between employees and PVCFC, promoting PVCFC's success today and being well prepared for challenges and opportunities in the future.
	Talent attraction and retention	Human resource (HR) is one of the solid foundations that help us complete our strategic plans and goals. Human resource training and development as well as policies to attract and retain talent are necessary for PVCFC to build a long-term and strong bond between employees and PVCFC, promoting PVCFC's success today and being well prepared for challenges and opportunities in the future.
	Sustainable supply chain	Sustainable supply chain management help PVCFC minimize negative impacts on the environment, saving operating costs and ensuring workers' benefits throughout the supply chain.
	Labor and human rights	Employees protection and human rights compliance is very necessary for PVCFC to build a stable and inclusive working environment not only for PVCFC itself but also for all stakeholders. This helps PVCFC promote social justice and responsible business among the business community in Vietnam.
	Welfare of farmers/ customers	By paying a special attention to farmers' interests helps PVCFC better understand the needs, concerns and specific challenges facing farmers/customers. This is essential for PVCFC to develop appropriate products, programs, services and policies to promptly meet farmers/customers' requirements.
	Local community	Community engagement programs will nurture trust and strengthen the relationship between PVCFC and the communities. Besides, it is also necessary for PVCFC to contribute to building a prosperous community, promoting sustainable development within society.



# GOVERNANCE TOWARD SUSTAINABILITY



As an inevitable need of the sustainable development trend for all companies, PVCFC is increasingly paying more special attention to management practices based on 3 factors: Environment, Society and Governance (ESG). The Company is aware that ESG practices bring more opportunities from financial benefits such as expansion of opportunities to attract investment capital or improvement of long-term economic values such as maintaining sustainable business operations, maintaining positive corporate reputation and enhancing corporate brand. On the basis of the risk management system that was built early on, PVCFC always reviews and re-evaluates material risks annually.

**PVCFC**  
*pursues*

more sustainable  
and prosperous  
development according  
to **ESG** orientations

Given great benefits brought by ESG, PVCFC always willing to perfect and further enhance corporate governance in general and risk management in particular, as a desire to become one of the pioneers in implementing ESG practices of the Group in particular and in Vietnam in general, increasingly enhancing its position in the region toward more sustainable and prosperous development. The Company is committed to practicing corporate governance according to good governance practices in Vietnam and in the region. Apart from implementing corporate governance content announced in other parts of the report, PVCFC also focuses on the following contents.



## BUSINESS ETHICS AND INTEGRITY

### CODE OF CONDUCT

The Code of Conduct was issued by the Company in August 2022 according to Decision No. 2048/QĐ-PVCFC dated August 22, 2022 and published in Vietnamese and English language on the Company's website. The Code provides specific guidance on how to behave as an employee (including members of BOD and Executive Board) of PVCFC when interacting with any related entities. The implementation of the Code of Conduct in daily operations play a very important role in shaping the business ethics that PVCFC strives for, directly impacting PVCFC's business goals. This Code of Conduct also helps PVCFC move towards higher management standards, promoting employee orientation to pursues appropriate and professional behavior at workplace, shaping sustainable competitive advantage of PVCFC.

### WHISTLEBLOWING POLICY

The regulation of Whistleblowing were issued according to Decision No. 204/QĐ-BOD dated October 02, 2023 and published in Vietnamese and English language on the Company's website. This regulation stipulates the basic principles of PVCFC's whistleblowing policy to quickly detect and adjust behaviors of violations, promoting and enhancing sense of self-reliance and proactiveness of employees, urging them to be confident in sending their feedback to management and leadership levels, enhancing management and executive efficiency, improving production and business performance, protecting and improving brand prestige and reputation of PVCFC.

The regulations also clearly stipulate general principles related to establishment and management of the whistleblowing policy; channels for receiving whistleblowing reports, including signs of corruption; guidance and principles for handling, evaluating, investigating, concluding and disclosing information of wrongdoings and acts of violation; responsibilities and obligations of management levels in implementing, communicating and training on the whistleblowing policy at PVCFC. Then, PVCFC has established the Whistleblowing Council according to Decision No. 2766/QĐ-PVCFC dated October 27, 2023. PVCFC has established a specialized contact information channel managed by the Legal and Compliance Division for parties in interest to voice concerns and/or complaints about potential violations that can affect their interests. The results, after being preliminarily processed, are sent to the Whistleblowing Council for a final decision. BOD is required to ensure the independence of this Council.

The whistleblower policy guarantees confidentiality of anonymous reporting, providing principles and measures to protect whistleblowers who reveal information about deemed illegal, immoral activities from retaliation. In the fiscal year 2023, PVCFC recorded no case or ongoing investigations related to corruption and bribery or tax fraud or evasion.

### SAY NO TO CORRUPTION

PVCFC issued the Code of Business Conduct clearly stipulated in Article 17. Anti-corruption and bribery: "PVCFC's success is based on the product and service quality, not based on illegal actions or unethical conduct. PVCFC does not tolerate acts of corruption or bribery." The whistleblowing policy is one of the useful and effective channels for the Company to receive initial reports/warnings about corruption.



# GOVERNANCE TOWARD SUSTAINABILITY

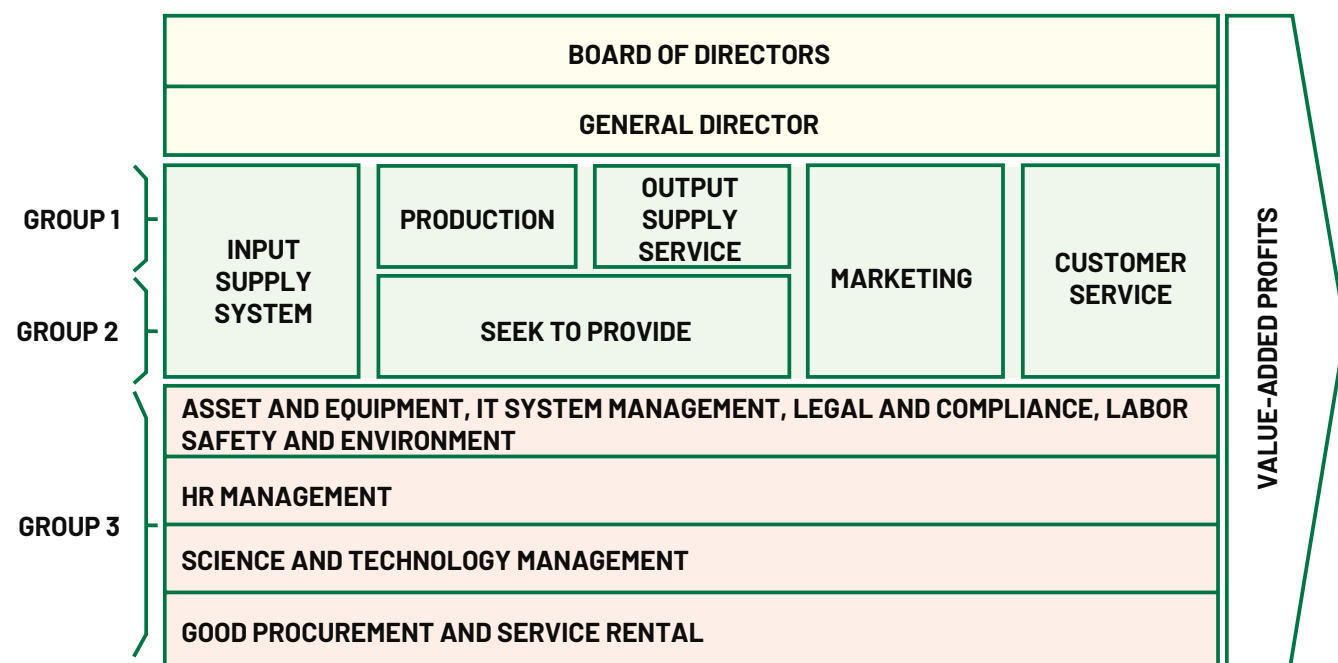
## CORPORATE GOVERNANCE

As a leading fertilizer trading and production company, PVCFC always focuses on promoting corporate governance, especially risk control and management systems according to good corporate practices. PVCFC's internal risk management and control system has been built in early stages and continuously standardized according to good corporate practices based on ISO, COSO IC framework, COSO ERM, etc.

### CORPORATE GOVERNANCE AT PVCFC

#### The three lines of defense

The Company applies a "The three lines of defense" model to support BOD and Executive Board to not only control risks but create higher values by identifying factors that can affect the implementation of the Company's mission, vision, and strategic goals and provide solutions on minimizing potential risks, taking advantage of opportunities. BOD has issued a model of internal control system according to the value chain (Figure 1) and risk management system from Company-level to unit-level. PVCFC has classified risks into four main groups: strategic risks, operational risks, compliance risks and financial risks. The Company has issued Risk Appetite Statement and Risk Acceptance Criterion, building risk metrics to classify and identify material risks on the Risk Heat Map (Figure 2). Regarding information technology risks, the Company has identified and put in the list of Company-level risks that need to be controlled as well as developed a separate criterion in the Company's risk measurement related to information technology.



**Note:**

- Group 1: Main activities (product)
- Group 2: Main activities (service)
- Group 3: Supporting activities

Figure 1: PVCFC's Value Chain Model

<b>LEVEL OF IMPACT</b>	<b>5. VERY HIGH</b>			00.13		00.10 00.16
	<b>4. HIGH</b>		00.12		00.07 00.11 00.18	
	<b>3. MEDIUM</b>				00.08	00.17
	<b>2. LOW</b>					
	<b>1. VERY LOW</b>					
		<b>1. VERY LOW</b>	<b>2. LOW</b>	<b>3. MEDIUM</b>	<b>4. HIGH</b>	<b>5. VERY HIGH</b>

### RISK LIKELIHOOD

Figure 2: PVCFC's corporate risk heat map

#### BOD independent members

With 2/7 BOD members being Independent Directors, PVCFC always complies with the regulations on the number of BOD independent members. Chairman of the Audit and Risk Management Committee and the Human Capital and Compensation Committee are Independent Directors, ensuring objectivity and transparency in dealing with conflicts of interest.

#### Managing conflicts of interests

The Company's BOD has issued regulations on management of conflicts of interest and transactions with related persons according to Decision No. 2988/QD-PVCFC dated December 6, 2022. The regulations clearly stipulate principles and instructions related to identification, prevention and mechanisms for receiving, processing information, and reporting conflicts of interest that may arise at PVCFC. These regulations also stipulate instructions on improving management and supervision efficiency, increasing transparency in transactions with related persons at PVCFC; clearly specifying approval authority of the General Meeting of Shareholders and BOD; order, approval procedures, cases of invalid contracts and transactions related to contracts and transactions between PVCFC and related persons. The policy on approving transactions with related persons specified in this regulation is published in Vietnamese and English language on the Company's website. The policy clearly states that members of BOD or any person/organization with related interests are not allowed to vote at the meeting through related party transactions in which that member is involved. Specifically, at Point c, Article 9 "Members of BOD with related interests to the parties in contracts and transactions shall not have the right to vote". In addition, any party with a conflict of interest must declare it. These regulations also specify requirements for transactions in compliance with market principles. PVCFC develops a contact information channel for stakeholders to voice concerns and/or complaints about possible violations of their interests. The Company has not recorded any incident of non-compliance with regulations of the law, rules and regulations related to significant or material related party transactions since the beginning of fiscal year 2023 till now.



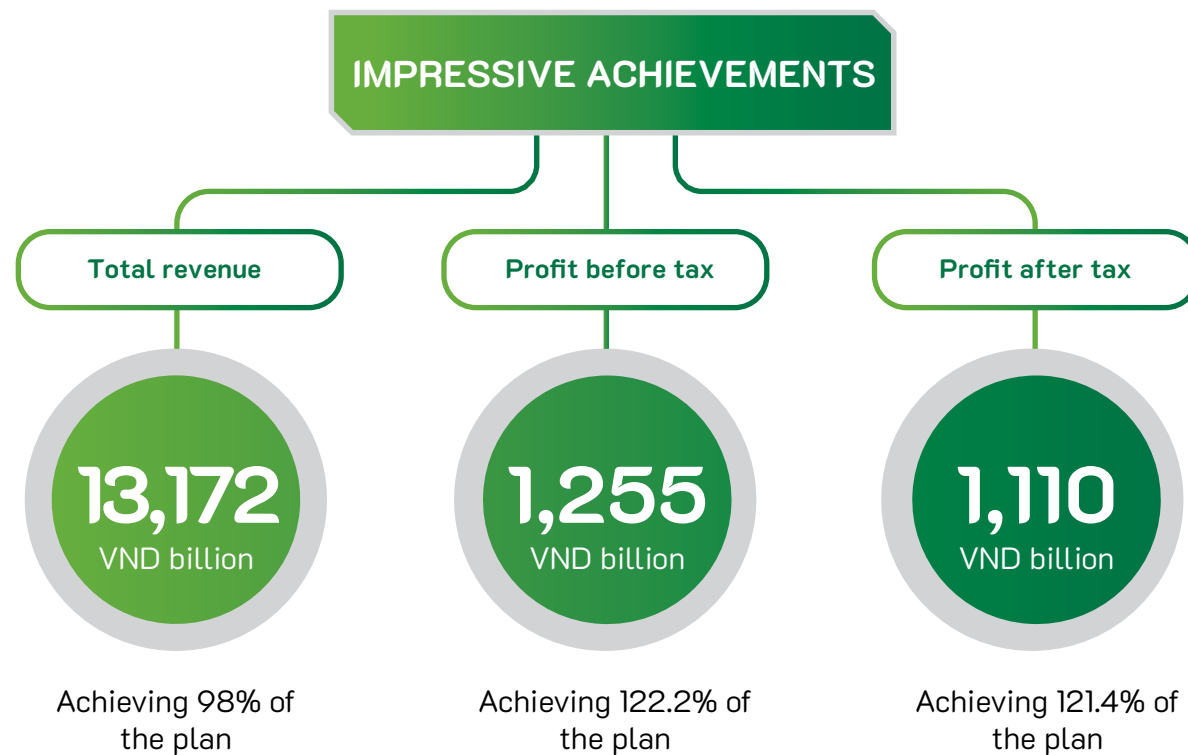
# GOVERNANCE TOWARD SUSTAINABILITY



## ECONOMIC PERFORMANCE, ECONOMIC CONTRIBUTION TO SOCIETY

### ECONOMIC PERFORMANCE

Facing multiple difficulties and challenges due to complicated changes of fertilizer market, based on the strength of solidarity, high determination of all employees and under the wise direction of the Leadership Board, PVCFC have completed and exceeded the planned tasks and targets, closing 2023 with many impressive achievements.



### ECONOMIC VALUE ALLOCATION

In line with efforts in carrying out production and business activities effectively, PVCFC always prioritizes ensuring the benefits of all stakeholders and constantly striving to bring more and more sustainable and prosperous values for stakeholders. In 2023, PVCFC recorded economic value allocations as follows:

Total payment to State budget: **426.81** billion VND, up **63%** compared to 2022

#### Dividend pay

The company has paid dividends in 2022 at a rate of **30%** (equivalent to 3,000 VND/share).

# ENVIRONMENT

The Company always strictly complies with current legal regulations of the law and manages according to ISO 14001:2015 standards (presented in PVCFC Company's quality, safety, environmental, inspection and testing policies) to conduct environmental control at work. All waste sources of the Plant are strictly controlled and minimized in quantity, quality control always meets allowed regulations before being discharged into the environment. In 2023, the Company recorded no case of environmental violation.

Since its establishment, PVCFC has always focused on building an environmental management and control system. The Company strictly complies with regulations on safety, firefighting and prevention and environment such as: building an online monitoring system to continuously monitor and track the plant's emission activities and transmit data to the Department of Natural Resources and Environment for management and supervision; quarterly environmental monitoring results are publicly posted on the Company's website in the QHSE section. Management methods and environmental performance index for each specific content are described as below.





# ENVIRONMENT



## WATER CONSUMPTION AND WASTEWATER

It is mandatory for manufacturing plants in general and Ca Mau Fertilizer Plant in particular to sue water source (boiler feedwater for steam production, open circulating cooling river water through the tower cooling system). cooling, fresh water for closed circulation cooling, etc.) to serve requirements of production technology. In addition, daily activities still generate domestic wastewater depending on the needs.

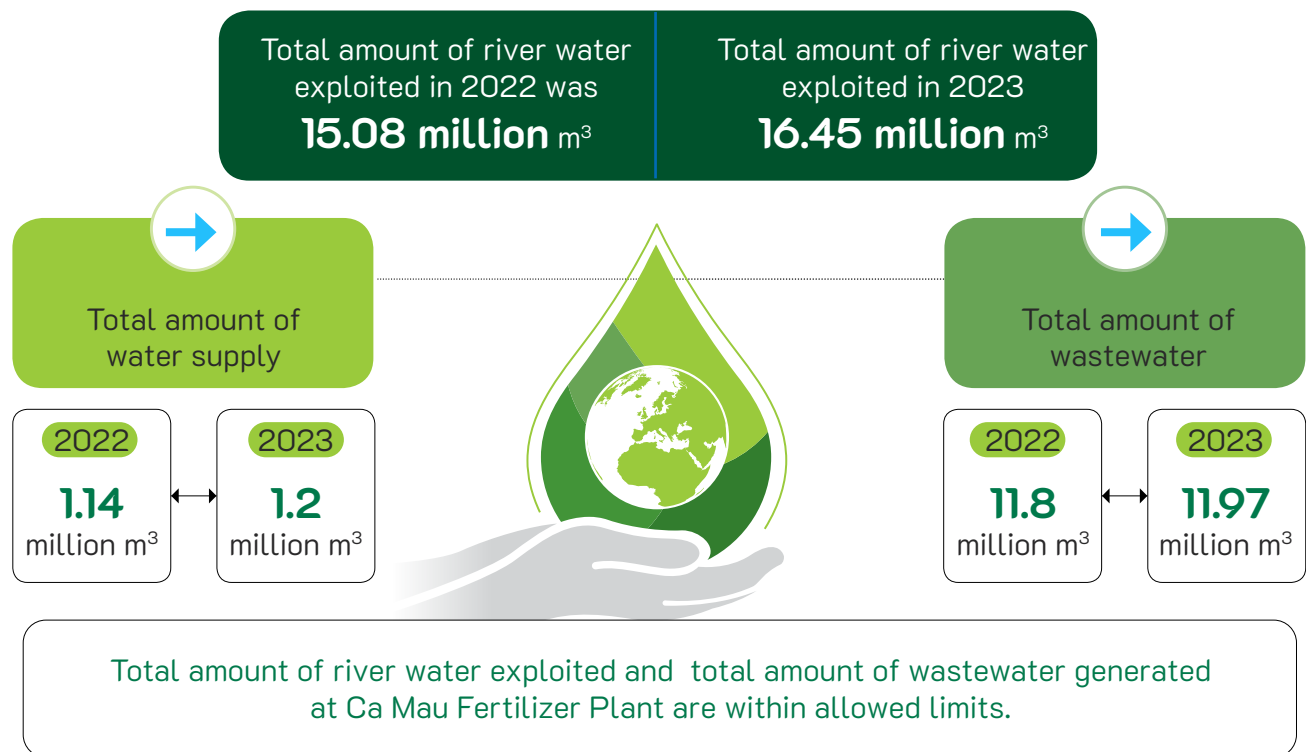
PVCFC always controls and manages clean water and river water usage, ensuring savings and efficiency. The Company also focuses on building and complying with wastewater treatment processes to ensure quality before returning source, preventing environmental pollution and affecting biodiversity in the locality.

### WATER EXPLOITATION AND DISCHARGE

Water for cooling purposes takes the biggest amount generated from river water, less polluted during production processes, ensuring quality before returning to the source.

Total amount of river water exploited in 2023 was 16.45 million m<sup>3</sup> and 15.08 million m<sup>3</sup> in 2022.

Total amount of water supplied was 1.2 million m<sup>3</sup> and 1.14 million m<sup>3</sup> in 2023 and 2022 respectively; total amount of wastewater generated was 11.97 million m<sup>3</sup> and 11.8 million m<sup>3</sup> in 2023 and 2022 respectively. Total amount of river water exploited and total amount of wastewater generated at Ca Mau Fertilizer Plant are within the allowed limits eligible for exploitation and discharge, as licensed by State management agencies.



### QUALITY CONTROL OF WASTEWATER

We, at Ca Mau Fertilizer Plant, always maintain continuous operation of domestic & oily wastewater treatment systems and other wastewater systems at 24/24; deploying continuous environmental monitoring system to control quality of wastewater discharged into the environment and compliance with QCVN as follows:

- Output of domestic wastewater treatment system: monitoring parameters such as: pH, BOD5, TSS, TDS, Surfactants, animal fats and vegetable oils, Sulphide, Ammonium, total phosphorus, total nitrogen, Coliform, Flow, compliance with QCVN 14/2008/BTNMT.
- Output of oily wastewater treatment system and output of ammonia wastewater treatment system: monitoring parameters: pH, Color, BOD5, COD, Suspended solids, Arsenic, Mercury, Lead, Cadmium, Iron, Copper, total and mineral oil and grease, Sulphide, Ammonium, total nitrogen, total phosphorus, residual chlorine, Coliform, wastewater flow, compliance with QCVN 40:2011/BTNMT.
- Common output of O3 oily, ammonia and domestic wastewater treatment systems and common drainage channel: monitoring parameters: temperature, color, pH, BOD5, COD, TSS, Total dissolved solids (TDS), Arsenic, Mercury, Lead, Cadmium, Copper, Iron, total and mineral oil and grease, total surfactants, animal fats and vegetable oils, Sulphide, Ammonium (as Nitrogen), total Nitrogen, total phosphorus, residual chlorine, Coliform, compliance with QCVN: 40:2011/BTNMT.
- Waste cooling river water output: monitoring parameters: pH, temperature, residual Chlorine, in accordance with QCVN: 40:2011/BTNMT.

### REDUCTION OF WATER CONSUMPTION

Thanks to water saving measures and awareness of each employee, water consumption per ton of product in 2023 was reduced by 0.15%. It is expected that by the end of 2024, we will launch the resource recovery project from the existing RO system. As estimated, this can help save up to 4.1 billion VND annually and reduce the amount of chemicals used for water treatment system.





# ENVIRONMENT



## INPUT MATERIALS

Fertilizer manufacturing technology in general and of Ca Mau Fertilizer Plant in particular have the characteristics of using natural gas (fossil energy). Therefore, PVCFC always pays special attention to greenhouse gas emissions and global warming. The company constantly improves technical requirements, optimizing fuel sources, seeking new breakthrough solutions to save energy and improve production capacity, reducing greenhouse gas emissions of Ca Mau Fertilizer Plant.

There are 2 concerned issues regarding natural gas consumption of Ca Mau Fertilizer Plant including raw natural gas and fuel combustion. With characteristics of technology, gas combustion provides heat required for exceed steam for reforming and gas for auxiliary boilers providing high-pressure steam is still consumable gas for steam purposes used in technology cycle of the plant. In 2022, permeate gas as raw material fuel is recovered for burning, however, in 2023, we used permeate gas with 100% CO<sub>2</sub> recovery and the rest after meeting requirements of technology as production materials with an amount of permeate gas of 19.96 million Sm<sup>3</sup>/year in 2023. Additionally, we have applied solutions to enhance the output and reduce consumable gas by 0.44% as of 2022.

Solutions	Time of putting into operation	Technical efficiency
Recovering permeate gas as material fuel	2019-present	Amount of recovered permeate gas: 18.35 million Sm <sup>3</sup> (2022) and 19.96 Sm <sup>3</sup> (2023)
Replacing distribution systems of Towers S04301, S04302, C04301	September 2022	Expanding the overall capacity of CO <sub>2</sub> separation cluster, reducing the amount of output CO <sub>2</sub> slip at absorber towers, increasing capacity of NH <sub>3</sub> to 5.4 tons/day.
Separating flash gas & using output washed gas C0403 as production material	November 2022	Increasing capacity of NH <sub>3</sub> to 7.1 tons/day.
Recovering hydrogen Offgas stream	Phase 1: December 2021 Phase 2: November 2022	Increasing capacity of NH <sub>3</sub> to 18 tons/day.
Installing E04212C to optimize the Low temperature CO converter R04205	November 2022	Increasing capacity of NH <sub>3</sub> to 4.4 tons/day.



In 2023, given the “ceaseless efforts”, Ca Mau Fertilizer Plant maintained continuous and stable operation in more than 350 days without any machine downtime. These results have been certified by Haldor Topsoe. In addition, Ca Mau Fertilizer Plant has also been certified by Toyo Engineering company (TEC) for its record of maintaining continuous and stable operation of a granulation workshop in 45 days using TOYO urea granulation technology. Efforts in maintaining continuous operation have helped PVCFC reduce a significant amount of gas emissions.

We have been implementing “green” projects and will put into operation in the future toward application of renewable and green energy:

- Project of rooftop solar power & renewable energy at Ca Mau Fertilizer Plant
- Projects of integrating green hydrogen and renewable energy production from electrolysis technologies
- Project of recovering CO<sub>2</sub> in existing natural gas to reduce CO<sub>2</sub> emissions
- Project of recovering CO<sub>2</sub> in furnace smoke from technology clusters.



# ENVIRONMENT



## CLIMATE CHANGE

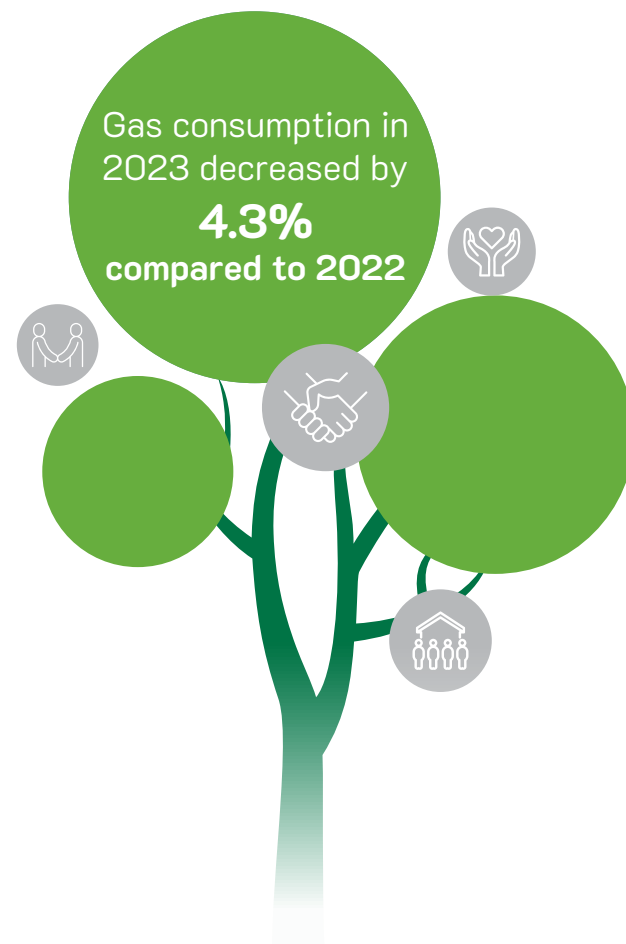
PVCFC always considers climate change as a serious issue that needs to be the most concerned in Vietnam and around the world. Reduction of climate change impact is an important and necessary task in the business and production process. Therefore, PVCFC has built management policies and procedures of business and production activities to minimize impacts on climate change. The Company has focused on evaluating environmental impacts since early days of putting into operation (2011). These efforts are shown in its procedures of ensuring compliance, consistency and dissemination to each employee of PVCFC.

### GREENHOUSE GAS REPORT

PVCFC always and seriously complies with regulations on greenhouse gas reports. As a fertilizer manufacturer, PVCFC implements its report in compliance with Decree No 06/2022/ND-CP of the Government on regulations of minimizing greenhouse gas emissions and protecting Ozone layer, Circular No 38/2022/3 TT-BCT on measuring, reporting, appraising reduction of greenhouse gas emissions and greenhouse gas inventory for trade and industry. In 2023, we have inspected, collected evaluation information according to the following instructions:

In 2022, directly-burned fuel for the technology system included fuel for auxiliary boiler, reforming and flare system. Total amount of gas consumed in 2023 (555.98 million Sm<sup>3</sup>/year), up 3.42% as of 2022 (357.57 million Sm<sup>3</sup>/year). Gas consumption in 2023 reached 35.484 GJ/ton NH<sub>3</sub>, down 4.3% as of 2022 (35.648/T.NH<sub>3</sub>). This clearly shows that PVCFC pays special attention to minimize CO<sub>2</sub> emissions and gas consumption. PVCFC has not implemented greenhouse CO<sub>2</sub> emissions report covering all scopes but its efforts in reviewing data and statistics have been implemented every year by following bases:

- Electricity emissions: according to Announcement of Climate Change Department, Ministry of Natural Resources and Environment dated December 31 2021, the emissions coefficient of Vietnam's power grid in 2022 is 0.7221 tCO<sub>2</sub>/MWh
- Natural gas (1,000 m<sup>3</sup>) according to IPCC: 2.114 tCO<sub>2</sub>/unit
- DO (1000 liters) according to IPCC: 2.73 tCO<sub>2</sub>/unit
- A 92, A93 gasoline (1,000 liters) 2.408 tCO<sub>2</sub>/unit



Emission activities	Unit	2022	2023	Note
Emission intensity	Ton CO <sub>2</sub> / ton of products	0.5463	0.5433	↓ 0.56%
Total of emissions (A+B)	Ton CO <sub>2</sub> /year	501,395.5	515,635.3	↑ 2.84%
<b>A. Direct emissions (1 + 2)</b>	<b>Ton CO<sub>2</sub>/year</b>	<b>380,996.82</b>	<b>392,803.5</b>	<b>↑ 3.1%</b>
<b>1. Burning fuel</b>	<b>Ton CO<sub>2</sub>/year</b>	<b>379,729.98</b>	<b>391,404.74</b>	<b>↑ 3.07%</b>
Natural gas	Ton CO <sub>2</sub> /year	340,928.5	352,603.31	
Permeate gas	Ton CO <sub>2</sub> /year	38,801.4	- 38,801.4	
<b>2. Fuel used for shuttle bus service</b>	<b>Ton CO<sub>2</sub>/year</b>	<b>1,266.8</b>	<b>1,398.7</b>	<b>↑ 10.41%</b>
DO oil	Ton CO <sub>2</sub> /year	409.91	872.5	
A 92, A 93 gasoline	Ton CO <sub>2</sub> /year	856.93	526.23	
<b>B. Indirect emissions</b>	<b>Ton CO<sub>2</sub>/year</b>	<b>120,398.7</b>	<b>122,831.9</b>	<b>↑ 2.02%</b>
Power consumed	Ton CO <sub>2</sub> /year	120,398.7	122,831.9	

As currently calculated, total amount of gas emissions in 2023 increased by 2.84% but emission intensity/ton of products reduced by 0.56%. This shows the efficiency of solutions on gas emissions at Ca Mau Fertilizer Plant.

### SOLUTIONS TO CLIMATE CHANGE

In 2023, PVCFC has planted 300,000 green trees, contributing 1 million green trees to the Government toward Net Zero emissions by 2030.

Additionally, PVCFC has effectively implemented the process of energy transition and reduction of greenhouse gas emissions. In 2023, PVCFC has established a Steering Committee for energy transition and reduction of greenhouse gas emissions to assign clear functions and tasks for each team, individual; working out implementation plans for projects including: integrated CO<sub>2</sub> in food processing system, recovery of CO<sub>2</sub> from separating CO<sub>2</sub> from fuel gas (containing 8% CO<sub>2</sub>), recovery CO<sub>2</sub> from reforming furnace smoke, rooftop solar energy of 5 MWh at Ca Mau Fertilizer Plant, etc.





# ENVIRONMENT

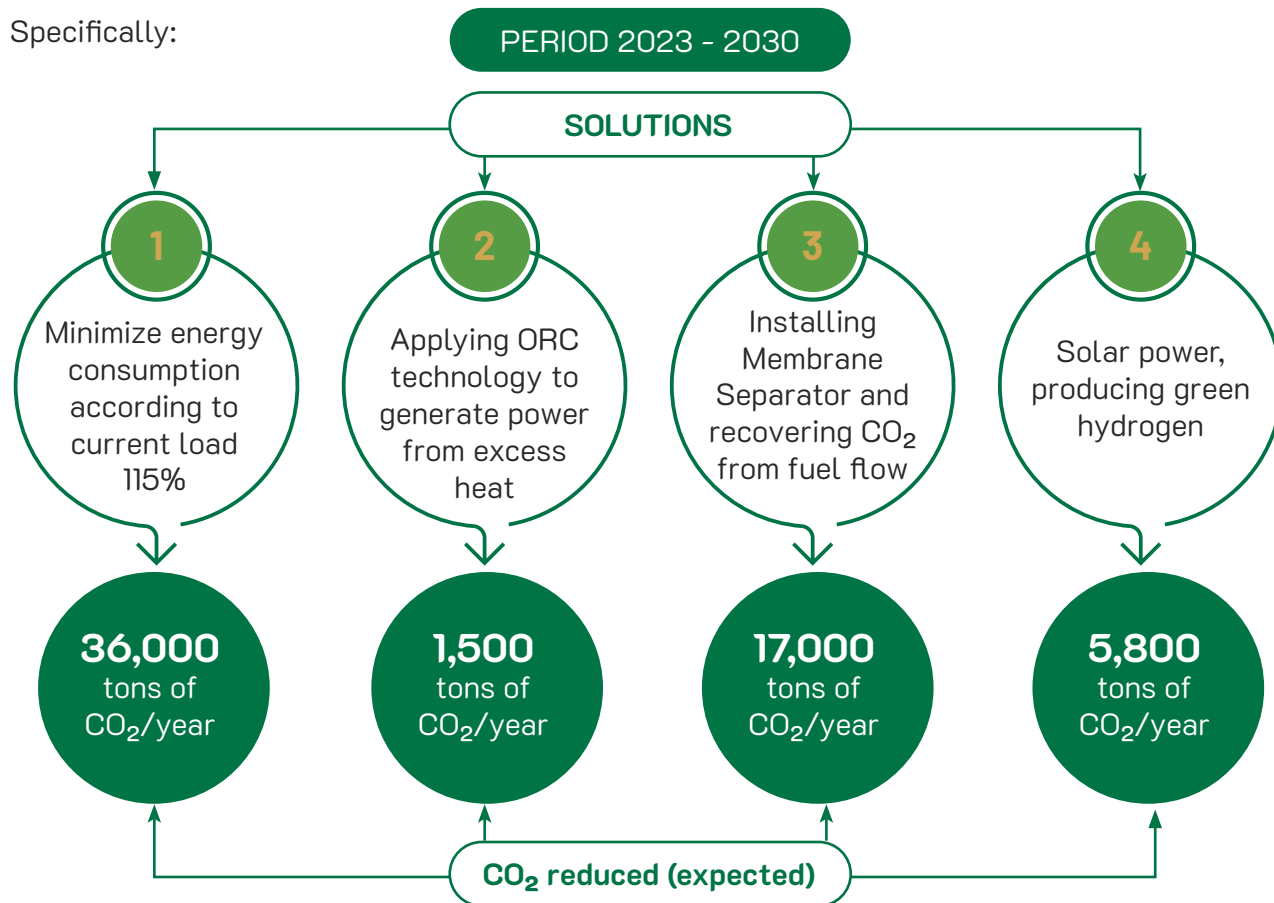


## CLIMATE CHANGE (CONTINUED)

### SOLUTIONS TO CLIMATE CHANGE (CONTINUED)

Additionally, we have worked out short-term and long-term plans to reduce energy consumption and greenhouse gas emissions in the period of 2023-2030, expected to reduce 60,000 tons of CO<sub>2</sub>/year.

Specifically:



The company always complies regulations of the Law on discharge of sewage. All gas emissions of the plant are closely controlled in both quantity and quality, ensuring compliance with requirements and standards before discharging into the environment:

- Emissions monitoring locations: primary reforming chimney; auxiliary boiler chimney; granulation chimney with monitoring parameters: dust, CO, Nox, NH<sub>3</sub>, noise, vibration. According to QCVN 19/2009/BTNMT; 21/2009/BTNMT.
- Periodic monitoring results in 2023 at all monitoring locations are within the allowed limit. Apart from conducting periodic monitoring, PVCFC has also installed automatic monitoring systems to continuously monitor gas emissions and parameters including: emissions at the granulation chimney: flow, pressure, dust, temperature and NH<sub>3</sub>; emissions at Ammoniac chimney: temperature, flow, pressure, dust, Nox, SO<sub>2</sub>; emissions at NPK chimney: temperature, pressure, dust.
- Automatic monitoring data is continuously received with a frequency of 5 minutes/data and directly transmitted to Ca Mau Department of Natural Resources and Environment



## ENERGY MANAGEMENT

### TYPES OF ENERGY CONSUMED

Ca Mau Fertilizer Plant uses the two most important energy sources including natural gas and electricity. As we may know, gas is a non-renewable source and the riskiest factor in case of lacking production gas at the plant in particular and Ca Mau Fertilizer Gas Power Industrial Complex in general. In recent years, the plant has been renovated to increase its capacity to 115.5%. This requires an increasing source of gas while it is not easy to find alternative gas. Being aware of this, in early 2023, PVCFC has decided to establish a working group and conduct research on solutions and commercial legality to diversify its long-term gas for sustainable development of PVCFC.

### EMERY MANAGEMENT TECHNIQUES

On a yearly basis, PVCFC sets up regulations on economic-technical norms to direct and urge Production Operation Division to seek solutions to reduce energy consumption. Additionally, in order to strengthen activities under National Energy Efficiency Program 2019-2030, PVCFC has considered, reviewed and worked out approval planning for 2019-2030 period with 2 key group of tasks:

**Group of tasks No 1:** Energy saving. Accordingly, PVCFC has set up solutions on controlling and complying with economic-technical norms of the Company: controlling annual energy consumption and saving.

Technology initiatives from 2022 have contributed to reduction of CO<sub>2</sub> emissions of PVCFC as follows:

- MP vent gas recovery system at Urea factory as reforming fuel helps reduce energy consumption by 4.81 GJ/h and partly reduce greenhouse gas CO<sub>2</sub>.
- Replacing SuperCups Trays by reactor R06101 helps increase operational stability at high load and increase conversion efficiency by 0.75% and saves energy by about 6.86 GJ/h
- In July 2023, we officially operated the ORC system, taking advantage of excess heat to generate power with an operational capacity of 113kWh. Till end of 2023, PVCFC has reduced 425.28 MW/year of consumable power and amount of CO<sub>2</sub> emissions at the natural gas-powered electricity factory.

**Group of task No 2:** Enhancing capacity according to strategic goal by 2025, increasing operational capacity by 115%.

Since being put into operation, Ca Mau Fertilizer Plant always maintains a capacity of 110%, 1% higher than that of other plants (109%) or even up to 115.5% in 2023 regarding operational



# ENVIRONMENT



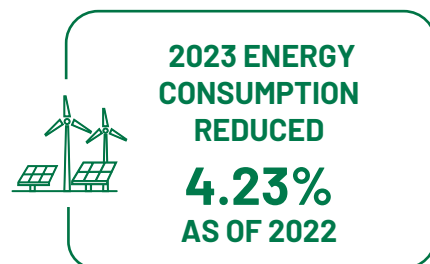
## ENERGY MANAGEMENT (CONTINUED)

capacity. The amount of energy consumption at Ca Mau Fertilizer Plant was quite low. In 2022, Ca Mau Fertilizer Plant was honored as a "Top 10% factories with the lowest energy consumption in the world" and Top 10% global factories by capacity by Haldor Topsoe.

In 2023, PVCFC issued an energy management model, reviewing energy management policies to make it more effective toward an energy management model according to ISO 50001:2018. In order to seek optimal solutions, PVCFC has registered for Vietnam-Denmark Energy Partnership Program Phase 3 (DEPP3) for the period of 2020-2025 to promote energy efficiency in various industries by building and piloting Voluntary Agreement Program, building capacity for enterprises with large energy consumption in Vietnam.

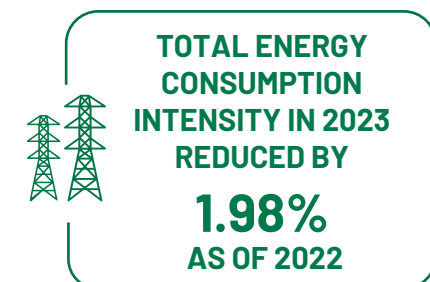
### ENERGY CONSUMPTION RESULTS IN 2023

According to the business and production plan by 2025 approved by Resolution No. 6395/NQ-DKVN of Vietnam Oil and Gas Group, Ca Mau Fertilizer Plant by 2025 will strive to reduce 5% of energy consumption as of 2022. After a process of continuous renovation and production optimization, Ca Mau Fertilizer Plant in 2023 has reduced 4.23% of energy consumption as of 2022.



Content	2022	2023	Note
Capacity of urea (thousand tons/year)	917.77	949.13	↑ 3.42 %
Gas consumption (GJ/ton urea bag)	20.205	20.116	↓ 0.44%
Power consumption (GJ/ton urea bag)	1.659	1.697	↑ 2.34%
Total energy consumption (GJ/ton urea bag)	21.864	21.813	↓ 0.23%

Regarding power, we always focus on power saving and promoting effective use of used power, power for production; seeking technology and solutions to take advantage of excess heat, consumable heat to create useful power, promoting energy saving and optimizing the operating circle of the plan. In 2023, energy consumption in manufacturing increased but total energy consumption intensity of Ca Mau Fertilizer Plant reduced by 1.98% as of 2022:



Content	Unit	2022	2023	Note
Total energy consumption	MW/year	166,734.1	170,103.7	↑ 2.02%
Energy consumption intensity	MW/ton of product	0.1817	0.1792	↓ 1.35%
Energy intensity	GJ/ton of product	1.633	1.611	↓ 1.35%



## WASTE MANAGEMENT

PVCFC always works out short-term and long-term plans to collect, store and closely control, ensuring compliance with requirements of current law. Overview of waste management in 2024 of PVCFC is as follows:

- **Domestic waste:** generated from offices, cafeteria, toilets, etc. with a capacity of 112,760kg in 2023 and 110,426kg in 2022. Domestic waste was collected and transferred to Ca Mau Urban Environment JSC for treatment as stipulated
- **Ordinary industrial solid waste:** wood scraps, broken pallets, plastics, scrap iron, etc. generated with a capacity of 63,288kg in 2023 and 66,752kg in 2022. This waste was collected and transferred to specialized units for treatment as stipulated.
- **Hazardous waste:** generated with a capacity of 155,714kg in 2023 and 324,926kg in 2022. Hazardous waste was collected and classified at source, stored at hazardous waste warehouse of Ca Mau Fertilizer Plant and transferred to specialized units for treatment as stipulated



## BIODIVERSITY

PVCFC understands that business and production activities can have big impacts on biodiversity. Use of fertilizer products causes direct and indirect impacts of biodiversity too. Therefore, apart from doing research and renovation of manufacturing technology, we have also done research on impacts of product use of biodiversity, providing products with positive impacts on environment in general and biodiversity in particular.

Typical projects have been completed and applied: recovery of permeate gas & MP vent gas: gas emissions are directly burned in the environment and converted into fuel to provide heat for production. Moreover, PVCFC has done research on developing new products toward efficiency improvement to reduce greenhouse gas emissions such as N46 plus, Urea BIO. These products will be continuously improved and developed in the future.

In 2023, we have implemented some typical projects including:

- **Manufacturing CO<sub>2</sub> in food:** making use of recovered gas emissions to increase the amount of CO<sub>2</sub>. We have done research to transfer a part of excess CO<sub>2</sub> into CO<sub>2</sub> in food processing. This kind of product helps reduce direct gas emissions and create new products, expanding the company's activities to new value chains.
- **Research on making use of green hydrogen** to partially replace hydrogen at Ca Mau Fertilizer Plant: grasping the global trend of energy transition, we have cooperated with partners to conduct research and apply hydrogen production technology by electrolysis technologies to partially replace hydrogen manufactured by current renewable energy.
- Additionally, PVCFC has implemented other projects with schedule and results as follows:



# ENVIRONMENT

No.	Items	Purpose	Implementation
1	Completing report on feasibility study for project of producing CO <sub>2</sub> in food	Developing new products based on current technology	<ul style="list-style-type: none"> <li>Completing report on feasibility study</li> <li>CECO verification, completing report on feasibility study</li> <li>Department of Industry and Trade has completed project approval</li> <li>Completing installation of tie-in points in overall maintenance in 2023</li> <li>Prepared equipment documents: design document, Hazop, 3D</li> </ul>
2	Completing report on feasibility study for project of producing industrial gas	Developing new products based on current technology	<ul style="list-style-type: none"> <li>On June 13 2023, investor and consulting unit organized kick-off meeting</li> <li>On June 30 2023, consulting unit has completed survey report on status and expected location for the project</li> <li>Consulting unit has coordinated with implementation team to make report on feasibility study as planned</li> </ul>
3	Conducting research on improving capacity of Ammoniac workshop by 125%	Evaluating pre-feasibility study on improving overall capacity of ammonia workshop by 125%	<ul style="list-style-type: none"> <li>Completing contract signing, organizing kick-off meeting on September 6 2023</li> <li>Coordinating with HTAS to complete base case analysis</li> <li>Implementing Revamp case</li> </ul>
4	Conducting research, evaluating, improving conversion efficiency of primary reformer cluster by optimizing design of catalytic pipe system	Improving conversion efficiency of primary reformer cluster, contributing to improvement of the plant's capacity	<ul style="list-style-type: none"> <li>Coordinating with ITT to complete design document</li> <li>Expecting to install in overall maintenance 2024</li> </ul>
5	Conducting research on applying green H <sub>2</sub> at Ca Mau Fertilizer Plant	Evaluating potential of application of green H <sub>2</sub> at Ca Mau Fertilizer Plant	<ul style="list-style-type: none"> <li>Continuing to discuss and work with other partners: FCE, GIZ, etc. to seek application opportunity</li> <li>Coordinate with PVCFC to implement PVN-level project and conduct research on application of H<sub>2</sub>.</li> </ul>
6	Conducting research on opportunity/potential for producing SOP	<ul style="list-style-type: none"> <li>Product diversification</li> <li>Participating in high-end fertilizer market segment with competitive price</li> </ul>	<ul style="list-style-type: none"> <li>Research team has made report on opportunity/potential for producing SOP</li> <li>Report is now submitted to the Company's leadership board for consideration/approval as a foundation to carry out next steps.</li> </ul>
7	Conducting research on producing Adblue (Urea 32%)	Diversifying products	<ul style="list-style-type: none"> <li>Conducting sample testing, quality accepted, research on implementation underway.</li> </ul>

# SOCIETY



## OCCUPATIONAL HEALTH AND SAFETY

### OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The Company applies ISO 45001:2018 management system (quality, safety, environment, appraised and tested by PVCFC) to monitor occupational safety and labor hygiene at the Company

### HAZARD IDENTIFICATION RISK ASSESSMENT AND ACCIDENT INVESTIGATION

In order to ensure occupational safety for employees and contractors working at the Ca Mau Fertilizer Plant, PVCFC always focuses on identifying hazard, assessing possible risks

Based on current regulations of the Law, instruction documents of equipment manufacturers, hazard related instructions in the working process, PVCFC has evaluated, identified possible risks and hazards. Then, the Company works out prompt prevention and response measures appropriate to risks or hazards that may have significant impacts on occupational health and safety of laborers.

In addition, on a yearly basis, and based on a list of significant risks, PVCFC conducts rescue drills to deal with possible risks and ensure timely response, preventing loss of life, minimizing damage to environment and property at the plant.

Based on closely controlled activities, PVCFC has recorded not serious incidents or work-related accidents in 2023.





### OCCUPATIONAL HEALTH SERVICES

The Company seriously carries out periodic health checks for employees in accordance with the State's regulations, implementing periodic health examination and screening to detect occupational diseases for employees working in high-pressure, toxic and dangerous environments with a frequency of twice a year.

### OCCUPATIONAL HEALTH AND SAFETY TRAINING

The Company seriously carries out training on occupational health and safety, preparing personal protective equipment as stipulated; training activities on occupational health and safety is organized in every 02 years, status of employee training in 2022 and 2023 is as follows:

- **In 2022:** organizing self-training courses on occupational health and safety for 1,042 employees (100% of employees are trained), hiring an organization to provide training services for 754 employees (human resource training based on professional expertise)
- **In 2023:** organizing self-training courses on occupational health and safety for 241 employees.



### IMPROVING OCCUPATIONAL HEALTH

Employees' health is a valuable asset of any company. Being aware of this, apart from fully implementing periodic health check and screening, PVCFC also expands the scope of health screening to timely detect employees' diseases.

The Company also pays toxic allowances and in-kind compensation for employees working in toxic and dangerous environments as stipulated by the State.

On a monthly basis, the Company conducts pesticide spraying (twice a month) at public housing area, factory area to prevent epidemic.

On a yearly basis, the Company carries out working environment monitoring in accordance with regulations of the Law. PVCFC outlines

solutions and measures to timely deal with toxic & dangerous environment related incidents, ensuring a safe working environment for employees, and monitoring indicators within allowed limits.

The Company prepares personal preventive equipment for employees in accordance with regulations to minimize impacts due to dangerous or toxic elements on employees' health.

### WORK-RELATED INJURIES (GRI 403-9)

In 2023, the Company recorded no work-related accidents

### OCCUPATIONAL DISEASE (GRI 403-10)

The Company has recorded no cases of occupational disease.





# SOCIETY



## HUMAN RESOURCE TRAINING AND DEVELOPMENT

PVCFC pays special attention to human resource training and development, creating favorable conditions for employees to attend training courses. Besides, the Company also focuses on evaluating periodic work performance for 100% of employees, supporting employees to uphold their personal strength to contribute to the sustainable development of the Company.

In 2023, the Company organized training courses to improve professional skills, knowledge, career skills for employees to ensure business and production, specifically:

- Total training hours: 29,697hours
- Average training hours: 26hours/person/year (GRI 404-1)
- Number of training hours based on employee classification:



Percentage of employees attending integration training courses: 100%of newly-recruited employees are entitled to industry integrated training programs in each period. In 2023, the Company coordinated with trade unions to organize training programs for newly-recruited employees, organizing factory tours for interns, organizing trips to U Minh Forest and Uncle Ho Memorial Area, and especially organizing direct dialogue with the Company's General Director. Number of average training hours: 26 hours per employee per year.



In 2023, PVCFC organized in-depth training courses, management-leadership, regular training courses on working skills, foreign language and internal training courses. All training courses were organized under person to person and online platforms to flexibly create the most favorable conditions for employees to attend, bringing into play efficiency of training activities and maintaining business and production performance.

PVCFC frequently organizes internal training courses, information security awareness training, anti-terrorism training and skill training through the E-learning system.

Apart from in-depth training courses, management-leadership, regular training courses of foreign language, internal training to improve professional skills to meet working requirements, PVCFC carried out training courses under PVCFC's Culture Development Projects such as: the 7 habits of highly effective people training, leading at the speed of trust, training programs combined with extracurricular activities themed "Efficiency and Responsibility", cultural talks themed "how to uphold efficiency of corporate culture in management" and "Board Culture and Management by Culture" for management and leadership board from mid-level to senior level.

PVCFC always focuses on training and developing groups of experts by implementing expert development programs and achieving certain results. A number of experts of PVCFC is 6 experts in 6 fields: Mr. Le Hoang Viet - Corrosion; Mr. Nguyen Truong Giang -technology optimization and design; Mr. Thi Minh Khuyen - Equipment Diagnosis; Mr. Nguyen Van Thien - water treatment, Mr. Truong Anh Tuan - automation control system, and Mr. Nguyen Tuong Lai - urea technology and equipment operation. In addition, two other expert candidates in fields of dynamic

equipment, power equipment and system are qualified for competency framework and ability to contribute topics, 4 other expert candidates meeting competency framework of Expert Level 1 in fields of power equipment and system, equipment testing, Microbiology, Agronomy. On a yearly basis, PVCFC reviews its expert planning staff to promptly find out potential candidates for its expert planning and development

PVCFC's human resource team has ceaselessly studied, improved their knowledge, qualification and obtained valuable international certificates: 01 personnel obtaining API 580, 01 holding PT certificate, 07 obtaining ISO-CAT-1, 01 obtaining API 579-1/ASME FFS-1, 01 obtaining MT certificate (Magnetic Particle Testing), 10 obtaining FSEC (Functional Safety Engineering Certification) awarded by TÜV Rheinland, 01 obtaining API 571 and 01 obtaining CSWIP 3.1- Welding Inspector Level 2.

Recruitment and internship training to prepare a well-trained human resource for PVCFC have been well implemented in 2023, PVCFC has signed cooperation agreements with universities such as Hanoi University of Science and Technology, Ho Chi Minh City University of Technology, University of Petroleum, University of Technology and Education, University of Industry, Can Tho University to organize evaluation and recruitment of interns. As a result, 11/25 interns scored excellent grades, 02 of them have been officially recruited by PVCFC.

Training activities have helped employees improve their professional expertise and skills, ensuring safe, reliable and stable operation. In 2023, Ca Mau Fertilizer Plant maintained operational stability with a load of 113.4%, higher than that of 2022 and previous years. Employees have proactively involved in overall maintenance, hiring no expert outside.





## TALENT ATTRACTION AND RETENTION

### POLICY TO ATTRACT TALENT AND EMPLOYEE BENEFITS

PVCFC always pursues a civilized working environment, continuously improving its employee policies from salary, bonus to benefits. The Company also creates the best conditions for employees to uphold the potential by flexible recruitment policies and in-depth training programs.

PVCFC implements payment of salary, remuneration and other benefit policies appropriate with regulations of the law, the Group and of the Company for employees, ensuring likelihood of employees. PVCFC's trade unions attend the trade union professional training activities to update amended and supplemented regulations of the charter and guidance of implementation of regulations of Vietnam's trade union as well as protection of employee benefits.

On a yearly basis, based on business and production performance and regulations of the law, PVCFC builds salary and bonus fund for executive and management board and employees; PVCFC has fully issued regulations, mechanisms related to policies and benefits for employees, reward scheme for collectives and individuals based on their performance and contributions in completing business performance and operating efficiency of the Company.

PVCFC always creates a favorable and safe working environment, well implementing employee policy including salary, bonus, social insurance, health insurance and unemployment insurance and other policies appropriate with regulations of the law, the Group and the Company's regulations.

- Salary, bonus, overtime pay and other allowances are paid in accordance with salary, bonus and welfare management regulations; other welfare are paid based on collective labor agreement and employee policy.
- PVCFC always implements payment of social insurance, unemployment insurance in a full and timely manner in accordance with regulations of Code of Labor, and the law on social insurance. In 2023, PVCFC made full payment of social insurance, health insurance and unemployment insurance with a total value of 75,872,490,395 VND in 2023. Specifically, social insurance: 60,271,841,530 VND; health insurance: 10,630,754, 845 VND; unemployment insurance: 4,959,883,930 VND.
- The Company has seriously implemented occupational safety and hygiene training, providing personal protective equipment for employees as stipulated; paying toxic allowances and in-kind rewards for employees working in toxic or dangerous environments according to the State's regulations.
- Purchasing expanded personal accident insurance (PVIcare) for all employees, voluntary pension insurance, life insurance "postpaid benefits" to attract talents and stabilize employee likelihood.
- Organizing accommodation for employees and providing financial support for employees in case of being eligible for home grant but lack of housing fund for employees.
- PVCFC also pays special attention to activities for spiritual wellness for employees including giving birthday gifts, giving gifts on special occasions such as

March 9, October 20, giving support to employees with difficult circumstances, organizing cultural exchange programs, sports festivals as a spiritual playground to strengthen sense of solidarity in the Company.

- Apart from ensuring salary, social welfare policies for employees, PVCFC also focuses on seeking external personnel and provides internal resource training courses. Specifically, PVCFC has issued some regulations as follows:
  - **Expert policy:** aiming to orient and build a roadmap for career development, improvement of technical expertise for the personnel team of the Company as well as attracting external talents.
  - **Internship programs:** seeking opportunities to access, seeking dedicated, qualified and professional personnel to meet work requirements in accordance with development goals and strategy of PVCFC.
- By 2025, it is expected by PVCFC to build a "Internal Trainer Development" program to improve knowledge, skills and upholding available internal strength of the Company.

### JOB QUILTS RATE AND NEW HIRES

#### • Job quits rate

Trend of job quits keeps decreasing, specifically, total of employees quitting their jobs was 14, down 33.33% as of 2022, of whom 02/14 female employees quitting jobs equivalent to 14.29% (no female management personnel quitting job), 12/14 male employees quitting jobs equivalent to 85.71%.

#### • New hires

Personnel increase in 2023 was 68, up 65.85% as of 2022, of whom 20/68 are female employees equivalent to 29.41% (no increase in female management personnel), 48/68 are male employees equivalent to 70.59% (3/48 are male management personnel). In 2023, PVCFC expanded its production scale, business market and invested in product development projects toward long-term development strategies of the Company.

#### • Maternity Leave in 2023

- Total employees entitled to maternity leave were 13 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%.



## SUSTAINABLE SUPPLY CHAIN

Impacts of business and production activities of PVCFC on environmental and social issues not only come from internal activities at the plant. We are fully aware of environmental and social impacts caused by business and production activities and process of material, chemical supply as well as input services for business and production activities. Therefore, in the process of selection of suppliers, it is required to select suppliers who fully comply with environmental and social regulations. In the following years, we will step by step work out deeper assessment criteria on environmental and social issues to evaluate suppliers.



# SOCIETY



## LABOR AND HUMAN RIGHTS

### STRUCTURE OF HUMAN RESOURCE BY GENDER



Total employees by December 31, 2023 were

**1,096** peoples

↑ 5%

as of 2022; 203/1,096 are female employees, equivalent to 18.52%

### STRUCTURE OF MANAGEMENT - LEVEL PERSONNEL BY GENDER

- **Executive Board (BOD, EB, Supervisory Board, Chief Accountant):** 15/1,096, equivalent to 1.47%, down 6% as of 2022, 01 BOD member resigned under social insurance policy (retirement). 02.15 are female members equivalent to 13.33%, the number of female members of the Executive Board remained unchanged as of 2022.
- **Management leaders at division and unit levels (management levels of divisions, units and workshops, not including the Executive Board):** 130/1,096 equivalent to 16.42% on overall personnel, up 0.9% as of 2022; 25/163 are female equivalent to 15.15% of management leaders at division and unit levels and accounting for 2.28% of total personnel of the Company. In 2023, the number of female managers of divisions, units remained unchanged as of 2022.
- **Employees:** 899/1,096 equivalent to 82.03%.

### GENDER PAYS GAP

PVCFC applies 3P salary system including: position, performance and capacity, so there are no income inequalities by genders.

### HUMAN RIGHTS POLICY

The Company applies non-discrimination policy by gender, religion, political opinions, age, etc.

PVCFC applies no child labor policy, no forced and compulsory labor, these contents are stipulated in recruitment regulations of the Company (Clause 8.2, Article 8 of recruitment regulations).

PVCFC became one of Vietnam's first companies to secure GEARS (Gender Equality Assessment, Results and Strategies) Certification for gender equality - evaluated and certified on April 20 2023.



## FARMER/CUSTOMER WELFARE

### PVCFC'S POLICY FOR FARMERS

PVCFC secures comprehensive cooperation and commit to ensuring farmer welfare, supporting farmers to improve their lives by following key policies:

**Product quality and safety:** PVCFC continuously conducts research and provides new high-quality products, ensuring nutritional values for crops, creating added values for farmers, minimizing risks to human health and environment.

**Affordable and highly accessible:** PVCFC supplies fertilizer products with affordable prices and ensures accessibility to small-scale farming households, especially those in remote areas through effective distribution channels. An extensive system of agencies of PVCFC in all regions closely follow and update the farming situation of localities, timely proposing support measures for local farmers.

**Transferring high technology for agricultural development:** PVCFC has transferred technical advances and new solutions on crop nutrition management and agricultural farming. The Company coordinates with central and local agricultural extension centers to implement training programs, providing agricultural extension services to farmers, improving knowledge and experience in using high quality fertilizers in an effective and economic manner. In addition, PVCFC provides instructions on applying new technical advances and sustainable agricultural practices.

**Consumption support:** PVCFC has made maximum efforts to maintain a balance of harmonious benefits between the Company and farmers. The Company not only provides fertilizer products but also connects with companies/enterprises in the entire agricultural product value chain such as seed -crop protection companies and agricultural products processing units and exporters to support farmers save production costs and improve their income, contributing to improvement of Vietnamese agricultural product value.





# SOCIETY

## FARMER/CUSTOMER WELFARE (CONTINUED)

### PROGRAMS OF ACCOMPANYING FARMERS IN 2023

Implementing demonstration models and experience fertilizer products



Implementing demonstration models and experience fertilizer products

NO.	Name of model	Crops	Quantity	Area (ha)	Location	Execution time	Implemented by	Results
1	Demonstrating and experiencing NPK Ca Mau Polyphosphate technology	Rice, fruit trees	180	90	Provinces in the Mekong Delta region and Central Highlands	05/2023 - 12/2024	PVCFC coordinates with Institutes, Agricultural Extension Center of provinces/districts	The program is being implemented and helps farmers reduce the amount of fertilizer on their fields, increasing crop productivity and quality of agricultural products, thereby increasing profits by 10-15% compared to traditional farming techniques. The program also helps farmers access quality fertilizer and eliminate poor quality fertilizer.
2	Demonstrating and experiencing NPK PolyS	Rice, fruit trees	26	13	Provinces in the Mekong Delta region and Central Highlands	05/2023 - 06/2024	PVCFC coordinates with, Agricultural Extension Services Center of provinces/districts	Ongoing.
3	Demonstrating and experiencing N46. TRUE for winter-spring rice crop 2023-2024.	Rice	20	10	Provinces in the Mekong Delta region	05/2023 - 06/2024	PVCFC coordinates with, Agricultural Extension Services Center of provinces/districts	Currently being implemented, there have been initial results helping farmers reduce the amount of fertilizer and investment costs.
4	Demonstrating and experiencing N46.C+ for winter-spring rice crop 2023-2024.	Rice	20	10	Provinces in the Mekong Delta region	05/2023 - 06/2024	PVCFC coordinates with, Agricultural Extension Services Center of provinces/districts	Currently being implemented, there have been initial results helping farmers reduce the amount of fertilizer and investment costs.



# SOCIETY

## FARMER/CUSTOMER WELFARE (CONTINUED)

### PROGRAMS OF ACCOMPANYING FARMERS IN 2023 (CONTINUED)

#### Organizing training seminars on fertilizer use, farming procedures

STT	Content of training	Crop varieties	Subjects	Number of participants	Location	Execution time	Implemented by	Supporters	Results
1	02 technical seminars on effective nutrition solutions for rice	Rice	Farmers, agents, technical officers of Department of Agriculture, Agricultural Extension Centers, Sub-departments of crop protection	450	Dong Thap and An Giang provinces	05/2023	PVCFC	Sub-department of cultivation-plant protection of Dong Thap; An Giang Agricultural Extension Center	The initial results have shown that seminars have been successful, bringing positive business efficiency, promoting brand image and identities of Ca Mau Fertilizer and NPK Ca Mau Polyphosphate, building a better relationship and prestige with authority agencies, agents, partners, customers, especially farmers. PVCFC, through these activities, has reaffirmed its commitment to accompanying and sharing with farmers through high quality fertilizer products, optional farming methods to bring the highest production efficiency.
2	02 technical seminars on effective nutrition solutions for fruit trees	Fruit trees	Farmers, agents, technical officers of Department of Agriculture, Agricultural Extension Centers, Sub-departments of crop protection	550	Tien Giang and Hau Giang provinces	08/2023	PVCFC	An Giang and Tien Giang Agricultural Extension Centers	The results have shown that two seminars have been successful, bringing positive business efficiency, promoting brand image and identities of Ca Mau Fertilizer and NPK Ca Mau Polyphosphate, building a better relationship and prestige with authority agencies, agents, partners, customers, especially fruit tree growers.
3	03 technical seminars on effective nutrition solutions for coffee and durian	Coffee, rice and durian	Farmers, agents, technical officers of Department of Agriculture, Agricultural Extension Centers, Sub-departments of crop protection	900	Dak Lak and Dak Nong provinces	11/2023; 12/2023	PVCFC	Minh Dung, Huy Chinh, Nam Thuan, Hiep Loan fertilizer agents	These seminars have attracted mass participation of farmers, agents, local authorities, positive feedbacks of participants have shown that the two seminars have been successful, bringing positive business efficiency, promoting brand image and identities of Ca Mau Fertilizer and NPK Ca Mau Polyphosphate, building a better relationship and prestige with authority agencies, agent, partners, customers, especially rice farmers, fruit tree growers and owners of industrial crop farming in the Central Highlands.
4	10 seminars on summarizing model of demonstration and experience	Rice, fruit trees	Farmers, agents, technical officers of Department of Agriculture, Agricultural Extension Centers, Sub-departments of crop protection	500	Provinces in the Mekong Delta region, Southeast - Central Highlands	08/2023 12/2023	PVCFC	Level-2 fertilizer agents	The program has helped farmers access to high quality fertilizers of PVCFC, improving farmers' mindset on better farming, supporting the C2 system and bringing NPP products closer to the demanded customers.
5	Fertilizer training workshop for farmers	Rice, fruit tree and coffee	Farmers, agents	10.000	Provinces in the Mekong Delta region, Southeast - Central and Northern regions	01/2023 12/2023	PVCFC	Level-2 fertilizer agents	PVCFC has provided product information and supported agents and farmers to experience Ca Mau fertilizer products, especially NPK Ca Mau products.



# SOCIETY

## LOCAL COMMUNITIES



By identifying sustainable development as an integral part of community responsibilities, PVCFC always maintains its mission of “nurturer” and brings happiness to the community. 2023 is the second consecutive year that PVCFC has been honored “The enterprise for community”. This is a motivation for PVCFC to persistently succeed in its development journey, making Vietnam's agricultural sector more sustainable and prosperous.

### CORPORATE SOCIAL RESPONSIBILITY- COMMUNITY POLICY OF PVCFC

With 75% owned by the State, PVCFC implements social security activities based on the allocation resolution of Vietnam Oil and Gas Group. Detailed programs of the resolutions closely follow guidance toward community, education and livelihoods.

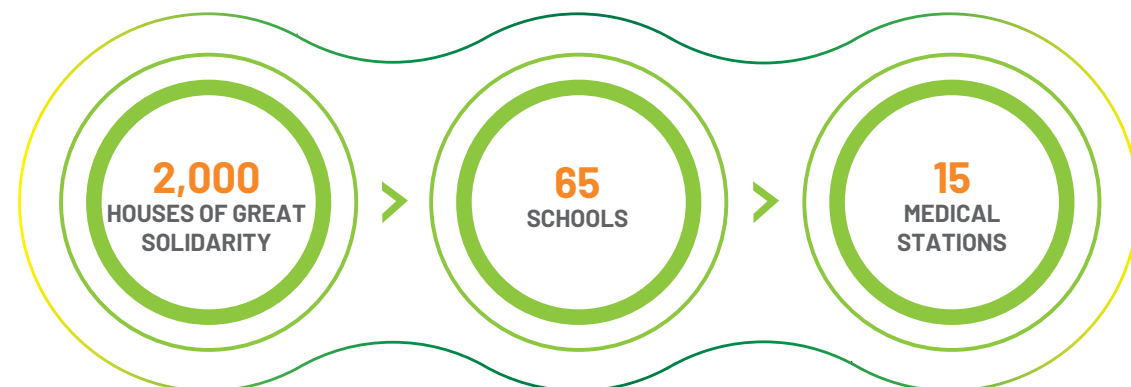
To honor partners, customers and farmers, PVCFC spends the budget on social activities where the Company is operating.

Up to 2024, in a 13-year journey of development, PVCFC has been implementing many educational and health projects, giving financial support to people with difficult circumstances with an estimated value of over 500 billion VND. The Company has built nearly 2,000 houses of great solidarity, 65

schools, 15 medical stations, hundreds of bridges and large and small traffic projects in remote areas, and dozens of thousands of scholarships for poor students. PVCFC has allocated an annual budget of 5-10 billion VND provide scholarship awards, giving water tanks and water storage bags to poor farmers hit by drought, saline intrusion; giving fertilizers to farmers in natural disaster and disease hit regions to recover production; giving Tet gifts to poor households; installing clean water supply system for schools in remote areas, etc.

Every project becomes a motivation for all employees of PVCFC to continuously make efforts in carrying out its mission as a “nurturer” for the agricultural sector and the process of “growing people”.

### PVCFC'S CSR BUDGET FOR 13 YEARS IS ESTIMATED OVER 500 BILLION VND



### TYPICAL COMMUNITY ACTIVITIES IN 2023

In 2023, PVCFC has continued its journey of sowing trust and bring new vitality to people in all regions, committing to promoting benefits for local communities, accompanying Vietnam in solving social security issues.

#### Donating 4 billion VND to build house of gratitude

On June 6 2023, PVCFC organized the groundbreaking ceremony of the project of building 80 houses of gratitude in Bac Lieu province with a total investment capital of 4 billion VND. This is a whole-hearted effort of PVCFC to accompany local communities to support families under preferential treatment policies, families with meritorious contributions to the revolution. Through such a practical program, PVCFC hopes to accompany local communities taking care of people's lives, helping local residents quickly stabilize their housing and striving for a better life.



#### Handing over 10 houses of great solidarity to people with difficult circumstances.



On July 17, 2023, PVCFC coordinated with Ca Mau Department of Labor, War Invalids and Social Affairs to continuously hand over 10 houses of great solidarity to households with difficult circumstances. This is a part of the Company's plan on building houses of great solidarity in 2023. Accordingly, the Vietnam Fatherland Front Committee of Ca Mau province has built a total of 300 houses of great solidarity for poor households in Ca Mau province. PVCFC has funded 50 million VND for each house.





## LOCAL COMMUNITIES (CONTINUED)

### Awarding "For Golden Harvests" scholarships for school year 2023-2024

With a message of "Nourishing our hope and future", from August 2023 to December 2023, PVCFC has continuously awarded 2,440 scholarships worth over 2.5 billion VND. On September 5 2023, amidst excitement of the first day of school, PVCFC awarded "For Golden Harvests" scholarships for the 2023-2024 school year at elementary, middle and high schools nationwide. Each scholarship is a valuable source of spiritual encouragement and motivation for students to overcome difficulties and complete their academic tasks.



### Growing 28,000 green trees in Ca Mau City

On September 12 2023, more than 100 members of PVCGC youth unions and youth union members of Thoi Binh District participated in a tree planting campaign. This is a part of a program of growing 28,000 trees in 4 districts and Ca Mau City. At the program, PVCFC has awarded 02 houses of great solidarity, 20 student bags, this presents a high sense of social security responsibilities of PVCFC. It is expected, in the coming time, PVCFC together with other localities to grow additional 200,000 trees in protective forest and 100,000 urban green trees in districts and cities in Ca Mau province.

PVCFC hopes to contribute to the journey of cultivating beautiful values for society. It is more significant when a part of the social security fund raised and donated from unpaid working days of PVCFC's employees. In order to optimize resources and bring practical effectiveness to communities, PVCFC, instead of implementing alone, always coordinates with Vietnam Fatherland Front Committee, Party Committees and local leaders at all levels, etc. to ensure right purposes, right subjects and creating a resonant power, spreading sense of corporate social and community responsibilities.





# SOCIETY



## CUSTOMER BENEFITS

Ca Mau Fertilizer has become a familiar brand of farmers nationwide thanks to high quality and other significantly shared activities. Apart from winning the trust of millions of farmers, Ca Mau Fertilizer also earns great support for the business agent system nationwide.

Ca Mau Fertilizer is proud of receiving great support from valued agents nationwide. With a widespread system of business agents nationwide, PVCFC can be able to bring its high-quality product - Ca Mau Fertilizer - to the hands of farmers, optimizing the farming process and helping farmers reap golden harvests.

### IMPACTS OF PRODUCT AND ACTIONS OF PVCFC RELATED TO CUSTOMER HEALTH AND SAFETY

Ensuring customer health and safety is a top priority of PVCFC, our products are directly connected to agricultural products and food production. Below is an analysis of key factors affecting customer health and safety.



Key factors	Impacts on customer health and safety	Measures to ensure customer health and safety
Product ingredients and formula	Fertilizers contain various chemical compounds to supply necessary nutrients for crops. However, improper handling of fertilizer may pose some risks of danger to human health.	We aim to produce safe and environmentally friendly products for consumers, selecting environmentally friendly materials, and ensuring customer health. Providing safety warnings and instructions on the packaging of products. We use a hotline system: 1800 888 606 to receive customer feedback and timely receive customer complaints from various channels, CRM, Commercial and Marketing Department, Market Solution Department and Sales Department, etc.
Risk of pollution	Fertilizers are likely to contain contaminants such as heavy metal, pathogens or chemical residues which can pose risk to human health at high intensity.	PVCFC has implemented strict quality control measures and propagated responsible use of fertilizers through training programs, seminars, etc. to prevent environmental pollution and ensure customer health and safety.
Residue management	Residues from fertilizers applied to crops can exist in the environment and may accumulate in food products.	PVCFC provides guidance on appropriate ratio and time to minimize residue limit in harvested crops and complies with food safety regulatory limits.







## CUSTOMER BENEFITS (CONTINUED)

### HOW TO PROTECT CONSUMER RIGHTS

In order to protect consumer rights, maintain legal compliance and preserve brand prestige, PVCFC always ensures procedures and regulations of the Company and of the Law on handling complaints and recalling defective products, preventing impacts on environment and human health.

#### How to handle customer complaints

- STEP 1** → Complaint handling unit and other related units receive customer complaints.
- STEP 2** → Within 2 working hours, complaint handling unit checks, classify and notifies related divisions/units to verify and record customer complaints.
- STEP 3** → Relevant divisions/units are responsible for sending personnel to verify and record customer complaints.
- STEP 4** → Relevant divisions/units coordinate and work with customers, sending reports of verification results and proposing handling measures to customer handling units under form of BMO2/MKT.02.04, attached with quality analysis results (if any).
- STEP 5** → In case of no additional costs incurred, complaint handling unit will handle customer complaints.
- STEP 6** → In case of costs incurred, complaint handling unit submit a written proposal, decision on complaint handling to Head of Division/Authorized person for approval, units related to complaint handling activities, Finance & Accounting Division and Accounting for approval and submitted to General Director/authorized person for approval.
- STEP 7** → Monitoring the process of handling customer complaints.
- STEP 8** → Complaint handling unit is responsible for:
  - Recording evaluation and customer satisfaction;
  - Reporting results of complaint handling.

In 2023, the Company received and handled 28 cases of customer complaints and handling 800 cases via hotline.

### Product recall procedure

In case of defective products, PVCFC will carry out following steps:

- STEP 1** → Receiving requests of product recall and handling.
- STEP 2** → Evaluating errors and necessity of recalling and handling defective products.
- STEP 3** → Making a plan of recalling defective products and submitting to leadership board for approval.
- STEP 4** → Recalling defective products in accordance with approved plan in step 3.
- STEP 5** → Managing defective products according to the Company's regulations.
- STEP 6** → Employees make reports on recall results and outline handling measures for the recalled shipments. In case that defective shipments have been distributed and consumed on a large scale, it is necessary to quickly recall to minimize risks for customers.





# GRI CONTENT INDEX

<b>Statement of use</b>	PVCFC has reported the information cited in this GRI content index for the 2023 fiscal year ending December 31, 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI standards	Disclosure	Location
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	17
	2-2 Entities included in the sustainability reporting	195
	2-3 Reporting period, frequency and contact point	195
	2-4 Restatements of information	195
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<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed 8	226
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	201-4 Financial assistance received from government	N/A
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A
	202-2 Proportion of senior management hired from the local community	N/A
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	N/A
	203-2 Significant indirect economic impacts	N/A



# GRI CONTENT INDEX

GRI standards	Disclosure	Location
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	N/A
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	N/A
	205-2 Communication and training about anti-corruption policies and procedures	N/A
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<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	278-279
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	207-3 Stakeholder engagement and management of concerns related to tax	N/A
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<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	N/A
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GRI standards	Disclosure	Location
	303-5 Water consumption	228
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	N/A
	304-3 Habitats protected or restored	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	233
	305-2 Energy indirect (Scope 2) GHG emissions	233
	305-3 Other indirect (Scope 3) GHG emissions	N/A
	305-4 GHG emissions intensity	N/A
	305-5 Reduction of GHG emissions	232-233
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	N/A
	306-2 Management of significant waste-related impacts	N/A
	306-3 Waste generated	237
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<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	245
	308-2 Negative environmental impacts in the supply chain and actions taken	N/A
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	245
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	244-245
	401-3 Parental leave	245



# GRI CONTENT INDEX

GRI standards	Disclosure	Location
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	N/A
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	239
	403-2 Hazard identification, risk assessment, and incident investigation	239
	403-3 Occupational health services	240
	403-4 Worker participation, consultation, and communication on occupational health and safety	240
	403-5 Worker training on occupational health and safety	240
	403-6 Promotion of worker health	241
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	N/A
	403-8 Workers covered by an occupational health and safety management system	N/A
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<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	246
	405-2 Ratio of basic salary and remuneration of women to men	N/A
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	N/A
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A

GRI standards	Disclosure	Location
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	246
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	N/A
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	N/A
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	252-255
	413-2 Operations with significant actual and potential negative impacts on local communities	N/A
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	N/A
	414-2 Negative social impacts in the supply chain and actions taken	N/A
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	N/A
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	256-257
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	N/A
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	N/A
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**THE CREATION OF PROSPERITY  
FOR A PROSPEROUS FUTURE**







**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**  
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 202**

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## STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of PetroVietnam Camau Fertilizer Joint Stock Company (the “Company”) presents this report together with the Company’s consolidated financial statements for the year ended 31 December 2023.

### BOARD OF DIRECTORS AND EXECUTIVE BOARD

The members of the Board of Directors and Executive Board of the Company during the year and to the date of this report are as follows:

#### Board of Directors

Mr. <b>Tran Ngoc Nguyen</b>	Chairman
Mr. <b>Van Tien Thanh</b>	Member
Mr. <b>Nguyen Duc Hanh</b>	Member
Mr. <b>Le Duc Quang</b>	Member
Mr. <b>Nguyen Duc Thuan</b>	Member (Appointed on 10 January 2024)
Mr. <b>Tran My</b>	Member (Resigned on 10 January 2024)
Mr. <b>Truong Hong</b>	Independent member
Ms. <b>Do Thi Hoa</b>	Independent member

#### Executive Board

Mr. <b>Van Tien Thanh</b>	Chief Executive Officer
Mr. <b>Le Ngoc Minh Tri</b>	Executive Officer
Mr. <b>Nguyen Tuan Anh</b>	Executive Officer
Ms. <b>Nguyen Thi Hien</b>	Executive Officer
Mr. <b>Tran Chi Nguyen</b>	Executive Officer
Mr. <b>Nguyen Thanh Tung</b>	Executive Officer





## STATEMENT OF THE EXECUTIVE BOARD (Continued)

### EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Executive Board 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 consolidated financial statements;
- » Prepare the consolidated 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 consolidated financial statements so as to minimize errors and frauds.

The Executive Board is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Company and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Executive Board 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 Executive Board confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Executive Board,



Le Ngoc Minh Tri  
Executive Officer  
(As per Authorization Letter No. 122/UQ-PVCFC dated 29 December 2023 of the Company's Chief Executive Officer)

26 February 2024



## INDEPENDENT AUDITORS' REPORT

No:0444/VNIA-HN-BC

To: **The Shareholders**  
**The Board of Directors and Executive Board**  
**PetroVietnam Camau Fertilizer Joint Stock Company**

We have audited the accompanying consolidated financial statements of PetroVietnam Camau Fertilizer Joint Stock Company (the "Company"), prepared on 26 February 2024, as set out from page 273 to page 310, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### EXECUTIVE BOARD'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Executive Board is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as the Executive Board determines is necessary to enable the preparation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the consolidated financial statements.

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





## INDEPENDENT AUDITORS' REPORT (Continued)

No:0444/VNIA-HN-BC

### OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



**Tran Xuan Anh**  
Deputy General Director  
Audit Practicing Registration Certificate  
No. 0723-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

26 February 2024  
Hanoi, S.R. Vietnam

**Nguyen Cong Cuong**  
Auditor  
Audit Practicing Registration Certificate  
No. 3992-2022-001-1



## CONSOLIDATED BALANCE SHEET

As at 31 December 2023

Unit: VND

FORM B 01-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

ASSETS		Codes	Notes	Closing balance	Opening balance
<b>A.</b>	<b>CURRENT ASSETS</b>	<b>100</b>		<b>13,504,495,425,086</b>	<b>11,624,186,590,632</b>
<b>I.</b>	<b>Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>2,284,399,788,772</b>	<b>2,125,625,291,560</b>
1.	Cash	111		2,274,399,788,772	2,125,625,291,560
2.	Cash equivalents	112		10,000,000,000	-
<b>II.</b>	<b>Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>8,242,000,000,000</b>	<b>6,812,000,000,000</b>
1.	Held-to-maturity investments	123		8,242,000,000,000	6,812,000,000,000
<b>III.</b>	<b>Short-term receivables</b>	<b>130</b>		<b>365,838,325,697</b>	<b>188,149,708,424</b>
1.	Short-term trade receivables	131	6	198,511,991,794	1,404,795,808
2.	Short-term advances to suppliers	132	7	54,781,183,900	86,290,003,561
3.	Other short-term receivables	136	8	155,143,495,512	141,988,594,864
4.	Provision for short-term doubtful debts	137		(42,598,345,509)	(41,533,685,809)
<b>IV.</b>	<b>Inventories</b>	<b>140</b>	<b>9</b>	<b>2,160,588,161,856</b>	<b>2,282,527,702,409</b>
1.	Inventories	141		2,192,194,664,725	2,421,842,977,250
2.	Provision for devaluation of inventories	149		(31,606,502,869)	(139,315,274,841)
<b>V.</b>	<b>Other short-term assets</b>	<b>150</b>		<b>451,669,148,761</b>	<b>215,883,888,239</b>
1.	Short-term prepayments	151	10	324,689,884,785	63,632,258,016
2.	Value added tax deductibles	152		126,477,061,647	151,749,427,894
3.	Taxes and other receivables from the State budget	153	16	502,202,329	502,202,329
<b>B.</b>	<b>NON-CURRENT ASSETS</b>	<b>200</b>		<b>1,733,471,002,213</b>	<b>2,542,674,129,384</b>
<b>I.</b>	<b>Fixed assets</b>	<b>220</b>		<b>1,600,175,440,082</b>	<b>2,206,852,578,649</b>
1.	Tangible fixed assets	221	11	1,249,767,699,101	2,159,644,948,177
	- Cost	222		15,430,176,837,908	15,270,937,810,324
	- Accumulated depreciation	223		(14,180,409,138,807)	(13,111,292,862,147)
2.	Intangible assets	227	12	350,407,740,981	47,207,630,472
	- Cost	228		500,317,770,131	178,465,717,860
	- Accumulated amortisation	229		(149,910,029,150)	(131,258,087,388)
<b>II.</b>	<b>Long-term assets in progress</b>	<b>240</b>		<b>88,189,941,648</b>	<b>33,176,188,396</b>
1.	Construction in progress	242	13	88,189,941,648	33,176,188,396
<b>III.</b>	<b>Other long-term assets</b>	<b>260</b>		<b>45,105,620,483</b>	<b>302,645,362,339</b>
1.	Long-term prepayments	261	10	35,009,926,028	294,351,326,527
2.	Deferred tax assets	262		10,095,694,455	8,294,035,812
	<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>15,237,966,427,299</b>	<b>14,166,860,720,016</b>

The accompanying notes are an integral part of these consolidated financial statements





## CONSOLIDATED BALANCE SHEET

As at 31 December 2023 (Continued)

FORM B 01-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>5,274,583,193,141</b>	<b>3,561,411,903,496</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>4,517,257,789,256</b>	<b>2,874,435,985,843</b>
1. Short-term trade payables	311	14	1,989,283,412,550	1,028,475,736,079
2. Short-term advances from customers	312	15	23,307,675,261	106,451,076,947
3. Taxes and amounts payable to the State budget	313	16	74,088,243,051	71,483,643,553
4. Payables to employees	314		150,051,864,301	136,580,729,153
5. Short-term accrued expenses	315	17	444,104,239,194	238,922,429,225
6. Other current payables	319	18	65,901,883,958	304,137,127,708
7. Short-term loans and obligations under finance leases	320	19	845,805,808,955	2,559,405,532
8. Short-term provisions	321	20	588,968,647,901	679,260,884,288
9. Bonus and welfare funds	322	21	335,746,014,085	306,564,953,358
<b>II. Long-term liabilities</b>	<b>330</b>		<b>757,325,403,885</b>	<b>686,975,917,653</b>
1. Long-term loans and obligations under finance leases	338	22	2,964,479,875	1,048,481,500
2. Scientific and technological development fund	343	23	754,360,924,010	685,927,436,153
<b>D. EQUITY</b>	<b>400</b>		<b>9,963,383,234,158</b>	<b>10,605,448,816,520</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>24</b>	<b>9,963,383,234,158</b>	<b>10,605,448,816,520</b>
1. Owners' contributed capital	411		5,294,000,000,000	5,294,000,000,000
- Ordinary shares carrying voting rights	411a		5,294,000,000,000	5,294,000,000,000
2. Other owner's capital	414		3,665,420,000	3,665,420,000
3. Investment and development fund	418		2,593,275,403,270	2,260,185,002,979
4. Retained earnings	421		2,044,851,345,036	3,018,455,058,084
- Retained earnings accumulated to the prior year end	421a		1,425,163,039,214	234,725,961,865
- Retained earnings of the current year	421b		619,688,305,822	2,783,729,096,219
5. Non-controlling interests	429		27,591,065,852	29,143,335,457
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>15,237,966,427,299</b>	<b>14,166,860,720,016</b>

Dam Thi Thuy An  
Preparer

Dinh Nhu Cuong  
Chief Accountant



Le Ngoc Minh Tri  
Executive Officer

26 February 2024

The accompanying notes are an integral part of these consolidated financial statements



## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

FORM B 02-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	27	12,949,489,162,606	16,380,039,770,909
2. Deductions	02	27	378,947,072,778	455,512,896,510
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>		<b>12,570,542,089,828</b>	<b>15,924,526,874,399</b>
4. Cost of sales	11	28	10,538,742,407,968	10,221,097,432,231
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>2,031,799,681,860</b>	<b>5,703,429,442,168</b>
6. Financial income	21	30	577,088,490,762	301,008,063,317
7. Financial expenses	22	31	27,372,487,527	60,402,056,552
- In which: Interest expense	23		10,155,714,106	10,274,784,277
8. Selling expenses	25	32	800,631,458,171	698,294,873,644
9. General and administration expenses	26	32	548,556,889,165	652,594,258,961
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>1,232,327,337,759</b>	<b>4,593,146,316,328</b>
11. Other income	31	33	24,751,516,067	15,225,626,021
12. Other expenses	32	33	2,269,270,186	12,059,177,506
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>	<b>33</b>	<b>22,482,245,881</b>	<b>3,166,448,515</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>1,254,809,583,640</b>	<b>4,596,312,764,843</b>
15. Current corporate income tax expense	51	34	146,468,525,391	269,999,355,705
16. Deferred corporate tax (income)/expense	52		(1,801,658,643)	5,232,674,603
<b>17. Net profit after corporate income tax (60=50-51-52)</b>	<b>60</b>		<b>1,110,142,716,892</b>	<b>4,321,080,734,535</b>
In which:				
17.1. Profit after tax attributable to the Holding Company	61		1,108,892,825,082	4,315,953,289,589
17.2. Profit after tax attributable to non-controlling interests	62		1,249,891,810	5,127,444,946
<b>18. Basic earnings per share</b>	<b>70</b>	<b>35</b>	<b>1,797</b>	<b>7,701</b>

Dam Thi Thuy An  
Preparer

Dinh Nhu Cuong  
Chief Accountant



Le Ngoc Minh Tri  
Executive Officer

26 February 2024

The accompanying notes are an integral part of these consolidated financial statements





# CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

FORM B 03-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	1,254,809,583,640	4,596,312,764,843
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	1,083,380,698,652	1,398,029,397,737
Provisions	03	(212,575,776,831)	822,620,050,170
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(43,609,637,122)	9,327,366,467
Gain from investing activities	05	(518,475,329,304)	(265,290,460,880)
Interest expense	06	10,155,714,106	10,274,784,277
Other adjustments	07	108,885,894,155	318,816,929,387
3. Operating profit before movements in working capital	08	1,682,571,147,296	6,890,090,832,001
(Increases) in receivables	09	(140,255,811,563)	(50,564,994,076)
Decreases/(increases) in inventories	10	229,648,312,525	(217,765,269,516)
Increases/(decreases) in payables (excluding accrued loan interest and corporate income tax payable)	11	875,345,773,061	(413,864,707,910)
Increases in prepaid expenses	12	(1,716,226,270)	(5,626,166,032)
Interest paid	14	(9,755,234,784)	(11,563,726,807)
Corporate income tax paid	15	(153,897,688,305)	(294,531,395,503)
Other cash outflows	17	(168,989,979,935)	(164,564,878,859)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>2,312,950,292,025</b>	<b>5,731,609,693,298</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(544,067,619,104)	(146,931,424,446)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	3,141,441,750
3. Cash outflow for lending, buying debt instruments of other entities	23	(13,920,000,000,000)	(12,260,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	12,490,000,000,000	9,810,000,000,000
5. Interest earned, dividends and profits received	27	504,958,995,061	209,034,334,199
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(1,469,108,624,043)</b>	<b>(2,384,755,648,497)</b>

The accompanying notes are an integral part of these consolidated financial statements



Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	1,702,631,848,041	1,392,381,255,212
2. Repayment of borrowings	34	(866,771,325,567)	(2,075,186,342,730)
3. Dividends and profits paid	36	(1,589,882,995,150)	(948,281,198,160)
<b>Net cash used in financing activities</b>	<b>40</b>	<b>(754,022,472,676)</b>	<b>(1,631,086,285,678)</b>
<b>Net increases in cash (50=20+30+40)</b>	<b>50</b>	<b>89,819,195,306</b>	<b>1,715,767,759,123</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>2,125,625,291,560</b>	<b>427,652,730,904</b>
Effects of changes in foreign exchange rates	61	68,955,301,906	(17,795,198,467)
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>2,284,399,788,772</b>	<b>2,125,625,291,560</b>

Dam Thi Thuy An  
Preparer

Dinh Nhu Cuong  
Chief Accountant

Le Ngoc Minh Tri  
Executive Officer

26 February 2024

The accompanying notes are an integral part of these consolidated financial statements





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

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

### 1. GENERAL INFORMATION

#### Structure of ownership

PetroVietnam Camau Fertilizer Joint Stock Company (the "Company"), formerly known as PetroVietnam Camau Fertilizer Company Limited- a subsidiary of Vietnam Oil and Gas Group, was established in Vietnam under Enterprise Registration Certificate No. 2001012298 issued by Ca Mau Province's Department of Planning and Investment on 24 March 2011.

PetroVietnam Camau Fertilizer Company Limited was officially transformed into a Joint Stock Company by the name of PetroVietnam Camau Fertilizer Joint Stock Company under Enterprise Registration Certificate No. 2001012298 issued on 24 March 2011 and amended certificates issued by Ca Mau Province's Department of Planning and Investment, with the charter capital of VND 5,294,000,000,000. The Company's stocks have been listed on Ho Chi Minh City Stock Exchange since 31 March 2015 under the stock symbol of "DCM".

The parent company of the Company is Vietnam Oil and Gas Group.

The number of employees of the Company and its subsidiary as at 31 December 2023 was 1,300 (as at 31 December 2022: 1,266).

#### Operating industry and principal activities

The business activities of the Company includes:

- » Production of fertilizers, nitrogen compounds and basic chemicals;
- » Wholesale of fertilizers, chemicals, bioactive products for industrial/agricultural uses;
- » Retail of fertilizers, chemicals, bioactive products used for industrial/agricultural uses;
- » Architectural activities and consultancy on techniques relating to the use of fertilizers and chemicals;
- » Warehousing, storage, loading and unloading services;
- » Research on and experimental development of natural science and engineering, technical testing and analysing;
- » Machinery and equipment repair and maintenance;
- » Production of basic chemicals;
- » Setting up website, processing rental data of related activities;
- » Trading in products and materials, plant varieties, agricultural products and pesticide;
- » Trading business through electronic transactions;
- » Production of non-alcoholic beverages, mineral water;
- » Real estate business with owned or leased property;
- » Supply and management of labor resources;
- » Fertilizer testing services; and
- » Providing, designing locations, presenting and implementing advertising on websites, on application software for electronic devices and handheld devices.

The principal activities of the Company are fertilizer production and trading.



#### 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.

#### The Company's structure

The Company has 01 subsidiary - PetroVietnam Packaging Joint Stock Company. General information about the subsidiary is as below:

Subsidiary	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
PetroVietnam Packaging Joint Stock Company	Bac Lieu	51.03	51.03	Package and fertilizer manufacturing

The Company has 02 branches which are its dependent accounting units located in Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province and have their own seal for transaction and are allowed to open their own accounts at banks in accordance with Vietnamese laws. Details of the Company's branches are as follows:

- » Branch of PetroVietnam Camau Fertilizer Joint Stock Company - Project Management Unit was established under Decision No. 1109/QD-PVCFC dated 01 June 2016 of the Company's Board of Directors.
- » Branch of PetroVietnam Camau Fertilizer Joint Stock Company - Research and Development Unit was established under Decision No. 442/QD-PVCFC dated 27 March 2017 of the Company's Board of Directors.

#### Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the Company's audited consolidated financial statements for the year ended 31 December 2022.

### 2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

#### Accounting convention

The accompanying consolidated 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 consolidated financial reporting.

The consolidated financial statements are prepared based on consolidation of separate financial statement of the Company and its subsidiary's financial statements.

The accompanying consolidated financial statements are not intended to present the consolidated financial position, consolidated results of operations and consolidated 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 consolidated financial statements, are as follows:

**Estimates**

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

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and enterprise controlled by the Company (its subsidiary) for the year ended 31 December 2023. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiary are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit 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.

**Financial investments**

*Held-to-maturity investments*

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including bank term deposits held to maturity to earn periodic interest.

**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 six months or more, 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. Cost comprises direct materials, and where applicable, direct labour costs and those overheads, that have been incurred in bringing the inventories to their present location and condition. Issue cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. The Company applies perpetual method to account for inventories.

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 consolidated 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 conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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

	Years
Buildings and structures	5 - 25
Machinery and equipment	5 - 12
Motor vehicles and transmission equipment	5 - 6
Office equipment	3 - 6
Others	3 - 6

The Company's tangible fixed assets were revalued upon equitization of the Company as a former state-owned enterprise. Their cost and accumulated depreciation were adjusted based on the revaluation value approved by competent authorities as regulated. Adjusted depreciation was applied when the Company officially started operating as a joint stock company.

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FORM B 09-DN/HN

### Intangible assets and amortisation

Intangible assets represent land use rights, copyright, patents and computer software that are stated at cost less accumulated amortisation.

Increase in value of land use rights upon the revaluation and transfer to another form in which the State assigns land to the enterprise in exchange of land use fee is allowed to be recorded as an increase in payables to the State Budget when the Company is transformed into a joint stock company.

Intangible assets are amortised using the straight-line method over their estimated useful lives as follows:

	Years
Land use rights	20 - 43
Copyright, patents	3
Computer software	3 - 6

The Company's intangible assets were revalued upon equitization of the Company as a former state-owned enterprises. Their cost and accumulated amortisation are adjusted based on the revaluation value approved by competent authorities as regulated. Adjusted amortisation was applied when the Company officially started operating as a joint stock company.

### Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost, including any costs that are necessary to form the asset including construction cost, equipment cost and other directly attributable costs in accordance with the Company's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

### Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments mainly comprise potential value for development, Camau Fertilizer Plant's asset insurance premium, costs of advertising and market development, warranty extension, maintenance software copyrights, fixed asset repair and other types of prepayments.

The potential value for development reflects the development potential value at the time the Company officially transformed into the joint stock company (15 January 2015) and was additionally calculated according to the Inspection Conclusion on restructuring of State Enterprises under the Ministry of Industry and Trade issued by the Government Inspectorate on 07 July 2023.

The prepaid expenses for Camau Fertilizer Plant's asset insurance are charged to profit or loss over the insurance period.

Costs of advertising and market development, warranty extension, maintenance software copyrights, fixed asset repair and other types of prepayments comprising costs of small tools, supplies issued for consumption and other prepayments are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments and are allocated to the consolidated income statement using the straight-line method in compliance with applicable accounting regulations.



### Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Executive Board's best estimate of the expenditure required to settle the obligation as at the consolidated balance sheet date.

### Scientific and technological development fund

Scientific and technological development fund is appropriated at a rate of no more than 10% of taxable profit in order to invest in science and technology activities of the Company. This fund was formed on the basis of the Company's development and technology innovation demand and fund appropriations are charged to the operation results of the year.

### Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Company usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

As guided by Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group and Official Letter No. 7526/BTC-TCDN dated 08 June 2015 issued by the Ministry of Finance on the exchange rate of foreign currencies, the Company applied the buying rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 31 December 2023. The above mentioned rate differs from that stated in Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200"). In the opinion of the Executive Board, the difference arising from the difference in the use of the above exchange rates is not material.

### Revenue recognition

#### Revenue from production and trading

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

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





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FORM B 09-DN/HN

### Revenue from service rendered

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 consolidated 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 consolidated 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 an accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

### Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets, borrowing costs are capitalised even when the construction period is under 12 months.

### 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 consolidated 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.

According to Investment Certificate No. 61101000153 dated 04 December 2012 issued by the People's Committee of Ca Mau province, the Company is entitled to tax incentives with regard to Camau Fertilizer Production Plant Project as follows:

- » Corporate income tax: The Company is entitled to preferential tax rates, tax exemption and reduction in accordance with provisions of the prevailing law on corporate income tax.
- » Land tax: The Company is entitled to exemption from/reduction of land use tax, land use fees, land and water surface rentals in accordance with provisions of the prevailing laws on land and taxation.
- » Import duty: The Company is exempted from import duty with regard to equipment, materials, motor vehicles and other goods for the implementation of the project in accordance with the law on import/export duties.



According to Official Letter No. 4641/TCT-CS issued by the General Department of Taxation on 02 December 2008 in response to Vietnam Oil and Gas Group on tax incentives for Camau Fertilizer Plant Project, the Company is entitled to corporate income tax incentives at 10% for 15 years since the beginning of production and business activities, corporate income tax exemption for 04 years from the year having taxable profit and 50% reduction in tax payable for the 09 following years. 2023 is the eighth year the Company is entitled to 50% reduction in tax payable regarding profit generated by the operating activities of Camau Fertilizer Production Plant Project.

Regarding to business income arising from the Project of Production of Molten Urea Complex (NPK Project), the Company chooses to apply the tax exemption and reduction for the additional income generated from investment expansion (not being entitled to incentive tax rate) for the period equal to the tax exemption and reduction period applied to new investment projects in the same areas or fields eligible for corporate income tax incentives. Accordingly, the Company is entitled to tax exemption for the first 04 years and 50% reduction for the following 09 years for the income generated from investment expansion projects, starting from the first year in which the Company has taxable profit from the investment expansion project that is entitled to tax incentives. As at the end of 2023, the Company has not generated taxable profit from business activities arising from NPK Project.

For operations other than those under Camau Fertilizer Production Plant Project and NPK Project, the Company is obliged to pay corporate income tax at the prevailing normal tax rate based on taxable profit from other business activities.

Corporate income tax applicable to PetroVietnam Packaging Joint Stock Company (the Company's subsidiary - PPC) is as follows:

- » For package manufacturing and trading activity: according to Decision No. 22/2010/QĐ-UBND dated 01 September 2010 issued by People's Committee of Bac Lieu province regarding promulgation of regulations and policies on investment encouragement, support and incentives in Bac Lieu province and the first Investment Certificate No. 60221000003 dated 23 June 2013 issued by Bac Lieu Industrial Zones Management Unit and applicable regulations, PPC is entitled to tax incentives as follows: preferential tax rate of 20% for 10 years and preferential tax rate of 17% from 01 January 2016, tax exemption for 2 years from the first year PPC has taxable profit (2012), 50% tax reduction in tax payable for the next 4 years applicable to enterprises newly established from investment projects in areas with difficult socio-economic conditions. In 2023, PPC is obliged to pay tax at the normal rate of 20%.
- » For fertilizer manufacturing and trading activity: according to Official Letter No. 380/CT-TTHT dated 02 April 2018 issued by Tax Department of Bac Lieu Province, Bac Lieu Petroleum Fertilizer Production Plant Project is determined as new investment project. Therefore, PPC is entitled to tax incentives as follows: preferential tax rate of 17% for 10 years, tax exemption for 2 years from the first year of taxable profit, 50% tax reduction in tax payable for the next 4 years applicable to enterprises newly established from investment projects in areas with difficult socio-economic conditions.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated 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**

	Closing balance VND	Opening balance VND
Cash on hand	2,144,652,377	940,375,731
Bank demand deposits	2,272,255,136,395	2,124,684,915,829
Cash equivalents (i)	10,000,000,000	-
	<b>2,284,399,788,772</b>	<b>2,125,625,291,560</b>

(i) Represents bank term deposits in VND at Vietnam Joint Stock Commercial Bank of Industry and Trade - Bac Lieu Branch with the original term of 2 months and interest rate of 3% per annum.

**5. SHORT-TERM FINANCIAL INVESTMENTS**

	Closing balance VND		Opening balance VND	
	Cost	Carrying amount	Cost	Carrying amount
<i>Short-term held-to-maturity investments</i>	<i>8,242,000,000,000</i>	<i>8,242,000,000,000</i>	<i>6,812,000,000,000</i>	<i>6,812,000,000,000</i>
- Over 3-month deposits (i)	8,242,000,000,000	8,242,000,000,000	6,812,000,000,000	6,812,000,000,000

(i) Represents term deposits in VND in commercial banks in Vietnam with original maturities of more than 03 months and the remaining period of less than 12 months and interest rate ranging from 3.5% per annum to 8.1% per annum (as at 31 December 2021: from 3.5% per annum to 8.8% per annum).

As at 31 December 2023, the Company had a deposit of VND 332 billion at Ocean Commercial Joint Stock Bank - Ca Mau Branch ("OceanBank") whose transactions are restricted. The Company's Executive Board assesses that the mentioned above deposit is still recoverable and there is no risk of loss and accordingly, no provision for impairment of investments has been recognized.

**6. SHORT-TERM TRADE RECEIVABLES**

	Closing balance VND	Opening balance VND
Kim Hoang Private Enterprise	40,833,650,000	-
Minh Khoa Trading and Services Company Limited	35,046,800,000	-
The Man Fertilizer Export Import Services Trading Company Limited	28,529,900,000	-
Nguyen Khoa Trading Company Limited	23,004,300,000	-
Tan Canh Tay Nguyen Joint Stock Company	21,888,775,000	-
Huy Chinh Trading - Services Company Limited	20,365,800,000	-
Other customers	28,842,766,794	1,404,795,808
	<b>198,511,991,794</b>	<b>1,404,795,808</b>
<i>In which:</i>		
Trade receivables from related parties (Details stated in Note 37)	34,070,417	37,332,262

**7. SHORT-TERM ADVANCES TO SUPPLIERS**

	Closing balance VND	Opening balance VND
Phu Nhuan Jewelry Joint Stock Company	13,334,000,000	-
Mr. Le Van Dung	-	52,328,805,340
Other suppliers	41,447,183,900	33,961,198,221
	<b>54,781,183,900</b>	<b>86,290,003,561</b>
<i>In which:</i>		
Advances to related parties (Details stated in Note 37)	834,900,000	164,922,480

**8. OTHER RECEIVABLES**

	Closing balance VND		Opening balance VND	
	Cost	Provision	Cost	Provision
Accrued interest receivable from term deposits	101,282,115,063	-	87,765,780,820	-
Receivables from foreign contractor withholding tax of loan interest on foreign bank loans (i)	43,228,523,461	(42,557,628,129)	43,228,523,461	(41,492,968,429)
Discounts on goods purchased	2,541,788,480	-	4,882,279,500	-
Advances to employees	3,288,338,864	-	4,424,293,437	-
Deposits	1,174,223,000	-	672,810,000	-
Others	3,628,506,644	-	1,014,907,646	-
	<b>155,143,495,512</b>	<b>(42,557,628,129)</b>	<b>141,988,594,864</b>	<b>(41,492,968,429)</b>

(i) Represent the foreign contractor withholding tax amounts paid by the Company to tax authorities regarding loan interest under the ECA Loan Agreement between the lenders comprising of BNP Paribas, Export-Import Bank of China and Credit Agricole Bank and Vietnam Oil and Gas Group in accordance with Meeting Minutes dated 26 April 2018 among Inspector of Ministry of Finance, Tax Department of Ca Mau Province and the Company. At the date of these consolidated financial statements, the Company is still working with the Tax Authority to refund these contractor tax amounts.

As at 31 December 2023, the Company's Executive Board carefully assessed and determined the recoverable value of the receivables based on cost less provision for doubtful debts made.



**9. INVENTORIES**

	Closing balance VND		Opening balance VND	
	Cost	Provision	Cost	Provision
Goods in transit	23,156,020,000	-	-	-
Raw materials	623,557,878,549	-	713,889,496,661	-
Tools and supplies	25,660,960,616	-	28,895,136,583	-
Work in progress	120,424,085,684	-	130,760,098,970	-
Finished goods	996,790,952,143	(17,717,722,006)	1,165,211,990,703	(71,846,124,192)
Merchandise	402,604,767,733	(13,888,780,863)	383,086,254,333	(67,469,150,649)
	<b>2,192,194,664,725</b>	<b>(31,606,502,869)</b>	<b>2,421,842,977,250</b>	<b>(139,315,274,841)</b>

During the year, the Company made provision for devaluation of inventories due to NPK finished goods and merchandise having cost higher than net realizable value.

**10. PREPAYMENTS**

	Closing balance VND	Opening balance VND
<b>a. Current</b>		
Potential value for development (i)	261,059,472,455	-
Costs of advertising and market development (i)	21,305,165,840	22,679,302,020
Asset insurance premium for Camau Fertilizer Plant	18,660,693,807	14,880,489,207
Costs of warranty extension, maintenance and software copyrights	18,632,121,376	14,345,352,887
Tools and supplies issued for consumption	3,953,678,827	11,252,233,353
Other short-term prepaid expenses	1,078,752,480	474,880,549
	<b>324,689,884,785</b>	<b>63,632,258,016</b>
<b>b. Non-current</b>		
Tools and supplies issued for consumption	26,424,164,405	29,141,796,646
Fixed assets repair costs	7,034,883,293	3,142,819,620
Potential value for development (i)	-	261,059,472,455
Other long-term prepaid expenses	1,550,878,330	1,007,237,806
	<b>35,009,926,028</b>	<b>294,351,326,527</b>

(i) The potential value for development reflects the development potential value at the time the Company officially transformed into the joint stock company and was additionally calculated according to the Inspection Conclusion on restructuring of State Enterprises under the Ministry of Industry and Trade issued by the Government Inspectorate on 07 July 2023. At the date of these consolidated financial statements, the Company and Vietnam Oil and Gas Group are finalizing official gas price for the period from 2015 to 2018 (during which the Company received incentive gas price) and the unallocated potential value for development mentioned above will be adjusted by the Company simultaneously with the finalization of this incentive gas price.

**11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS**

	Buildings and structures		Machinery and equipment		Office equipment		Motor vehicles and transmission equipment		Others		Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>COST</b>											
Opening balance	3,888,021,458,603	11,119,163,528,347	122,462,487,785	81,920,361,774	59,369,973,815	15,270,937,810,324					
Additions during the year	68,928,530,406	22,664,137,633	14,696,424,631	8,234,088,140	-	114,523,180,810					
Transfer from construction in progress	23,801,524,660	20,929,494,286	-	-	-	44,731,018,946					
Other decreases	(15,172,172)	-	-	-	-	(15,172,172)					
Reclassifications	(79,503,329,126)	72,064,347,056	7,173,717,958	-	265,264,112	-					
Closing balance	3,901,233,012,371	11,234,821,507,322	144,332,630,374	90,154,449,914	59,635,237,927	15,430,176,837,908					
<b>ACCUMULATED DEPRECIATION</b>											
Opening balance	3,230,148,538,041	9,729,148,695,725	71,042,055,145	62,125,625,224	18,827,948,012	13,111,292,862,147					
Charge for the year	263,397,838,740	788,213,017,820	12,959,932,681	4,525,506,597	19,980,822	1,069,116,276,660					
Reclassifications	(204,481,614,450)	152,332,604,900	10,926,860,555	434,839,902	40,787,309,093	-					
Closing balance	3,289,064,762,331	10,669,694,318,445	94,928,848,381	67,085,971,723	59,635,237,927	14,180,409,138,807					
<b>NET BOOK VALUE</b>											
Opening balance	657,872,920,562	1,390,014,832,622	51,420,432,640	19,794,736,550	40,542,025,803	2,159,644,948,177					
Closing balance	612,168,250,040	565,127,188,877	49,403,781,993	23,068,478,191	-	1,249,767,699,101					

PetroVietnam Packaging Joint Stock Company (the subsidiary) has pledged all fixed assets formed under "Bac Lieu Packaging Production Plant Project" and fixed assets formed from granted loans to secure its bank loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Lieu branch. The total carrying amount of these assets as at 31 December 2023 is VND 18,930,246,756 (as at 31 December 2022: VND 17,321,735,172).

The cost of the Company's tangible fixed assets as at 31 December 2023 includes VND 13,449,768,453,262 (as at 31 December 2022: VND 537,548,151,244) of fixed assets which have been fully depreciated but are still in use.



**12. INCREASES, DECREASES IN INTANGIBLE ASSETS**

	Land use rights	Copyrights, patents	Computer software	Total
	VND	VND	VND	VND
<b>COST</b>				
Opening balance	22,194,885,567	14,609,100,000	141,661,732,293	178,465,717,860
Additions during the year	303,561,149,858	-	18,290,902,413	321,852,052,271
Closing balance	325,756,035,425	14,609,100,000	159,952,634,706	500,317,770,131
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	10,147,186,544	14,213,362,192	106,897,538,652	131,258,087,388
Charge for the year	1,286,648,162	176,366,667	17,188,926,933	18,651,941,762
Closing balance	11,433,834,706	14,389,728,859	124,086,465,585	149,910,029,150
<b>NET BOOK VALUE</b>				
Opening balance	12,047,699,023	395,737,808	34,764,193,641	47,207,630,472
Closing balance	314,322,200,719	219,371,141	35,866,169,121	350,407,740,981

The cost of the Company's intangible assets as at 31 December 2023 includes VND 100,817,875,546 (as at 31 December 2022: VND 97,797,753,109) of intangible assets which have been fully amortised but are still in use.

**13. CONSTRUCTION IN PROGRESS**

	Closing balance VND	Opening balance VND
Land use right in Thanh Hoa, Long An province	53,947,222,000	-
Project of elevator installation of apartment L, I	6,392,742,032	-
Cargo yard platform upgrading project	-	10,233,557,863
Road surface and drainage system upgrading project	-	6,236,686,527
Emission monitoring system	-	6,149,864,037
Other projects	27,849,977,616	10,556,079,969
	<b>88,189,941,648</b>	<b>33,176,188,396</b>

**14. SHORT-TERM TRADE PAYABLES**

	Closing balance VND		Opening balance VND	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
Vietnam Oil and Gas Group	1,298,943,925,302	1,298,943,925,302	529,071,661,373	529,071,661,373
Saudi Arabian Mining Company (Ma'Aden)	159,806,451,427	159,806,451,427	-	-
Branch of PetroVietnam Power Corporation - PetroVietnam Ca Mau Power Company	58,756,161,720	58,756,161,720	57,831,729,358	57,831,729,358
PVI Insurance South Company	20,526,763,188	20,526,763,188	-	-
PetroVietnam Fertilizer and Chemicals Corporation - Petrochemical Trading Branch	18,761,240,260	18,761,240,260	23,725,630,102	23,725,630,102
Other suppliers	432,488,870,653	432,488,870,653	417,846,715,246	417,846,715,246
	<b>1,989,283,412,550</b>	<b>1,989,283,412,550</b>	<b>1,028,475,736,079</b>	<b>1,028,475,736,079</b>
<i>In which:</i>				
Trade payables to related parties (Details stated in Note 37)	1,394,868,887,124	1,394,868,887,124	640,563,164,860	640,563,164,860

**15. SHORT-TERM ADVANCES FROM CUSTOMERS**

	Closing balance VND	Opening balance VND
Hung Thanh Agricultural Materials Company Limited	5,397,881,840	21,020,194,840
Chhun Sok An Company Limited	6,118,626,360	11,913,889,985
Sayimex Ta Mchas SRE Company Limited	581,929	8,172,366,096
Other customers	11,790,585,132	65,344,626,026
	<b>23,307,675,261</b>	<b>106,451,076,947</b>



**16. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET**

	Opening balance	Payable during the period	Paid during the period	Closing balance
	VND	VND	VND	VND
<b>a. Receivables</b>				
Value added tax	104,855,724	-	-	104,855,724
Land rentals	397,346,605	1,760,049,088	1,760,049,088	397,346,605
	<b>502,202,329</b>	<b>1,760,049,088</b>	<b>1,760,049,088</b>	<b>502,202,329</b>
<b>b. Payables</b>				
Value added tax	1,147,662,519	4,943,641,984	6,091,267,466	37,037
Value added tax for imported goods	-	9,626,632,638	9,626,632,638	-
Corporate income tax	61,590,689,717	146,468,525,391	153,897,688,305	54,161,526,803
Natural resources tax	229,003,200	2,599,057,050	2,599,703,400	228,356,850
Export duty	-	149,153,576,965	149,153,576,965	-
Import duty	-	21,319,240,483	11,802,066,940	9,517,173,543
License tax	-	7,000,000	7,000,000	-
Personal income tax	8,516,288,117	89,902,247,727	88,237,387,026	10,181,148,818
Other taxes, fees and charges	-	1,026,470,215	1,026,470,215	-
	<b>71,483,643,553</b>	<b>425,046,392,453</b>	<b>422,441,792,955</b>	<b>74,088,243,051</b>

**17. SHORT-TERM ACCRUED EXPENSES**

	Closing balance VND	Opening balance VND
Trade discount (i)	202,992,479,958	138,853,142,115
Goods and services received	102,403,438,742	22,365,071,066
Accrued gas expenses	60,608,481,908	14,060,289,155
Costs of sales promotion, advertising and social welfare security	57,736,441,480	42,676,056,454
Accrued interest expense	406,218,442	5,739,120
Other accruals	19,957,178,664	20,962,131,315
	<b>444,104,239,194</b>	<b>238,922,429,225</b>
<i>In which:</i>		
Accrued expense payable to related parties (details stated in Note 37)	60,608,481,908	14,060,289,155

(i) Represents the accrued trade discount payable to customers according to the sales policy approved by the Chief Executive Officer and notified to the customers. The accrual amount has been approved according to the decisions of the Company's Chief Executive Officer on temporary deduction of discount calculation in 2023.

**18. OTHER SHORT-TERM PAYABLES**

	Closing balance VND	Opening balance VND
Seller commission	10,822,834,999	3,888,965,136
Safety reward fund	9,633,445,949	8,203,839,325
Short-term deposits received	7,181,264,484	4,715,671,218
Trade union fee	998,505,557	921,545,907
Potential value for development (Note 10) (i)	-	261,059,472,455
Other short-term payables	37,265,832,969	25,347,633,667
	<b>65,901,883,958</b>	<b>304,137,127,708</b>
<i>In which:</i>		
Other short-term payables to related parties (details stated in Note 37)	1,064,065,018	1,064,065,018

(i) In the year, the Company paid to Vietnam Oil and Gas Group the entire amount of potential value for development according to Official Letter No. 261/DKVN-KHDT dated 02 October 2023 from Vietnam Oil and Gas Group.



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**19. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	Opening balance VND			In the period VND			Closing balance VND	
	Amount	Amount able to be paid off		Increases	Decreases	Foreign exchange differences	Amount	Amount able to be paid off
Short-term bank loans	-	-		1,699,400,064,033	864,135,075,035	9,301,879,324	844,566,868,322	844,566,868,322
<i>Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch (i)</i>	-	-		1,699,400,064,033	864,135,075,035	9,301,879,324	844,566,868,322	844,566,868,322
Current portion of long-term loans (see Note 22)	2,559,405,532	2,559,405,532		1,315,785,633	2,636,250,532	-	1,238,940,633	1,238,940,633
<i>Vietnam Joint Stock Commercial Bank of Industry and Trade - Bac Lieu Branch</i>	2,559,405,532	2,559,405,532		1,315,785,633	2,636,250,532	-	1,238,940,633	1,238,940,633
	2,559,405,532	2,559,405,532		1,700,715,849,666	866,771,325,567	9,301,879,324	845,805,808,955	845,805,808,955

- (i) Balance as at 31 December 2023 represents short-term loans in Vietnam Dong (“VND”) from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch under loan contracts No. 020/TTH. KHDT/23NH-TL dated 10 November 2023, No. 022/VCB.TT/23NH-TL dated 11 December 2023 with the term of 2 months from the date of disbursement to pay the payables to Vietnam Oil and Gas Group for gas purchases for September and October 2023. The interest rate on the loans for the financial year ended 31 December 2023 is from 2.8% per annum to 3% per annum. These loans have no collateral.

**20. SHORT-TERM PAYABLE PROVISIONS**

	Closing balance VND	Opening balance VND
Provision for gas expenses (i)	588,968,647,901	679,260,884,288
	588,968,647,901	679,260,884,288
<i>In which:</i>		
Other short-term payable provision to related parties (details stated in Note 37)	588,968,647,901	679,260,884,288

- (i) Reflects the provision for gas expenses incurred in the first 7 months of 2023 (opening balance: the provision for gas expenses incurred in 2022) accrued according to the principle of gas resource allocation according to the actual consumption proportion of consumers in Ca Mau Province in Amendment No. 10 of PM3 CAA and Block 46 - Cai Nuoc Gas Sales Contract and No. 3918/HD-DKVN dated 05 October 2023. Provision for gas expenses will be adjusted (if any) when there is an official settlement between the Company and the Group.

**21. BONUS AND WELFARE FUND**

	Current year VND	Prior year VND
Opening balance	306,564,953,358	195,121,164,403
Appropriation to the fund	158,273,500,507	239,366,606,751
Adjustment to bonus and welfare fund from prior year's profits	3,737,002,097	(555,210,000)
Utilization in the year	(132,397,399,488)	(127,316,609,078)
Depreciation of fixed assets formed from bonus and welfare fund	(432,042,389)	(50,998,718)
Closing balance	335,746,014,085	306,564,953,358



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**22. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

	Opening balance VND		In the year VND		Closing balance VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
Long-term loans	3,607,887,032	3,607,887,032	3,231,784,008	2,636,250,532	4,203,420,508	4,203,420,508
Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Lieu Branch (i)	3,607,887,032	3,607,887,032	3,231,784,008	2,636,250,532	4,203,420,508	4,203,420,508
<b>In which:</b>						
- Amount due for settlement within 12 months	2,559,405,532				1,238,940,633	
- Amount due for settlement after 12 months	1,048,481,500				2,964,479,875	

(i) Represents the long-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Lieu Branch under Credit Loan Contracts No. DN-1111/2021-HDCVDADT/NHCT862 - CTY BBDK dated 18 November 2021, No. DN-2501/2022-HDCVDADT/NHCT862 - CTY BBDK dated 25 January 2022, No. DN-0308/2022-HDCVDADT/NHCT862 - CTY BBDK dated 09 August 2022, No. DN-1605/2023-HDCVDADT/NHCT862-CTY BBDK dated 16 May 2023, No. DN-2011/2023-HDCVDADT/NHCT862-CTY BBDK dated 20 November 2023 and No. DN-2211/2023-HDCVDADT/NHCT862-CTY BBDK dated 22 November 2023, with loan term of from 3 to 7 years to serve the purposes of investment, procurement and construction of the Company's fixed assets. These loans are secured by assets belonging to the Bac Lieu Fertilizer Production Plant Project and other fixed assets formed from the loans (see Note 11). Interest rates of the loans for year ended 31 December 2023 are from 8.9% per annum to 12% per annum (for the year ended 31 December 2022: from 8.38% per annum to 12% per annum).

Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	1,238,940,633	2,559,405,532
In the second year	1,213,527,000	396,862,000
In the third to fifth year inclusive	1,750,952,875	651,619,500
	<b>4,203,420,508</b>	<b>3,607,887,032</b>
Less: Amount due for settlement within 12 months (shown under short-term loans and obligations under finance leases)	1,238,940,633	2,559,405,532
<b>Amount due for settlement after 12 months</b>	<b>2,964,479,875</b>	<b>1,048,481,500</b>

**23. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

	Current year VND	Prior year VND
Scientific and technological development fund		
Opening balance	<b>685,678,380,369</b>	<b>404,109,720,763</b>
- Appropriation in the year (i)	108,885,894,155	318,816,929,387
- Utilization in the year	(39,795,672,116)	(37,248,269,781)
- Transfer to scientific and technological development fund forming fixed assets	(17,446,571,546)	-
<b>Closing balance</b>	<b>737,322,030,862</b>	<b>685,678,380,369</b>
Scientific and technological development fund forming fixed assets		
Opening balance	<b>249,055,784</b>	<b>627,452,551</b>
- Increasing during the year	17,446,571,546	-
- Depreciation of fixed assets formed from Scientific and technological development fund	(656,734,182)	(378,396,767)
<b>Closing balance</b>	<b>17,038,893,148</b>	<b>249,055,784</b>
<b>Total opening balance</b>	<b>685,927,436,153</b>	<b>404,737,173,314</b>
<b>Total closing balance</b>	<b>754,360,924,010</b>	<b>685,927,436,153</b>

(i) The scientific and technological development fund is made during the year at the rate of 8% of the Company's taxable profit to create sources for scientific and technological activities of the Company.



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**24. OWNERS' EQUITY**  
**Movement in owners' equity**

	Owners' contributed capital		Other owners' capital		Investment and development fund		Retained earnings		Non-controlling interests		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	5,294,000,000,000	5,294,000,000,000	3,665,420,000	965,858,273,232	1,187,985,397,644	26,588,184,510	7,478,097,275,386	4,321,080,734,535				
Profit for the year	-	-	-	-	4,315,953,289,589	5,127,444,946	4,321,080,734,535					
Appropriation to investment and development fund	-	-	-	1,294,326,729,747	(1,294,326,729,747)	-	-	-	-	-	-	-
Appropriation to bonus and welfare funds	-	-	-	-	(238,792,109,402)	(574,497,349)	(239,366,606,751)					
Adjustment to bonus and welfare funds from 2021 retained earnings	-	-	-	-	555,210,000	-	555,210,000					
Dividend from profit in 2021	-	-	-	-	(952,920,000,000)	(1,997,796,650)	(954,917,796,650)					
<b>Current year's opening balance</b>	<b>5,294,000,000,000</b>	<b>5,294,000,000,000</b>	<b>3,665,420,000</b>	<b>2,260,185,002,979</b>	<b>3,018,455,058,084</b>	<b>29,143,335,457</b>	<b>10,605,448,816,520</b>					
Profit for the year	-	-	-	-	1,108,892,825,082	1,249,891,810	1,110,142,716,892					
Appropriation to investment and development fund (i)	-	-	-	333,090,400,291	(333,090,400,291)	-	-	-	-	-	-	-
Appropriation to bonus and welfare funds (i)	-	-	-	-	(157,469,135,742)	(804,364,765)	(158,273,500,507)					
Adjustment to bonus and welfare funds from 2022 retained earnings (ii)	-	-	-	-	(3,737,002,097)	-	(3,737,002,097)					
Dividends declared	-	-	-	-	(1,588,200,000,000)	(1,997,796,650)	(1,590,197,796,650)					
<b>Current year's closing balance</b>	<b>5,294,000,000,000</b>	<b>5,294,000,000,000</b>	<b>3,665,420,000</b>	<b>2,593,275,403,270</b>	<b>2,044,851,345,036</b>	<b>27,591,065,852</b>	<b>9,963,383,234,158</b>					

(i) The current year's appropriation amounts to the bonus and welfare funds and investment and development fund are in accordance with the resolutions of the General Meeting of Shareholders of the Parent Company and subsidiary.

**Shares**

	Closing balance	Opening balance
Number of shares issued to the public	529,400,000	529,400,000
Ordinary shares	529,400,000	529,400,000
Number of outstanding shares in circulation	529,400,000	529,400,000
Ordinary shares	529,400,000	529,400,000

**Charter capital**

The charter capital of the Company is VND 5,294,000,000,000. As at 31 December 2023, the charter capital has been fully contributed by shareholders, details are as follows:

	Per Enterprise Registration Certificate		Contributed capital	
	VND	%	Closing balance VND equivalent	Opening balance VND equivalent
Vietnam Oil and Gas Group	4,000,230,570,000	75.56	4,000,230,570,000	4,000,230,570,000
Other shareholders	1,293,769,430,000	24.44	1,293,769,430,000	1,293,769,430,000
	<b>5,294,000,000,000</b>	<b>100</b>	<b>5,294,000,000,000</b>	<b>5,294,000,000,000</b>

**Dividend**

According to Resolution No. 1462/NQ-PVCFC dated 12 June 2023 of the General Meeting of Shareholders, the Company's General Meeting of Shareholders decided to pay dividends from the 2022 retained earnings at the rate of 30% of the charter capital, equivalent to an amount of VND 1,588,200,000. The Company has paid dividends from the 2022 retained earnings to shareholders on 11 September 2023.

**Non-controlling interests**

Non-controlling interests represent the proportion of net assets and operation results of the subsidiary attributable to shareholders other than the Parent Company. Non-controlling interest ratio in the subsidiary is determined as follows:

	Closing balance VND	Opening balance VND
Charter capital of the subsidiary	47,995,160,000	47,995,160,000
<i>In which:</i>		
Contributed capital of the Holding Company	24,491,670,000	24,491,670,000
Contributed capital of non-controlling shareholders	23,503,490,000	23,503,490,000
<b>Non-controlling interest ratio</b>	<b>48.97%</b>	<b>48.97%</b>



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Non-controlling interests in net assets of the subsidiary at the balance sheet date are as follows:

	Closing balance VND	Opening balance VND
Total assets	61,248,196,745	67,976,104,177
Total liabilities	(33,657,130,893)	(38,832,768,720)
<b>Net assets</b>	<b>27,591,065,852</b>	<b>29,143,335,457</b>
<i>Details are as follows:</i>		
Charter capital	23,503,490,000	23,503,490,000
Other funds	5,353,320,994	4,857,337,030
Accumulated (loss)/Retained earnings	(1,265,745,142)	782,508,427

### 25. OFF BALANCE SHEET ITEMS

#### Foreign currencies

	Closing balance VND	Opening balance VND
USD	56,954,333	74,965,565
EUR	1,280	1,280

#### Goods sold which customers stored in the Company's warehouse

As at 31 December 2023, the detailed volume of goods sold which customers stored in the Company's warehouse is as follows:

	Closing balance Tons	Opening balance Tons
<b>Volume of goods sold which customers stored in the Company's warehouse</b>		
Hung Thanh Agricultural Materials Company Limited	4,041.00	0.00
Nguyen Khoa Trading Company Limited	1,924.50	0.00
The Man Fertilizer Export Import Services Trading Company Limited	982.00	0.00
Huu Thanh I Company Limited	864.60	0.00
Thuan Phat Company Limited	308.00	0.00
Do Van Sam Production Trading and Service Company Limited	211.70	0.00
Tran Van Phuoc One Member Company Limited	210.00	0.00
<b>Total</b>	<b>8,541.80</b>	<b>0.00</b>

### 26. BUSINESS AND GEOGRAPHICAL SEGMENTS

#### Business segments

The Company and its subsidiary's principal activities are manufacturing and trading fertilizers and packages used in agriculture. The revenue for the year 2023 and the assets and liabilities as at 31 December 2023 of the subsidiary's manufacturing and trading business are about VND 224 billion, VND 45 billion and VND 48 billion, respectively, accounting for a negligible proportion in consolidated revenue from goods sold and services rendered and consolidated assets and liabilities of the Company. Accordingly, the financial information presented in the consolidated balance sheet as at 31 December 2023 and all revenue and expenses presented in the consolidated income statement for the year ended 31 December 2023 mainly relate to manufacturing and trading fertilizers including Urea and other type of fertilizer. Therefore, no business segment report has been prepared. Revenue and cost of sales by goods item and business activity are presented in Note 27 and Note 28.

#### Geographical segment

The Company distributes fertilizer products in both domestic markets (Southwest region, Southeast region, Central Highlands, etc.) and foreign markets (Cambodia, Philippines, etc.). During the year, the Company exported fertilizer products to foreign markets with net revenue of about VND 3,120 billion (in 2022: about VND 6,396 billion) - accounting for approximately 25% of consolidated net revenue from goods sold and services rendered of the Company.

Segment reports are prepared for corporate management purposes. The Company keeps track of the revenue, expenses and results by geographical segment as follows:

Current year	Domestic VND	Export VND	Total VND
Net revenue	9,449,761,464,592	3,120,780,625,236	12,570,542,089,828
Cost of sales	(7,881,672,365,118)	(2,657,070,042,850)	(10,538,742,407,968)
<b>Gross profit by segment</b>	<b>1,568,089,099,474</b>	<b>463,710,582,386</b>	<b>2,031,799,681,860</b>
General operating expenses			(1,349,188,347,336)
Financial income			577,088,490,762
Financial expenses			(27,372,487,527)
Other income			24,751,516,067
Other expenses			(2,269,270,186)
<b>Accounting profit before tax</b>			<b>1,254,809,583,640</b>
Current corporate income tax expense			(146,468,525,391)
Deferred corporate tax income			1,801,658,643
<b>Net profit after corporate income tax</b>			<b>1,110,142,716,892</b>

Prior year	Domestic VND	Export VND	Total VND
Net revenue	9,528,104,776,878	6,396,422,097,521	15,924,526,874,399
Cost of sales	(6,530,911,692,179)	(3,690,185,740,052)	(10,221,097,432,231)
<b>Gross profit by segment</b>	<b>2,997,193,084,699</b>	<b>2,706,236,357,469</b>	<b>5,703,429,442,168</b>
General operating expenses			(1,350,889,132,605)
Financial income			301,008,063,317
Financial expenses			(60,402,056,552)
Other income			15,225,626,021
Other expenses			(12,059,177,506)
<b>Accounting profit before tax</b>			<b>4,596,312,764,843</b>
Current corporate income tax expense			(269,999,355,705)
Deferred corporate tax expense			(5,232,674,603)
<b>Net profit after corporate income tax</b>			<b>4,321,080,734,535</b>



**27. REVENUE**

	Current year VND	Prior year VND
<b>Sales of merchandise and services</b>		
Sales of urea	8,310,998,746,657	12,401,793,242,829
- Domestic sales	5,598,362,190,252	6,583,982,067,832
- Export	2,712,636,556,405	5,817,811,174,997
Sales of NPK	1,675,644,936,958	1,253,321,963,000
- Domestic sales	1,630,555,316,550	1,228,056,909,500
- Export	45,089,620,408	25,265,053,500
Sales of fertilizers	2,167,429,355,154	1,972,775,403,171
- Domestic sales	1,840,827,233,142	1,419,429,534,147
- Export	326,602,122,012	553,345,869,024
Sales of production waste and other finished goods	786,115,013,969	749,919,664,541
Revenue from services rendered	9,301,109,868	2,229,497,368
	<b>12,949,489,162,606</b>	<b>16,380,039,770,909</b>
<b>Deductions</b>		
Sales discount	378,947,072,778	455,346,096,510
Sales rebates	-	166,800,000
	<b>378,947,072,778</b>	<b>455,512,896,510</b>
<i>In which:</i>		
Sales in the year to related parties (details presented in Note 37)	1,615,169,269	476,021,316

**28. COST OF SALES**

	Current year VND	Prior year VND
Cost of urea sold	6,433,055,911,189	6,654,161,422,282
Cost of NPK sold	1,458,839,373,938	1,192,000,380,535
Cost of fertilizers sold	2,023,815,679,790	1,876,086,382,217
Cost of other products	621,416,295,288	498,849,247,197
Cost of services rendered	1,615,147,763	-
	<b>10,538,742,407,968</b>	<b>10,221,097,432,231</b>

**29. PRODUCTION COST BY NATURE**

	Current year VND	Prior year VND
Raw materials and consumables	6,599,137,038,538	6,495,993,694,524
Labour	681,612,238,360	597,104,844,039
Depreciation and amortisation	1,083,380,698,652	1,398,029,397,737
Out-sourced services	902,308,523,549	803,513,719,686
Provision	1,064,659,700	143,346,950,668
Appropriation to the scientific and technological development fund	108,885,894,155	318,816,929,387
Other monetary expenses	498,217,530,737	404,958,371,871
	<b>9,874,606,583,691</b>	<b>10,161,763,907,912</b>

**30. FINANCIAL INCOME**

	Current year VND	Prior year VND
Bank interest	518,475,329,304	262,149,019,130
Foreign exchange gain	58,613,161,458	38,859,044,187
	<b>577,088,490,762</b>	<b>301,008,063,317</b>

**31. FINANCIAL EXPENSES**

	Current year VND	Prior year VND
Interest expense	10,155,714,106	10,274,784,277
Foreign exchange loss	17,216,773,421	50,127,272,275
	<b>27,372,487,527</b>	<b>60,402,056,552</b>



**32. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	Current year VND	Prior year VND
<b>Selling expenses for the year</b>		
Sales staff expenses	71,214,237,760	51,034,609,414
Transport, loading and storage expenses	299,880,797,451	282,963,154,121
Advertisement and communication expenses	246,392,482,098	197,520,179,576
Social welfare security expenses	67,577,857,639	38,671,503,413
Sales commission expenses	16,458,026,303	13,793,086,855
Depreciation and amortization expenses	5,872,019,078	5,805,533,279
Other outsourced services	37,432,290,857	35,672,486,604
Other selling expenses	55,803,746,985	72,834,320,382
	<b>800,631,458,171</b>	<b>698,294,873,644</b>
<b>General and administration expenses for the year</b>		
Administrative staff expenses	173,628,220,877	141,524,882,997
Depreciation and amortization expenses	15,094,021,155	10,488,716,076
Outsourced services	59,097,126,657	64,048,454,147
Provision expenses for doubtful debts	1,064,659,700	4,031,675,827
Appropriation to the scientific and technological development fund	108,885,894,155	318,816,929,387
Other general and administration expenses	190,786,966,621	113,683,600,527
	<b>548,556,889,165</b>	<b>652,594,258,961</b>

**33. OTHER INCOME AND OTHER EXPENSES**

	Current year VND	Prior year VND
<b>Other income</b>		
Compensations and bonuses received	23,269,241,332	10,700,730,663
Penalty for breach of contract	632,153,189	146,373,600
Disposal	-	3,141,441,750
Other income	850,121,546	1,237,080,008
	<b>24,751,516,067</b>	<b>15,225,626,021</b>
<b>Other expenses</b>		
Other expenses	2,269,270,186	12,059,177,506
	<b>2,269,270,186</b>	<b>12,059,177,506</b>
<b>Profit from other activities</b>	<b>22,482,245,881</b>	<b>3,166,448,515</b>

**34. CURRENT CORPORATE INCOME TAX EXPENSE**

	Current year VND	Prior year VND
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	145,095,954,868	269,882,976,897
Adjustments for corporate income tax expense in previous year to the current year	1,372,570,523	116,378,808
<b>Total current corporate income tax expense</b>	<b>146,468,525,391</b>	<b>269,999,355,705</b>

Corporate income tax expense based on taxable profit in the current year of the Company's business activities is as follows:

	Current year VND	Prior year VND
Corporate income tax from production of urea	39,618,058,046	216,624,583,477
Corporate income tax from production of packages	2,151,258,778	1,865,245,225
Corporate income tax from other activities	103,326,638,044	51,393,148,194
<b>Corporate income tax expense based on taxable profit in the current year</b>	<b>145,095,954,868</b>	<b>269,882,976,897</b>

**35. BASIC EARNINGS PER SHARE**

	Current year	Prior year
Accounting profit after corporate income tax attributable to Parent Company (VND)	1,108,892,825,082	4,315,953,289,589
- Appropriation to bonus and welfare funds (VND)	(157,469,135,742)	(238,792,109,402)
<b>Profit or loss attributable to ordinary shareholders (VND)</b>	<b>951,423,689,340</b>	<b>4,077,161,180,187</b>
Average number of ordinary shares in circulation for the year	529,400,000	529,400,000
<b>Basic earnings per share (VND)</b>	<b>1,797</b>	<b>7,701</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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### 36. OTHER COMMITMENTS

According to Contract on trading gas of Block PM3 CAA and Block 46 - Cai Nuoc No. 3918/HD-DKVN dated 23 May 2012 between Vietnam Oil and Gas Group and PetroVietnam Camau Fertilizer Company Limited (currently known as PetroVietnam Camau Fertilizer Joint Stock Company) and accompanied amendments of the Contract, the Company would purchase natural gas of Block PM3 CAA and Block 46 - Cai Nuoc from the Group within 20 years from the official operation date with the output of 495 million m3 of standard gas per year. Of which, the contracted gas price for the period from 2015 to 2018 was the gas price (excluding VAT and other indirect taxes) that ensured the efficiency of the Company's fertilizer production and business with the rate of the average return on equity at 12% per year. At the date of these consolidated financial statements, the Company and Vietnam Oil and Gas Group are finalizing the official gas price for the period from 2015 to 2018.

According to Amendment No. 10 dated 05 October 2023 to the above Contract on trading gas, the principle of gas source allocation of consuming households in Ca Mau is determined according to the proportion of actual monthly consumption. In which, cost of gas for the first 7 months of 2023 have not been finalized and will be adjusted (if any) when there is an official settlement between the Company and the Group.

### 37. RELATED PARTIES TRANSACTIONS AND BALANCES

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

Related parties	Relationship
<b>a) Vietnam Oil and Gas Group and subsidiaries</b>	
Vietnam Oil and Gas Group	Parent Company
Vietnam Petroleum Institute	Affiliate of Vietnam Oil and Gas Group
PetroVietnam College	Affiliate of Vietnam Oil and Gas Group
PetroVietnam University	Affiliate of Vietnam Oil and Gas Group
PetroVietnam Power Corporation	Subsidiary of Vietnam Oil and Gas Group
PetroVietnam Fertilizer and Chemicals Corporation	Subsidiary of Vietnam Oil and Gas Group
PetroVietnam Gas Joint Stock Corporation	Subsidiary of Vietnam Oil and Gas Group
Binh Son Refining and Petrochemical Joint Stock Company	Subsidiary of Vietnam Oil and Gas Group
<b>b) Other related parties according to Vietnamese Accounting Standards</b>	
Petro Power Renewable Energy Joint Stock Company	Affiliate
PVD Technical Training and Certification Joint Stock Company	Affiliate
PetroVietnam Security Service Corporation - South West Branch	Affiliate
Saigon PetroVietnam Oil Joint Stock Company	Affiliate
PVD Trading and Technical Services Joint Stock Company	Affiliate
PetroVietnam Securities Joint Stock Company	Affiliate
South West PetroVietnam Fertilizer and Chemicals Joint Stock Company	Affiliate
Indochina Petroleum Transportation Joint Stock Company	Affiliate
PetroVietnam Hotel PTSC Company Limited	Affiliate

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

	Current year VND	Prior year VND
<b>Sales</b>		
<b>a) Vietnam Oil and Gas Group and subsidiaries</b>	<b>1,127,213,636</b>	<b>7,836,000</b>
Branch of PetroVietnam Fertilizer and Chemicals Corporation - Phu My Urea Plant	1,127,213,636	7,836,000
<b>b) Other related parties according to Vietnamese Accounting Standards</b>	<b>487,955,633</b>	<b>468,185,316</b>
Petro Power Renewable Energy Joint Stock Company	487,955,633	468,185,316
	<b>1,615,169,269</b>	<b>476,021,316</b>

	Current year VND	Prior year VND
<b>Purchases</b>		
<b>a) Vietnam Oil and Gas Group and subsidiaries</b>	<b>4,612,476,290,909</b>	<b>4,676,645,618,490</b>
Vietnam Oil and Gas Group	4,099,498,688,207	4,149,469,384,746
Branch of PetroVietnam Power Corporation - PetroVietnam Ca Mau Power Company	361,052,660,649	347,573,428,837
PetroVietnam Chemicals and Fertilizer Corporation - Petrochemical Trading Branch	127,929,716,919	147,056,591,169
Branch of PetroVietnam Gas Joint Stock Company - Ca Mau Gas Company	13,882,272,942	11,717,320,941
PetroVietnam College	9,408,682,192	14,846,725,197
Vietnam Petroleum Institute	509,020,000	5,967,167,600
PetroVietnam University	195,250,000	15,000,000
<b>b) Other related parties according to Vietnamese Accounting Standards</b>	<b>162,283,809,333</b>	<b>92,993,986,500</b>
South West PetroVietnam Fertilizer and Chemicals Joint Stock Company	99,857,000,000	373,349,316
PVD Technical Training and Certification Joint Stock Company	25,264,370,890	38,330,426,892
Petro Vietnam Security Service Corporation - South West branch	16,078,667,942	15,907,341,497
Saigon PetroVietnam Oil Joint Stock Company	10,846,409,568	11,726,246,919
PVD Trading and Technical Services Joint Stock Company	7,511,994,000	23,974,880,633
Indochina Petroleum Transportation Joint Stock Company - Ho Chi Minh City Branch	1,292,437,000	1,233,734,800
Branch of PetroVietnam Fertilizer and Chemicals Corporation - Phu My Urea Plant	842,283,519	902,339,444
Indochina Petroleum Transportation Joint Stock Company	379,740,300	295,765,780
PetroVietnam Securities Joint Stock Company	132,000,000	225,000,000
Saigon PetroVietnam Oil Joint Stock Company - Ca Mau Branch - No. 10 Petrol Station	64,017,218	14,001,219
PetroVietnam Hotel PTSC Company Limited	14,888,896	10,900,000
	<b>4,774,760,100,242</b>	<b>4,769,639,604,990</b>

	Current year VND	Prior year VND
<b>Dividend paid</b>		
Vietnam Oil and Gas Group	1,200,069,171,000	720,041,502,600
	<b>1,200,069,171,000</b>	<b>720,041,502,600</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	Closing balance VND	Opening balance VND
<b>Short-term trade receivables</b>		
<i>a) Other related parties according to Vietnamese Accounting Standards</i>	<b>34,070,417</b>	<b>37,332,262</b>
Petro Power Renewable Energy Joint Stock Company	34,070,417	37,332,262
	<b>34,070,417</b>	<b>37,332,262</b>

	Closing balance VND	Opening balance VND
<b>Short-term advances to suppliers</b>		
<i>a) Vietnam Oil and Gas Group and subsidiaries</i>	<b>834,900,000</b>	<b>164,922,480</b>
PVD Trading and Technical Services Joint Stock Company	834,900,000	-
Vietnam Petroleum Institute	-	164,922,480
	<b>834,900,000</b>	<b>164,922,480</b>

	Closing balance VND	Opening balance VND
<b>Short-term trade payables</b>		
<i>a) Vietnam Oil and Gas Group and subsidiaries</i>	<b>1,385,071,852,237</b>	<b>620,818,201,171</b>
Vietnam Oil and Gas Group	1,298,943,925,302	529,071,661,373
Branch of PetroVietnam Power Corporation - PetroVietnam Ca Mau Power Company	58,756,161,720	57,831,729,358
PetroVietnam Chemicals and Fertilizer Corporation - Petrochemical Trading Branch	18,761,240,260	23,725,630,102
PetroVietnam College	5,728,282,203	6,959,584,257
PetroVietnam Gas Joint Stock Company - Ca Mau Gas Company	1,163,444,258	1,264,369,758
Branch of PetroVietnam Fertilizer and Chemicals Corporation - Phu My Urea Plant	909,666,200	974,526,600
Vietnam Petroleum Institute	809,132,294	877,635,323
Binh Son Refining and Petrochemical Company Limited	-	113,064,400
<i>b) Other related parties according to Vietnamese Accounting Standards</i>	<b>9,797,034,887</b>	<b>19,744,963,689</b>
PVD Technical Training and Certification Joint Stock Company	3,193,553,483	1,342,699,182
Petro Vietnam Security Service Corporation - South West branch	2,881,806,198	1,440,903,099
PVD Trading and Technical Services Joint Stock Company	2,322,608,400	15,704,275,711
Saigon PetroVietnam Oil Joint Stock Company	739,552,450	669,317,520
Indochina Petroleum Transportation Joint Stock Company - Ho Chi Minh City Branch	411,480,000	214,692,120
Indochina Petroleum Transportation Joint Stock Company	128,920,356	47,412,000
Saigon PetroVietnam Oil Joint Stock Company - Ca Mau Branch - No. 10 Petrol Station	119,114,000	37,765,220
South West PetroVietnam Fertilizer and Chemicals Joint Stock Company	-	287,898,837
	<b>1,394,868,887,124</b>	<b>640,563,164,860</b>

	Closing balance VND	Opening balance VND
<b>Short-term accrued expenses</b>		
Vietnam Oil and Gas Group	60,608,481,908	14,060,289,155
	<b>60,608,481,908</b>	<b>14,060,289,155</b>

	Closing balance VND	Opening balance VND
<b>Provisions for gas expenses</b>		
Vietnam Oil and Gas Group	588,968,647,901	679,260,884,288
	<b>588,968,647,901</b>	<b>679,260,884,288</b>

	Closing balance VND	Opening balance VND
<b>Other current payables</b>		
Vietnam Oil and Gas Group	1,064,065,018	1,064,065,018
	<b>1,064,065,018</b>	<b>1,064,065,018</b>

### Income before tax of the Board of Directors, Executive Board and Supervisory Board in the year were as follows:

		Current year VND	Prior year VND
Mr. Tran Ngoc Nguyen	Chairman	2,385,626,692	1,998,039,808
Mr. Van Tien Thanh	Member cum Chief Executive Officer	2,385,626,692	1,998,039,808
Mr. Tran My	Member (Resigned on 10 January 2024)	1,550,378,464	1,624,346,452
Mr. Nguyen Duc Hanh	Member	1,933,674,089	1,624,346,452
Mr. Le Duc Quang	Member	1,933,674,089	1,624,346,452
Ms. Do Thi Hoa	Independent member	486,000,000	481,000,000
Mr. Truong Hong	Independent member	486,000,000	481,000,000
Mr. Tran Chi Nguyen	Executive Officer	1,933,674,089	1,624,346,452
Mr. Le Ngoc Minh Tri	Executive Officer	1,933,674,089	1,624,346,452
Mr. Nguyen Tuan Anh	Executive Officer	1,933,674,089	1,624,346,452
Ms. Nguyen Thi Hien	Executive Officer	1,933,674,089	1,624,346,452
Mr. Nguyen Thanh Tung	Executive Officer	1,941,100,477	1,614,497,745
Mr. Dinh Nhu Cuong	Chief Accountant	1,792,842,762	1,510,861,262
Ms. Phan Thi Cam Huong	Head of Supervisory Board	1,792,842,762	1,510,861,262
Mr. Do Minh Duong	Member of Supervisory Board	1,438,545,379	1,218,349,100
Mr. Le Canh Khanh	Member of Supervisory Board (Appointed on 12 June 2023)	49,772,727	-
Mr. Tran Van Binh	Member of Supervisory Board (Resigned on 12 June 2023)	927,778,307	1,103,727,682
		<b>26,838,558,796</b>	<b>23,286,801,831</b>





**38. OTHER EVENTS**

According to Decision No. 2682/QĐ-PVCFC dated 20 October 2023, the Company's Board of Directors approved the investment policy and authorized the Chief Executive Officer to carry out the necessary work to acquire 100% of the capital contribution at Han - Viet Fertilizer Company Limited (KVF) from the owner of KVF. Currently, the Company is in the process of implementing procedures related to the acquisition of this capital contribution.

Dam Thi Thuy An  
Preparer

Dinh Nhu Cuong  
Chief Accountant



Le Ngoc Minh Tri  
Executive Officer

26 February 2024

## ASSESSMENT ON IMPLEMENTATION OF CORPORATE GOVERNANCE BASED ON ASEAN CORPORATE GOVERNANCE SCORECARD

Report on implementation of ASEAN Corporate Governance Scorecard is presented in detail at: <https://www.pvcfc.com.vn/en-US/investor-relations/esg-1>

In order to contribute to environmental protection, PVCFC's 2023 Annual Report was printed in limited quantities by environmentally friendly paper. Therefore, when you feel no longer necessary to use it, please pass it on to people of interest. In addition, PVCFC has also produced its 2023 Annual Report in digital format. If you are interested, please scan the following QR code:







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