

ANNUAL REPORT 2024

www.dpm.vn

Introduction of PVFCCo

CORPORATE GOVERNANCE REPORT

INFORMATION ON THE BOARD OF DIRECTORS

Board Of Directors



Mr. NGUYEN XUAN HOA

Position: Chairman of the BOD

DOB: 1972

Qualifications: Master of Business Administration,

Bachelor of Finance and Accounting



Mr. PHAN CONG THANH

Position: Member of the BOD

DOB: 1974

Qualifications: Engineer, Master of Chemical Engineering Technology



Mr. NGUYEN NGOC ANH

Position: Member of the BOD

DOB: 1982

Qualifications: Master of Construction Management, Civil Engineer



Mr. TRINH VAN KHIEM

Position: Member of the BOD, Head of the Planning and Business Committee

DOB: 1973

Qualifications: Bachelor of Business Administration



Mr. HO QUYET THANG

Position: Independent members of the BOD

DOB: 1970

Qualifications: Mechanical Engineer, Bachelor of Economics

CORPORATE GOVERNANCE REPORT

(CONTINUED)

GOVERNANCE MODEL

The Corporation's governance model consists of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, and the President and CEO, in compliance with the Law on Enterprises 2020. Corporate governance complies with and meets the requirements of Decree No.155/2021/ND-CP, dated 31/12/2020, issued by the Government.

Members of BOD, BOS, and BOM are capable and qualified, and their services are free of conflicts of interest. They have performed their roles and duties effectively, contributing to help the Corporation to fulfill its annual production and business plan. The Corporation is constantly working to improve its governance management, heading towards successfully applying upstanding practices such as: improving the BOD's governance efficiency, improving the supervision of the BOS, implementing supportive solutions in management and administration of production and business: ERP, ISO, KPI management and performance evaluation systems, establishing Committees under the BOD and an ESG monitoring framework.

In 2024, the Board of Directors (BOD) was elected by the General Meeting of Shareholders (GMS) with 5 members, including 01 independent member. Accordingly, the BOD established three (3) Committees in charge of business planning, scientific technology and investment development and risk management and policy administration. The activities of BOD and committees were specifically assigned to full-time members in charge of each field for inspection and verification so that the BOD could make decisions while supervising, directing, and urging the Corporation to implement the provided resolutions and decisions depending on assigned fields.



Activities of the BOD in 2024

AS THE HIGHEST MANAGEMENT BODY, THE BOD REPRESENTS THE INTERESTS OF SHAREHOLDERS. IN 2024, THE CURRENT BOD ACTIVELY FULFILLED THEIR ROLES AND RESPONSIBILITIES IN COMPLIANCE WITH GOOD CORPORATE GOVERNANCE STANDARDS.

In 2024, the BOD held 8 periodical meetings, in which they solicited written opinions from their members 86 times. Resulting from these requests, 90 resolutions, executive decisions and many directional documents on critical matters were approved as follows:

Planning and strategies

- Approved and monitored the implementation of the 2024 production and business plan.
- Developed and reviewed the Corporation's development strategy and production and business plan for the 2026-2030 period.

Organization - human resources

- Submitted to the General Meeting of Shareholders the proposal for Board restructuring, Chairman election, and President and CEO appointment.
- Continued to oversee of the reorganization of the parent company's and subsidiaries' management system, as well as the improvement of salary policies.
- Approved the workforce plan; Appointed and re-appointed personnel of the BOM.
- Establish the Legal & Compliance Division and the Digital Transformation & IT Division.

Corporate governance, risk management and internal audit

- Approving and implementing internal audit plans; monitoring activities of branch companies; directing the review and completion of the internal document system and the risk management system.
- In Q2/2024, the BOD established three committees: Risk Management & Employee Policy; Planning & Business; and Investment Development & Science and Technology Committee under the BOD. These Committees enhance governance by overseeing and ensuring the effective implementation of BOD resolutions and executive decisions. Regular meetings were organized in Q3 and Q4 of 2024.
- The BOD and BOM facilitated the BOS's effective oversight of the Corporation's management and operations, ensuring the implementation of its recommendations across functional divisions, branches, and member units.

Project investment and implementation

- Directed and completed the funding settlement for the projects of investing and upgrading capacity of NH₃ Factory of Phu My Fertilizer Plant and building NPK Chemical Technology Fertilizer Plant.
- Directed the implementation of the H₂O₂ project and other investment initiatives as planned.

Issuance and amendment of regulations

 Oversaw the completion of the Corporation's internal document system - Phase 2, with 11 regulations and processes issued and amended across administration, business, investment, procurement, finance, asset management, and quality control.

Restructuring

 Implemented a comprehensive restructuring of the Corporation and its subsidiaries.
 Directed the development of a new business plan

Investor relations

 Successfully organized the 2024 Annual General Meeting of Shareholders in March 2024. The BOD directed the IR team to actively implement online contact and information exchange activities to ensure continuous and full disclosure of information on performance to shareholders and investors.

Independent auditor selection

 The BOD organized the selection and approved the results of selecting the audit firm for the financial statements audit as authorized by the General Meeting of Shareholders.

Apart from the periodic and extraordinary sessions, the BOD held regular weekly and monthly work briefings to inspect and evaluate its performance and oversee the BOM's compliance with BOD's resolutions and executive decisions in the production and business activities of the Corporation.

ANNUAL REPORT 2024

www.dpm.vn

Introduction of PVFCCo o

CORPORATE GOVERNANCE REPORT

(CONTINUED)

INFORMATION ON THE BOARD OF DIRECTORS

Activities of the BOD in 2024

List of resolutions and executive decisions of the Board of Directors approved and promulgated in 2024

No.	Resolution/Executive decision No.	Date	Content	Approval rate
1	24-08/NQ-PBHC	05/01/2024	Resolution on the approval of the plan to organize the 2024 Extraordinary General Meeting of Shareholders	100%
2	24-10/NQ-PBHC	09/01/2024	Resolution on the approval of the BOD's operational plan for 2024	100%
3	24-18/NQ-PBHC	17/01/2024	Resolution on the approval of the Science & Technology plan for 2024	100%
4	24-35/QĐ-PBHC	24/01/2024	Executive Decision on the dismissal of the Vice President in charge of CEO	100%
5	24-36/QĐ-PBHC	24/01/2024	Executive Decision on the appointment of the President and CEO	100%
6	24-37/NQ-PBHC	25/01/2024	Resolution on the approval of the 2024 operational plan of the Internal Audit Division	100%
7	24-38/NQ-PBHC	25/01/2024	Resolution on the approval of the investment opportunity report for the NH ₃ Plant Off-gas recovery project	100%
8	24-45/NQ-PBHC	31/01/2024	Resolution on the approval of the 2024 working capital plan	
9	24-46/NQ-PBHC	31/01/2024	Resolution on the approval of the 2024 Annual General Meeting of Shareholders convening plan	100%
10	24-57/QÐ-PBHC	26/02/2024	Executive Decision on the approval of salaries and allowances for the President and CEO and members of the BOD	
11	24-83/NQ-PBHC	27/03/2024	Resolution on the BOD's periodic meeting in Q1/2024	100%
12	24-84/NQ-PBHC	27/03/2024	Resolution on the approval of the agenda, documents, and related matters for the 2024 Annual General Meeting of Shareholders	100%
13	24-85/NQ-PBHC	27/03/2024	Resolution on the approval of the establishment of the Digital Transformation & IT Division and the Legal & Compliance Division	100%
14	24-86/NQ-PBHC	27/03/2024	Resolution on the approval of the 2024 program for cost savings and anti-waste measures	
15	24-87/NQ-PBHC	28/03/2024	Resolution on the approval of the 2023 payroll fund settlement	
16	24-88/QĐ-PBHC	29/03/2024	Executive Decision on discharging Mr. Nguyen Ngoc Anh from his duties as Chairman of the BOD	100%
17	24-89/NQ-PBHC	29/03/2024	Resolution on the election of the Chairman of the BOD	100%

No.	Resolution/Executive decision No.	Date	Content	Approval rate
18	24-96/NQ-PBHC	04/04/2024	Resolution on the approval of the agenda for the 2024 Annual General Meeting of Shareholders of PVFCCo -Central	100%
19	24-98/NQ-PBHC	04/04/2024	Resolution on the approval of the agenda for the 2024 Annual General Meeting of Shareholders of PVFCCo - SE	100%
20	24-99/NQ-PBHC	04/04/2024	Resolution on the approval of the agenda for the 2024 Annual General Meeting of Shareholders of PVFCCo - North	100%
21	24-100/NQ-PBHC	04/04/2024	Resolution on the approval of the agenda for the 2024 Annual General Meeting of Shareholders of PVFCCo - SW	100%
22	24-110/NQ-PBHC	04/11/2024	Resolution on the approval of the amendments for Explanatory notes for Norm No. 4 and Table of contents for Norms No. 4 & No.5 of Urea and NPK production lines	100%
23	24-119/QĐ-PBHC	15/04/2024	Executive Decision on the establishment of the Internal Audit Team for Phase 1 of 2024 at PVFCCo	100%
24	24-129/QĐ-PBHC	24/04/2024	Executive Decision on the approval of remuneration and allowances for BOD's members	100%
25	24-133/NQ-PBHC	24/04/2024	Resolution on personnel matters for newly established divisions	100%
26	24-134/NQ-PBHC	24/04/2024	Resolution on the appointment and nomination of PVFCCo's representative at PVFCCo - Packaging	100%
27	24-135/NQ-PBHC	25/04/2024	Resolution on the restructuring of management positions at the BOD Office and Administration	100%
28	24-138/NQ-PBHC	25/04/2024	Resolution on the approval of the 2023 performance evaluation results for the Corporation's affiliates	100%
29	24-139/NQ-PBHC	25/04/2024	Resolution on the approval of PVFCCo's 2024 Action Plan	100%
30	24-144/QÐ-PBHC	25/04/2024	Executive Decision on appointment of Mr. Truong The Vinh as Manager of Legal & Compliance Division	100%
31	24-146/QÐ-PBHC	25/04/2024	Executive Decision on assigning Mr. Pham Tran Kien as concurrent Secretary of the Corporation	100%
32	24-174/NQ-PBHC	14/05/2024	Resolution on the approval of the functional restructuring of the Administration Division, Human Resources & Training Division, HSE & Technology Division, and Legal & Compliance Division	100%
33	24-180/QĐ-PBHC	15/05/2024	Executive Decision on the restructuring of management positions in the BOD Office	100%
34	24-182/QĐ-PBHC	17/05/2024	Executive Decision on the appointment of Mr. Hoang Tuan Vinh	100%
35	24-189/QÐ-PBHC	23/05/2024	Resolution on the approval of the implementation plan for the 2024 - 2025 social welfare program	100%
36	24-199/QÐ-PBHC	28/05/2024	Executive Decision on appointment of Mr. Vo Ngoc Phuong as Vice President	100%
37	24-200/QĐ-PBHC	28/05/2024	Executive Decision on appointment of Mr. Tran Tuan Kiet as Chief Accountant	100%

CORPORATE GOVERNANCE REPORT

(CONTINUED)

List of resolutions and executive decisions of the Board of Directors approved and promulgated in 2024

No.	Resolution/Executive decision No.	Date	Content	Approval rate
38	24-208/QÐ-PBHC	31/05/2024	Executive Decision on the amendment and supplementation of PVFCCo's Internal Governance and BOD's Operating Regulations	100%
39	24-209/QĐ-PBHC	31/05/2024	Executive Decision on establishing Committees under BOD	100%
40	24-210/QÐ-PBHC	31/05/2024	Executive Decision on issuing the Organizational and Operational Regulations of the BOD	100%
41	24-211/QĐ-PBHC	31/05/2024	Executive Decision on the approval of numbers and members of the Committees under BOD	100%
42	24-212/NQ-PBHC	31/05/2024	Resolution on the assignment of duties within the BOD	100%
43	24-215/NQ-PBHC	05/06/2024	Resolution on the approval of financial institutions for bank deposits in 2024	100%
44	24-216/NQ-PBHC	05/06/2024	Resolution on the approval of adjustments to Norms No. 8.1, No. 8.2, and No. 8.4	100%
45	24-217/NQ-PBHC	07/06/2024	Resolution on the approval of adjustments to the 2024 gas sales contract with PV GAS	100%
46	24-232/NQ-PBHC	25/06/2024	Resolution on the termination of the business cooperation contract for the Hydrogen Peroxide production plant project between PVFCCo and PVChem	100%
47	24-240/NQ-PBHC	05/07/2024	Resolution on the BOD's periodic meeting in Q2/2024	100%
48	24-242/QÐ-PBHC	05/07/2024	Executive Decision on the amendment and supplementation of PVFCCo's Internal Governance Regulations	100%
49	24-243/NQ-PBHC	05/07/2024	Resolution on the approval of the selection and signing contract with audit firm for reviewing and auditing 2024 financial statements	100%
50	24-250/QĐ-PBHC	12/07/2024	Executive Decision on the approval of salary classification for members of the BOD	100%
51	24-279/NQ-PBHC	09/08/2024	Resolution on the approval of the 2023 dividend payment	
52	24-294/NQ-PBHC	21/08/2024	Resolution on the approval of the sale of treasury shares	
53	24-295/QÐ-PBHC	27/08/2024	Executive Decision on the approval of salary classification for the Chairman of the BOD	100%
54	24-307/QÐ-PBHC	27/08/2024	Executive Decision on the restructuring of the Digital Transformation Steering Committee at PVFCCo	100%
55	24-322/NQ-PBHC	06/09/2024	Resolution on the approval of personnel matters at the Research & Application Center	100%

No.	Resolution/Executive decision No.	Date	Content	Approval rate
56	24-338/QĐ-PBHC	19/09/2024	Executive Decision on the approval of salary classification for members of BOD	100%
57	24-344/QĐ-PBHC	23/09/2024	Executive Decision on relieving Mr. Cao Trung Kien from his position as Vice President	100%
58	24-348/NQ-PBHC	26/09/2024	Resolution on the approval of personnel allocations for manager positions at PVFCCo's subsidiaries	100%
59	24-350/QĐ-PBHC	27/09/2024	Executive Decision on the reappointment of Mr. Le Trong Dinh Chi as Phu My Fertilizer Plant Director	100%
60	24-351/NQ-PBHC	27/09/2024	Resolution on the approval of renaming, restructuring functions, organizational structure, and planning managers at some divisions	100%
61	24-355/NQ-PBHC	30/09/2024	Resolution on the BOD's periodic meeting in Q3/2024	100%
62	24-356/QĐ-PBHC	30/09/2024	Executive Decision on issuing the Compensation and Benefits Policy of the Corporation	100%
62	24-357/QÐ-PBHC	30/09/2024	Executive Decision on issuing the Corporation's salary structure system	100%
63	24-363A/QĐ-PBHC	30/09/2024	Executive Decision on renaming divisions within the Corporation's Office	100%
64	24-367/QĐ-PBHC	06/10/2024	Executive Decision on the approval of the minimum salary for each position salary coefficient	100%
65	24-386/QÐ-PBHC	10/10/2024	Executive Decision on issuing the regulations on standards and norms for using equipment, assets, credit cards and business trip allowance	100%
66	24-393/QĐ-PBHC	14/10/2024	Executive Decision on the approval of the settlement for investment capital for NH ₃ Revamp - Phu My NPK Complex	100%
67	24-394/QĐ-PBHC	14/10/2024	Executive Decision on issuing the regulations on Science & Technology activities	100%
68	24-401/QĐ-PBHC	18/10/2024	Executive Decision on changing job title of Head of Human Resource Management Division	100%
69	24-402/QĐ-PBHC	18/10/2024	Executive Decision on changing job title of Head of Procurement Division	100%
70	24-407/QÐ-PBHC	18/10/2024	Executive Decision on establishing the Feasibility Study (FS) Appraisal Team for the Hydrogen Peroxide (${\rm H_2O_2}$) Production Plant Project	100%
71	24-410/NQ-PBHC	18/10/2024	Resolution on the approval of the job title list for the BOD Office and Internal Audit Division	100%
72	24-411/NQ-PBHC	18/10/2024	Resolution on the approval of the adjustment of the 2024 asset and equipment procurement plan for 2024 at the PVFCCo North	100%
73	24-501/NQ-PBHC	24/10/2024	Resolution on the approval of salary adjustments and allowances for members of the BOD and the BOS	100%

CORPORATE GOVERNANCE REPORT

(CONTINUED)

List of resolutions and executive decisions of the Board of Directors approved and promulgated in 2024

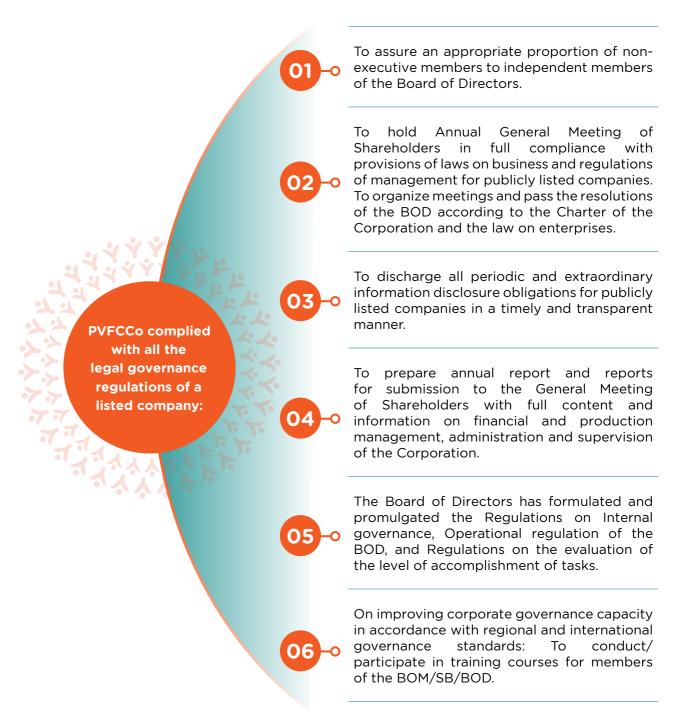
No.	Resolution/Executive decision No.	Date	Content	Approval rate
74	24-724/NQ-PBHC	06/11/2024	Resolution on the approval of amendments to Article 3 of the BOD's Resolution No.24-212/NQ- PBHC dated 31 May 2024 on assigning tasks to BOD members	100%
75	24-725/QÐ-PBHC	06/11/2024	Executive Decision on restructuring the roles of concurrent secretaries for Committees under BOD	100%
76	24-730/QĐ-PBHC	15/11/2024	Executive Decision on issuing Procurement Regulations for goods and services	100%
77	24-731/QĐ-PBHC	15/11/2024	Executive Decision on issuing the Investment Management Regulations	100%
78	24-745/QÐ-PBHC	21/11/2024	Executive Decision on issuing the Training Management Regulations	100%
79	24-766/QÐ-PBHC	12/12/2024	Executive Decision on appointing Mr. Vu An as Vice President	100%
80	24-766/QÐ-PBHC	12/12/2024	Executive Decision on relieving Mr. Tran Tuan Kiet from his position as Chief Accountant	100%
81	24-768/QÐ-PBHC	12/12/2024	Executive Decision on appointing Mr. Le Hong Quan as Chief Accountant cum Head of the Finance & Accounting Division	100%
82	24-769/QĐ-PBHC	12/12/2024	Executive Decision on assigning Ms. Nguyen Thi Huong Lan as Head of the Internal Audit Division	100%
83	24-771/NQ-PBHC	12/12/2024	Resolution on the approval of personnel matters at the Corporation's subsidiaries	80%
84	24-776/NQ-PBHC	25/12/2024	Resolution on the BOD's periodic meeting in Q4/2024	100%
85	24-777/NQ-PBHC	26/12/2024	Resolution on the appointment of PVFCCo's capital contributions representatives at PVFCCo North	100%
86	24-778/NQ-PBHC	26/12/2024	Resolution on the appointment of PVFCCo's capital contributions representatives at PVFCCo Central	100%
87	24-779/NQ-PBHC	26/12/2024	Resolution on the appointment of PVFCCo's capital contributions representatives at PVFCCo SouthEast	100%
88	24-780/NQ-PBHC	26/12/2024	Resolution on the appointment of PVFCCo's capital contributions representatives at PVFCCo SouthWest	100%
89	24-787/QÐ-PBHC	31/12/2024	Executive Decision on the approval of the procurement plan for the Plant Insurance Package for 2025 - 2026	100%
90	24-788/QÐ-PBHC	31/12/2024	Executive Decision on issuing the Business Management Regulations	100%

Advanced corporate governance training for BOD members

At the time of election or appointment, all BOD members have demonstrated expertise and undergone training in corporate governance.

The Corporation provided training for BOD, BOS members, the President and CEO, Managers, and the Corporate Secretary, all of whom successfully completed the program at the Securities Research and Training Center under the State Securities Commission.

Implementation of corporate governance regulations



ANNUAL REPORT 2024

www.dpm.vn

Introduction of PVFCco and BOM assessment governance report and BOM assessment governance governance governance development report development report statements of the production of PVFCco and BOM assessment governance go

ASSESSMENTS OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE

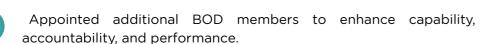
OVERVIEW

The Corporation's corporate governance has been continuously refined, adhering to best practices for public and listed companies. Committed to BOD's accountability, oversight, transparency, and stakeholder interests, the Corporation upholds high governance standards. DPM shares have recorded consistent annual improvements in governance scores on the Vietnam Sustainability Index (VNSI).

RESULTS

As the governing body between General Meetings of Shareholders, the Board of Directors affirmed that in 2024, corporate governance remained effective and continuously improved under varying conditions, ensuring the successful achievement of the Corporation's production and business targets set by the General Meeting of Shareholders.

The Board of Directors has fulfilled its responsibilities, with key highlights of 2024 as follows:



Enhanced the BOD's efficiency and professionalism by establishing three Committees under BOD.

Strengthening environmental oversight by establishing a comprehensive internal documentation system, implementing a risk and compliance management framework, and assigning a Committee under BOD to oversee risk management. Directed the execution of the ESG roadmap.







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

A general assessment of the Board of Management on business operation management:

- The members of the Board of Management are all qualified, capable, and qualified, professionally trained, knowledgeable in their assigned fields, and have extensive experience managing and administering significant projects/enterprises.
- The President & CEO has delegated specific roles to the Vice Presidents and conducted weekly briefings to assess weekly work results and assign the work plan for the following term.
- The Board of Management conducted the unit's business activities in accordance with the General Meeting of Shareholders' resolutions, under the direction of the Board of Directors, and in strict compliance with the enterprise's charter and legal provisions.
- The Board of Management maintained a comprehensive awareness of the Corporation's advantages and disadvantages, which enabled it to adapt operating production and business activities while also issuing internal documents in accordance with its authority to effectively control the Corporation's production and business activities; effectively performing the role of risk control beginning with the Board of Management and middle managers.

ASSESSMENT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITIES

The Corporation is committed to upholding the highest standards of environmental and social responsibility in all of its manufacturing, commercial, and investment activities. The Corporation's primary activities are in the sector of fertilizer and chemical production, both of which are environmentally responsible and have a high potential for negative impact on the environment. Compliance with applicable safety and environmental laws is therefore a major emphasis during production. In product distribution, the Corporation is constantly developing programs and initiatives to educate farmers about the effective and economical use of fertilizers while reducing environmental impact. The Corporation remains focused on its duties and obligations to society. It has consistently and actively contributed to social security work and cared for its employees throughout the years.

The Corporation's mid- and long-term strategy outlines a clear ESG direction and policy, reaffirming its ongoing commitment to environmental responsibility and sustainability. It continues to support rural communities, a priority increasingly valued in recent years and collaborates with state shareholders to promote the national "green growth" strategy. The Corporation is developing a strategy to reduce greenhouse gas emissions through management solutions, technological advancements, and investments in energy-efficient projects, while prioritizing renewable, alternative, and cost-effective energy sources and emission-reducing materials.

In 2024, the BOM established an ESG apparatus to ensure compliance, research energy-saving solutions, energy transition and efficiency, and implement measures to reduce greenhouse gas emissions and improve energy savings in the annual audit report.

The 2024 CSR results are outlined in Chapter 4 of the Sustainable Development Report.

ASSESSMENTS OF THE BOARD OF DIRECTORS ON CORPORATE GOVERNANCE (CONTINUED)

THE BOARD OF DIRECTORS' PLANS AND ORIENTATIONS FOR 2025

In 2024, the fertilizer market and gas prices remain challenging due to the ongoing difficulties from late 2023, compounded by political factors. Notably, the natural gas supply has entered a challenging phase, with cheaper sources experiencing production declines. Considering these factors, the Board of Directors has approved and assigned the 2025 production and business plan for the Corporation as follows:

Production targets

No.	Item	Unit	Plan 2025
1	Production output		
1.1	Phu My urea	Thousand tons	780.0
1.2	Phu My NPK	Thousand tons	165.0
1.3	Other fertilizers (produced by the factory)	Thousand tons	8.5
1.4	UFC 85	Thousand tons	12.0
1.5	NH ₃ (for trading)	Thousand tons	51.0
2	Sales volume		
2.1	Phu My urea	Thousand tons	800.0
2.2	Phu My NPK	Thousand tons	175.0
2.3	Other fertilizers (produced by the factory)	Thousand tons	9.0
2.4	UFC 85	Thousand tons	9.0
2.5	NH ₃	Thousand tons	50.0
2.6	Other fertilizers	Thousand tons	235.0
2.7	CO ₂	Thousand tons	36.0
2.8	Other chemicals	Thousand tons	6.8

The Corporation's financial plan (consolidated)

No.	Item	Unit	Plan 2025
1	Total revenue	Billion VND	12,876
2	Profit before tax	Billion VND	410
3	Profit after tax	Billion VND	320
4	Budget payable	Billion VND	252
5	Average labor productivity	Million VND/person/	676
	(based on revenue)	month	

Parent company's plan

Financial plan

No.	Item	Unit	Plan 2025
1	Owner's equity, in which	Billion VND	10,508
	Charter capital/average charter capital	Billion VND	6,800
2	Total revenue	Billion VND	11,817
3	Profit before tax	Billion VND	369
4	Profit after tax	Billion VND	294
5	Ratio of Profit after Tax/Average Owner's equity	%	2.8
6	Ratio of Dividend/Charter capital	%	12
7	Total debt/total Owner's equity	times	0.52
	· •		

Capital investment plan

No.	Item	Unit	Plan 2025
ı	Total capital investment	Billion VND	1,040.5
1	Capex	Billion VND	400.5
2	Procurement projects	Billion VND	640.0
П	Capital investment source	Billion VND	1,040.5
1	Owner's equity	Billion VND	1,040.5
2	Loans and others	Billion VND	0
Ш	Capital expenditure	Billion VND	1,040.5
1	Owner's equity	Billion VND	1,040.5
2	Loans and others	Billion VND	0

REPORT ON THE ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

Mr. Ho Quyet Thang has served as non-executive independent members of the BOD, have attended or authorized to attend all meetings and given independent opinions and voted on issues decided by BOD; participated in supervising and directing the activities of BOM as assigned by BOD from their appointment until dismissal.

Comments from the independent member of the BOD on the governance/management of PVFCCo in 2024

The Board of Directors and the Board of Management implemented their roles and duties in accordance with the laws on corporate governance, the Corporation charter and the executive decisions of the General Meeting of Shareholders and the BOD. The BOD and BOM's members performed their duties and fully complied with the responsibilities and authorities assigned, as stipulated to protect the interests of all shareholders. The results were reflected in the production and business plans and targets that PVFCCo completed and exceeded in 2024.

To approach and adhere to as closely as possible to the advanced corporate governance standards, the BOD was aware of and promoted the review and improvement of activities in the direction of enhancing the effectiveness of the

management and supervision system while building up a strong and appropriate hierarchy to reduce its participation in executive activities. In 2024, the Corporation successfully restructured to streamline its organizational structure and improve its business model, while finalizing the internal document system. Notably, corporate governance was strengthened with the establishment of Committees to oversee risk management and sustainability.

The independent members of the BOD have actively connected with the Management and functional divisions to continue communication to investors about the values and advantages of the Corporation and the efforts of the BOM, BOD to improve governance and ensure the interests of shareholders, as well as bringing contributions and ideas from investors to the Board of Directors on guidelines, development strategies, or directions on finding strategic investors. Based on the newly updated medium and long-term development strategy, the independent members have been assisting the Board of Directors in finding opportunities and potential partners in the production, distribution, marketing and sales of chemicals and sustainable fertilizer products. Among other companies which have changed from wholly state-owned enterprises, the Corporation has demonstrated solid governance foundations.

SUPERVISORY BOARD REPORT

SUPERVISORY BOARD MEMBERS AND STRUCTURE

Supervisory board



Mr. HUYNH KIM NHAN

Position: Chief supervisor

DOB: 1976

Qualifications: Master of Business Administration, Bachelor of

Corporate Finance



Ms. TRAN THI PHUONG

Position: Full-time member of the SB

DOB: 1979

Qualifications: Master of Business Administration, Certified Accountant (issued by the Ministry of Finance)



Mr. LUONG PHUONG

Position: Part-time member of the SB

DOB: 1973

Qualifications: Bachelor of Finance and Credit

ACTIVITIES OF SUPERVISORY BOARD

Income statement of PVFCCo and report on performance of the BOD and the President and CEO

The Supervisory Board (SB) has reviewed the Board of Directors' Performance Report and the President and CEO's Report and concurs with their content. It affirms that the Corporation has exceeded its 2024 business and production targets. The reports accurately reflect the Corporation's operations and the performance of the Board of Directors and the President and CEO, with key indicators as follows:

The Corporation's business and operational performance

Phu My Urea production output reached 889,500 tons, surpassing the annual target by 5% and increasing 9% year-over-year. Phu My NPK production totaled 133,389 tons, achieving 93% of the annual target and reflecting a 10% increase from 2023.

Phu My Urea sales volume totaled 898,671 tons, exceeding the annual target by 3% and increasing 2% year-over-year. Phu My NPK sales volume reached 147,154 tons, achieving 103% of the annual target and reflecting a 7% increase from 2023.

Consolidated revenue reached VND 13,878 billion, achieving 109% of the annual target and declining 1% from 2023.

Consolidated profit before tax reached VND 669.3 billion, achieving 101.4% of the annual target, decreasing 3% from 2023.

Board of Directors' Performance

The BOD executed resolutions approved by the GMS, ensuring uninterrupted operations. In 2024, the BOD held 08 meetings, obtained written opinions 86 times, and approved 90 key resolutions, executive decision and directives.

The BOD has approved the funding settlement for the NH_3 -NPK project; directed The Corporation to coordinate with relevant authority to and stakeholders to obtain approval for the 1/500 master plan, the FS and the environmental impact of the Hydrogen Peroxide (H_2O_2) production plant; approved the proposal on executing the FS of the H_3PO_4 storage tank, a DEF/AdBlue production plant, and the recovery of Ar, H_2 , and N_2 from NH_3 Plant Off-gas. The BOD has also approved the investment plan for a 110kV power station. In 2024, the Board of Directors finalized, amended, and issued 11 regulations, proposed a legal capital increase plan to align charter capital with equity, developed a new fertilizer business model for 2025, and accelerated investment and expansion in chemical products and directing other activities of the Corporation.

President and CEO's Performance

The President and CEO has consistently ensured the implementation of BOD and GMS resolutions, decisions, and legal regulations by directing functional divisions, affiliates, and member units. Responsibilities have been clearly assigned to Vice Presidents. In BOD meetings, the President and CEO has reported operational challenges and project issues for deliberation and resolution. Additionally, the President and CEO has overseen investment and construction, accelerated project timelines, and ensured stable, safe, and continuous operations, exceeding targets and maintaining profitability.

In 2024, the BOD and President and CEO guided the Corporation in fulfilling most targets set by the GMS. However, the plan to increase the charter capital and the Parent Company's construction investment disbursement target were not achieved due to external factors subject to State authority approval.

Operational and financial supervisory activities

In 2024, the Corporation maintained stable, continuous, and safe production and business operations. Its financial position was accurately recorded and fairly reflected. Consolidated revenue exceeded the plan by 9%, while consolidated pre-tax profit increased by 1.4% and consolidated post-tax profit rose by 2.2% compared to the plan. Total consolidated assets at year-end grew by 24.4% from the beginning of the year, primarily funded by short-term borrowings. Profitability indicators improved compared to the previous year, while liquidity ratios remained secured. Year-end payables and receivables increased compared to the beginning of the year, with the Parent Company recording a rise in doubtful receivables, for which provisions have been made. With a capital preservation coefficient of 2.81 (>1), the Corporation successfully preserved and expanded owner's equity.

Self-assessment report on the Supervisory Board and its members' performance

The Supervisory Board and its members have fulfilled their mandate from the GMS by conducting regular and periodic inspections. In 2024, inspections were carried out at four capital-contributed

ANNUAL REPORT 2024

www.dpm.vn

Introduction of PVFCCo and BOM assessment governance report and BOM assessment governance governance development report statements of a power of the component report report of the component report of the component report rep

SUPERVISORY BOARD REPORT (CONTINUED)

ACTIVITIES OF SUPERVISORY BOARD

companies and two affiliated branches, with findings and recommendations submitted to the BOD and the President and CEO. Supervisory Board members have actively and independently fulfilled their duties, providing recommendations within their scope of responsibility. They have attended all meetings, completed assigned tasks, and adhered to the Law on Enterprises, the Corporation's Charter, and the Supervisory Board's Operational Regulations.

Remuneration, operating expenses and other benefits of the BOS and members

- Salary, bonus and remuneration of members were setup and complied with the Decree No. 53/2016/NDCP and the Resolution approved by the 2024 Annual General Meeting of Shareholders.
- The operating expenses of the BOS and each of its members include: Stationery costs, equipment, phone charges, Internet charges, business trip expenses and expenses for receiving guests and meetings, were accounted as business expenses in accordance with the laws on corporate income tax and recorded as a separate section in the Corporation's 2024 financial statements.

Summary of the meetings of the BOS, conclusions and recommendations, results of supervision of the Corporation's operation and financial:

The Board of Supervisors convened five periodic meetings to approve the 2023 performance review, the 2024 operational plan, and the inspection and supervision plan for GMS submission. The meetings also covered the appraisal of financial statements, periodic supervision reports, salary verification, individual and collective performance assessments, and PVFCCo's guarantee for PVN regarding VNPOLY's loan.

Assessment report on transaction between PVFCCo, subsidiaries and other companies with more than 50% charter capital control rights held by PVFCCo, members of the BOD, the President and CEO or its related persons. According to the BOD's records, the following transactions occurred in 2024:

- Transactions between the Corporation and its subsidiaries: As of 31 December 2024, the
 Corporation maintained its capital contribution to subsidiaries at VND 386.25 billion, equivalent
 to 75% of charter capital. These subsidiaries function as distribution agents and service providers
 for the Corporation. Throughout the year, the Corporation continued contractual engagements
 with them, with all transactions approved by the Board of Directors, disclosed per regulations,
 and aligned with shareholder interests.
- Transactions between the Corporation and PVN: (i) Transfer of VND 30,961,069,384 to PVN for the counter-guarantee of VNPOLY's loan and (ii) Agreement on PVN trademark usage rights transfer. Both transactions were approved by the BOD.
- Transaction with PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC), a PVN-affiliated entity: On 06 January 2023, both parties executed UFC85 Sales Contract No. 09/2023/HDMB-TM/PVCFC-PVFCCoCNHCM, valid for 24 months. The Board of Directors approved the transaction through Resolution No. 23-024/NQ-PBHC dated 17 January 2023.
- Chemical sales transactions with PVN-affiliated entities included Vietsovpetro Joint Venture, PV Gas Ca Mau, Southeast Gas, PV Gas Vung Tau. Additionally, ammonia (NH₃) and phosphoric acid (H₂PO₄) purchase contracts were executed with PVChem.
- Transaction between the Corporation and Phu My Fertilizer Packaging JSC (43.34% owned by the Corporation): A contract was signed for the procurement of packaging products.

Transactions between the Corporation and companies in which the BOD member is/was a founding member or business manager (subsidiary) within the 3 years preceding the transaction. According to the BOS's records, the following transactions occurred in 2024:

- Transactions involving purchase and sale contracts with PetroVietnam Chemical and Services Corporation - JSC (PVChem), including its Petroleum Chemical Services Branch (PVChem-CS) and PVChem-Tech Co., Ltd., both of which were managed by PVFCCo's President and CEO at PVChem in the past three years:
 - Sales contract No. 44/2024/CNHC/KD-PVChem dated 24 April 2024 with value of VND 55,938,177,051 (included VAT) to purchase H₂PO₄ for Phu My Fertilizer Plant.
 - Sales contract No. 46/2024/CNHC/KD-PVChem-CS/B_AMMONIA dated 24 May 2024 with value of VND 949 million (excluded VAT) to sell NH₃ for PVChem-CS.
 - NH, Sales contract No. 47/2024/CNHC/KD-PVChem-Tech/B_Ammonia dated 05 June 2024.

Monitoring results of the BOD, President and CEO and other managers:

The BOD has effectively executed the mandates of the GMS, ensuring the Corporation's sustained growth and operational continuity. Responsibilities were assigned based on members' expertise, and three committees were established to enhance oversight and implementation of BOD resolutions. The BOD convened regular and ad-hoc meetings, demonstrating a high level of accountability.

The President and CEO delegated the implementation of the BOD's resolutions and executive decisions to the Vice Presidents and regularly reported on the outcomes to the BOD.

The BOD, the President and CEO, and senior executives effectively implemented the GMS resolutions, exceeding the 2024 production and business plan.

Assessment on cooperation between BOS and BOD, President & CEO and shareholders:

The BOD and the President & CEO have facilitated the BOS's regulatory supervision and inspections. They have acknowledged the BOS's recommendations and directed relevant Divisions, Branches, and Units for implementation. The BOS has consistently submitted timely and comprehensive reports to major shareholders as required.

TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF THE BOD, BOM AND BOS

SALARIES, BONUSES, REMUNERATION AND BENEFITS OF THE BOD, BOM AND BOS

- PVFCCo implemented an executive remuneration scheme for members of the BOD, BOS and BOM in accordance with the law and PVFCCo's Compensation and Benefits Policy. This is aligned with its annual salary review and budget and the provision of fair reward for the competence and performance of each member.
- Part-time members of BOD or BOS are entitled to remuneration according to job role and responsibility.

TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF THE BOD, BOM AND BOS (CONTINUED)

• Details of salaries, remuneration and bonuses in 2024

No.	Full name	Position	Salary	Bonus	Total Note income
-1	Board of Directors		6,620	767	7,387
1	Nguyen Xuan Hoa	Chairman of the BOD	1,226	132	Concurrently from 1,358 29/3/2024 to 15/8/2024, Full-time from 16/8/2024
2	Phan Cong Thanh	Member of the BOD cum President and CEO	1,818	227	Held the position of 2,045 President and CEO on 25/01/2024
3	Nguyen Ngoc Anh	Member of the BOD	627	58	Concurrently from 01/01/2024 to 685 31/08/2024 Full-time from 01/09/2024
4	Trinh Van Khiem	Member of the BOD	1,396	175	1,571
5	Ho Quyet Thang	Independent member of the BOD	1,396	175	1,571
6	Hoang Trong Dung	Former part-time Chairman	65	-	Concurrently from 65 01/01/2024 to 29/3/2024
7	Duong Tri Hoi	Former part-time members of the BOD	92	-	Concurrently from 92 01/01/2024 to 29/3/2024
Ш	Vice president, Chi	ef accountant	6,989	876	7,865
1	Vo Ngoc Phuong	Vice president	1,269	159	Held the position of 1,428 Vice president on 28/5/2024
2	Dao Van Ngoc	Vice president	1,396	175	1,571
3	Tran Thi Phuong Thao	Vice president	1,396	175	1,571
4	Cao Trung Kien	Vice president	1,396	175	1,571
5	Ta Quang Huy	Vice president	1,333	167	1,500
6	Vu An	Vice president	106	13	Held the position of 119 Vice president on 12/12/2024
7	Le Hong Quan	Chief accountant	93	12	105 Giữ chức KTT từ 12/12/2024
Ш	Supervisory Board		2,765	320	3,085
1	Huynh Kim Nhan	Chief supervisor	1,396	175	1,571
2	Tran Thi Phuong	Member of the BOS	1,163	145	1,308
3	Luong Phuong	Part-time member of the BOS	206	-	206
	Total		16,374	1,963	18,337

TRADING OF INTERNAL SHAREHOLDERS' AND RELATED PERSONS' SHARES

No transactions in 2024

CONTRACT OR TRANSACTION WITH INTERNAL SHAREHOLDERS

In 2024, there were no transactions between the Corporation and the members of Board of Directors, Board of Supervisors, Board of Management and managers.

CONTRACTS OR TRANSACTIONS WITH RELATED ORGANIZATIONS AND INDIVIDUALS

	Name of	Relationship with	Transact	ion values
No.	organizations/ individuals	the Corporation	Transactions	Value (VND)
1	Vietnam Oil and Gas Group (PVN)	Major shareholders with ownership rate of more than 10%	PVN trademark transfer contract	6,576,980,000
2	North PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	1,891,315,841,250
3	Central PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	2,922,906,234,008
4	South-East PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	3,045,261,933,610
5	South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	1,877,064,855,880
6	Branch of PetroVietnam Gas Joint Stock Corporation - JSC - Southeastern Gas Transport Company	Related companies of major shareholders with ownership rate of more than 10%	Gas sales contract in 2024	6,407,866,375,455.6 (VAT included)
7	PetroVietnam Gas Joint Stock Corporation – JSC	Related companies of major shareholders with ownership rate of more than 10%	Urea formaldehyde concentrate (UFC- 85) sales contract	132,966,743,012

Introduction 2024 Performance report Corporate **ANNUAL REPORT 2024** www.dpm.vn of PVFCCo and BOM assessment governance

INVESTOR RELATIONS REPORT

OBJECTIVES

ENSURING TRANSPARENT, ACCURATE, AND TIMELY INFORMATION DISCLOSURE WHILE UPHOLDING SHAREHOLDERS' EQUITY IN ACCORDANCE WITH LEGAL AND CORPORATE GOVERNANCE STANDARDS. THEREBY ENHANCING GOVERNANCE QUALITY AND ADHERENCE TO SUSTAINABLE DEVELOPMENT PRINCIPLES.

- Committing to consistently implementing principles in shareholder relation activities, ensuring compliance with regulations on information disclosure for listed companies, based on transparency and access to information in a fair manner.
- Having a focal point of implementing investor relation activities to ensure that the information disclosed to the outside was consistent, approved, directed and supervised from the highest level of leadership in the Corporation.
- Ensuring that all shareholders had fair and favorable access to information through various forms of communication (direct, indirect, intermediary organizations etc.).
- Ensuring a transparent Annual General Meeting of Shareholders process by providing shareholders with full access to information before, during, and after the event, while enabling voting and participation through various channels (online, fax, letter, or proxy). Annual General Meeting of Shareholders documents and guidelines are available in both Vietnamese and English to ensure accurate and comprehensive updates for all shareholders.
- Recommending that the BOD execute dividend payments promptly and in accordance with the shareholder-approved annual plan, while ensuring timely and accurate responses to shareholder inquiries on procedures, schedules, and payment amounts.
- The IR team and the division managing the Corporation's website (via email and hotline) serve as the primary focal points for receiving shareholder inquiries and complaints. They coordinate with the Compliance Manager and relevant divisions to address concerns and ensure timely reporting to the highest level of leadership in the Corporation.

IN 2024, THE IR TEAM IMPLEMENTED THE FOLLOWING MAIN ACTIVITIES

• Meetings with shareholders: Hosted and participated in more than 30 meeting events, interacting with nearly 400 investors and shareholders periodically and on request. Quarterly, the IR department held online and in-person meetings with representatives of domestic and foreign investment funds and analysts from major brokerage organizations in the stock market to update information on periodic business results and respond to investors about issues of their interest. The IR team conducts meetings in English and Vietnamese based on attendees' preferences.



Hosted and participated in more than

meeting events



interacting with nearly investors and shareholders





Sustainable

development report



Financial

statements

80 . 81

- Safeguarding shareholder rights and ensuring equitable treatment for all shareholders: The IR department supports the Management in conscientiously safeguarding shareholder rights in accordance with the principles and regulations outlined in the Corporation's Charter and Vietnamese law.
- Executed regular and ad-hoc information disclosures, along with specialized communication materials tailored for shareholders and investors: The IR team is responsible for preparing the semi-annual Investor Newsletter and Annual Report. It holds quarterly meetings, both online and offline, to provide performance updates and address inquiries from domestic and foreign investors and brokers. Publications and meetings are conducted in both English and Vietnamese to ensure clear and comprehensive access to information for all shareholders. Furthermore, the Investor Relations section on the Corporation's website, available in English and Vietnamese, is structured for clarity and efficiency, enabling investors to access updates and request feedback in a timely manner.

In addition to publishing specialized materials for shareholders and investors, the Corporation ensures full compliance with all periodic and ad hoc disclosure regulations. No disclosure violations were recorded in 2024.

- . Organized the 2024 Annual General Meeting of Shareholders according to regulations: The IR department actively implemented coordination and connection to ensure timely provision of information to shareholders before, during and after meetings in accordance with regulations and support procedures related to the full implementation of shareholders' rights at meetings.
- Prepared and submitted periodic and on-demand reports to the senior management of the Corporation regarding shareholder/investor feedback on the Corporation's operations, the valuation of DPM stock, trading trends, as well as related proposals and recommendations.

IR ORIENTATION IN 2025

In 2025, under the strategic direction and support of the Corporation's Management, Investor Relations will be further strengthened, leveraging digital transformation to enhance disclosure efficiency and align with corporate objectives. Efforts will focus on reinforcing governance, ensuring transparency, maintaining regulatory compliance, and upholding shareholder equality. These initiatives aim to drive sustainable growth and create long-term value for shareholders, partners, employees, and society.

ANNUAL REPORT 2024

www.dpm.vn

Introduction of PVFCco and BOM assessment of PVFCco and BOM assessment development report development report statements of PVFCco and BOM assessment development report development report statements of PVFCco and BOM assessment development report development report of PVFCco and BOM assessment development report development report of PVFCco and BOM assessment development report development report of PVFCco and BOM assessment development report developme

RISK IDENTIFICATION AND MANAGEMENT REPORT

TO EFFECTIVELY OVERSEE AND MINIMIZE RISKS, ENSURING THE SECURE OPERATION OF BUSINESS ACTIVITIES AND INVESTMENTS. IN 2024, PVFCCo PINPOINTED CRITICAL RISK CATEGORIES AND EXECUTED EFFICIENT RISK MANAGEMENT MEASURES TO MEET ITS GOALS:



PVFCCo has maintained uninterrupted plant operations, optimizing product efficiency despite volatile commodity prices and intensifying market competition.



PVFCCo continued its diversification into new products while still developing its traditional products to affirm the leading position in fertilizer production and trading in the domestic market.



Operated new investment projects with new products, deployed and traded fertilizer and chemical products manufactured by PVFCCo, in order to fulfill its long-term strategic objectives.

To realize the above-mentioned goals for sustainable development and best protection of shareholders' interests while fulfilling social responsibilities in 2024, PVFCCo identified the following key risk groups:





Oversupply risk

The expanding landscape of Vietnam's economy, while yielding positive outcomes, exerts profound influence on PVFCCo's business endeavors. This influence is particularly felt amidst the escalating competition within the global and domestic fertilizer markets. Facing this challenge, PVFCCo has focused on consolidating and adjusting the domestic distribution system, enhancing customer care in order to develop genuinely in order to create a sustainable relationship between the parent company and the member companies and an agent system covering all regions of Vietnam, dispatching goods to key consumption areas to dominate the agriculture market, while maintaining a competitive advantage over competitors in the same industry, and maintaining the brand name. This is a strategic and long-term plan to help the Corporation develop a stable, solid and long-term sales system.



Risks of input material prices

Price of the main source of raw materials - gas - has increased sharply in 2022 so far. This volatility has affected PVFCCo's production costs. The global oil price has fluctuated considerably over recent years. In addition, supply and demand in Vietnam is unstable; gas supply has been gradually depleted; and gas prices from other additional sources have been increasing. PVFCCo's profitability is highly dependent on variations in the cost of raw materials used in the manufacture of its fertilizer.

The Corporation has managed the price risk of oil and gas through short-term arbitrage and actions. Based on pricing scenarios, the Corporation proactively implemented flexible planning and budgeting. This provided the Corporation with control over unforeseen changes as business conditions varied. At the same time, PVFCCo negotiated with suppliers to achieve a suitable price path for production.



Price risk

Since entering into a series of Free Trade Agreements, changes in global fertilizer prices have also immediately impacted on domestic prices as the local products are direct competing with imported fertilizers and unregistered parallel imports from neighboring countries.

PVFCCo, as a manufacturer and trader of fertilizer, has balanced the risks and opportunities to decide to sell its products at a competitive price compared to the market price to maintain market share and competitive advantages.



Liquidity risk

PVFCCo has developed sales and credit guidelines that conform to the needs of the local market. These guidelines are systematically implemented, controlled and administered from top down starting with the Corporation and extending to its subsidiaries. Credit terms are specific to each customer for every product group. The terms of credit are given after a financial assessment of the buyer, based on credit ratings and customer repayment ability. The general liquidity plan and specific inventory levels, along with accounts receivable, serve as meticulously monitored tools throughout the implementation of business operations.



Risks of research and development

PVFCCo has continued to promote its research and development activities to innovate and improve products, creating more high-quality products to meet product requirements for farmers as well as leading the market into the high-quality product segment. Newly introduced products undergoing trial phases pose inherent risks upon entering the market.

ANNUAL REPORT 2024

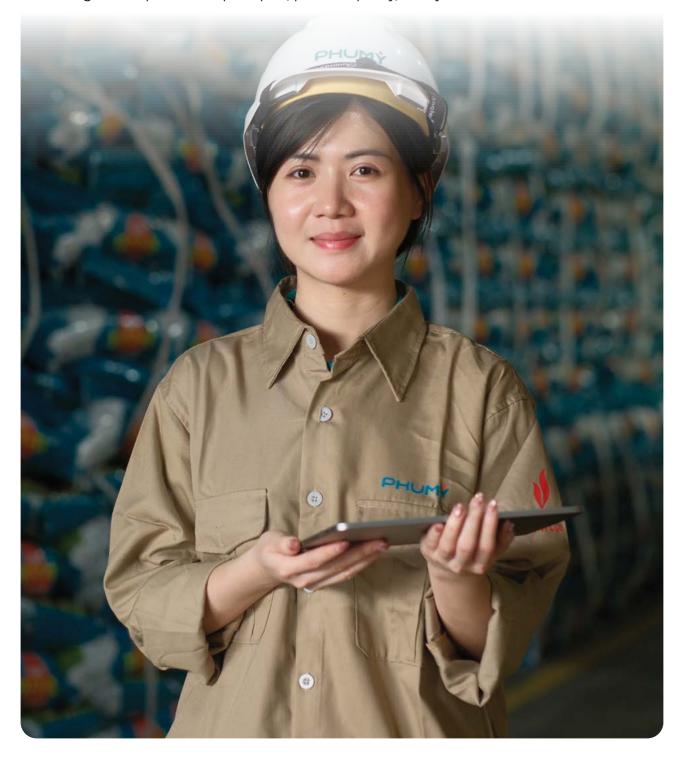
www.dpm.vn

Introduction of PVFCCo and BOM assessment governance report and BOM assessment governance governance development report statements at the statements of the statements of the statement of the stat

RISK IDENTIFICATION AND MANAGEMENT REPORT (CONTINUED)



PVFCCo has continuously operated Phu My Fertilizer Plant safely and achieved impressive records. However, since the Plant has operated continuously for more than 20 years, there are a lot of potential risks. Therefore, the risk management activities in the coming years will focus on controlling risks in production principles, product quality, safety and environment.





Risks of exchange rate

Rising foreign exchange rates, driven by higher interest rates for inflation control, have impacted PVFCCo's business performance and the investment efficiency of projects utilizing foreign currencies. PVFCCo frequently updated the macro-economic situation, domestic and global financial status, seriously monitored exchange rate fluctuations to build up and execute appropriate and flexible import and business plans and enhance the efficiency of capital use. In addition to this, PVFCCo also seriously considered its financial management, analyzing and assessing the effect of exchange rate differences on executed projects.

Financial risks and the goal of reforming investment activities contributing capital to Associates

In 2024, PVFCCo has continued to gradually find solutions to divest investments in joint ventures and associates. Although PVFCCo's objective was to divest capital in these enterprises, it proved extremely difficult to reform long-term capital investment activity when the associate is not operating effectively. To support such members to gradually improve their performance, PVFCCo reinforced supervising associates managing activities through capital representatives while executing activities to support members in managing and directing enterprises.





RISKS OF ENVIRONMENT AND LAW

Climate change has impacted most majority of regions and crops in the country. In the future, climate change is expected to become even more unpredictable, indirectly affecting the production and business activities of fertilizer companies in general, and PVFCCo in particular.

The tax policies of Vietnam are frequent changes and supplements directly related to the fertilizer industry. Therefore, risks regarding tax policy application, and changes to taxes on fertilizers will have great effects on PVFCCo's operation.

The Vietnamese Government's commitment to green and sustainable development will be formalized into legal regulations applicable to all enterprises. In the fertilizer and chemical industry, the Corporation is committed to full compliance with sustainability regulations and standards.

RISK IDENTIFICATION AND MANAGEMENT REPORT (CONTINUED)



ENHANCEMENTS IN RISK MANAGEMENT

In 2024, PVFCCo enhanced its risk management framework by establishing a structured, professional system with comprehensive regulations across governance, execution, and supervision.

Adopting the Three Lines of Defense model, the Corporation reinforced risk management and internal control, clearly defining responsibilities to eliminate redundancies, mitigate unforeseen risks, and address weaknesses in control mechanisms. Additionally, it strengthened risk awareness to minimize issues arising from unclear responsibilities or conflicts of interest. The system ensures timely, effective reporting to the Board of Directors and Board of Management through appropriate access channels.

Functional units and departments serve as the first line of defense, accountable for risk management, internal control maintenance, and daily control execution.

The second line of defense comprises a specialized compliance and risk management department responsible for risk identification and ensuring effective risk control in the first line.

The third line of defense, internal audit, is established and continuously enhanced to strengthen risk management oversight.



- Developing a structured risk management framework, including governance, regulations, risk appetite and tolerance statements, key risk indicators, and management processes.
- Developing statistical forms and updating loss data.
- Creating a list of major sustainability risks.

level risk profile



To fulfill these objectives, the Corporation initiated Enterprise Risk Management (ERM) in Q4/2024, aiming for completion by Q3/2025:

Developing risk profiles

divisions/affiliates.

for at least five functional

Establishing a corporate-

Completing risk management knowledge transfer training.



IN LINE WITH THE PRINCIPLES OF "SUSTAINABLE, EFFECTIVE, AND HUMANE DEVELOPMENT" AND A COMMITMENT TO ADVANCED GOVERNANCE PRACTICES, PVFCCo'S MANAGEMENT IS FOCUSED ON IMPLEMENTING AND OPTIMIZING THE ENTERPRISE RISK MANAGEMENT SYSTEM (ERMS). THIS INITIATIVE IS STRATEGICALLY ALIGNED TO STRENGTHEN CORPORATE GOVERNANCE AND UPHOLD THE PVFCCo'S LEADERSHIP AND BRAND IN THE FERTILIZER AND CHEMICALS INDUSTRY.