



ADVANCING PARTNERSHIP SHARING PROSPERITY



ANNUAL REPORT 2023

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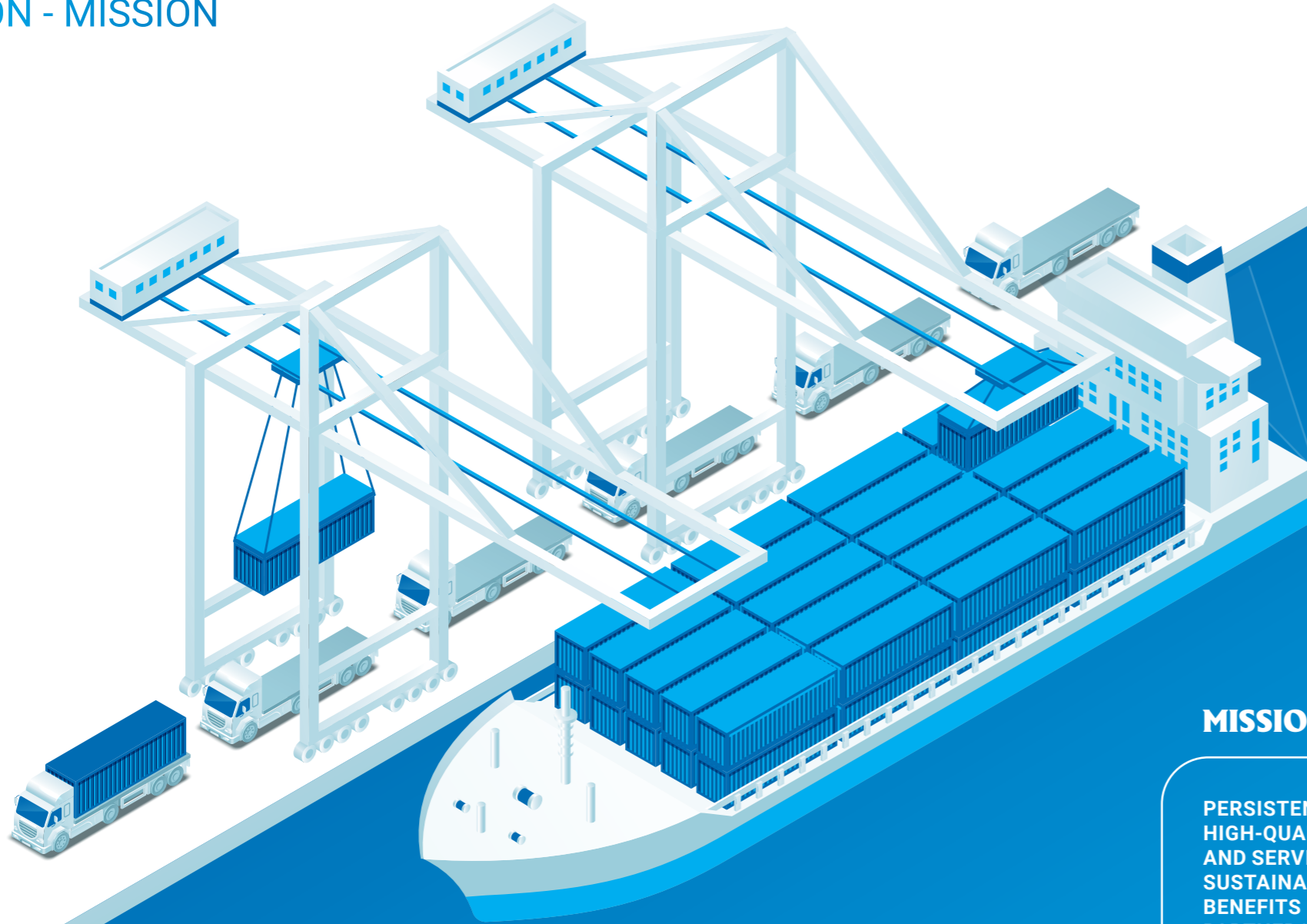
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VISION - MISSION



VISION

DEVELOP INTO A WORLDWIDE AGRICULTURE AND CHEMICAL CORPORATION, ESTABLISHING A VALUE CHAIN FOR SUSTAINABLE GROWTH.

MISSION

PERSISTENTLY PROVIDE HIGH-QUALITY PRODUCTS AND SERVICES TO BOOST THE SUSTAINABLE VALUES AND BENEFITS FOR CUSTOMERS, PARTNERS, SHAREHOLDERS AND EMPLOYEES.



CHAIRMAN'S MESSAGE

Dear valued shareholders!

For and on behalf of PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo), I am delighted to share with our valued shareholders and partners the 2023 Annual Report!

The report will provide an overview of PVFCCo's activities in 2023, highlighting key achievements, evaluating and summarizing both financial and non-financial aspects.

In 2023, global economic and fertilizer market conditions were predominantly negative due to geopolitical instability and shifting export policies in key countries/markets. This led to oversupply and steep price declines from the highs of 2022. Domestically, factors such as unfavorable VAT tax policies, rising input costs, and intense competition among manufacturers further impacted the fertilizer market.

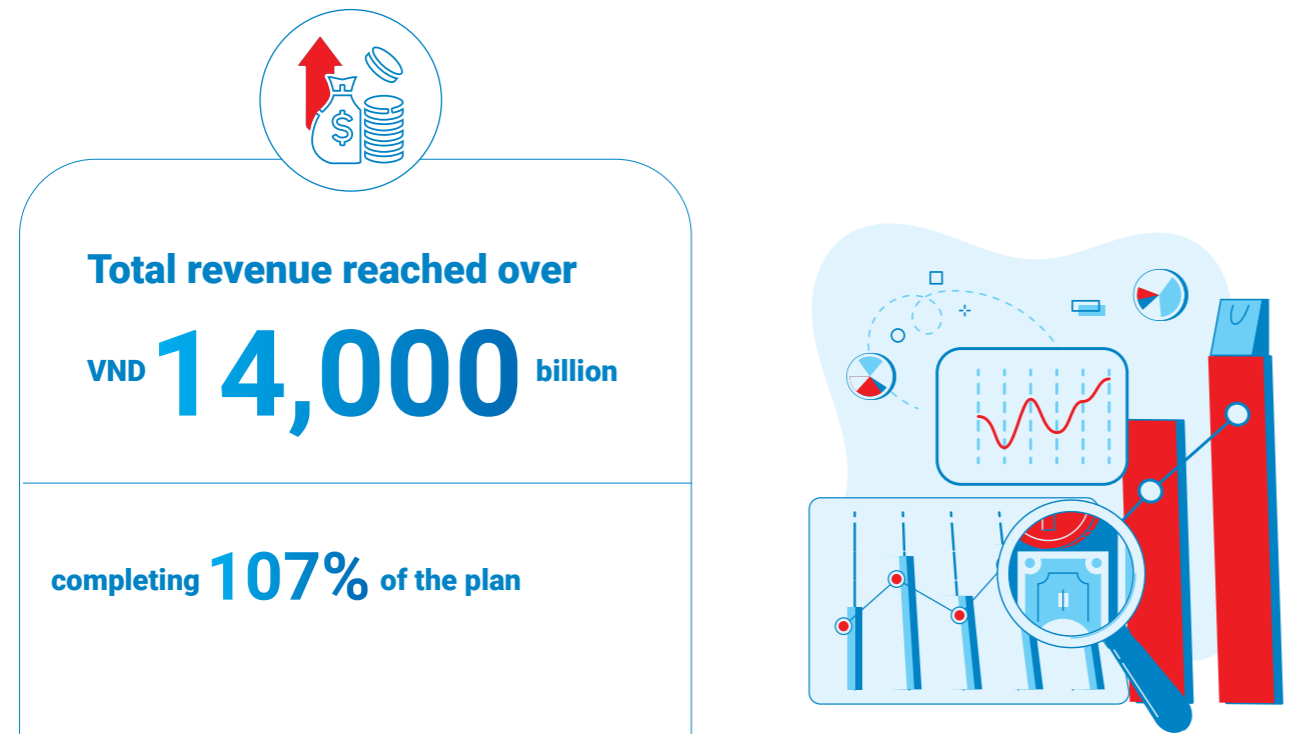
In 2023, PVFCCo entered the year with pride in its 20-year journey of development, yet faced challenges from various fronts. Through rigorous management and operational efforts, proactive solutions to increase sales volume, cost reduction across all stages from production to consumption, and stabilizing operations, PVFCCo overcame both external and internal fluctuations. This ensured stable production and business operations, meeting the set targets. Despite efforts to increase sales volume and minimize costs, revenue and profits were still impacted by market conditions. By the end of the fiscal year 2023, PVFCCo achieved 107% of the revenue target, a 26% decrease from 2022, with profit before tax at 113% of the plan, down 90% from 2022.



THROUGH RIGOROUS MANAGEMENT AND OPERATIONAL EFFORTS, PROACTIVE SOLUTIONS TO INCREASE SALES VOLUME, COST REDUCTION ACROSS ALL STAGES FROM PRODUCTION TO CONSUMPTION, AND STABILIZING OPERATIONS, PVFCCo OVERCAME BOTH EXTERNAL AND INTERNAL FLUCTUATIONS. THIS ENSURED STABLE PRODUCTION AND BUSINESS OPERATIONS, MEETING THE SET TARGETS.



CHAIRMAN'S MESSAGE (continued)



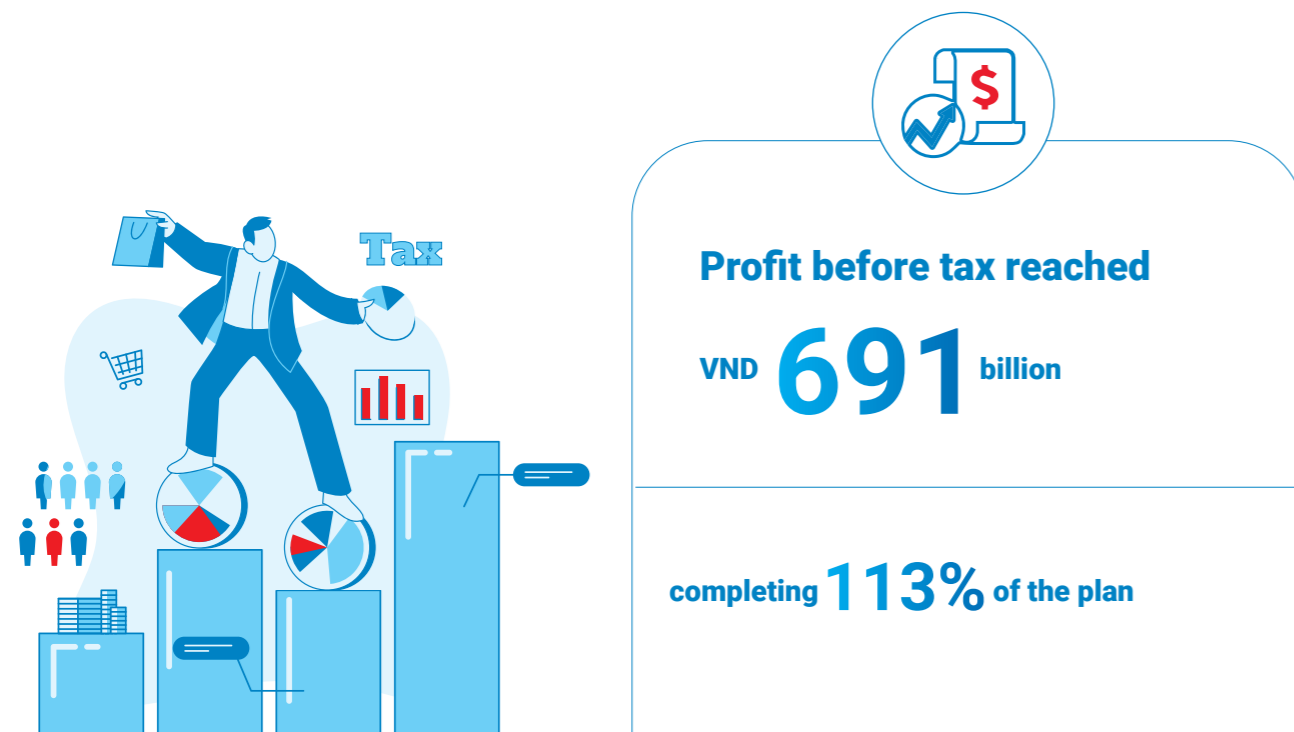
PVFCCo's notable accomplishments reinforce its reputation and brand recognition, acknowledged by both the market and regulatory authorities through various prestigious awards. This serves as motivation for the entire PVFCCo team to persistently contribute, unite, and leverage their collective strengths and values. This unity propels them to swiftly overcome short-term challenges and thrive in the upcoming phase of growth.

Looking ahead, although challenges remain, I believe PVFCCo's toughest times are behind us. As we enter 2024, the Management and staff have aligned on key objectives: ensuring safe, stable production; efficiently managing costs to reduce product prices; increasing market share through digital solutions; driving research for new products; and strengthening financial management for stability and efficient asset use, while preparing for new investments. These objectives form the backbone of our strategy, aiming for sustainable growth and long-term benefits for all stakeholders.

On behalf of PVFCCo, I sincerely thank our shareholders and partners for their unwavering support. I also express gratitude to past leaders and staff for their dedication over the past 20 years. Looking forward, I eagerly anticipate our continued journey together. In an evolving world, unity and confidence are essential. I trust that shareholders, investors, employees, and the PVFCCo team will unanimously adhere to the principle of **"ADVANCING PARTNERSHIP - SHARING PROSPERITY"**, aiming to overcome challenges and achieve our vision and mission.

**On behalf of the Management,
 Chairman of the Board of Directors**

Nguyen Xuan Hoa



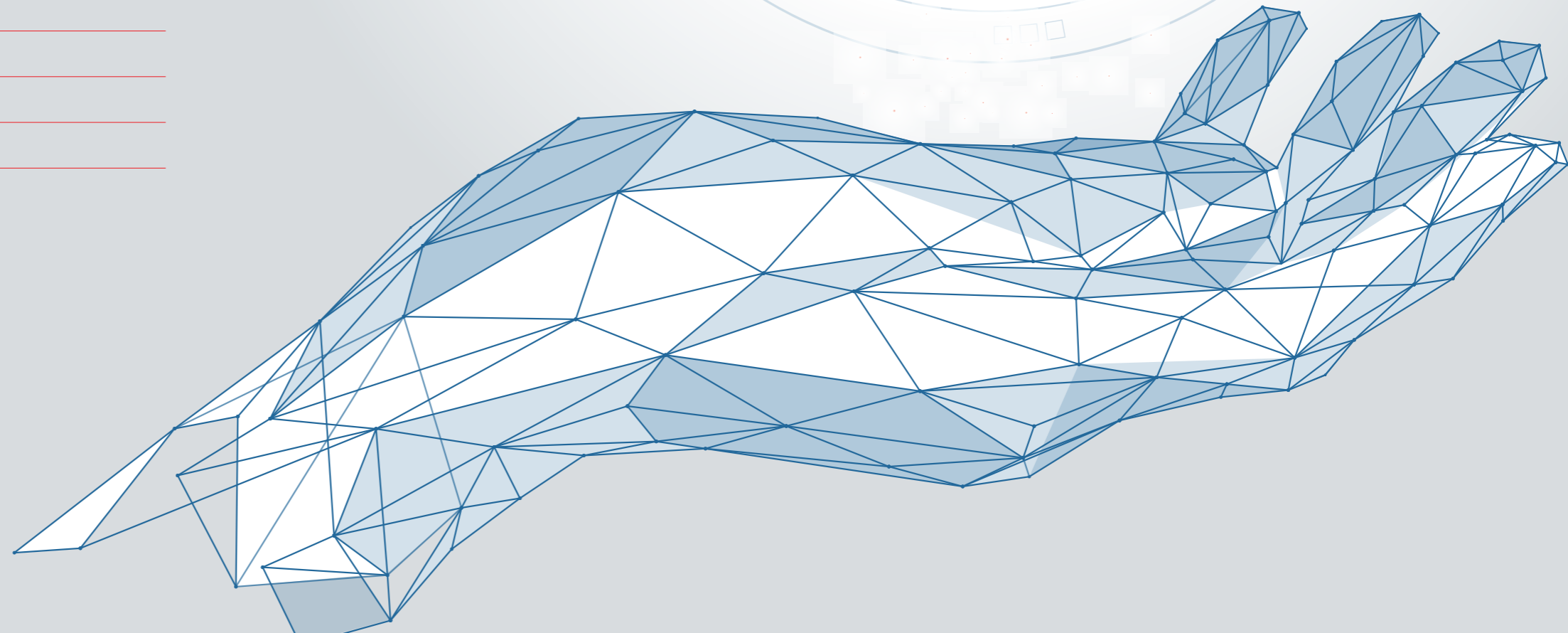
Chapter 1

INTRODUCTION OF PVFCCo

SOLID GROUND

FUTURE UNBOUND

- 12 General information
- 18 Orientation, medium and long-term strategic objectives
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GENERAL INFORMATION

OVERVIEW

Transaction Name:	PetroVietnam Fertilizer and Chemicals Corporation – JSC (PVFCCo)
Business Registration Certificate:	0303165480
Charter capital:	VND 3,914,000,000,000
Owner’s Equity:	VND 3,914,000,000,000
Address:	43 Mac Dinh Chi, Da Kao Ward, District 1, Ho Chi Minh City
Tel:	(+84.28) 3825 6258
Fax:	(+84.28) 3825 6269
Website:	www.dpm.vn
Stock code:	DPM

HISTORY AND GROWTH



- ▶ PetroVietnam Fertilizer and Chemicals Company, now called PetroVietnam Fertilizer and Chemicals Corporation JSC, was established under Decision No. 02/2003/QĐ-VPCP dated 28 March 2003 by the Minister and Chairman of the Government Office.



- ▶ On 21 April 2007, PVFCCo successfully issued 40% of its shares in an initial public offering on the Ho Chi Minh Stock Exchange (HoSE). The Ho Chi Minh City Department of Planning and Investment issued Business Registration Certificate No. 4103007696 on 31 August 2007, legally incorporating PetroVietnam Fertilizer and Chemicals Joint Stock Company.



- ▶ PVFCCo completed the documents and officially listed 380 million shares on the Ho Chi Minh City Stock Exchange (HoSE) on 05 November 2007. PVFCCo listed 11.4 million additional shares according to its Employee Stock Ownership Plan (ESOP) on 26 February 2016.



- ▶ On 15 May 2008, the Ho Chi Minh City Department of Planning and Investment granted the Amended Business Registration Certificate No. 4103007696 to PetroVietnam Fertilizer and Chemicals Corporation - The corporation operates under the parent-subsiary model.



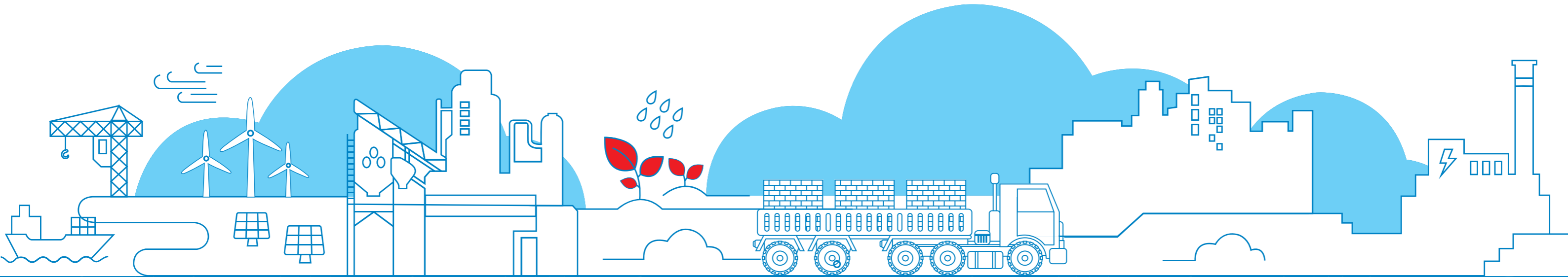
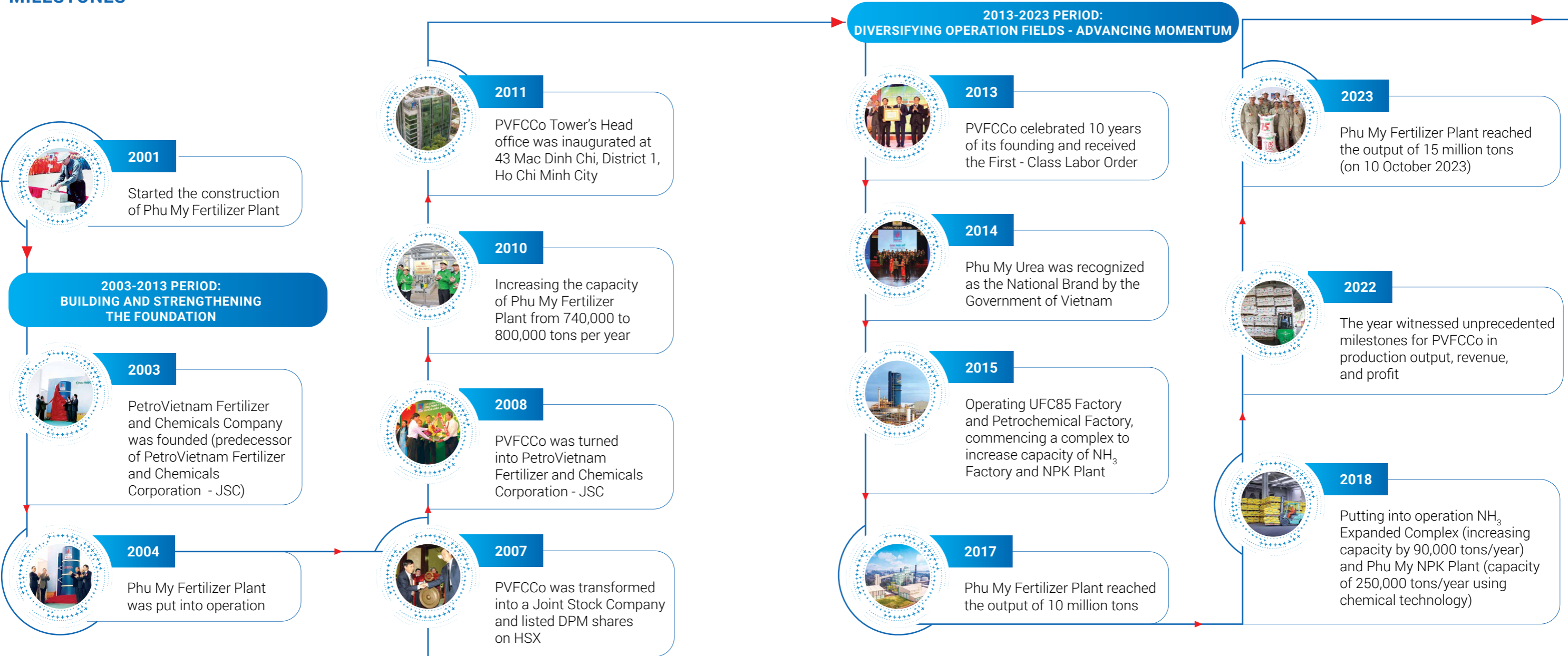
Charter capital:

VND **3,914,000,000,000**



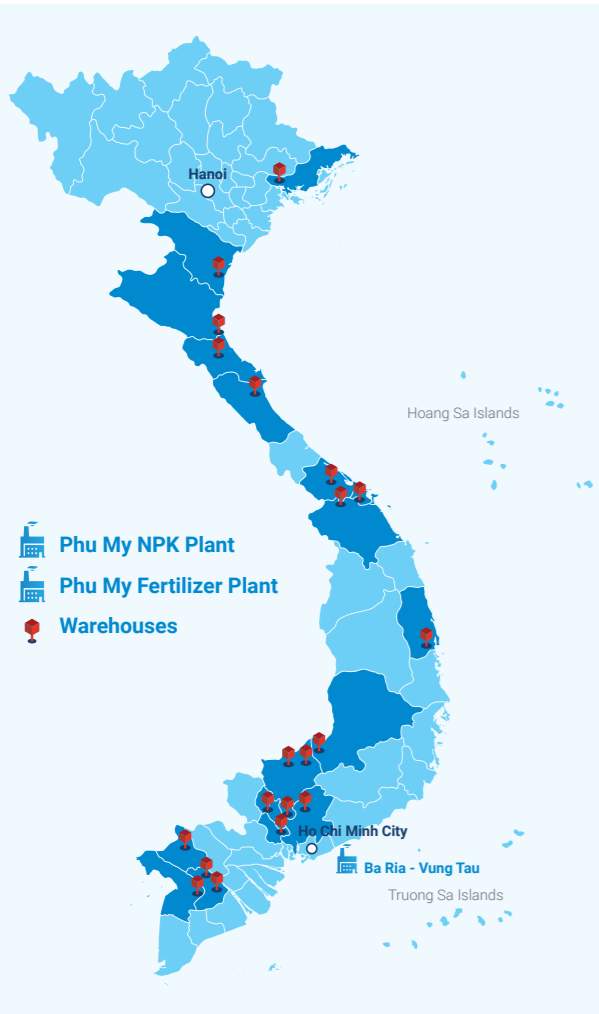
GENERAL INFORMATION (continued)

MILESTONES



GENERAL INFORMATION (continued)

BUSINESS LINES AND LOCATIONS



Business lines

PVFCCo's core business is the production and trading of fertilizer and chemicals. Currently, the key products are prilled urea, Phu My NPK, Phu My Potassium, Phu My Ammonium Sulfate, Phu My DAP fertilizers targeted at the agriculture sector, liquid Ammonia and UFC85/Formaldehyde, CO₂, chemicals used in oil and gas production.

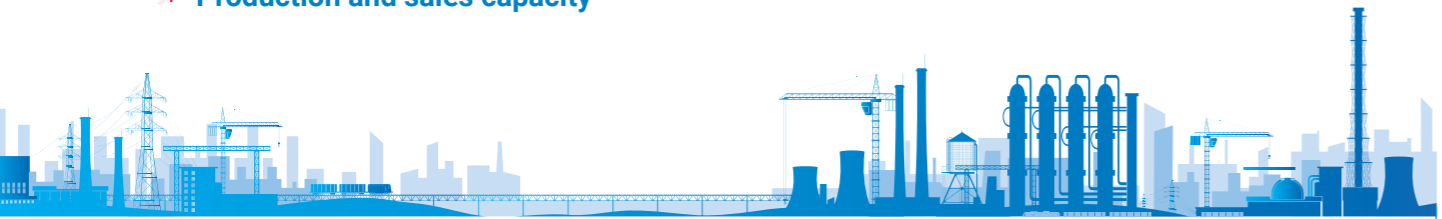
Main locations

PVFCCo's main production is at Phu My Fertilizer Plant located in Phu My 1 Industrial Park, Phu My Town, Ba Ria– Vung Tau Province.

The distributors are situated in the agricultural heartland and industrial plants in Vietnam. They form a closely-knitted distribution network of subsidiaries and their regional headquarters are located in the North, Central and Highlands, Southeast and Southwest. In addition to the domestic market, the Corporation also exports fertilizer products to many countries, predominantly in Asia.

The key customers and markets for chemicals are in the South, mainly in the oil & gas industry and industrial production sectors.

Production and sales capacity



“AS AN INDUSTRY LEADER, PVFCCo ANNUALLY MANUFACTURES AND TRADES AROUND 1.2 MILLION TONS OF FERTILIZERS AND CHEMICALS, MEETING THE NEEDS BOTH DOMESTICALLY AND IN INTERNATIONAL MARKETS SUCH AS INDIA, SOUTH KOREA, AND ASEAN, ETC. ”

Production capacity



Phu My Fertilizer Plant

Year of operation: **2004**

Capacity: **800,000** tons of urea/year - **540,000** tons of NH₃/year

Technology: Haldor Topsoe (Denmark) - NH₃ production; Snamprogetti (Italy) - Urea production



Phu My NPK Plant

Year of operation: **2018**

Capacity: **250,000** tons/year

Chemical technology of INCRO SA (Spain)



UFC85 factory

Year of operation: **2015**

Capacity: **15,000** tons/year



Petrochemical factory

Year of operation: **2015**

Capacity: **4,000** tons/year

Technology and quality standards: Baker Hughes global

Business capacity

- ▶ **Fertilizers:** the core business segment, accounting for a significant portion of PVFCCo's revenue and profit structure.

PVFCCo currently possesses a diverse portfolio of fertilizer products, consisting of over 40 product lines. In addition to our flagship product, Phu My Urea, we also provide a range of other fertilizers including Phu My NPK, Phu My Potassium, Phu My DAP, and Phu My Ammonium Sulfate, etc.

- ▶ **Chemicals:** PVFCCo's main chemicals are specialized products, including NH₃ (Ammonia), UFC85, CO₂ and many specialized petroleum chemicals.

- ▶ **Distribution and sales system**

4 exclusive regional distributors (North - Central - Southeast - Southwest)

68 level 1 wholesalers

97 transshipment warehouses with a capacity of 250 thousand tons

1 chemical trading branch in Ho Chi Minh City

4,407 level 2 retailers

ORIENTATION, MEDIUM AND LONG-TERM STRATEGIC OBJECTIVES

DEVELOPMENT GOALS BY 2035

Overall objectives

To consolidate its position as Vietnam's leading fertilizer manufacturer while expanding its footprint in the manufacture and trade of other chemicals and petrochemical products, elevating PVFCCo to the leading chemical, green energy company in Vietnam.

Staged objectives

2021-2025 period Play a leading and market shaping role in the field of fertilizers on the domestic trade, in accordance with the Government's agricultural and rural development strategy for 2021-2025. Initially expanding operations, manufacturing chemicals, and focusing on opportunities to improve the petrochemical industry and clean energy sectors such as "green" NH₃.

2026-2030 period Expand production scale for both fertilizers and chemicals through investment, by maximizing the use of PVFCCo's infrastructure and resources, including the existing Phu My Fertilizer Plant and Vietnam Oil and Gas Group's Petrochemical projects.

2031-2035 period Operate efficiently and maximize the returns from projects, become a globally recognized leader in the domestic fertilizers and chemicals industry.

VISION TOWARDS 2045

- PVFCCo will have become a leading fertilizer and chemical manufacturer, not just in Vietnam but also in the region.
- PVFCCo will have caught up with international standards and good practices concerning the application of modern production technology, will meet high standards for both product quality and environmental protection; is a proven adopter of global standards in corporate governance and customer service and will have successfully implemented its digital transformation for more effective management and enhanced customer experience;
- PVFCCo will have firmly established in the international market itself as a reputable brand, who is deeply involved in the product chain for green and clean agriculture, meets the criteria for sustainable development, actively participates in environmental protection and efforts to adapt to climate change; contributes to the development of modern agricultural production;
- PVFCCo will show our strong commitment to caring for the livelihoods of our employees and sharing what we earn with the community, through the implementation of social responsibility programs.



SPECIFIC OBJECTIVES



GOVERNANCE MODEL AND MANAGEMENT APPARATUS

GOVERNANCE MODEL

PVFCCo followed the corporate governance model as prescribed at Point a, Clause 1, Article 137 of the Law on Enterprises 2020.

ORGANIZATION AND MANAGEMENT STRUCTURE

General Meeting of Shareholders
Board of Directors
Board of Management
Supervisory Board

Functional divisions:

- ▶ BOD Office
- ▶ Internal Audit Division
- ▶ Planning & Investment Division
- ▶ Human Resources & Training Division
- ▶ Trading Division
- ▶ Marketing & Communications Division
- ▶ Finance & Accounting Division
- ▶ HSE & Technology Division
- ▶ Material and Equipment Supply Division
- ▶ Administration

Branches and Dependent units:

- ▶ Phu My Fertilizer Plant
- ▶ Petrochemicals Trading Branch
- ▶ Project Management Board
- ▶ Center of Research and Application

Subsidiaries:

- ▶ North PetroVietnam Fertilizer and Chemicals Joint Stock Company
- ▶ Central PetroVietnam Fertilizer and Chemicals Joint Stock Company
- ▶ South-East PetroVietnam Fertilizer and Chemicals Joint Stock Company
- ▶ South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company



RELATED COMPANIES

In 2023, the Corporation has 04 subsidiaries and 05 Dependent Units.

Companies with over 50% shareholding

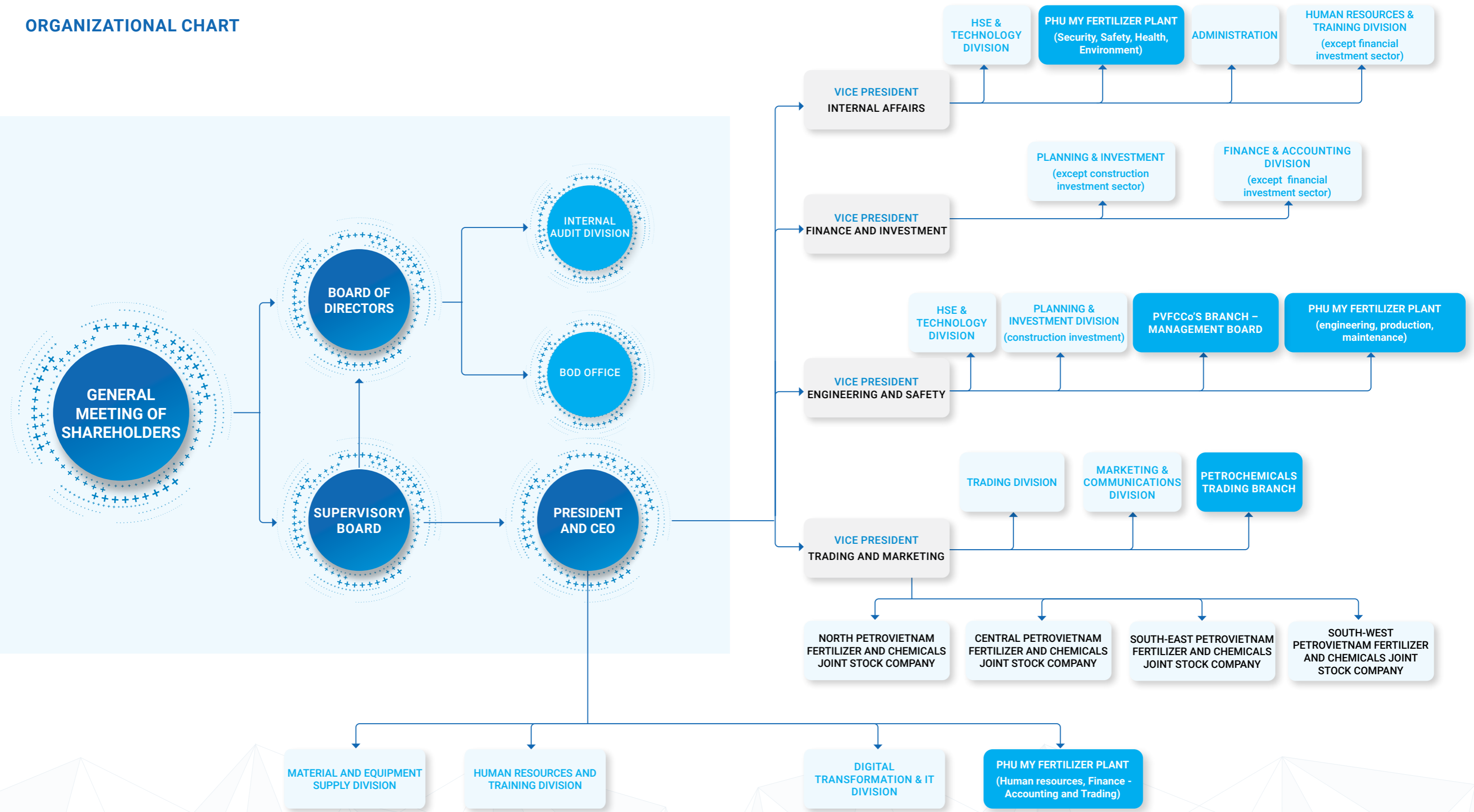
No.	Company name	Main business lines	Charter capital (VND million)	Owned by PVFCCo
1	North PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCCo - North, stock code: PMB) Address: 4 th Floor, 167 Trung Kinh Street, Cau Giay District, Hanoi	Fertilizer and chemicals production and trading	120,000	75%
2	Central PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCCo - Central, stock code: PCE) Address: Lot A2, Nhon Binh Industrial Cluster, Quy Nhon City, Binh Dinh Province	Fertilizer and chemicals production and trading	100,000	75%
3	South-East PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCCo - SE, stock code: PSE) Address: 27 Dinh Bo Linh Street, Binh Thanh District, Ho Chi Minh City	Fertilizer and chemicals production and trading	125,000	75%
4	South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCCo - SW, stock code: PSW) Address: 151/18 Tran Hoang Na Street, Ninh Kieu District, Can Tho City	Fertilizer and chemicals production and trading	170,000	75%

Companies with less than 50% shareholding

No.	Company name	Main business lines	Charter capital (VND million)	Owned by PVFCCo
1	Dam Phu My Packaging Joint Stock Company (PVFCCo - Packaging, stock code: PMP) Address: Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province	Packaging manufacturing and trading	42,000	43.35%
2	PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (VNPOLY) Address: Lot CN5.5A, Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City	Textile fiber production and trading	2,165,110	25.99%
3	PetroVietnam Information Technology, Telecom and Automation Joint Stock Company (PAIC) Address: 4 th Floor, 167 Trung Kinh Street, Cau Giay District, Hanoi	Information technology, telecoms and automation, clean energy	42,352	8.5%
4	PetroVietnam Urban Development Joint Stock Company (PVC Mekong) Address: Lot D - Petroleum Urban Area, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau province	Consulting, construction, construction materials production, real estate trading	280,869	35.63%
5	Ut Xi Aquatic Products Processing Corporation Address: Provincial Road 8, Tai Van Commune, Tran De District, Soc Trang Province	Aquaculture, Seafood processing and trading	354,000	6.78%

GOVERNANCE MODEL AND MANAGEMENT APPARATUS (continued)

ORGANIZATIONAL CHART



PVFCCo MANAGEMENT

BOARD OF DIRECTORS



Mr. NGUYEN XUAN HOA

Position: **Chairman of the BOD** (elected to the BOD on 29 March 2024)
 DOB: **1972**
 Qualifications: **Bachelor of Finance and Accounting, Master of Business Administration**



Mr. PHAN CONG THANH

Position: **Member of the BOD** (elected to the BOD on 29 March 2024)
 DOB: **1974**
 Qualifications: **Engineer, Master of Chemical Engineering Technology**



Mr. NGUYEN NGOC ANH

Position: **Member of the BOD** (elected to the BOD on 27 June 2023), in charge of the BOD from 27 October 2023 to 29 March 2024
 DOB: **1982**
 Qualifications: **Master of Construction Management, Civil Engineer**



Mr. TRINH VAN KHIEM

Position: **Member of the BOD**
 DOB: **1973**
 Qualifications: **Bachelor of Business Administration**



Mr. HO QUYET THANG

Position: **Independent member of the BOD** (elected to the BOD on 27 June 2023)
 DOB: **1970**
 Qualifications: **Mechanical Engineer, Bachelor of Economics**



Mr. LOUIS T NGUYEN

Position: **Independent member of the BOD** (resigned on 27 June 2023)
 DOB: **1963**
 Qualifications: **Bachelor of Accounting and Finance**



Mr. LE CU TAN

Position: **Member of the BOD** (resigned on 27 June 2023)
 DOB: **1967**
 Qualifications: **Master of Automation Engineering, Marine Engineer, Bachelor of Business Administration**



Mr. HOANG TRONG DUNG

Position: **Chairman of the BOD** (resigned as Chairman and Member of the BOD on 27 October 2023 and 29 March 2024 respectively)
 DOB: **1973**
 Qualifications: **Master of Economics, Technology Engineer**



Mr. DUONG TRI HOI

Position: **Member of the BOD** (resigned on 29 March 2024)
 DOB: **1978**
 Qualifications: **Industrial Electricity Engineer, Bachelor of Economics in Investment Planning**

BOARD OF MANAGEMENT



Mr. PHAN CONG THANH

Position: **President and CEO** (appointed on 25 January 2024)
 DOB: **1974**
 Qualifications: **Engineer, Master of Chemical Engineering Technology**



Ms. TRAN THI PHUONG THAO

Position: **Vice President**
 DOB: **1970**
 Qualifications: **Bachelor of Economics in International Trade**



Mr. CAO TRUNG KIEN

Position: **Vice President**
 DOB: **1976**
 Qualifications: **Bachelor of Economics**



Mr. DAO VAN NGOC

Position: **Vice President** (in charge of the BOM from 27 October 2023)
 DOB: **1977**
 Qualifications: **Master of Business Administration, Refinery and Petrochemical Engineer**

PVFCCo MANAGEMENT (continued)

BOARD OF MANAGEMENT (continued)



Mr. TA QUANG HUY

Position: **Vice President**
 DOB: **1978**
 Qualifications: **Chemical Engineer**



Ms. LE THI THU HUONG

Position: **Vice President**
 (resigned on 15 August 2023)
 DOB: **1975**
 Qualifications: **Master of Business Administration**



Mr. LE CU TAN

Position: **President and CEO**
 (resigned on 27 October 2023)
 DOB: **1967**
 Qualifications: **Master of Automation Engineering, Marine Engineer, Bachelor of Business Administration**



Mr. LE VAN QUOC VIET

Position: **Vice President**
 (retired from 01 June 2023)
 DOB: **1962**
 Qualifications: **Bachelor of Economics in Planning**



Mr. VO NGOC PHUONG

Position: **Chief Accountant**
 DOB: **1978**
 Qualifications: **Bachelor of Finance (Money and Credit)**

SUPERVISORY BOARD



Mr. HUYNH KIM NHAN

Position: **Chief Supervisor**
 DOB: **1976**
 Qualifications: **Bachelor of Corporate Finance, Master of Business Administration**



Mr. LUONG PHUONG

Position: **Member of the SB**
 (re-elected to the SB on 27 June 2023)
 DOB: **1973**
 Qualifications: **Bachelor of Finance and Credit**



Ms. TRAN THI PHUONG

Position: **Member of the SB**
 (elected to the SB on 27 June 2023)
 DOB: **1979**
 Qualifications: **Master of Business Administration, Certified Accountant** (issued by the Ministry of Finance)



Mr. LE VINH VAN

Position: **Member of the SB**
 (resigned on 27 June 2023)
 DOB: **1969**
 Qualifications: **Bachelor of Economics in Finance and Accounting**





Chapter 2

2023 PERFORMANCE AND BOM'S ASSESSMENT

ONE HEART ONE GOAL

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MARKET OVERVIEW IN 2023

INTERNATIONAL MARKET



The global fertilizer market in 2023 was significantly impacted by geopolitical turmoil and export restrictions in certain countries, leading to a rapid decline in fertilizer prices compared to 2022. Ongoing conflicts such as Russia-Ukraine and Israel-Hamas raised concerns about potential escalation in the Middle East, a major fertilizer production region. Following record-high prices in 2022, fertilizer prices plummeted from the fourth quarter of 2023, with Urea prices dropping by approximately 64% and Potash prices by 67%.



DOMESTIC MARKET

In 2023, the domestic fertilizer market faced significant adverse impacts:

- 1

Firstly, the domestic fertilizer market in 2023 encountered heightened competitive pressures stemming from increased imports. Vietnam's economy, characterized by extensive participation in various free trade agreements, faced constraints in terms of scale, resilience, and competitive capabilities.

- 2

Secondly, unresolved inconsistencies persisted in fertilizer tax policies. A 5% export tax diminished the competitiveness of domestic enterprises.

- 3

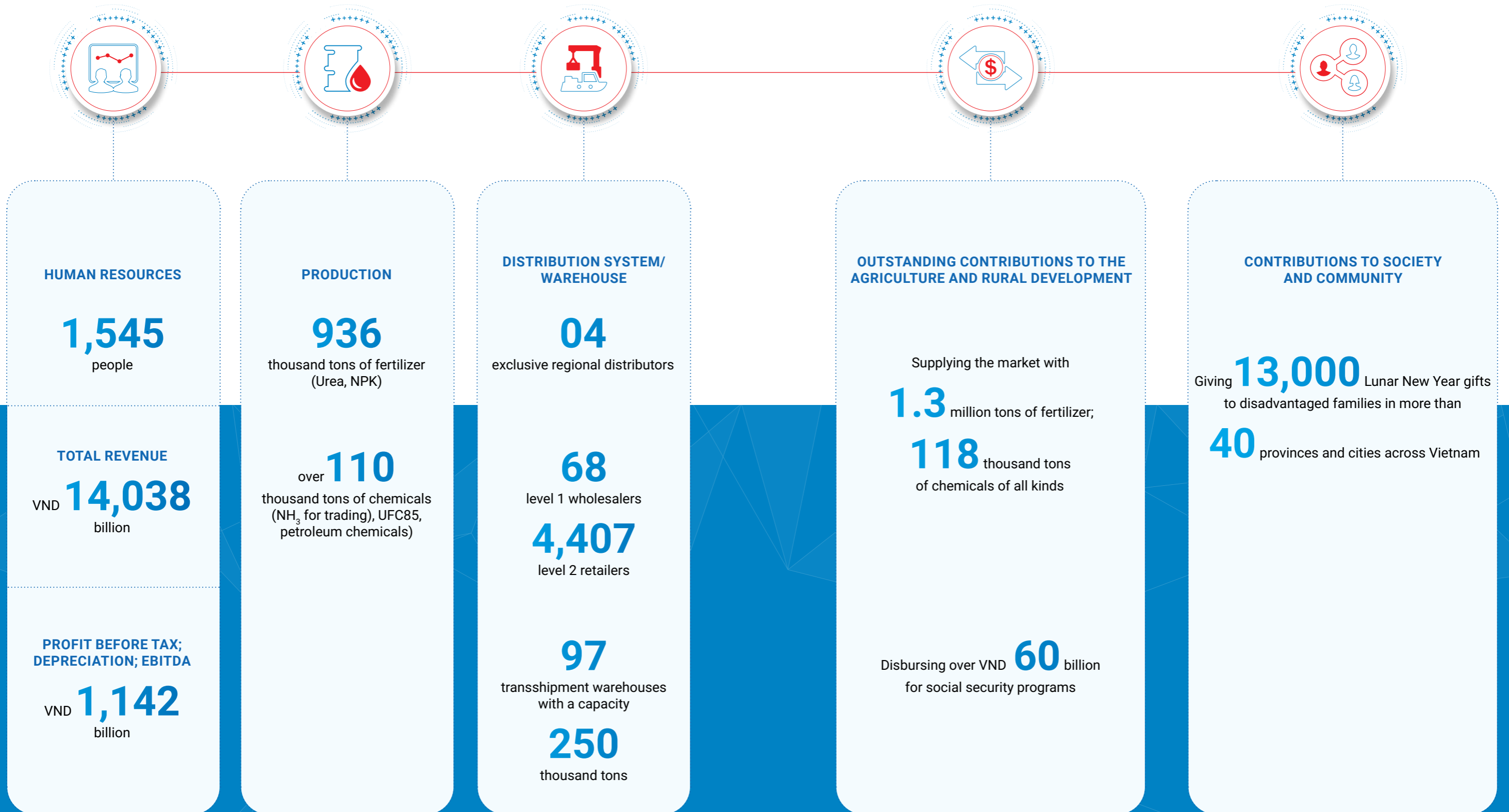
Thirdly, a notable surge in inventory levels escalated competition among local enterprises. Early in 2023, inventory management challenges triggered a climate of fire sales and price undercutting, notably affecting NPK products. Furthermore, there was a notable emergence and proliferation of substitute products, characterized by lower quality or counterfeit attributes, such as N21-25% as a Urea substitute and Ammonium as a Potassium substitute.

- 4

Fourthly, the increased cost of production materials, particularly the price of gas for Urea production, posed challenges. For PVFCCo, the price of gas for Phu My Urea production increased by 18% in 2023 compared to 2022 (gas price with VAT was 10.51/8.88 USD/MMBTU). The heightened cost of raw gas material resulted in additional production expenses of over VND 1,000 billion for the entire year compared to 2022.

In conclusion, given these circumstances, the production and business outcomes of fertilizer enterprises in the market witnessed substantial declines compared to the corresponding period.

PVFCCo VALUE CHAIN



HUMAN RESOURCES

1,545
people

TOTAL REVENUE

VND **14,038**
billion

**PROFIT BEFORE TAX;
DEPRECIATION; EBITDA**

VND **1,142**
billion

PRODUCTION

936

thousand tons of fertilizer
(Urea, NPK)

over **110**

thousand tons of chemicals
(NH₃ for trading), UFC85,
petroleum chemicals)

**DISTRIBUTION SYSTEM/
WAREHOUSE**

04

exclusive regional distributors

68

level 1 wholesalers

4,407

level 2 retailers

97

transshipment warehouses
with a capacity

250

thousand tons

**OUTSTANDING CONTRIBUTIONS TO THE
AGRICULTURE AND RURAL DEVELOPMENT**

Supplying the market with

1.3 million tons of fertilizer;

118 thousand tons
of chemicals of all kinds

Disbursing over VND **60** billion
for social security programs

**CONTRIBUTIONS TO SOCIETY
AND COMMUNITY**

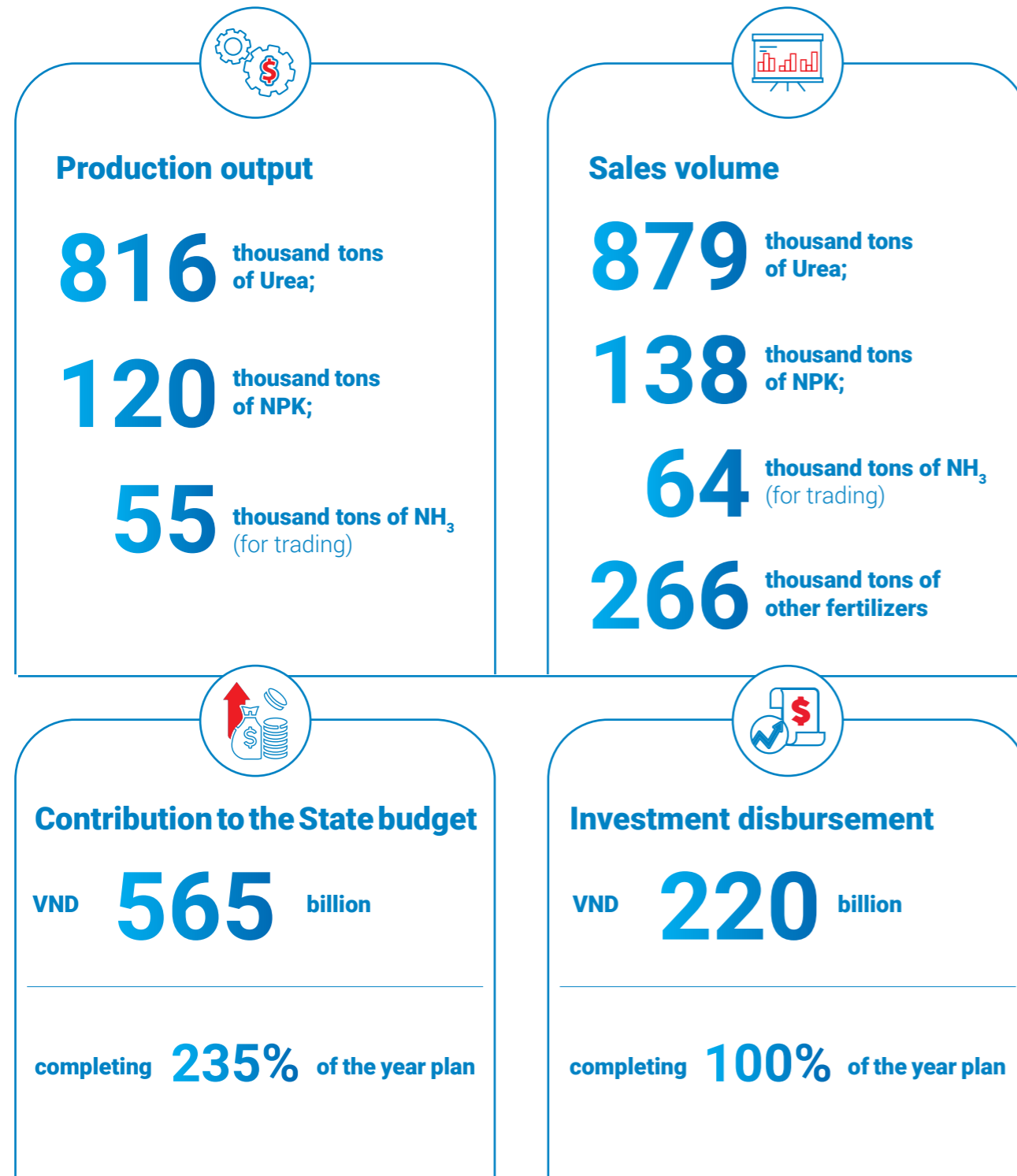
Giving **13,000** Lunar New Year gifts
to disadvantaged families in more than

40 provinces and cities across Vietnam

PRODUCTION AND BUSINESS OPERATIONS

OUTSTANDING FACTORS AND TARGETS IN PRODUCTION AND BUSINESS OPERATIONS IN 2023

Against the backdrop of 2023, PVFCCo persisted in capitalizing on various advantageous factors. These included the esteemed reputation of the Phu My fertilizer brand and the expansive geographical reach of its distribution network. Operations at the Phu My Fertilizer Plant remained steadfastly stable, operating at high capacity levels with ample gas supply. Financial health remained robust, bolstering both production and business endeavors, thereby attaining a range of notable performance targets:



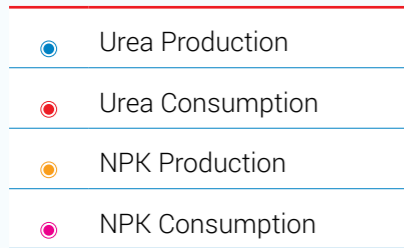
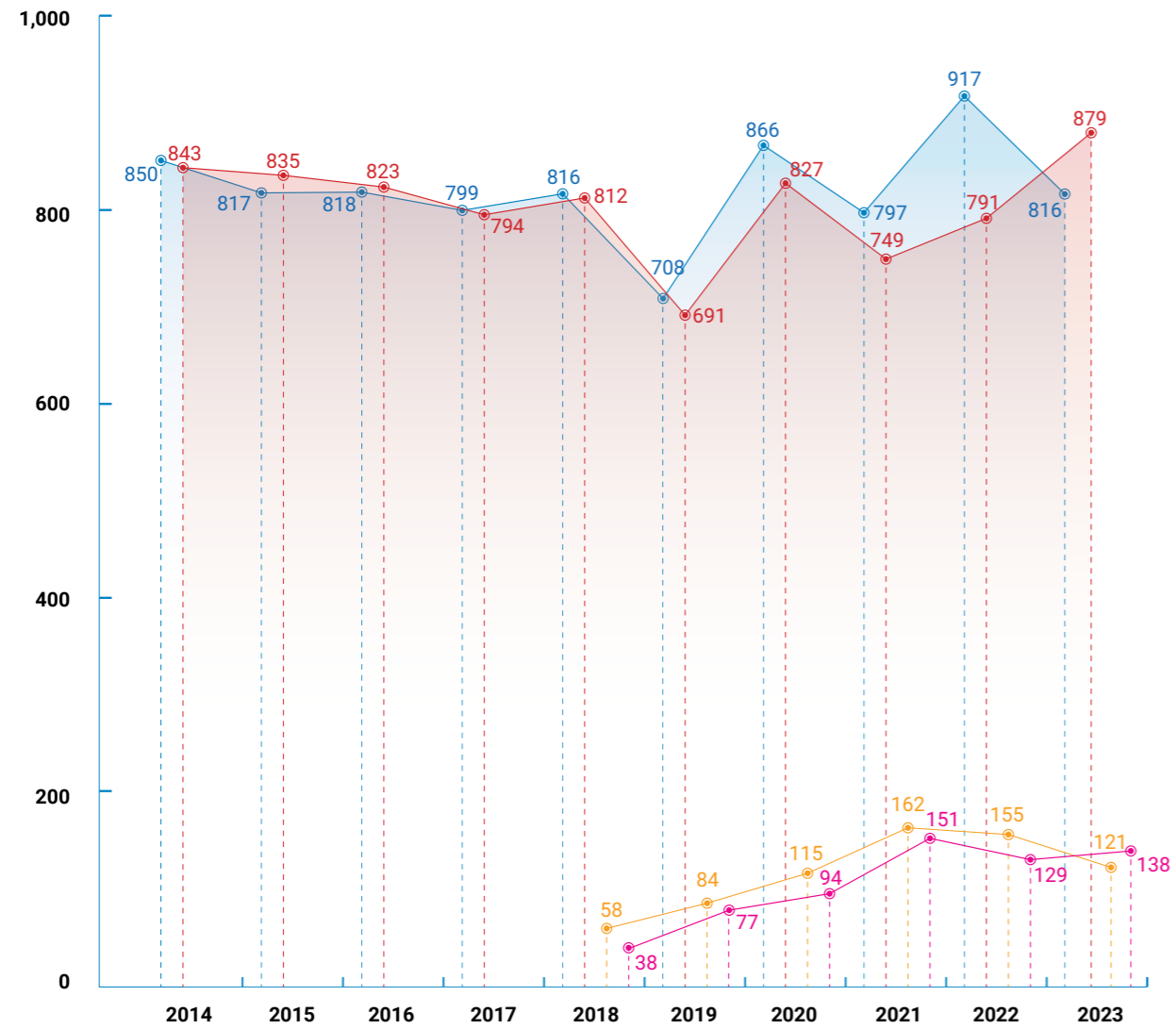
SUMMARY ON BUSINESS PERFORMANCE IN 2023

No.	Item	Unit	Actual 2022	Plan 2023	Actual 2023	Ratio compared with 2022 (%)	Plan completion rate (%)
A	B	C	1	2	3	4=3/1	5=3/2
I Production output							
1.1	Phu My Urea	Thousand tons	917	785	816	89%	104%
1.2	UFC 85	Thousand tons	13.2	12.0	12.2	92%	102%
1.3	NPK	Thousand tons	155	121	120	77%	100%
1.4	Phu My Urea + KeBo	Thousand tons	4.5	6.9	7.0	155%	101%
1.5	NH ₃ (for trading)	Thousand tons	74	55	55	73%	100%
II Sales volume							
2.1	Phu My Urea	Thousand tons	791	830	879	111%	106%
2.2	NPK	Thousand tons	129	130	138	107%	106%
2.3	Phu My Urea + KeBo	Thousand tons	2.6	7.0	7.9	299%	113%
2.4	Other fertilizers	Thousand tons	209	240	266	127%	111%
2.5	UFC 85	Thousand tons	9.5	8.5	9.1	95%	107%
2.6	NH ₃ (for trading)	Thousand tons	71	62	64	89%	102%
2.7	CO ₂	Thousand tons	54	39	44	82%	111%
2.8	Chemicals	Thousand tons	1.03	0.67	1.54	149%	231%
III Consolidated financial indicators							
3.1	Total revenue	VND billion	19,013	13,067	14,038	74%	107%
3.2	Profit before tax	VND billion	6,606	610	691	10%	113%
3.3	Profit after tax	VND billion	5,585	463	530	9%	114%
3.4	Budget payable (paid)	VND billion	1,614	240	565	35%	235%
IV Parent company's financial indicators							
4.1	Owner's equity	VND billion	13,779	10,149	11,374	83%	112%
4.2	In which: Charter capital	VND billion	3,914	3,914	3,914	100%	100%
4.3	Total revenue	VND billion	16,924	11,652	12,093	71%	104%
4.4	Profit before tax	VND billion	6,507	635	709	11%	112%
4.5	Profit after tax	VND billion	5,511	495	569	10%	115%
4.6	Ratio of Profit after tax/ Charter capital	%	141%	13%	15%	10%	115%
4.7	Budget payable (paid)	VND billion	1,551	205	503	32%	245%
4.8	Investment						
4.8.1	Investment disbursement	VND billion	118.14	220.6	219.74	186%	100%
	▸ Capex	VND billion	74.70	102.9	102.45	137%	100%
	▸ Equipment procurement	VND billion	43.44	117.7	117.29	270%	100%
	▸ Capital investment	VND billion					
4.8.2	Capital investment source	VND billion	118.14	220.6	219.74	186%	100%
	▸ Owner's equity	VND billion	118.14	220.6	219.74	186%	100%
	▸ Loans and others	VND billion					

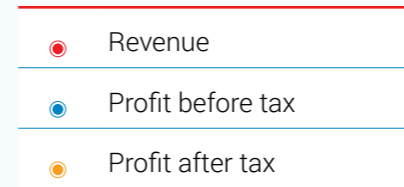
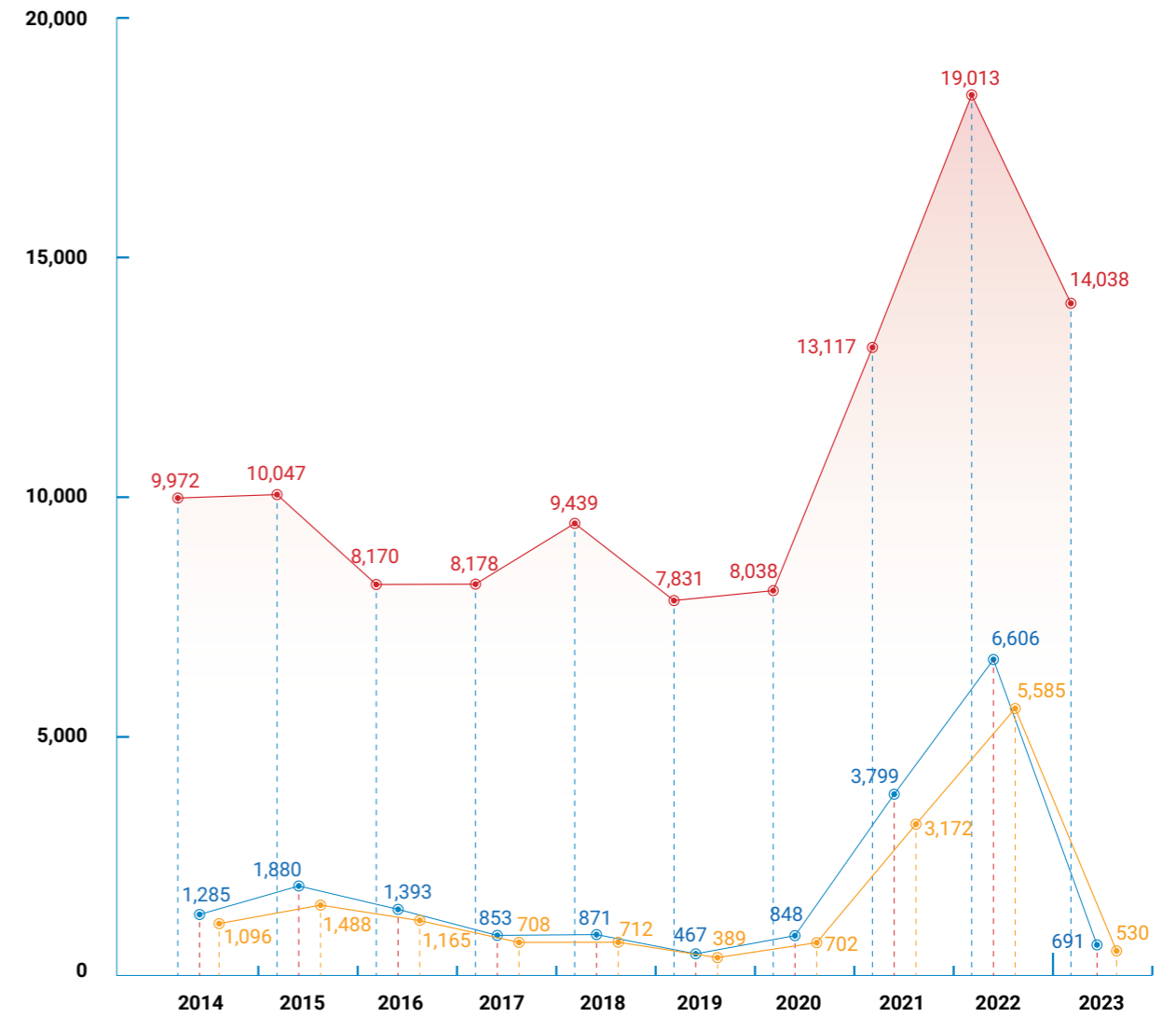
PRODUCTION AND BUSINESS OPERATIONS (continued)

Production and business statistics for the Corporation's leading products over 2014-2023 period

Production and sales targets (thousand tons)



Consolidated financial indicators (VND billion)



INVESTMENT IN AND IMPLEMENTATION OF PROJECTS

INVESTMENT PROJECTS PLANNED IN 2023



- ▶ **The NH₃ Revamp - Phu My NPK Complex:** The Corporation has completed project settlement report and verification and approval on capital settlement.
- ▶ **Hydrogen Peroxide (H₂O₂) Plant:** Already completed feasibility study report (FS), submitted for FS verification, hired FS verification consultant and submitted to the relevant State authorities.
- ▶ **Offgas recovery project:** Already completed and approved feasibility study report.
- ▶ **Melamine project:** Already completed feasibility study report.
- ▶ **DEF/Adblue project:** Completing feasibility study report.
- ▶ **Soda Ash project:** Completed feasibility study report. The project was assessed as ineffective and the BOD decided to stop further investment research.
- ▶ **Project for warehouse of 20 thousand tons of finished goods at Phu My Fertilizer Plant:** The project was completed and put into service on 21 June 2023 and is under the process of completing capital settlement.
- ▶ Other investment and procurement projects are being implemented as planned.

INVESTMENT AND PROCUREMENT DISBURSEMENT SITUATION IN 2023



According to the 2023 plan, total capital for investment in construction and procurement was VND 220.58 billion. PVFCCo disbursed over VND 219.74 billion, achieving nearly 100% of the plan according to the actual progress, an increase of 84% compared to 2022.



PERFORMANCE OF SUBSIDIARIES AND DEPENDENT UNITS

No.	Contents	Equity to total charter capital ratio	Total invested capital (VND billion)	Charter capital (VND billion)	Profit after tax (PAT) (VND billion)	PAT to charter capital ratio	2023 dividend (VND billion)
I	Investment in subsidiaries		386.25	515.00	41.39		44.78
1	PVFCCo North	75.00%	90.00	120.00	6.32	5.27%	10.8
2	PVFCCo Central	75.00%	75.00	100.00	20.94	20.94%	22.5
3	PVFCCo SE	75.00%	93.75	125.00	12.07	9.66%	
4	PVFCCo SW	75.00%	127.50	170.00	2.06	1.21%	11.48
II	Investment in joint venture companies		680.90	2,487.80	849.48		2.18
1	VNPOLY	25.99%	562.70	2,165.11	850.41	39.28%	
2	PVC Mekong	35.63%	100.00	280.69	-8.16	-2.91%	-
3	PVFCCo Packaging	43.34%	18.20	42.00	7.23	17.21%	2.18
III	Other long-term investments		20.50	396.35	-9,2		0.29
1	PAIC	8.50%	3.60	42.35	4,82	11.38%	0.29
2	Ut Xi Aquatic Products Processing Corporation	6.78%	16.90	354.00	-14.02	-3.96%	
	TOTAL		1,087.65	3,399.15	881.67		57.94

THE CORPORATION'S FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

Unit: VND billion

Item	31/12/2022	31/12/2023	% Increase (Decrease)
TOTAL ASSETS	17,699	13,309	-25%
Current assets	13,579	9,565	-30%
Non-current asset	4,120	3,744	-9%
TOTAL RESOURCES	17,699	13,309	-25%
LIABILITIES	3,681	1,764	-52%
OWNER'S EQUITY	14,017	11,545	-18%
▸ Charter capital	3,914	3,914	0%
TOTAL REVENUE	19,013	14,038	-26%
TOTAL COST	12,410	13,349	8%
INTEREST	65	51	-22%
EBIT	6,668	739	-89%
PROFIT BEFORE TAX	6,606	691	-90%
PROFIT AFTER TAX	5,585	530	-91%
▸ Profit after tax of minority shareholders	20	10	
▸ Profit after tax of parent company	5,565	519	

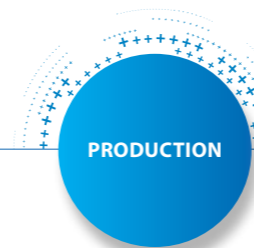
FINANCIAL INDICATORS

Item	2022	2023
Liquidity ratios		
Current ratio	4.53	6.44
Quick ratio	3.24	5.16
Solvency ratios		
Total debt/total assets	21%	13%
Total debt/total equity	26%	15%
Operational capacity ratios		
Inventory turnover	3.25	4.12
Net revenue/total assets	1.18	0.88
Profitability ratios		
Net profit after tax/Net revenue	30.0%	3.9%
ROE	45.2%	4.1%
ROA	35.3%	3.4%
EPS	13,897	1,030

BOM'S ASSESSMENT REPORT

ASSESSMENT ON PERFORMANCE

In the actual situation and conditions of production and business activities in 2023 as reviewed and evaluated above, on the basis of the tasks and targets of the annual plan approved by the General Meeting of Shareholders, PVFCCo's Board of Management evaluated the implementation of timely, synchronous and flexible solutions, helping the Corporation achieve business results in 2023 for each specific field as follows:



With the experience accumulated in periodic maintenance, in 2023, PVFCCo quickly handled arising issues, reducing machine downtime. The review, adjustment, and application of the requirements were clearly effective, as **total energy consumption of production progress in 2023 was lower than targets, and overall fuel, energy savings in the production sector reached VND 220 billion**. In particular, there were numerous measures to increase the quality and output of NPK.

Phu My Fertilizer Plant achieved a production output of **800,000 tons of Urea 13 days in advance, the whole year's output reached 815,859 tons, 4% higher than the plan**. The NH₃ Revamp - Phu My NPK Complex was operated and taken advantage of stably. In 2023, the project complex continued to contribute nearly VND 2,300 billion in revenue, equivalent to 18% of the total revenue of the Corporation.



In the face of fierce competition, the Phu My Urea brand maintained its solid position and market share in the domestic market, through its progress towards the goal of developing foreign markets. **In 2023, the Corporation exported 100 thousand tons of Phu My Urea**. Furthermore, it has established a market presence with the quality of Phu My NPK, Potassium, and DAP, and continues to expand chemical production and business activities. The Corporation was flexible in implementing changes and improvements in transportation, distribution, sales, and inventory policies, among others, to improve the business effect and expand the customer segment. The Corporation has effectively traded nearly 1.3 million tons of fertilizers (879 thousand tons of Phu My Urea; 138 thousand tons of Phu My NPK; 266 thousand tons of other fertilizers) and over 118 thousand tons of chemicals.



Total disbursement for investment and procurement projects is over VND 220 billion.



The Remuneration Policy Improvement project and KPI project have provided motivation for employees to promote creativity and improvement in their work and assisted the Corporation in retaining highly skilled personnel.



Security, safety, fire prevention, and rescue were always appreciated and strengthened by the business units, especially during holidays, Tet, etc. As a result, in 2023 the Corporation did not have any accidents happen affecting labor safety, production and business activities.

BOM'S ASSESSMENT REPORT (continued)

FINANCIAL PERFORMANCE (continued)

Limitations and solutions, details as follows:



PRODUCTION

Phu My Fertilizer Plant, after many years of operation, despite regular maintenance, engineering and technical issues have surfaced in fixed equipment, which affected or threatened the stability of the whole Plant's operation, many outdated systems need to be upgraded.



BUSINESS

Fertilizer business has become more and more difficult when facing the challenges in unstable prices, economic slowdown and climate changes. Therefore, the analysis and forecast of market need to be strengthened to grasp future opportunities and optimizing business efficiency.



RESTRUCTURING

Restructuring has reached a certain conclusion; however, the management structure is still cumbersome and does not satisfy our expectations. The restructuring project for the next stage has been submitted to the proper authorities for approval.



CAPITAL CONTRIBUTION TO ASSOCIATED COMPANIES

The planned divestments and withdrawal of capital from associated companies, such as: VNPOLY, PVC Mekong, and Ut Xi Aquatic Products Processing Corporation were delayed, etc., the operations of these companies continued to deteriorate.

FINANCIAL ANALYSIS

Assets and Capital

Total assets according to PVFCCo's consolidated financial statements as of 31 December 2023 were VND 13,309 billion, a decrease of 25% compared to the beginning of the year (13,309/17,699). PVFCCo's cash and cash equivalents decreased by 40% compared to the beginning of the year (VND 1,242/2,084 billion). This reduction is primarily attributed to the Corporation's cash dividend payout for the year 2022 (at a rate of 70% of the par value of shares, equivalent to VND 2,739 billion).

Liabilities

- ▶ PVFCCo's liabilities as of 31/12/2023 were VND 1,764 billion, a decrease of 52% compared to the beginning of the year (VND 1,764/3,681 billion).
- ▶ Total liability to total assets ratio and total liability to equity ratio decreased compared to those of 2022, but the current ratio and quick ratio in 2023 remained higher than 1. This demonstrates a good capacity to pay debts, and the Corporation is not under any pressure on due debt, ensuring good production and business activities.
- ▶ Given the closing balance of Cash and Cash equivalents of VND 1,242 billion, there is sufficient funding for manufacturing, trading and investment projects as planned.



Profitability

PVFCCo's profitability ratios such as ROE and ROA drastically decreased compared to the same period mainly due the decrease in 2023 profit after tax, by 90% from 2022, leading to the decrease in ROE and ROA.

IMPROVEMENTS IN ORGANIZATIONAL STRUCTURE, POLICIES, AND MANAGEMENT

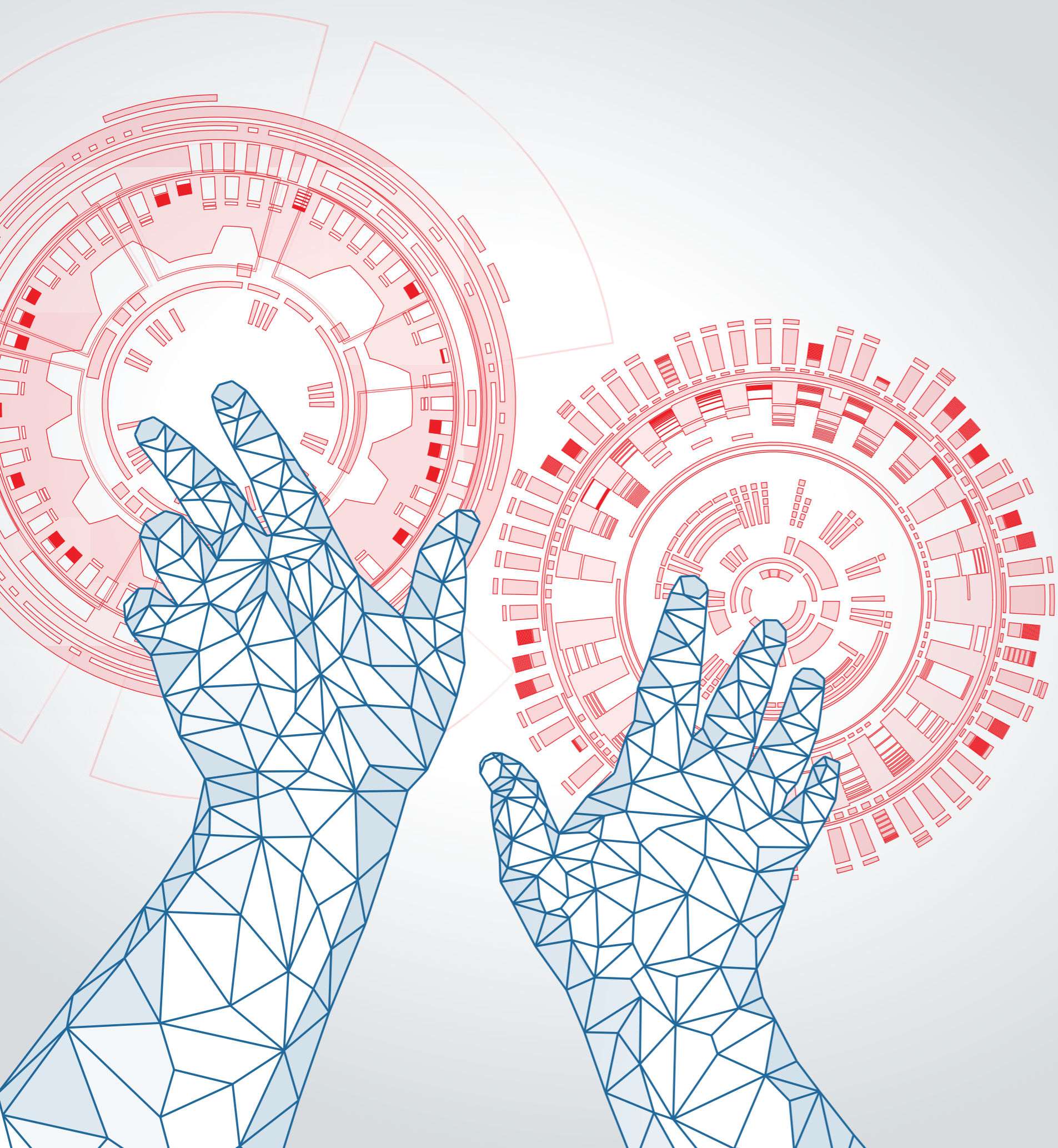
The Corporation has developed and executed a restructuring plan and roadmap for the 2021-2025 period. This includes ongoing review, adjustment, and updating of department/unit functions and tasks. Additionally, efforts are underway to enhance internal regulations, risk management, and salary policies, while accelerating the digital transformation journey.

DEVELOPMENT PLAN FOR THE FUTURE

Board of Management is executing strategic development plans, including mid-term production and business plans approved by General Meeting of Shareholders and Board of Directors.

MAKING ASSESSMENTS ON ENVIRONMENTAL, STAFF AND SOCIAL RESPONSIBILITIES.

Details of the assessment on environmental, staff and social responsibilities are presented in Chapter 5 – Sustainable Development Report pages 80-105.



Chapter 3

ASSESSMENTS OF THE BOD ON PVFCCo'S OPERATIONS

ENDLESS INNOVATION COMPREHENSIVE PROGRESSION

46	Overview
46	Results
47	Assessment of the BOD on the BOM's operations
47	Assessment on environmental and social responsibilities
48	The Board of Directors' plans and orientations for 2024

OVERVIEW

In 2023, the global fertilizer market faced significant challenges, with geopolitical instability and shifts in export policies of key countries leading to oversupply and sharp price declines compared to the high levels of 2022.

Apart from external factors, the domestic fertilizer market suffered from unfavorable impacts due to VAT policies, escalating input costs, and escalating competition among manufacturers. This led to a significant reduction in prices for fertilizers and chemicals within the country.

Through diligent operational management, proactive sales volume enhancement, and cost-saving measures throughout the production-to-consumption process, the Corporation overcame external and internal challenges. This ensured stable production and business operations, leading to positive outcomes.



RESULTS

Playing the role of managing the Corporation between two terms of Annual General Meeting of Shareholders, Board of Directors reviewed the 2023 year-end performance amidst both favorable and challenging conditions. With the right solutions, the Corporation successfully achieved its fundamental tasks and production targets as per the adjusted plan authorized by the General Meeting of Shareholders.

The Corporation has adopted an honesty and transparency policy. As an award-winning organization, the management adhered to these principles as a foundation and standard for best practices. Internal auditing was deployed with a fresh strategy to complete and upgrade risk management in PVFCCo's manufacturing and commercial operations.

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 general 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 results of the implementation of environmental and social responsibilities in 2023 are presented in detail in Chapter 5 - Sustainable Development Report (pages 80- 105).

THE BOARD OF DIRECTORS' PLANS AND ORIENTATIONS FOR 2024

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 2024 production and business plan for the Corporation as follows:

PRODUCTION TARGETS

No.	Item	Unit	Plan 2024
1	Production output		
1.1	Phu My urea	Thousand tons	850.0
1.2	Phu My NPK	Thousand tons	143.1
1.3	Other fertilizers (produced by the factory)	Thousand tons	4.0
1.4	UFC85/Formaldehyde	Thousand tons	12.5
1.5	NH ₃ (for trading)	Thousand tons	65.5
2	Sales volume		
2.1	Phu My urea	Thousand tons	870.0
2.2	Phu My NPK	Thousand tons	143.1
2.3	Other fertilizers (produced by the factory)	Thousand tons	5.0
2.4	UFC 85/Formaldehyde	Thousand tons	8.5
2.5	NH ₃	Thousand tons	65.0
2.6	Other fertilizers	Thousand tons	260.0
2.7	CO ₂	Thousand tons	45.0
2.8	Other chemicals	Thousand tons	0.787

THE CORPORATION'S FINANCIAL PLAN (CONSOLIDATED)

No.	Item	Unit	Plan 2024
1	Total revenue	VND billion	12,755
2	Profit before tax	VND billion	660
3	Profit after tax	VND billion	542
4	Budget payable	VND billion	263



PARENT COMPANY'S PLAN

Financial plan

No.	Item	Unit	Plan 2024
1	Owner's equity	VND billion	10,316
2	Total revenue	VND billion	11,534
3	Profit before tax	VND billion	611
4	Profit after tax	VND billion	509
5	Ratio of Profit after Tax/Average Owner's equity	%	4.9
6	Ratio of Dividend/Charter capital (*)	%	15
7	Total debt/total Owner's equity (time)	Times	0.22
8	Budget payable	VND billion	240

Note: (*) Charter capital is expected to increase according to the 2024 plan

Capital investment plan

No.	Item	Unit	Plan 2024
I	Total capital investment	VND billion	666.15
1	Capex	VND billion	223.13
2	Procurement projects	VND billion	443.02
3	Capital contribution to member companies	VND billion	-
II	Capital investment source	VND billion	666.15
1	Owner's equity	VND billion	666.15
2	Loans and others	VND billion	-
III	Capital expenditure	VND billion	666.15
1	Owner's equity	VND billion	666.15
2	Loans and others	VND billion	-



Chapter 4

CORPORATE GOVERNANCE

BINDING MIGHT SOARING HEIGHT

52	Human resources management
56	Shares and shareholders structure
58	Corporate governance report
69	Investor relations report
70	Report on identification and risk management
76	Report on transactions, remuneration and other benefits of the BOD, BOM and SB

HUMAN RESOURCES MANAGEMENT

MEMBER LIST OF THE BOD, BOM AND SB

No.	Full name	Position	Number of DPM shares		Note
			Representative	Individual ownership	
BOARD OF DIRECTORS					
1	Mr. Nguyen Xuan Hoa	Chairman of the BOD	92,300,253	-	Elected to the BOD on 29 March 2024
2	Mr. Phan Cong Thanh	Member of the BOD	62,624,000	-	Elected to the BOD on 29 March 2024
3	Mr. Nguyen Ngoc Anh	Member of the BOD	39,140,000	-	Elected to the BOD on 27 June 2023
4	Mr. Trinh Van Khiem	Member of the BOD	39,140,000	-	
5	Mr. Ho Quyet Thang	Independent member of the BOD	-	-	Elected to the BOD on 27 June 2023
6	Mr. Louis T Nguyen	Independent member of the BOD	-	-	resigned on 27 June 2023
7	Mr. Hoang Trong Dung	Chairman of the BOD	-	-	resigned as Chairman and Member of the BOD on 27 October 2023 and 29 March 2024 respectively
8	Mr. Duong Tri Hoi	Member of the BOD	-	-	resigned on 29 March 2024
BOARD OF MANAGEMENT					
1	Mr. Phan Cong Thanh	President and CEO	-	-	appointed on 25 January 2024
2	Ms. Tran Thi Phuong Thao	Vice President	-	33,700	
3	Mr. Cao Trung Kien	Vice President	-	-	
4	Mr. Dao Van Ngoc	Vice President	-	-	
5	Mr. Ta Quang Huy	Vice President	-	-	
6	Mr. Le Van Quoc Viet	Vice President	-	-	retired from 1 June 2023
7	Mr. Le Cu Tan	President and CEO	-	-	resigned on 27 October 2023
8	Ms. Le Thi Thu Huong	Vice President	-	-	resigned on 15 August 2023
SUPERVISORY BOARD					
1	Mr. Huynh Kim Nhan	Chief Supervisor	-	-	
2	Ms. Tran Thi Phuong	Member of the SB	-	-	elected to the SB on 27 June 2023
3	Mr. Luong Phuong	Member of the SB	-	-	re-elected to the SB on 27 June 2023
4	Mr. Le Vinh Van	Member of the SB	-	-	resigned on 27 June 2023
CHIEF ACCOUNTANT					
1	Mr. Vo Ngoc Phuong	Chief Accountant	-	-	

CHANGES IN THE BOD, SB AND BOM

In 2023 and in the first quarter of 2024, the Corporation has had some changes in members of BOD, SB and BOM as follows:

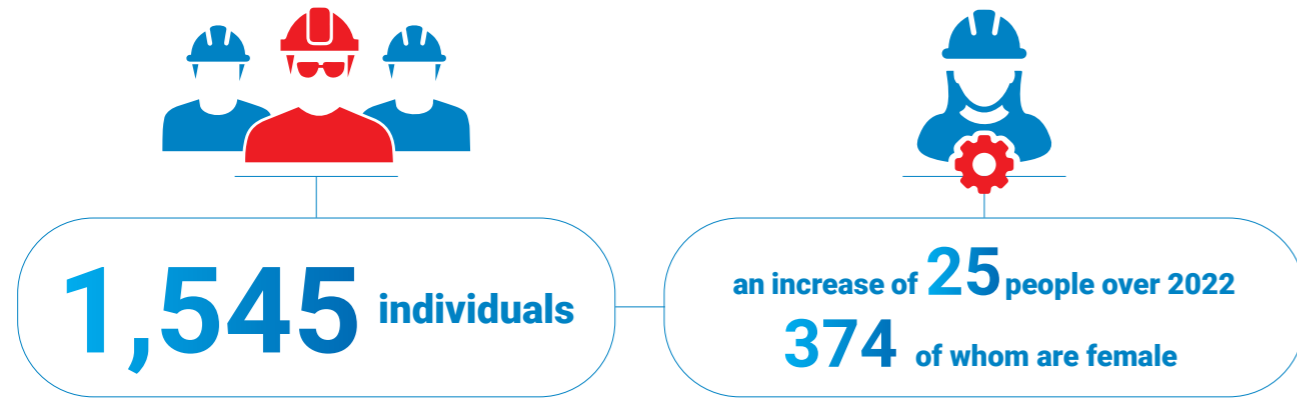
- ▶ BOD member whose term has ended: Mr. Le Cu Tan
- ▶ BOD members resigned: Mr. Louis T. Nguyen, Mr. Hoang Trong Dung and Mr. Duong Tri Hoi
- ▶ Newly elected BOD members: Mr. Nguyen Ngoc Anh, Mr. Ho Quyet Thang, Mr. Nguyen Xuan Hoa, and Mr. Phan Cong Thanh
- ▶ SB members whose term has ended: Mr. Le Vinh Van and Mr. Luong Phuong
- ▶ Newly elected SB members: Ms. Tran Thi Phuong and Mr. Luong Phuong
- ▶ President and CEO resigned: Mr. Le Cu Tan
- ▶ Newly appointed President and CEO: Mr. Phan Cong Thanh
- ▶ Vice President retired: Mr. Le Van Quoc Viet
- ▶ Vice President resigned: Ms. Le Thi Thu Huong



HUMAN RESOURCES MANAGEMENT (continued)

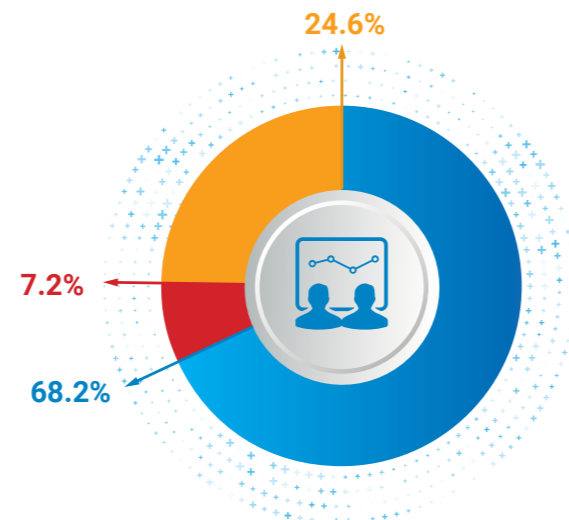
HUMAN RESOURCE REPORT IN 2023

The Corporation's entire workforce, as of 31 December 2023 (including the parent firm and its subsidiaries) is:



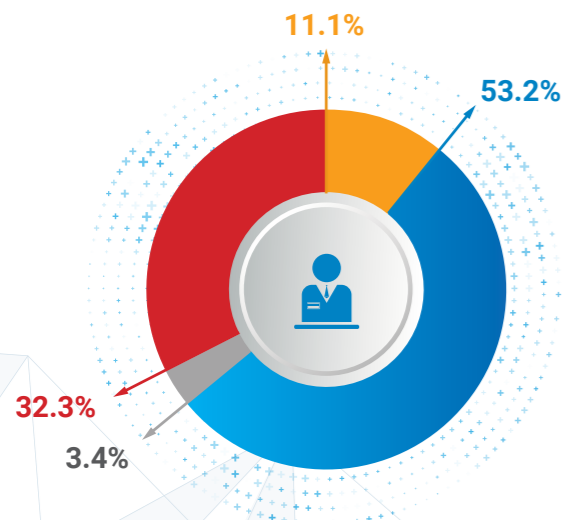
Classification by qualification:

Qualification	Quantity (employees)	Percentage (%)
University, College and Postgraduate	1,054	68.2%
Vocational	112	7.2%
Technical and Others	379	24.6%
Total	1,545	100%



Classification by managerial levels:

Managerial levels	Quantity (employees)	Percentage (%)
Leadership and Management	172	11.1%
Technical and Professional	823	53.2%
Supporting staff	53	3.4%
Workers	497	32.3%
Total	1,545	100%



Labor policy

Human resources policy

IN ITS JOURNEY OF GROWTH, PVFCCo CONSISTENTLY ACKNOWLEDGES THAT PEOPLE ARE THE FOUNDATION AND VALUABLE ASSETS OF EVERY ENTERPRISE. BUSINESS FLOURISHES ONLY WHEN EACH INDIVIDUAL AND TEAM ARE ACCOMPANIED, SUPPORTED TO EXCEL, AND ENCOURAGED FOR SELF-DEVELOPMENT.

The Corporation has established, promulgated, and implemented a wage scale and table with the goal of paying salaries comparable with the market, in compliance with applicable law and the current state of production and business. As a result, the Corporation has completed and implemented a 3P system for evaluating job performance (KPIs) and compensating employees based on the findings of capacity assessments and individual work performance.

Government regulations. In addition to this, the Corporation offers the following insurance programs: Health Care Insurance for employees, Voluntary pension insurance, Accident insurance for employees who travel overseas on business, and Life Insurance for employees, depending on the Corporation's production and business performance.

The Corporation administers Social Insurance, Health Insurance, Unemployment Insurance, and Occupational Accident and Disease Insurance for its employees in complete compliance with the rules of the Social Insurance Law and other

Additionally, the Corporation has issued an employment policy that maintains and enforces welfare policies for all employees, as well as a number of preferred policies for competent and loyal employees at the management level and above, which include Salary, bonus, training, study, rest, housing, and other welfare arrangements.

Training and development policy

Training and development of human resources always play a very important role in production, business, and sustainable development, and the Corporation has accordingly paid attention to and developed mechanisms, policies, and regulations for scientific training which encourages staff and employees to improve their professional qualifications, including external training services and internal training.



SHARES AND SHAREHOLDERS STRUCTURE

SHARES

Total number of shares of the Corporation

391,400,000 shares

all of which are common shares

Outstanding shares

As end of 2023, the total number of outstanding shares of the Corporation is

391,334,260 shares

(excluding 65,740 treasury shares)

CHANGE IN OWNER'S EQUITY

In 2023, the Corporation had no change in owner's equity.

TREASURY SHARES

As start of 2023, the total number of treasury shares is

65,740 shares

In 2023, there were no transaction during the year.

As at 31 December 2023, it remained at

65,740 shares

NUMBER OF SHARES AND SHAREHOLDERS

Based on the shareholder listing in the Vietnam Securities Depository, as at 28 February 2024,

there was a total of

391,334,260 shares

owned by 18,463 shareholders

SHAREHOLDERS STRUCTURE

Domestic shareholders

Detailed information on domestic shareholder structure:

Shareholders	Quantity	Number of shares	Proportion of outstanding shares
Legal entities	84	264,202,124	67.51%
Individuals	17,859	92,446,237	23.63%
Total	17,943	356,648,361	91.14%

Detailed information on major domestic shareholders:

No.	Shareholders' name and address	Main business lines	Number of shares held	Proportion of outstanding shares
1.	Vietnam Oil and Gas Group Address: 18 Lang Ha Street, Ba Dinh District, Hanoi. State-Owned Corporation Website: www.pvn.vn	<ul style="list-style-type: none"> Discover, develop, process, store and transport oil, gas and other related services locally in Vietnam as well as internationally. Supply material and equipment for oil and gas industry. Distribute and trade oil, gas and petrochemical products; Invest in production and trading of electricity, biofuel and renewable energy; Ancillary businesses pertaining to oil, gas and energy industries. 	233,204,253	59.59%

Foreign shareholders

Detailed information on foreign shareholder structure:

Shareholders	Quantity	Number of shares	Proportion of outstanding shares
Legal entities	65	33,517,532	8.56%
Individuals	455	1,168,367	0.30%
Total	520	34,685,899	8.86%

Detailed information on major foreign shareholders: None

CORPORATE GOVERNANCE REPORT



In accordance with the Enterprise Law 2020, PVFCCo applied a corporate governance model that includes a General Meeting of Shareholders, a Supervisory Board, and a Board of Management. Corporate governance complied with and met the requirements of Decree No.155/2021/ND-CP, dated 31/12/2020, issued by the Government.

All internal operations, supervision, and auditing were covered by the corporate governance practices. The financial statements were prepared in accordance with the law, reflecting accurately and honestly the production and business activities of the Corporation, and they were audited by renowned external auditors approved by the Ministry of Finance.

Members of the BOD, SB, 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 SB, implementing supportive solutions in management and administration of production and business: ERP, ISO, KPI management and performance evaluation systems, etc.

BOARD OF DIRECTORS

Structure of the BOD

The Board of Directors in 2023 was elected by the General Meeting of Shareholders, including five members. (The details of member of the BOD are presented in "PVFCCo Management", pages 24-25). There is no subcommittee under BOD. The activities within BOD's authority 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 executive decisions depending on assigned fields.

Activities of the BOD in 2023

As the highest management body, the BOD represents the interests of shareholders. In 2023, the current BOD had 5 incumbent members (1 independent member) who actively fulfilled their roles and responsibilities in compliance with good corporate governance standards.

In 2023, the BOD held 7 periodical meetings, in which they solicited written opinions from their members 75 times. Resulting from these requests, 89 resolutions, key executive decisions and many directional documents on critical matters were approved as follows:

Strategic plan



- ▶ Approved and monitored the implementation of the 2023 production and business plan, adjusted a number of 2023 plan targets;
- ▶ Approved production and business plan for 2024;
- ▶ The BOD developed and reviewed the Corporation development strategy, approved the production and business plan for the 2021-2025 period.



Organization- human resources

- ▶ 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 and submitted to General Meeting of Shareholders for personnel of BOD and SB.
- ▶ Established BOD Office, re-organized an Internal Audit 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;



Investment and implementation of projects

- ▶ Directed and completed verification of settlement report on completed project as for the projects of investing and upgrading capacity of NH₃ Factory of Phu My Fertilizer Plant and building NPK Chemical Technology Fertilizer Plant.



Issued and amended regulations

- ▶ Submitted the GMS for approval on the Corporation's Charter, Internal Regulations on corporate governance, Operating Regulations of the BOD; released Regulations on Energy Efficiency of the Corporation; modified Compensation and Benefit Scheme for managers at the Corporation.



Restructuring

- ▶ The overall restructuring of the Corporation and its subsidiaries was implemented.



Investor relations

- ▶ Successfully held the Annual General Meeting of Shareholders (in June 2023). The event was directed the IR department in order to actively implement online contact and information exchange activities to ensure continuous and full disclosure of information on performance to shareholders and investors.



Selection of an independent auditor

- ▶ The BOD coordinated with the SB to select an external 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.

CORPORATE GOVERNANCE REPORT (continued)

BOARD OF DIRECTORS (continued)

Activities of the BOD in 2023 (continued)

List of resolutions and executive decisions of the Board of Directors approved and promulgated in 2023:

No.	Resolution/executive decision no.	Date	Contents
1	23-02/QĐ-PBHC	5/1/2023	Approved and issued of the Operating Regulations of the PVFCCo Military Command Board
2	23-010/QĐ-PBHC	12/1/2023	Assigned the dual role of Branch Director at PetroVietnam Fertilizer and Chemicals Corporation - Center of Research and Application
3	23-024/NQ-PBHC	17/01/2023	Approved contract and transaction of UFC85 supply between PVFCCo and PVCFC
4	23-027/NQ-PBHC	18/01/2023	Approved and assigned 2023 business plan for PetroVietnam Fertilizer and Chemicals Corporation
5	23-028/NQ-PBHC	18/01/2023	Approved 2023 business plan for North PetroVietnam Fertilizer and Chemicals Joint Stock Company
6	23-029/NQ-PBHC	18/01/2023	Approved 2023 business plan for Central PetroVietnam Fertilizer and Chemicals Joint Stock Company
7	23-030/NQ-PBHC	18/01/2023	Approved 2023 business plan for South-East PetroVietnam Fertilizer and Chemicals Joint Stock Company
8	23-031/NQ-PBHC	18/01/2023	Approved 2023 business plan for South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company
9	23-051/NQ-PBHC	3/2/2023	Made 2022 dividend payment in advance for the first time
10	23-052/QĐ-PBHC	6/2/2023	Issued the Organizational and Operational Regulations of the Branch of PetroVietnam Fertilizer and Chemicals Corporation - Center of Research and Application
11	23-063/NQ-PBHC	15/02/2023	Approved 2023 operational plan for the BOD of PetroVietnam Fertilizer and Chemicals Corporation
12	23-080/NQ-PBHC	24/02/2023	Accepted agreement for settlement of purchasing contract with PV Gas from 1 January 2014 to 31 December 2018
13	23-081/NQ-PBHC	24/02/2023	Accepted agreement for settlement of purchasing contract with PV Gas for the period 2021-2022
14	23-082/QĐ-PBHC	24/02/2023	Consolidated personnel on the Verification Team for capital settlement of the project of investing and upgraded capacity of NH ₃ Revamp - Phu My NPK Complex (Plant)
15	083/NQ-HĐQT	24/02/2023	Approved plan to organize the 2023 Annual General Meeting of Shareholders for PetroVietnam Fertilizer and Chemicals Corporation
16	23-083/NQ-PBHC	24/02/2023	Approved plan to organize the 2023 Annual General Meeting of Shareholders for PetroVietnam Fertilizer and Chemicals Corporation
17	23-084/NQ-PBHC	24/02/2023	Accepted the Agreement with Vietnam Public Joint Stock Commercial Bank for mortgaging the assets to be formed in the future of NH ₃ -NPK project
18	23-085/NQ-PBHC	24/02/2023	Approved cost estimate plan for overall maintenance of Phu My Fertilizer Plant in 2023
19	23-086/NQ-PBHC	24/02/2023	Approved adjustment and released a set of norms for NPK production at Phu My Fertilizer Plant (Norm 8.1)

No.	Resolution/executive decision no.	Date	Contents
20	23-090/QĐ-PBHC	28/02/2023	Stopped assigning tasks for managing Internal Audit Division
21	23-091/QĐ-PBHC	28/02/2023	Stopped assigning tasks for managing Internal Audit Division
22	23-092/QĐ-PBHC	28/02/2023	Established the BOD Office
23	23-093/QĐ-PBHC	28/02/2023	Shifted and appointed Department Head and staff of the BOD Office
24	23-094/QĐ-PBHC	28/02/2023	Stopped assigning tasks and appointing staff members
25	23-100/QĐ-PBHC	1/3/2023	Assigned personnel to the BOD Office starting 1 March 2023
26	23-118/NQ-PBHC	15/03/2023	Accepted procurement of Ammonia (NH ₃) between PVFCCo and PVCFC
27	23-121/NQ-PBHC	21/03/2023	Approved the 2023 Science and Technology Plan of PetroVietnam Fertilizer and Chemicals Corporation - Joint Stock Company
28	23-127/NQ-PBHC	23/03/2023	Renaming, adjusting/supplementing functions and tasks, personnel reshuffling, and supplementing workforce planning for certain departments/units within the Corporation
29	23-128/NQ-PBHC	23/03/2023	Approved the final settlement for PVFCCo's 2022 salary expenses
30	23-136/NQ-PBHC	27/03/2023	Approved and issued the Corporation's business plan for five years from 2021-2025
31	23-137/NQ-PBHC	27/03/2023	Approved 2023 operational plan for the Corporation's Internal Audit Division
32	23-170/NQ-PBHC	10/4/2023	Approved and issued the reward-penalty scheme for NPK production.
33	23-171/NQ-PBHC	10/4/2023	Approved 2023 practical program for saving and waste reduction
34	23-175/NQ-PBHC	13/04/2023	Approved appointment and re-appointment of staff members for all departments and divisions
35	23-177/NQ-PBHC	21/04/2023	Changed time to organize 2023 Annual General Meeting of Shareholders of PVFCCo
36	23-190/QĐ-PBHC	27/04/2023	Re-appointed Deputy Head and staff members for Internal Audit Division
37	23-203/QĐ-PBHC	5/5/2023	Mr. Le Van Quoc Viet – Vice President has resigned with retirement benefits
38	23-209/NQ-PBHC	11/5/2023	Approved the 2023 action plan to execute PVFCCo's 2023 mission
39	23-210/QĐ-PBHC	11/5/2023	Established PVFCCo's Internal Audit Team for the 1 st phase of 2023
40	23-229/NQ-PBHC	22/05/2023	Approved the social welfare implementation plan for 2023-2024
41	23-230/NQ-PBHC	22/05/2023	Approved the list of deposit-investment credit institutions in 2023
42	23-231/QĐ-PBHC	22/05/2023	Revised of the salary regulations, special job allowances, bonuses, and policy framework for Managers at PVFCCo
43	23-232/NQ-PBHC	22/05/2023	Approved the evaluation outcomes for the 2022 plan fulfillment across subsidiaries and affiliated units of the Corporation
44	23-236/QĐ-PBHC	25/05/2023	Stopped task assignment and changed job title for the Deputy Head of Internal Audit Division
45	23-237/QĐ-PBHC	25/05/2023	Stopped task assignment and changed job title of BOD Assistant

CORPORATE GOVERNANCE REPORT (continued)

BOARD OF DIRECTORS (continued)

Activities of the BOD in 2023 (continued)

List of resolutions and executive decisions of the Board of Directors approved and promulgated in 2023

(continued):

No.	Resolution/executive decision no.	Date	Contents
46	23-254/NQ-PBHC	5/6/2023	Approved PVFCCo's 2023 salary budget
47	23-275/NQ-PBHC	26/06/2023	Plan for nominating candidates to elect new BOD members
48	23-276/NQ-PBHC	26/06/2023	Approved the list of candidates for election as members of the BOD and SB
49	23-286/NQ-PBHC	30/06/2023	Adjusted certain standard norms
50	23-288/NQ-PBHC	30/06/2023	Issued Internal Governance Regulations for the Corporation
51	23-289/QĐ-PBHC	30/06/2023	Issued Operating Regulations for the BOD of the Corporation
52	23-290/NQ-PBHC	4/7/2023	Approved the working capital plan for Phu My branded fertilizer products in 2023
53	23-291/NQ-PBHC	4/7/2023	Policy on mobilization and appointment of Deputy Head of Planning and Investment Division
54	23-295/NQ-PBHC	6/7/2023	Assigned tasks to the Corporation's BOD regarding specialized fields and monitoring activities of departments/units under the Corporation
55	23-299/QĐ-PBHC	11/7/2023	Mobilized and appointed Deputy Head of Internal Audit Division
56	23-301/NQ-PBHC	12/07/2023	Approved the supplier selection and contract signing for financial statement auditing services in 2023
57	23-309/QĐ-PBHC	19/07/2023	Revised of the salary regulations, special job allowances, bonuses, and policy framework for Managers at PVFCCo
58	23-313/QĐ-PBHC	20/07/2023	Approved and issued Regulations on Energy Efficiency of the Corporation
59	23-325/QĐ-PBHC	2/8/2023	Shifted and appointed a new Deputy Head of BOD Office
60	23-331/NQ-PBHC	10/08/2023	Made 2022 dividend payment
61	23-339/QĐ-PBHC	15/08/2023	Dismissed the position of Vice President Ms. Le Thi Thu Huong
62	23-345/QĐ-PBHC	23/08/2023	Reconstitution of the Corporation's Scientific and Technological Council
63	23-348/QĐ-PBHC	24/08/2023	Approved salary ranges and job allowances for member of the BOD and SB
64	23-351/NQ-PBHC	25/08/2023	Approved business cooperation contract for the Hydrogen Peroxide Plant Project between PVFCCo and PV Chem
65	23-353/QĐ-PBHC	31/08/2023	Terminated labor contract with Ms. Le Thi Thu Huong
66	23-355/QĐ-PBHC	30/08/2023	Ms. Le Thi Thu Huong resigned from her position as Branch Director of Center of Research and Application

No.	Resolution/executive decision no.	Date	Contents
67	23-356/QĐ-PBHC	30/08/2023	Assigned the dual role of Branch Director at PetroVietnam Fertilizer and Chemicals Corporation - Center of Research and Application
68	23-393/NQ-PBHC	3/10/2023	Resolution of the meeting of the Corporation's BOD in September 2023
69	23-490/QĐ-PBHC	26/10/2023	Mr. Hoang Trong Dung resigned as Chairman of PetroVietnam Fertilizer and Chemicals Corporation
70	23-491/QĐ-PBHC	26/10/2023	Appointed Mr. Nguyen Ngoc Anh to be the Chairman of PetroVietnam Fertilizer and Chemicals Corporation
71	23-492/QĐ-PBHC	26/10/2023	Mr. Le Cu Tan resigned as President and CEO of PetroVietnam Fertilizer and Chemicals Corporation
72	23-493/QĐ-PBHC	26/10/2023	Appointed Mr. Dao Van Ngoc to be responsible for BOM of PetroVietnam Fertilizer and Chemicals Corporation
73	23-496/NQ-PBHC	31/10/2023	The Board of Directors delegates tasks in specialized domains and oversees the activities of departments/units within the Corporation
74	23-522/NQ-PBHC	17/11/2023	Approved allowances of positions responsible for the BOD and the BOM of the Corporation
75	23-525/QĐ-PBHC	20/11/2023	Established PVFCCo's Internal Audit Team for the 2 nd phase of 2023
76	23-536/NQ-PBHC	01/12/2023	Approved the settlement for overall maintenance of Phu My Fertilizer Plant in 2023
77	23-537/NQ-PBHC	01/12/2023	Approved the supplementary basic construction and asset procurement investment plan for 2023 within the Corporation
78	23-553/QĐ-PBHC	19/12/2023	Approved salary and job allowances for members of BOD within the Corporation
79	23-564/NQ-PBHC	26/12/2023	Resolution of the December 2023 meeting of the Corporation's BOD
80	23-565/NQ-PBHC	27/12/2023	Approved the adjustments to certain operational targets for production and business activities in 2023 at PVFCCo
81	23-566/NQ-PBHC	27/12/2023	Approved the adjustment to the 2023 North PetroVietnam Fertilizer and Chemicals Joint Stock Company
82	23-567/NQ-PBHC	27/12/2023	Approved the adjustment to the 2023 Central PetroVietnam Fertilizer and Chemicals Joint Stock Company
83	23-568/NQ-PBHC	27/12/2023	Approved the adjustment to the 2023 South East PetroVietnam Fertilizer and Chemicals Joint Stock Company
84	23-569/NQ-PBHC	27/12/2023	Approved the adjustment to the 2023 South West PetroVietnam Fertilizer and Chemicals Joint Stock Company
85	23-570/NQ-PBHC	27/12/2023	Approved and assigned PVFCCo's 2024 production and business operational plan
86	23-571/NQ-PBHC	27/12/2023	Approved the 2024 business plan of South East PetroVietnam Fertilizer and Chemicals Joint Stock Company
87	23-572/NQ-PBHC	27/12/2023	Approved the 2024 business plan of South West PetroVietnam Fertilizer and Chemicals Joint Stock Company
88	23-573/NQ-PBHC	27/12/2023	Approved the 2024 business plan of North PetroVietnam Fertilizer and Chemicals Joint Stock Company
89	23-574/NQ-PBHC	27/12/2023	Approved the 2024 business plan of Central PetroVietnam Fertilizer and Chemicals Joint Stock Company

CORPORATE GOVERNANCE REPORT (continued)

BOARD OF DIRECTORS (continued)

Training to improve BOD's corporate governance knowledge

At the time of their election or appointment, all members of the Board of Directors have expertise and training in Corporate Governance.

Implementation of corporate governance regulations

PVFCO complied with all the legal governance regulations of a listed company:

- ▶ To assure an appropriate proportion of non-executive members to independent members of the Board of Directors.
- ▶ To hold Annual General Meeting of Shareholders in full compliance with provisions of laws on business and regulations of management for publicly listed companies. To organize meetings and pass the resolutions of the BOD according to the Charter of the Corporation and the law on enterprises.
- ▶ To discharge all periodic and extraordinary information disclosure obligations for publicly listed companies in a timely and transparent manner.
- ▶ To prepare annual report and reports for submission to the General Meeting of Shareholders with full content and information on financial and production management, administration and supervision of the Corporation.
- ▶ The Board of Directors has formulated and promulgated the Regulations on Internal governance, Operational regulation of the BOD, and Regulations on the evaluation of the level of accomplishment of tasks.
- ▶ On improving corporate governance capacity in accordance with regional and international governance standards: To conduct/participate in training courses for members of the BOM/SB/BOD.



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

Non-executive and independent members of the BOD's activities

Mr. Louis T. Nguyen and Mr. Ho Quyet Thang have 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 members of the BOD on the governance/management of PVFCO in 2023



- ▶ 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 PVFCO completed and exceeded in 2023.
- ▶ 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 2023, the Corporation actively coordinated with professional consulting units to implement a restructuring program which would streamline the system while updating and perfecting the medium and long-term development strategy according to the orientation approved by the GMS.
- ▶ 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 Management 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 being wholly state-owned enterprises, the Corporation has demonstrated solid governance foundations.

CORPORATE GOVERNANCE REPORT (continued)

SUPERVISORY BOARD REPORT

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

Corporation's production results

Production output

Phu My urea: **815,548 tons**, achieving **104%** of the plan, a decrease of **11%** compared to 2022.
Phu My NPK: **121,135 tons**, achieving **101%** of the plan, a decrease of **23%** compared to 2022.

Sales volume

Phu My urea: **878,734 tons**, achieving **106%** of the plan, an increase of **11%** compared to 2022.
Phu My NPK: **137,761 tons**, achieving **106%** of the plan, an increase of **7%** compared to 2022.

Consolidated revenue

VND 14,038 billion, achieving **107%** of the plan, a decrease of **26%** compared to 2022.

Profit before tax

VND 691 billion, achieving **113%** of the plan, a decrease of **90%** compared to 2022.

Implementation of investment projects

The BOD is considering approving the NH₃-NPK project capital settlement. We've finalized the Business Cooperation Contract with PVChem for the Hydrogen Peroxide (H₂O₂) production plant project, currently under review. The construction of a 20,000-ton finished product warehouse at the Phu My Fertilizer Plant is completed. We're completing the investment efficiency assessment for the H₃PO₄ acid tank project and the feasibility report for the EU dust washing water tank construction at the NPK Plant. Other investment projects are progressing.

Regarding restructuring and completion of the governance and administration

We will expedite the construction of the overall organizational restructuring model for the Corporation's 2020-2025 phase. This involves establishing the new Center of Research and Application Branch, the Digital Transformation Project Steering Committee, and restructuring the BOD Office into a General Affairs Committee. We'll maintain the operational model of the four regional companies, review the internal regulatory document system, suspend restructuring phases 2 and 3 as proposed, and retain the headquarters at 43 Mac Dinh Chi while allocating workspace for 2 Committees within the Phu My Fertilizer Plant compound. We've updated and reported the plan to increase the charter capital for the 2023-2025 period to the relevant authorities.

Operational and financial supervisory activities

- ▶ The Corporation's financial situation is sound, with consolidated revenue exceeding targets. Selling and administrative expenses are down by 12%, equivalent to VND 183 billion compared to 2022. Consolidated profit before tax and profit after tax exceed the annual plan by 13% and 14%, respectively. As of 31 December 2023, consolidated total assets stand at VND 13,309 billion, a 25% decrease from the beginning of the year (13,309/17,699).
- ▶ Profitability ratios decreased compare to 2022, to be specific, ROA, ROE and ROS reached 3.98%, 4.59% and 4.92%, respectively. Short-term liquidity was ensured at 6.5 times.
- ▶ In 2023, the Corporation fully settled all principal and interest debts of the NH₃-NPK project, reducing payable debts by 48% or VND 1,917 billion. Receivable debts increased by 25.16%, or VND 174 billion. The parent company strategically managed and invested idle cash in term deposits, generating VND 439 billion in interest income. Capital preservation coefficient was > 1; therefore, the Corporation can preserve and develop its owners' equity.



SB and Member of the SB self-assessment report

- ▶ The SB successfully conducted regular and scheduled monitoring and oversight of the Corporation's operations, in accordance with the approved plan from the 2023 Annual General Meeting of Shareholders. Additionally, it coordinated inspections of business and production activities for 2022, as well as the first 6 and 9 months of 2023, across subsidiary companies and affiliated units.
- ▶ The SB conducted regular and systematic monitoring, providing feedback, advice, warnings, and recommendations on management and operational matters within the Corporation and its subsidiaries.
- ▶ Members of the SB have diligently addressed tasks independently, proposing solutions within their purview. They've actively attended BOD and BOM meetings, successfully fulfilling assigned duties while adhering to legal and corporate regulations.



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

- ▶ Salary, bonus and remuneration of members were setup and complied with the Decree No. 53/2016/ND-CP and the Resolution approved by the 2023 Annual General Meeting of Shareholders.
- ▶ The operating expenses of the SB 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 2023 financial statements.



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

The SB held six regular meetings to discuss task assignments, review financial statements, and approve monitoring and salary assessment reports. They also recommended the urgent completion of appointments for the Chairman and the President and CEO to ensure continuous and stable operations in accordance with legal requirements.

The report assesses transactions between the Corporation and its subsidiaries, where the Corporation holds a controlling ownership stake of fifty percent (50%) or more. It includes evaluations of transactions involving members of the Board of Directors, the President and CEO, other executives, and related parties of these subsidiaries. Additionally, it examines transactions between the Corporation and its subsidiaries, involving individuals who have served as founders or business managers within the three years preceding the transaction



The transactions between the Corporation and its subsidiaries, where the Corporation holds controlling ownership of fifty percent (50%) or more of the charter capital, involve members of the BOD, the President and CEO, other executives, and related parties.

In 2023, the Corporation has related transactions as follows:

- ▶ The Corporation engages in buying and selling fertilizer and chemical products with four subsidiary companies, where it holds controlling stakes exceeding 50%. These transactions, conducted through contracts establishing distribution networks, adhere to regulations and the Corporation's Charter, safeguarding shareholder interests.
- ▶ Transactions with related companies of major shareholders, owning over 10% stakes, include trademark usage transfers with PVN; gas purchases with PetroVietnam Gas Joint Stock Corporation, PetroVietnam Gas South East Transmission Company and PVGas; chemical purchases such as UFC85 and NH₃ with Ca Mau Petroleum Fertilizer Joint Stock Company; asset mortgage contracts for the NH₃-NPK project with PVCombank; and a Build-Contract-Commission (BCC) agreement with PVChem for the hydrogen peroxide H₂O₂ production plant project.

These transactions have been approved by the BOD and reported in the BOD operational report submitted to the GMS.

CORPORATE GOVERNANCE REPORT (continued)

SUPERVISORY BOARD REPORT (continued)

There were no transactions between the Corporation and its subsidiaries involving Board of Directors members who had served as founders or business managers within the three years preceding the transactions

Result of supervision to the BOD, President and CEO and other Managers

- ▶ The BOD has implemented the contents approved by the GMS, ensuring continuous operation of the Corporation.
- ▶ The BOD oversees specific areas, reviews matters within its jurisdiction, makes decisions, supervises, directs, and ensures the Corporation implements BOD's resolutions and executive decisions, organizing regular meetings.
- ▶ The BOD operates with a sense of responsibility and transparency in its governance practices.
- ▶ The BOM efficiently executes resolutions from the General Meeting of Shareholders, makes prompt and flexible operational decisions, and exceeds production and business plan targets for 2023.

Assessment on the coordination between SB and BOD, President and CEO and shareholders

The SB has received strong collaboration from the BOD and the President and CEO in fulfilling its duties. They have facilitated favorable conditions for the SB to effectively oversee the Corporation's management and operations, including inspections at branches and subsidiaries to enhance compliance and management effectiveness.

Assessment result of the Corporation's reports

Assessment result of Business Performance Report

The SB has thoroughly examined the manufacturing and business performance report presented in the Business Performance Report submitted to GMS. It confirms that the Corporation has largely met the 2023 business targets set by the General Meeting of Shareholders. The report accurately portrays the Corporation's manufacturing and business operations.

Assessment result of the BOD's performance report

The SB has reviewed and verified the information and figures presented in the BOD's performance report submitted to GMS and has assessed that the report has been prepared in compliance with the Law on Enterprise, the Law on Security and the Corporation's Charter as well as reflecting fairly the operation of BOD.

Verification result of financial statements for 2023

Based on the separate and consolidated financial statements for the fiscal year from 1 January 2023 to 31 December 2023 issued by the Corporation and the figures provided by the Corporation, after consideration and verifying, the SB assessed that

- ▶ The financial statements have reflected the financial position and business results of the Corporation. The preparation and presentation of the financial statements have complied with the regulations of Corporate Accounting Standards and Regimes.
- ▶ The Corporation has prepared and submitted the financial statements in accordance with regulations and periodically disclosed information to State Securities Commission and Stock Exchange according to prescribed deadlines.
- ▶ The SB agreed with the separate financial statements and consolidated financial statements for the fiscal year from 1 January 2023 to 31 December 2023, which were audited by Deloitte Vietnam and signed the audit report on 8 March 2024.

INVESTOR RELATIONS REPORT



PVFCCo'S ESG PERFORMANCE (VNSI 2023) ON HOSE'S GOVERNANCE CRITERIA: SHAREHOLDER RIGHTS (56%); STAKEHOLDER ENGAGEMENT (83%); TRANSPARENCY (89%); BOD'S RESPONSIBILITY (50%); CONTROLLED ENVIRONMENT (50%).

Objectives

Strengthened transparent and timely information disclosure; Ensuring equal treatment and safeguarding shareholder rights to enhance corporate governance quality and adherence to sustainable development standards.

- ▶ Committed 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.
- ▶ Had 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.
- ▶ Ensured that all shareholders had fair and favorable access to information through various forms of communication (direct, indirect, intermediary organizations etc.).

In 2023, the IR department implemented the following main activities

- ▶ **Meetings with shareholders:** Hosted and participated in 25 meeting events, interacting with over 500 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 market place to update information on business results and respond to investors about issues of their interest.
- ▶ **Executed regular and ad-hoc information disclosures, along with specialized communication materials tailored for shareholders and investors:** Investor newsletters issued biannually and Annual Reports, quarterly meetings to update and address inquiries regarding regular operations through both in-person and online meetings with investors and brokerage firms domestically and internationally.
- ▶ **Organized the 2023 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.
- ▶ **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.

In 2024, following the foundation and orientations on Investor Relations activities, under the direction and support of the Corporation's Board of Directors, the IR segment will continue to be consolidated and deployed in order to connect with the strategic goals of the Corporation with the goal of constantly improving the quality of corporate governance; transparency in information disclosure in all fields; ensuring compliance with regulations and principles of fair treatment of shareholders; heading to stable, sustainable development and constantly adding value to Vietnamese society, shareholders, partners and employees.

REPORT ON IDENTIFICATION AND RISK MANAGEMENT

To effectively oversee and minimize risks, ensuring the secure operation of business activities and investments in 2023, PVFCCo has pinpointed critical risk categories and executed efficient risk management measures to meet its goals.

- Ensured the safe operation of Phu My Fertilizer Plant in the context of equipment degradation, highly fluctuating raw material costs and increasingly fierce competition in the consumption market.
- 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 the sustainable development and best protection of shareholders' interests while fulfilling social responsibilities in 2023, PVFCCo successfully managed the following key risk groups:

MARKET RISK

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.

Input material prices risk

The primary raw material, namely gas prices, has experienced significant and consistent increases from 2022 to the present. This volatility has affected the PVFCCo's production costs. The global oil price has fluctuated considerably over the recent years. 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 the suitable price path for production.

Commodity price risk

Since entering into a series of Free Trade Agreements, changes in global fertilizer prices have also immediately impacted 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 in order to maintain market share and competitive advantages.

Liquidity risk

PVFCCo has developed sales and credit guidelines that conformed 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.

Product development risk

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 lead the market into the high quality product segment. Newly introduced products undergoing trial phases pose inherent risks upon entering the market.

Implementing the flexible and synchronous solutions to respond to the influences of market risk, in a timely and effective manner, ensuring the risk management plan:

- In order to support sales, PVFCCo has focused on distribution management and developed communication and branding strategies. These efforts have supported our competitive advantage and maintained profitability and the positioning of Phu My fertilizer in the domestic market.
- PVFCCo has developed communication channels with member companies and agents for capturing reliable just-in-time information to help manage changing markets affecting the industry.
- Reevaluating product pricing, enhancing marketing strategies, and exploring new online sales channels are vital steps to expand customer reach and business scale, ultimately boosting sales and reducing inventory.
- Researching and formulating rational risk management policies aim to mitigate the impact of price fluctuations on business operations.
- The management of the distribution system continues to be reinforced and refined with the objective of developing a sustainable and seamless distribution network.
- Much importance has been placed on this restructuring. PVFCCo has capitalized on its strengths and utilized resources in the most efficient way, improving its competitive advantage for the days ahead.
- In addition to market-based risk response solutions, PVFCCo has prepared a long-term market growth strategy.

RISKS IN THE PRODUCTION ACTIVITIES

PVFCCo has continuously operated the Plant safely and achieved impressive records. However, the plant has been continuously operated for 20 years, thus, there potential risks remain. Therefore, risk management activities in the following years would focus on:

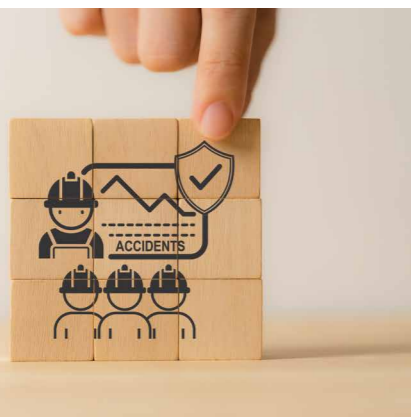
- Risk of fire and incidents at the plant disrupting production activities.
- Managing product quality.
- Managing and resolving production problems.
- Enhancing application in technological advancement and initiative promotion.
- Researching and developing new products.
- Information security risks.



REPORT ON IDENTIFICATION AND RISK MANAGEMENT (continued)

RISKS IN THE PRODUCTION ACTIVITIES (continued)

In 2023 and the coming years, PVFCCo has been recognizing and resolving issues through solutions



- ▶ Efficiently allocate resources for swift incident resolution, maintain safe operations and product quality at the Phu My Fertilizer Plant, and optimize plant maintenance.
 - ▶ To maintain the operating methods which produces the maximum output of urea products of Phu My Fertilizer and NPK Plant, as well as stably operating the UFC85/ Formaldehyde plant to improve the hardness of urea granules, enhance the product quality of PVFCCo, customers and urea plants.
 - ▶ To adjust and enact economic and technical norms to optimize production costs.
 - ▶ To concentrate on updating, developing, and promulgating technical procedures that are realistic in nature in order to quickly address abnormal manufacturing issues.
 - ▶ To seriously conduct periodic maintenance, preventive maintenance, purchase backup materials for important and high-risk equipment in the plant, especially for important static equipment. In addition, to maintain annual participation in workshops on maintenance and repair of the oil processing plants of Vietnam Oil and Gas Group where we can learn, share experiences, establish orientations, and provide management strategy for maintenance and repair according to the trends of aging machinery.
 - ▶ Leveraging advanced tools like Distributed Control System (DCS), Information Management System (IMS), Machinery Monitoring System (MMS), Program Logic Control (PLC), and Operator Training Simulator (OTS) for operations, maintenance, and equipment management.
- ▶ The Corporation has devised a long-term plant maintenance strategy, employing modern management methods like Condition Based Maintenance (CBM), Root Cause Analysis (RCA), Failure Mode and Effect Analysis (FMEA), Risk Based Inspection (RBI), Reliability Centered Maintenance (RCM), etc. It is actively implementing initiatives to boost operational efficiency and maintenance capacity at the plant, with the goal of enhancing product quality, reducing costs, and maintaining a competitive edge aligned with the Corporation's and PVN's development strategies.
 - ▶ To optimize the application of existing software systems such as CMMS system (Computerized Maintenance Management System): The activities of maintenance and repair of the plant have been completed through the CMMS system from requesting tasks to creating execution plans, exporting materials for maintenance, keeping records of maintenance results and inventory control; Oracle Process Manufacturing, etc.
 - ▶ In addition, to exploit and apply AIMS-Asset Integrity Management System and to execute RBI (Risk Based Inspection) to manage maintenance, assess equipment status, collect data for analysis and determination of equipment failure causes. Simultaneously, examining CUI (Corrosion under Insulation).
 - ▶ To organize and manage the investigation and inspection of machinery and equipment which have requirements regarding safety in the plant. Ensuring that equipment is inspected prior to use.
 - ▶ Continue to implement and enforce the system for standardizing PVFCCo material codes in accordance with the norm of Shell Mesc.

Continuing the success in production management in 2023 and upcoming years, PVFCCo would maintain and effectively execute the key investment strategy in the system of managing production of the plant, focusing on the leverage to optimize production and operation costs.

FINANCIAL RISKS

Risk of oil price increase

Ongoing conflicts between Russia and Ukraine, as well as Israel and Hamas in the Middle East, have heightened concerns of regional escalation, contributing to increased oil prices. Anticipated global economic recovery in 2024 following a recession is expected to further drive up oil demand, exacerbating price hikes.

Risks regarding exchange rate

In 2023, fluctuating foreign exchange rates, driven by ongoing interest rate hikes to curb inflation, have affected both the operational efficiency and investment projects of PVFCCo 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 2023, 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.

Inventory risk

In early 2023, the high level of finished product inventory prompted the Corporation to regularly update market forecasts and trends, both domestically and internationally. This timely information assists the Corporation in making appropriate business decisions.

Exploit export opportunities for urea to ease domestic market pressure, implement rapid business strategies, and optimize inventory to mitigate product quality risks.



REPORT ON IDENTIFICATION AND RISK MANAGEMENT

(continued)

RISKS IN PROJECT'S INVESTMENT PROGRESS

With the strategic goal of transforming PVFCCo into a leading conglomerate in the fertilizer and chemical industry, the Corporation is currently embarking on a new investment project to diversify its product range by maximizing available resources.

- ▶ The Melamine Project: Reviewing market and technical information, assessing investment effectiveness, and seeking investment partnership opportunities.
- ▶ The DEF/AdBlue Project: Updating investment opportunity reports and proposing scalable production line investments aligned with market demand.
- ▶ Researching investment opportunities for chemical projects that can be integrated with the Long Son Energy Complex and proposing to PVN (H₂SO₄, H₂O₂, NH₃ & Methanol, PVC, ABS).

RISKS REGARDING ENVIRONMENT AND REGULATIONS



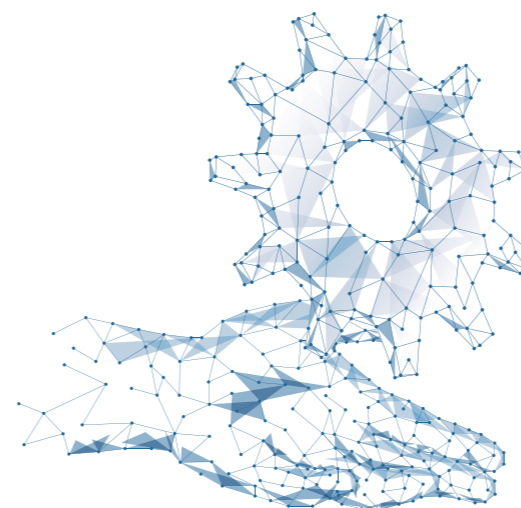
Climate change has impacted most majority of regions and crops in our country. In the future, climate change is expected to become even more unpredictable, indirectly affecting the business and production activities of fertilizer companies in general, and PVFCCo in particular.

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

PVFCCo continuously develops, implements and systematically updates risks management solutions with corporate management using advanced methods. This fulfills the role and enhances the ability of internal audit which is a crucial function in both risk and corporate management. In 2023, the internal audit division continued to perform the following tasks:

- ▶ Conducting periodic audits that combine inspection of different fields to totally examine production and business activities at branches and subsidiaries with audit program being built based on risk groups.
- ▶ Conducting thematic audits based on anticipated, recognized, and assessed operational risks can have a direct impact on business efficiency.
- ▶ Cooperated with the training consultation organization to establish a management report system at PVFCCo according to advanced method, enhancing the ability and skills of audit.
- ▶ Through annual internal audits, the internal audit function at PVFCCo continuously amends significant control issues and assesses the control efficiency in order to maintain an internal control system operating effectively.
- ▶ Consulting for the Management in limiting and preventing risks through reporting, examining and appraising reports.

In the view of "sustainable, effective and humane development" as well as constantly promoting governance in accordance with advanced practices, the Management of PVFCCo was determined to complete and effectively operate Enterprise Risk Management System (ERMS), oriented to strategic direction to enhance corporate management capacity, and maintain its leading position and brand in the fertilizer and chemicals industry among investors.

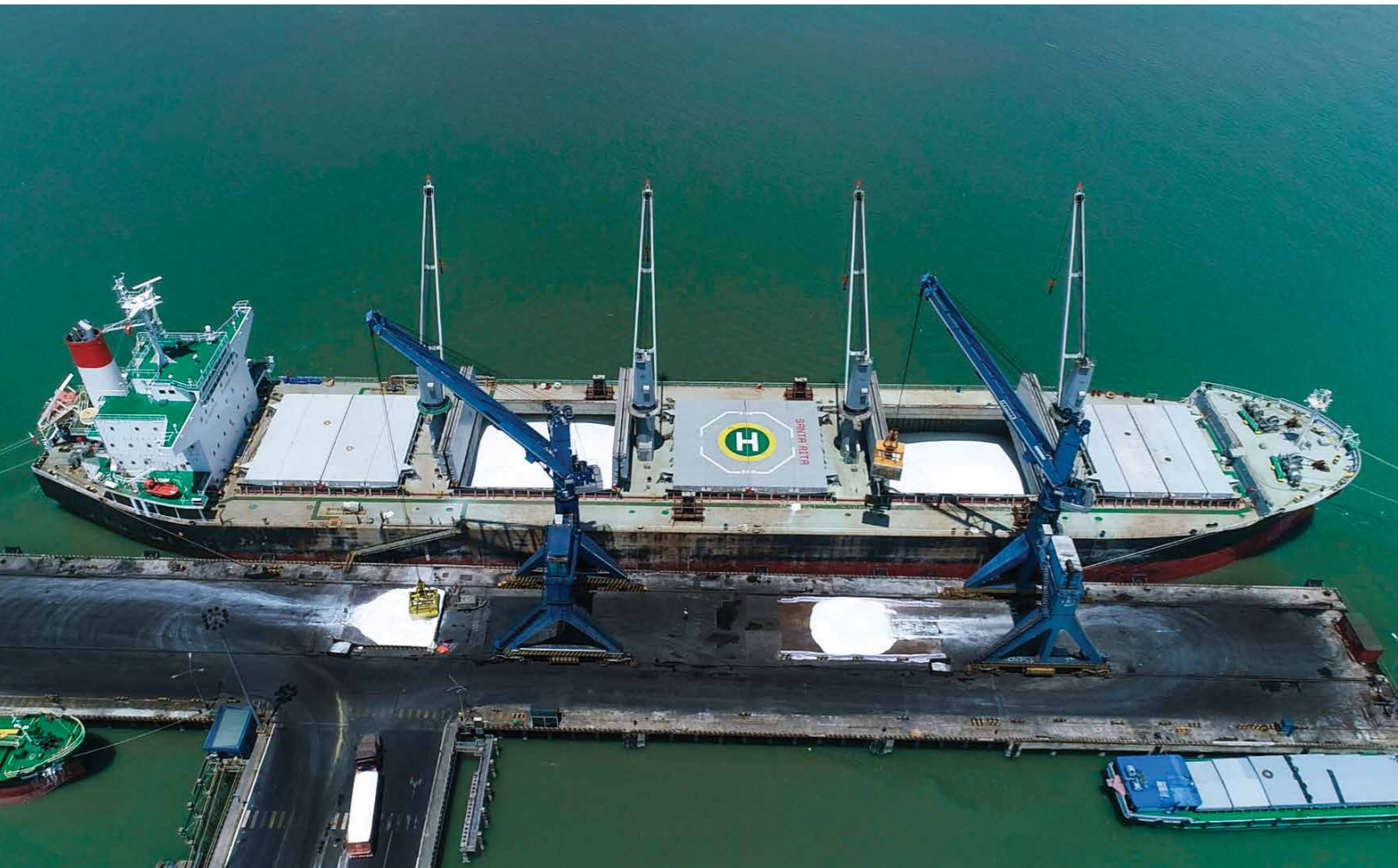


REPORT ON TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF THE BOD, BOM AND SB

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

PVFCCo implemented an executive remuneration scheme for members of the BOD, SB 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 SB are entitled to remuneration according to job role and responsibility.



Details of salaries, remuneration and bonuses in 2023

(Unit: million VND)

No.	Full name	Position	Salary	Bonus	Total income	Note
I Board of Directors			7,053.6	833.7	7,887.3	
1	Hoang Trong Dung	Chairman of the BOD, Member of the BOD	1,408.9	172.5	1,581.4	resigned as Chairman of the BOD on 27 October 2023
2	Le Cu Tan	Member of the BOD cum President and CEO	1,444.7	180.6	1,625.3	resigned as President and CEO on 27 October 2023
3	Duong Tri Hoi	Member of the BOD	1,626.4	203.3	1,829.7	
4	Trinh Van Khiem	Member of the BOD	1,549.0	193.6	1,742.6	
5	Ho Quyet Thang	Member of the BOD	668.9	83.6	752.5	held the position of Member of the BOD on 27 June 2023
6	Louis T Nguyen	Part-time members of the BOD	171.1	-	171.1	resigned as Member of the BOD on 27 June 2023
7	Nguyen Ngoc Anh	Part-time members of the BOD, in charge of the BOD	184.7	-	184.7	held the position of Member of the BOD on 27 June 2023
II Vice president, Chief accountant			9,176.1	1,147.0	10,323.1	
1	Le Van Quoc Viet	Vice president	567.0	70.9	637.9	retired from 1 June 2023
2	Le Thi Thu Huong	Former Vice president	907.3	113.4	1,020.7	resigned as Vice president on 01 September 2023
3	Dao Van Ngoc	Vice president	1,534.9	191.9	1,726.8	
4	Tran Thi Phuong Thao	Vice president	1,626.4	203.3	1,829.7	
5	Cao Trung Kien	Vice president	1,568.4	196.0	1,764.4	
6	Ta Quang Huy	Vice president	1,496.8	187.1	1,683.9	
7	Vo Ngoc Phuong	Chief accountant	1,475.3	184.4	1,659.7	
III Supervisory Board			3,058.0	353.7	3,411.7	
1	Huynh Kim Nhan	Chief supervisor	1,626.4	203.3	1,829.7	
2	Le Vinh Van	Member of the SB	548.2	68.5	616.7	resigned as Member of the SB on 27 June 2023
3	Tran Thi Phuong	Member of the SB	655.2	81.9	737.1	held the position of Member of the SB on 27 June 2023
4	Luong Phuong	Part-time members of the SB	228.2	-	228.2	
Total			19,287.7	2,334.4	21,622.1	

REPORT ON TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF THE BOD, BOM AND SB (continued)

TRADING OF INTERNAL SHAREHOLDERS' AND RELATED PERSONS' SHARES



16 January 2023

The related shareholders in a group of shareholders of Nghe An Agricultural Materials Joint Stock Corporation announced the purchase of 90,000 shares, increasing the ownership ratio of the shareholder group from 5.998% to 6.0001%.

25 April 2023

The related shareholders in a group of foreign shareholders: CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Bank announced the sale of 500,000 shares, decreasing their ownership ratio to 7.9141%.

29 May 2023

The related shareholders in a group of foreign shareholders: CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Bank announced the sale of 299,600 shares, decreasing their ownership ratio to 6.9941%.

20 June 2023

The related shareholders in a group of foreign shareholders: CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Bank announced the sale of 800,000 shares, decreasing their ownership ratio to 5.9093%.

25 August 2023

CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Samsung Vietnam Securities Master Investment Trust, Norges Bank announced the sale of 970,000 shares, decreasing their ownership ratio to 4.8491% (below 5%).

CONTRACT OR TRANSACTION WITH INTERNAL SHAREHOLDERS

In 2023, there were no transactions between the Corporation and the members of the Board of Directors, Supervisory Board, Board of Management and managers.

CONTRACTS OR TRANSACTIONS WITH RELATED ORGANIZATIONS AND INDIVIDUALS

No.	Name of organization/individual	Relationship with the Corporation	Transaction value	
			Transaction	Value (VND)
1	Vietnam Oil and Gas Group (PVN)	Major shareholders own more than 10%	PVN trademark transfer contract	7,598,052,684
2	North PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	1,893,063,337,750
3	Central PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	2,875,207,007,010
4	South-East PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	2,855,281,987,860
5	South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company	Subsidiaries	Fertilizer sales and service contracts	2,174,473,612,518
6	Branch of PetroVietnam Gas Joint Stock Corporation - JSC - Southeastern Gas Transport Company	Related companies of major shareholders owning more than 10%	Gas sales contract in 2023	5,439,322,401,180
7	PetroVietnam Gas Joint Stock Corporation - JSC	Related companies of major shareholders owning more than 10%	Final settlement of gas purchase contract 2014-2018	470,611,350,000
8	PetroVietnam Gas Joint Stock Corporation - JSC	Related companies of major shareholders owning more than 10%	Final settlement of gas purchase contract 2022	-85,777,299,704
9	PetroVietnam Ca Mau Fertilizer Joint Stock Company	Related companies of major shareholders owning more than 10%	Urea formaldehyde concentrate (UFC-85) sales contract	140,722,688,611
10	PetroVietnam Ca Mau Fertilizer Joint Stock Company	Related companies of major shareholders owning more than 10%	Ammonia sales contract	(unrealized)
11	Vietnam Public Joint-stock Commercial Bank (PVComBank) - Ho Chi Minh City Branch	Branch of related companies of major shareholders owning more than 10%	Mortgage contract for NH ₃ -NPK project	698,773,585,585

Chapter 5

SUSTAINABLE DEVELOPMENT REPORT

EFFICIENCY ASCENDS

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PRESIDENT AND CEO'S MESSAGE ON SUSTAINABLE DEVELOPMENT



IN OUR FORTHCOMING DEVELOPMENT STRATEGY, PVFCCo HAS METICULOUSLY REVIEWED, UPDATED, AND TIGHTLY INTEGRATED ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS WITH OUR TRADITIONAL BUSINESS OBJECTIVES. WE RECOGNIZE THAT CONSISTENT PURSUIT OF SUSTAINABLE DEVELOPMENT GOALS WILL BRING LONG-TERM BENEFITS, INCLUDING THE TRUST AND SUPPORT OF EMPLOYEES, PARTNERS, SHAREHOLDERS, AND THE GOVERNMENT.

PVFCCo's President and CEO undertakes the highest responsibility for the Corporation's environmental policies/issues.

On 27 March 2023, PVFCCo commemorated its illustrious 20-year journey with numerous milestones and memorable achievements.

In 2022, PVFCCo marked its 20-year milestone with remarkable achievements: Phu My Fertilizer Plant achieved the highest Urea production (920,000 tons) and longest continuous operation period; highest Urea export volume (200,000 tons); record revenue nearing VND 20,000 billion, and record profit nearing VND 7,000 billion.

Following that, on 10 October 2023, Phu My Fertilizer Plant, the core facility of PVFCCo, achieved a production milestone of 15 million tons. It was also awarded the Excellent Operation Certificate by Haldor Topsoe A/S (Denmark) for the third time, the technology licensor for Ammonia (NH₃) production.

These milestones and accomplishments are sources of immense pride, symbolizing the enduring legacy cultivated by successive generations of leadership and dedicated staff at PVFCCo over the past two decades.

At the time of transition, PVFCCo recognizes the significant transformation occurring in the fertilizer industry. On one hand, there is the challenge of balancing global food security with sustainable agricultural development. On the other hand, rapid technological and digital advancements are driving global changes. This calls for flexibility and swift adaptation from both nations and entities within the fertilizer sector to achieve sustainable and efficient development goals.

In our forthcoming development strategy, PVFCCo has meticulously reviewed, updated, and tightly integrated Environmental, Social, and Governance (ESG) factors with our traditional business objectives. We recognize that consistent pursuit of sustainable development goals will bring long-term benefits, including the trust and support of employees, partners, shareholders, and the government.

At PVFCCo, alongside updating our development direction for the next phase, in 2023, we launched the Center of Research and Application at the Phu My production center. Additionally, we established and enhanced our digital transformation department to seize and promptly realize opportunities, leveraging digital technology advantages. This ensures the reinforcement and enrichment of the values and competitive advantages accumulated over our 20-year journey for a more sustainable development path.

Despite being in the initial stages, 2023 saw active implementation of various workgroups. In the short term, the Corporation enhanced the application of digital transformation and advanced information technology in sales, marketing, and distribution system management, as well as customer data and market information quality improvement. This serves as a crucial foundation for PVFCCo to improve operational processes, formulate accurate and flexible policies, and conduct business operations. In the long term, the Corporation, along with industry partners, will continue collaborating on research to implement projects and policies aimed at realizing sustainable development goals according to medium and long-term development strategies.

With our joint efforts, consolidated resources, shared commitments, and the unwavering trust and support of shareholders and partners, I am confident that the PVFCCo team stands ready for a new chapter of growth. Together, we will continue to strive for excellence and achieve greater success in the journey ahead.

President and CEO
Phan Cong Thanh

SUSTAINABLE DEVELOPMENT REPORT'S OVERVIEW



TERM OF REPORT

PVFCCo synthesizes information and data from its actual operations for the period of 01 January 2023 to 31 December 2023, into its sustainability report, accompanying the 2023 Annual Report.

SCOPE OF REPORT

The report highlights PVFCCo's production and sales of fertilizer and chemical products in Vietnam and its overseas markets. Activities of subsidiaries are reported separately in accordance with Circular 96/2020/TT-BTC guidelines

UNITS/MEMBERS IN CHARGE OF PREPARING REPORTS

- ▶ Environmental Health and Safety Division: Focal point for preparing Environmental Report (E)
- ▶ Human Resources and Training Division: Focal point for preparing Labor and Social Report (S)
- ▶ Shareholder - Investor Relations Department (IR): Focal point for synthesizing the entire Sustainable Development Report and preparing Governance Report (G)
- ▶ Reviewing and approving the report: Chairman/President and CEO

CONTACT

We sincerely welcome your valuable input to ensure transparency and comprehensiveness in the report. Please feel free to send any contributions related to sustainable development issues to the following address:

IR Department - PetroVietnam Fertilizer and Chemicals Corporation

Address: 43 Mac Dinh Chi, Da Kao Ward, District 1, Ho Chi Minh City

Tel: 028. 3825 6258

Email: lienhe@pvfcco.com.vn

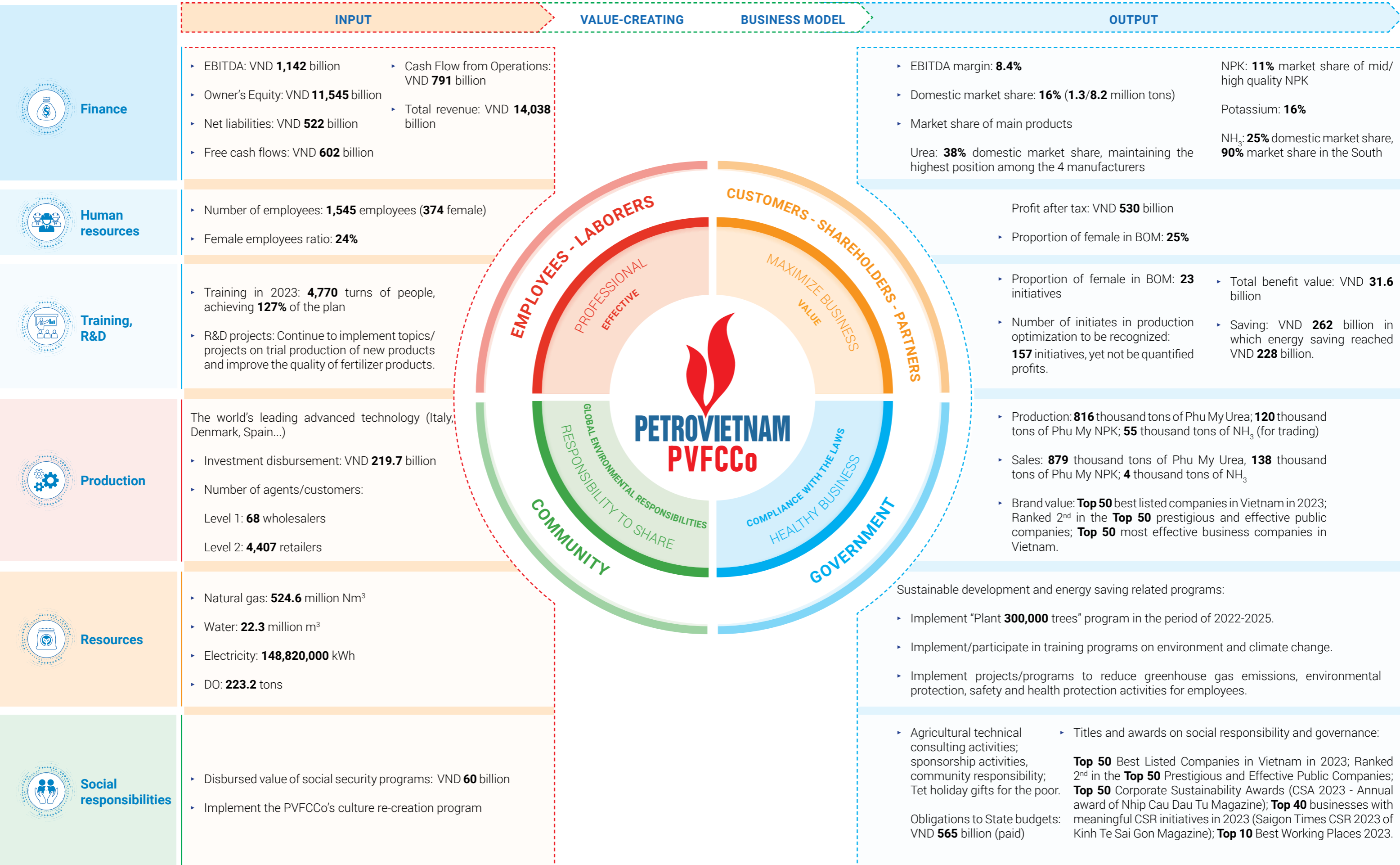
THIRD-PARTY ASSURANCE OF THE REPORT

Information and content of PVFCCo's Sustainable Development Report are confirmed by third parties, to be specific:

- ▶ Financial indicators according to PVFCCo's 2023 Financial Statements are audited by Deloitte Vietnam.
- ▶ Environmental monitoring reports at Phu My Fertilizer Plant are carried out by Environmental Monitoring Center of Ba Ria - Vung Tau Province. Environmental monitoring reports at PVFCCo's warehouses and office buildings are carried out by functional departments of provinces and cities.
- ▶ PVFCCo's results and assessments are confirmed and granted by reputable organizations such as Top 20 VNSI (Sustainable Development Index) of Ho Chi Minh City Stock Exchange (HoSE), Nhip Cau Dau Tu Magazine and Top 50 Corporate Sustainability Awards.



VALUE CREATION MODEL OF PVFCCo



OUTSTANDING AWARDS FOR SUSTAINABILITY IN 2023



Top 50 Corporate Sustainability Awards (CSA 2023) – annually organized by Nhip Cau Dau Tu Magazine to recognize and honor the enterprises making a significant contribution to develop the trend of sustainability, eco-friendliness and social fairness. PVFCCo is one of 22 listed companies to be honored in the term of “Outstanding risk management platform”.

Top 40 Typical Enterprises with practical social activities (voted by Saigon Times CSR 2023). This was the 3rd consecutive time the Corporation received this honorable award.

In the July 2023 assessment by the Ho Chi Minh City Stock Exchange (HoSE), DPM stocks maintained their inclusion in the SDI-VNSI stock basket. DPM remains the sole entity within the Vietnam Oil and Gas Group listed in the VNSI index since its inception in July 2017, achieving an overall assessment score of 80% in 2023 (Environment: 88%, Social: 80%, Governance: 66%). These 2023 scores demonstrate improvement over the previous year, notably exceeding industry and VN100 averages.

SUSTAINABLE DEVELOPMENT ORIENTATION

VISION – MISSION

PVFCCo strives to uphold its position as Vietnam’s foremost fertilizer manufacturer and distributor, while gradually diversifying into basic and petrochemicals, aiming to meet global standards in these industries.

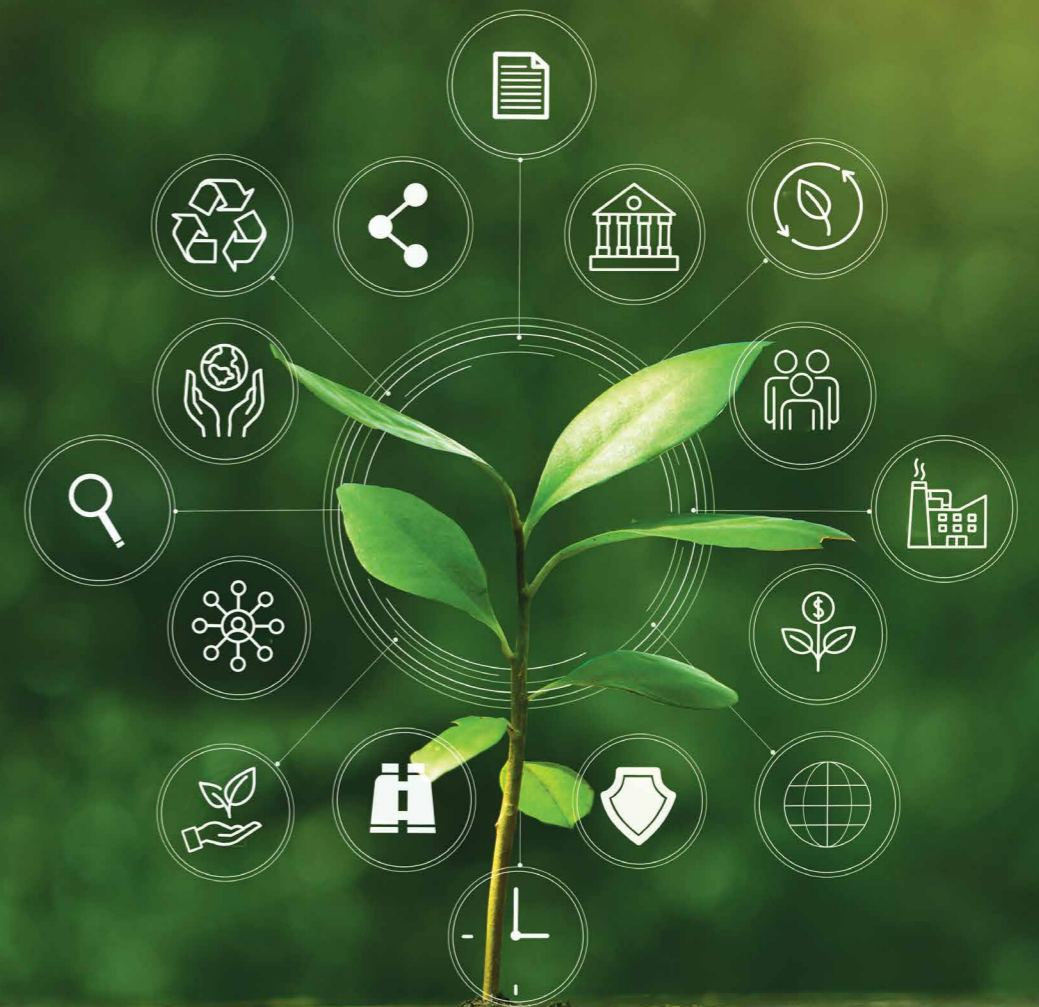
PVFCCo’S PRINCIPLES OF SUSTAINABLE DEVELOPMENT

The Corporation is a producer and distributor of fertilizer and chemicals. It is inextricably linked to agriculture, farmers, and rural Vietnam (the region accounts for 70 percent of the total population of Vietnam). In its development strategy, the Corporation considers sustainable development as its orientation, principle and core value. In the past 20 years of developing, the business orientation “developing the enterprise integrated with environmental protection and social responsibility” has been preserved and developed by generations of employees as an asset and a cultural beauty of the enterprise. The Corporation consistently pursues a balanced priority among goals and optimizes the execution thereof.

(1) Growing profitably;

(2) Growing in harmony with social aspects; raising citizens’ living standards and awareness, with a particular emphasis on agricultural regions, farmers, and rural areas;

(3) Improving the living environment, ensuring long-term and sustainable development for current and future generations



STAKEHOLDER ENGAGEMENT

PVFCCo is actively building and nurturing cooperative relationships with stakeholders, emphasizing trust, transparency, and mutual support. This strong connectivity serves as a robust foundation for our pursuit of sustainable development and our contribution to Vietnam's and the world's strategic sustainability agendas.

The specific principles and actions associated with the stakeholders of the Corporation during the past time are as follows:



Employees:

PVFCCo has built a culture of "Professionalism - Efficiency; Dynamics - Creativity; Aspiration - Outreach; and Responsibility - Sharing", through a positive and professional work environment, fair employee policy and a friendly workplace.



Customers:

Delivering high-quality products, efficient solutions, and top-notch services to customers.



Shareholders:

The Corporation consistently develops its business operations to maximize enterprise value.



Government:

PVFCCo has ensured that its business activities complied with the laws. In particular, the achievements of PVFCCo are as follows:

Contributed to the State budget VND 565 billion - achieving 235% of the plan



Business partners:

In working with strategic business partners, the principles and values applied were: Healthy competition, collaboration and advancing customer best interests.



Community and society:

The Corporation is committed to carrying out its responsibilities to the community and society.

- Besides effective development and environmental protection, the Corporation was served both the employees and society.
- In 2023, the Corporation invested nearly VND 60 billion in numerous projects/ programs.



Environmental and global issues:

Sustainable development along with environmental preservation and social responsibility is always the Corporation's motto.

During the last year, the Corporation has continued to keep its commitment to environmental protection, by actively participating in the action programs promoted by the Government within the "National environmental protection strategy to 2030, vision to 2050" and "National strategy on climate change to 2050" to implement Vietnam's commitments at the 26th Session of the Conference of Parties joining in the UN Framework Convention on Climate Change (COP26).



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023

ECONOMIC PERFORMANCE



In 2023, amid the general economic backdrop and challenges within the fertilizer market, PVFCCo diligently strived to accomplish its production and business targets for the year.

- Total revenue reached more than VND 14 trillion, a decrease of 26% compared to 2022.
- Profit before tax reached VND 691 billion, a decrease of 90% compared to 2022.

To ensure optimal use and control of its resources, PVFCCo has invested in IT such as business support software, document management software and other innovative approaches. The Corporation also invested and built its own resources planning application software such as ERP, STOP, 5S, APC, System 1, RBI, KPI, etc.

The Corporation's Management is constantly concerned with and actively manages activities aimed at improving and rationalizing production and business. In 2023, 23 initiatives were approved, resulting in a profit of VND 32 billion; and 157 initiatives to rationalize production were approved, yet not be quantified profits.

The activities relating to science and technology, research, and development continued to be cared for by the Corporation. In the period between 2020-2023, the units and the authors have strived to complete and deploy nine (9) scientific research projects, of which three (3) separate projects have been accepted and settled in 2023. In addition, there have been six (6) science and technology support activities and two (2) expenditure items for science and technology development fund management.

The Corporation effectively reformed administrative procedures, conserved resources, and avoided waste in order to reduce management and product costs. The total savings in 2023 were estimated at VND 262 billion, with approximately VND 228 billion in energy savings.

The total savings in 2023 were estimated at VND 262 billion

ENVIRONMENTAL PERFORMANCE

In 2023, HSE (Health, Safety and Environment) initiatives were challenged by broader operational difficulties within the Corporation, compounded by aging equipment risks at the Phu My Fertilizer Plant. Furthermore, stricter legal requirements for fire and explosion prevention were introduced to mitigate incidents like those experienced in 2023.

Concurrently, Vietnam's commitments to climate change mitigation, including achieving net-zero emissions by 2050, necessitated tighter environmental protection efforts from the Corporation to uphold legal compliance and sustain long-standing sustainable development goals.

To address these challenges, the Corporation endeavored to meet its 2023 HSE plan and objectives as follows:

Safety - Security, fire control, emergency response

Have been completed as per the plan and other tasks assigned by the Corporation's management team. All entities, plants, ports and warehouses have strictly complied with the Corporation's requirements and the legal regulations.

- The Corporation has not made any violations against the law on fire and labor safety.
- Phu My Fertilizer Plant has operated in a stable and safe way. Equipment incidents have been quickly discovered and resolved.
- Applied equipment safety inspection programs such as RBI, SYSTEM 1, etc. at Phu My Fertilizer Plant. Prepared Process Safety Management (PSM) for Phu My Fertilizer Plant.
- Repaired fire protection system according to the approval of the Fire Police at head offices at 43 Mac Dinh Chi and 27 Dinh Bo Linh.
- Released the Executive Decision to consolidate the Steering Committee for Emergency Response for the Corporation and enhance Steering Committee for Emergency Response for some units.
- Established new fire protection team at Chemical Mixing Factory - Chemical Business Branch.
- All units completed 100% of the plan for fire fighting rehearsals in 2023. Particularly, Phu My Fertilizer Plant has coordinated with Fire Fighting Police of Phu My Town and the fire fighting teams from Southeast Gas Transport Company, Phu My Thermal Power Plant and Phu My 3 BOT Power Company at Amo Export Station – Product Factory to jointly organize a fire fighting and prevention rehearsal.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

ENVIRONMENTAL PERFORMANCE (continued)

Safety - Security, fire control, emergency response (continued)

- ▶ The Corporation has carried out 25 inspections on EHS – Level 4 (the Corporation level), reaching 100% of the plan. In addition, safety, security and fire prevention and fire fighting inspections at all levels have been organized at Phu My Fertilizer Plant as well as other units, warehouses and ports. At the same time, occupational safety and hygiene inspections have been conducted before the upcoming holiday period.
- ▶ The inspection of all equipment and machinery with strict safety requirements based on safety has been conducted according to all legal regulations. In 2023, the Corporation inspected 1,814 pieces of equipment, reaching 100% of the plan. In addition, Phu My Fertilizer Plant conducted periodical inspection, maintenance, calibration and verification of safety and fire protection equipment, including 1,793 pieces of fire protection equipment, 154 pieces of respiratory protective equipment, 18 portable gas detectors, 2 fire trucks, and 2 ambulances.
- ▶ Developed and implemented OSH Plan for 2023 and OSH Action Month in 2023.
- ▶ Deployed 5S at the Corporation's office and maintained 5S and STOP programs at Phu My Fertilizer Plant.
- ▶ Issued Directive to strengthen response in the rainy season.
- ▶ Made Report on fire prevention and fighting activities, report on accidents in the workplace at the grassroots level in 2023 and Report on occupational safety and hygiene in 2023 to the local authorities.
- ▶ Spread safety information to employees was well maintained in the daily bulletin boards of the Corporation.
- ▶ PVFCCo estimated that the cost of fire prevention and suppression, as well as emergency response activities (including insurance against fire and explosion risks, rehearsals, trainings, propagandizing, purchasing and maintaining FPF equipment...) would be approximately VND 25 billion in 2023.



Environmental protection and waste control

- ▶ In 2023, there was no violating the law and environmental pollution incident.
- ▶ Completed the application for an Environmental Permit for the Corporation's Head office.
- ▶ Units have consistently conducted scheduled environmental monitoring as stipulated in the Environmental Impact Assessment Report, managed waste, and complied with legal requirements for environmental reporting in 2023.
- ▶ Implemented climate change mitigation and greenhouse gas emission reduction tasks: Collaborating and providing greenhouse gas inventory and climate change adaptation information to Vietnam Institute of Industrial and Trade Policy and Strategy, Department of Climate Change, Ministry of Industry and Trade and PVN.
- ▶ Gave guidance to the units on assessing and calculating positive environmental impact from planting trees within the program by the Corporation planting 300,000 trees.
- ▶ Executed environmental access and reporting for 2023 based on the industry's environmental database.
- ▶ Assessed effects and promulgated new legal documents on environment: Executive Decision No.146/QĐTTg dated 23 February 2023 releasing National plan on waste incident response during the years 2023 – 2030, Resolution No.02/2023/NĐ-CP and Circular No.01/2023/TT-BTNMT.
- ▶ Organizing activities to commemorate World Water Day, World Meteorological Day, Earth Hour campaign in 2023, and World Environment Day 2023.
- ▶ Most items of online monitoring equipment at Phu My Fertilizer Plant have been completed. Particularly for the granulating tower, continuing to follow up the feedback of MONRE on the proposal not to install online emission monitoring because no solution is found and increase monitoring frequency to once a month from 2020.
- ▶ In addition, the Corporation also implemented energy efficiency as follows:
 - Completing energy audit at the Plant in 2022, with approval from the Department of Industry and Trade of Ba Ria - Vung Tau Province.
 - Receiving the award "Enterprise for Sustainable energy development in Vietnam" on 15 January 2023 organized by Vietnam Energy Association.
 - Issuing the Corporation's energy management goal and plan for 2023
 - Updating Regulations on energy efficiency according to the new Regulation No.25/TT - BCT dated 29 September 2020 of the Ministry of Industry and Trade.
 - Supporting Vietnam Petroleum Institute (VPI) and PVN in surveys at the Plant to collect emission data and reduce greenhouse gas emissions in production activities.
 - Updating and releasing the Corporation's energy management procedures.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

ENVIRONMENTAL PERFORMANCE (continued)

Environmental protection and waste control (continued)

2023 environment-related figures are as follows:

Fuel consumption:

No.	Fuel	Unit	Amount
1	Gas	Million m ³	524.6
2	DO	Ton	223.2
3	Water	m ³	22,290,640
4	Electricity	kWh	148,820,000

Consumption water includes domestic water and groundwater serving production, river water for cooling machinery and equipment.

Waste figures:

No.	Type of waste	Unit	Emissions	Amount of treatment	Level of treatment (meet national technical regulation)
1	Wastewater	m ³	203,677	203,677	Good
2	Cooling water	m ³	27,837,071	27,837,071	Good
3	Air emission	m ³ /Quarter	11,981,273,280	11,981,273,280	Good
4	Domestic solid	Kg	115,436	115,436	Good
5	Industrial solid waste	Kg	1,331,674	1,331,674	Good
6	Hazardous waste	Kg	419,227	419,227	Good

Wastewater includes: Domestic wastewater and production wastewater.



Estimated cost for environmental activities in 2023

approximately VND **4.7** billion

Implementing energy saving and climate change mitigation

- ▶ Continue to implement projects/programs to reduce greenhouse gas emissions in accordance with the list in Appendix 1 of Vietnam Oil Corporation's action plan to mitigate and adapt to climate change from 2018 to 2030.
- ▶ Completed the energy audit at Fertilizer Plant in 2022. The Department of Industry and Trade of Ba Ria - Vung Tau Province has approved the energy audit application.

Training, coaching and propagating HSE

- ▶ In 2023, the Corporation has organized many training courses on HSE and professional skills for employees to improve their job performance and management capacity.
 - Training on OSH, Fire Control and Chemical Safety: Group safety training in accordance with the law, radiation safety in industry, coaching fire control and rescue, giving technical guidance on Basel Convention and other guidance on monitoring the management of mercury containing wastes, etc.
 - Participating in environmental and climate change workshops, including those focused on "Establishing and Implementing MRV Systems for Assessing Greenhouse Gas Emissions by the Vietnam Oil and Gas Group (2018-2030)" and "Green Finance and Carbon Credit Markets".
- ▶ Promoting during the week of occupational safety and health, World Environment Day, Earth Hour, National Fire Prevention and Fighting Day, etc.
- ▶ In 2023, the Corporation's office implemented the 5S Program for a tidy workspace, while the STOP and 5S programs were maintained and assessed regularly at the Phu My Fertilizer Plant.
- ▶ Continuing to evaluate and reward employees according to the regulation by the quarter HSE rewards to encourage employees to actively participate in HSE at workplace.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

ENVIRONMENTAL PERFORMANCE (continued)

Main tasks of the HSE work in 2024

Safety, fire control, emergency response



- ▶ Ensuring continuous safety across the Corporation's operations, preventing any incidents causing harm to people or property, and avoiding serious workplace accidents at all company sites.
- ▶ Finished upgrading and repairing the fire protection system at the Corporation's head office and branch offices.
- ▶ Continuing effective equipment maintenance inspections. Implemented Process Safety Management (PSM) system at Phu My Fertilizer Plant.
- ▶ All units conducting regular fire protection equipment checks, emergency response drills, and chemical incident plans.
- ▶ Completing HSE reporting software development for streamlined reporting.
- ▶ Supporting the implementation of safety - fire prevention requirements in the Corporation's projects.
- ▶ Planning and conducting safety and fire prevention training courses for employees.
- ▶ Maintaining training courses on safety and fire control in accordance with the law as well as the advanced professional courses to meet the work requirements and ensure safety for production and business.

Environmental acts



- ▶ No environmental incidents occurred, no administrative penalties, and ensuring full compliance with legal requirements on environmental protection
- ▶ Applying for Environmental Permits for the Corporation's projects.
- ▶ Managing wastewater, emission and solid waste in accordance with legal regulations.
- ▶ Planning and making periodic environmental inspection in accordance with the requirements of the law, the Corporation and the Units.
- ▶ Developing and updating environmental incident response and organizing training and rehearsal in accordance with legal regulations.
- ▶ Continuing to coordinate with the units to collect data to prepare for recycling plastic fertilizer packaging.
- ▶ Performing emissions inventory and developing action plans to mitigate and adapt to climate change.
- ▶ Supporting the implementation of environmental legal requirements for the Corporation's projects.
- ▶ Continuing to implement the projects under the action plan for climate change mitigation and adaptation of PVN database.

Other activities

- ▶ Maintaining and improving HSE management at the Corporation according to ISO 14001 and ISO 45001 standards.
- ▶ Purchasing mandatory fire and explosion insurance and environmental liability insurance for Phu My Fertilizer Plant and all the Corporation's projects.
- ▶ Maintaining STOP and 5S programs at Phu My Fertilizer Plant and 5S at the Corporation's offices.
- ▶ Coordinating with Youth Union and Trade Union in OSH network to organize activities to raise awareness and compliance with rules and regulations on HSE for all employees such as OSH Week, Fire Prevention Day, Earth Hour, World Environment Day, etc.
- ▶ Organizing training courses and seminars on HSE to improve professional capacity for specialized staff.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

SOCIAL PERFORMANCE

PVFCCo recognizes people as the key drivers of sustainable development. Since its establishment, the Corporation has prioritized providing employees with optimal working conditions, ample opportunities for personal and professional growth, and a fulfilling life. Additionally, PVFCCo has actively fulfilled its corporate social responsibility, emerging as a model enterprise contributing significantly to local development.

Human resources information

Total employees of the entire Corporation in 2023 (including Parent Company and its subsidiaries) were 1,545 people, consisting of 1,171 male employees (76%) and 374 female employees (24%). The average age of employees of the Corporation is 41 years old.



In particular, the achievements of PVFCCo are as follows:

Working environment and corporate culture

PVFCCo has invested in a manufacturing plant system and an office building, which are well-designed, properly ventilated, well-lit and air-conditioned. The Corporation has achieved energy efficiency and provided good working conditions for its workers.

PVFCCo introduced key performance indicators (KPI) and improved their reward system. The Corporation also set up a framework to ensure a fair and professional working environment. At the same time, PVFCCo improved its human resource policies to ensure its employees have the amicable working conditions and career advancement opportunities.



Building Corporate Culture: Accelerating Steering and Implementation Committee activities for PVFCCo culture; releasing an action plan for the last 6 months of 2023 on the basis of the Resolution of the Corporation's Communist Party on PVFCCo's cultural reproduction. Hiring consultants/experts for implementing PVFCCo's cultural reproduction; organizing 2023 PVFCCo culture seminars/workshops;

Assuring stable employment and income for the labor force. Fully implementing employee policies in accordance with national, Corporation, and labor agreements. Salary payments are made in accordance with the Corporation's regulations.

Insurance policy and other policies for employees



Annually, PVFCCo conducts health check-ups for employees in hazardous work environments to detect occupational diseases early. Additionally, medical examinations and social insurance are provided for affected employees.

To ensure financial security during illness, PVI Care insurance policies are available for employees and their families.

The Corporation continues monthly contributions to social insurance based on actual positions and salaries of employees, while also maintaining voluntary retirement and accumulated pension insurance, along with PVI Care health insurance. Assistance is provided for employees to purchase PVI Care health insurance for their family members. Sustaining employee contributions to social and voluntary retirement insurance is a key commitment, ensuring their entitlements are honored during claims processing and supplementing retirement benefits beyond statutory provisions upon retirement.

In essence, our policies demonstrate the utmost care for our employees' welfare within legal parameters and our organizational capacity. They aim to inspire creativity in their work, fostering the Corporation ongoing development and fostering enduring loyalty.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

SOCIAL PERFORMANCE (continued)

Health Care - Disease prevention

Healthcare and disease prevention measures at the Corporation remained robust in 2023, with all units conducting regular health check-ups for employees as mandated by law and the collective labor agreement.

- ▶ Employees requiring ongoing health monitoring received thorough guidance and support from the Corporation's medical officers.
- ▶ In addition, Phu My Fertilizer Plant has done screening of occupational diseases for employees to detect early and arrange for suitable outcomes. The cumulative number of employees with occupational diseases by 2023 was 27 people, of which the employees newly affected with occupational deafness were 7 people.
- ▶ Issuing Instructions on health care for employees such as Instructions for checking food safety and hygiene at canteen of the Corporation's Office; Instructions on first aid and medicine use at the Corporation's Office; Guidance on Occupational Hygiene and Employee Health management at the Corporation's Office.
- ▶ Purchasing Accident and Health Insurance (PVI Care) for all employees of the Corporation.
- ▶ Performing first aid and medicine to employees in case of occupational accidents.
- ▶ Regularly updating and implementing pandemic prevention measures (seasonal flu, monkeypox and other diseases) in accordance with the regulations, recommendations and instructions of the Vietnamese Government, the Ministry of Health, and other State agencies.
- ▶ The cost for healthcare and pandemic prevention in 2023 is estimated at about VND 10 billion (including periodic health check, occupational disease examination, procurement of medical supplies, propagandizing, training, etc.).
- ▶ In the coming time, PVFCCo will continue to promote Health Care - Disease Prevention, to be specific:
 - Updating and notifying the situation of diseases (Covid-19, monkeypox, influenza B, etc.) to have appropriate response and prevention plans.
 - Annually monitoring working environments and having occupational disease examination as a basis for improving working conditions, preventing occupational accidents and diseases for employees in the entire Corporation.
 - Organizing annual health check for employees in accordance with regulations and taking care of health at work.

Training and coaching policy

In 2023, the Corporation trained 4,770 people, reaching 127% of the year plan, with a total training budget of VND 7.8 billion (reaching 97.7% of the year plan). The number of training sessions in 2023 reached 65% compared to 2022 since the plant had an overall maintenance and some safety training courses are required every 2 years, not carrying out in 2023.



PVFCCo adhered to the Group's directive on executive training by sending 10 leaders to six leadership development programs. Collaborating with PACE Business School, PVFCCo organized specialized courses, benefiting 359 managers. Additionally, the Corporation invested in an E-learning system for enhanced training flexibility and effectiveness.

Democracy and fairness



The Corporation has implemented an employee policy effective since 1 January 2009, annually adjusted to reflect current circumstances. It includes welfare provisions for all staff and additional benefits for high performing employees with managerial and professional expertise, covering aspects such as salary, bonuses, training, education, leave, accommodation, and other welfare benefits.

Additionally, the Corporation has issued democratic regulations and established a Labor Union organization to protect workers' legitimate rights and interests. Regular dialogues, held every 3 to 6 months at the grassroots level, involve proactive collaboration between labor unions and authorities to ensure effective and compliant discussions through flexible formats. Topics include policies, welfare, income, employment, restructuring efforts, grassroots democracy regulations, and other worker-related concerns.



PVFCCo'S SUSTAINABILITY ACTIVITIES IN 2023 (continued)

SOCIAL PERFORMANCE (continued)

Customer relations, partners and social responsibility

In its production and business endeavors, PVFCCo consistently emphasizes upholding credibility, quality, and continually enhancing the value of its products and services for customers and partners.



- ▶ Ensuring high quality products is a top priority. All Phu My fertilizer products, other fertilizers and chemicals are complied with registered standards.
- ▶ To help farmers optimize the ratio of fertilizer usage and crop yield, PVFCCo partners with local authorities and scientists to organize cultivation technique workshops at experimental gardens and sample fields to train farmers.
- ▶ PVFCCo maintains its warehouse and logistics management systems well nationwide, so that their products are delivered to farmers on time at reasonable prices.
- ▶ PVFCCo maintains a product quality management system in accordance with the international standard ISO 9001:2015 to ensure that the product's quality remains consistent with its claims.
- ▶ The Corporation has established a protocol for receiving and addressing feedback from product users. Additionally, it conducts regular evaluations of customer satisfaction regarding product quality and services to continually enhance quality standards. Safety advisories for product users are also implemented.

Social responsibility – sharing benefits

Social welfare work stands as a cultural hallmark of PVFCCo. Despite enduring economic challenges due to prolonged global political and economic fluctuations, PVFCCo remains steadfast in its commitment to community responsibility, actively engaging in meaningful and practical social welfare work initiatives.

In 2023, PVFCCo allocated over VND 60 billion for various social welfare work initiatives. Notably, during the Lunar New Year, the "Tet for the Poor" program reached nearly 100 communes/wards across 40 provinces and cities, distributing over 13,000 gifts totaling VND 10 billion. This annual Tet gift-giving exemplifies PVFCCo's ongoing commitment to social welfare efforts.

Local communities value PVFCCo's proactive and socially significant social welfare work initiatives, especially for fostering community cohesion. This aligns with Resolution 43 of the Party Central Committee, emphasizing national unity and the nation's prosperity, as highlighted by President Vo Van Thuong at the recent nationwide conference on implementing the resolutions of the 8th Central Committee Plenum of the 13th Party Central Committee.



Chapter 6

FINANCIAL STATEMENTS

VALUES SPREAD

SUCCESS AHEAD

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PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION – JSC

(Incorporated in the Socialist Republic of Vietnam)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 December 2023

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STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2023.

THE BOARD OF DIRECTORS, THE EXECUTIVE BOARD AND BOARD OF SUPERVISORS

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

Board of Directors

Mr. Hoang Trong Dung	Chairman (resigned on 27 October 2023) Member
Mr. Nguyen Ngoc Anh	Member in charge of BOD (appointed on 27 October 2023) Member (appointed on 27 June 2023)
Mr. Duong Tri Hoi	Member
Mr. Trinh Van Khiem	Member
Mr. Le Cu Tan	Member (resigned on 27 June 2023)
Mr. Ho Quyet Thang	Non-executive Member (appointed on 27 June 2023)
Mr. Louis T.Nguyen	Non-executive Member (resigned on 27 June 2023)

Executive Board

Mr. Phan Cong Thanh	Chief Executive Officer (appointed on 25 January 2024)
Mr. Le Cu Tan	Chief Executive Officer (resigned on 27 October 2023)
Mr. Dao Van Ngoc	Executive Officer in charge of Executive Board (appointed on 27 October 2023 and resigned on 25 January 2024) Executive Officer
Ms. Tran Thi Phuong Thao	Executive Officer
Mr. Cao Trung Kien	Executive Officer
Mr. Ta Quang Huy	Executive Officer
Mr. Le Van Quoc Viet	Executive Officer (retired on 05 May 2023)
Ms. Le Thi Thu Huong	Executive Officer (resigned on 15 August 2023)

Board of Supervisors

Mr. Huynh Kim Nhan	Head of Board of Supervisors
Mr. Luong Phuong	Member
Ms. Tran Thi Phuong	Member (appointed on 27 June 2023)
Mr. Le Vinh Van	Member (resigned on 27 June 2023)

STATEMENT OF THE EXECUTIVE BOARD (Continued)

THE EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation 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 Corporation 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 of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Corporation 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 Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Executive Board confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Executive Board,



Tran Thi Phuong Thao
Executive Officer

(According to the Authorization Letter of the Chief Executive Officer
No. 45/UQ-PBHC dated 07 March 2024)

08 March 2024
Ho Chi Minh City, S.R. Vietnam

INDEPENDENT AUDITORS' REPORT

No:0495/VN1A-HN-BC

**TO: THE SHAREHOLDERS
THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD
PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

We have audited the accompanying consolidated financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 08 March 2024, as set out from page 112 to page 151, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated statement of income, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management 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 management 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 Corporation'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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation 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.



Khuc Thi Lan Anh
Deputy General Director

Audit Practising Registration Certificate
No. 0036-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

08 March 2024
Hanoi, S.R. Vietnam

Nguyen Thi Ngan
Auditor

Audit Practising Registration Certificate
No. 5248-2020-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2023

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

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		9,565,106,752,268	13,578,923,480,222
I. Cash and cash equivalents	110	4	1,241,561,362,115	2,083,841,053,069
1. Cash	111		574,781,435,783	307,981,912,328
2. Cash equivalents	112		666,779,926,332	1,775,859,140,741
II. Short-term financial investments	120		5,385,000,000,000	6,880,000,000,000
1. Held-to-maturity investments	123	5	5,385,000,000,000	6,880,000,000,000
III. Short-term receivables	130		642,215,358,351	458,327,989,385
1. Short-term trade receivables	131	6	432,251,479,566	234,657,477,739
2. Short-term advances to suppliers	132	7	56,288,686,447	90,137,615,251
3. Other short-term receivables	136	8	377,802,561,892	366,959,646,684
4. Provision for short-term doubtful debts	137	9	(224,127,369,554)	(233,426,873,759)
5. Deficits in assets awaiting solution	139		-	123,470
IV. Inventories	140	10	1,910,840,607,214	3,871,453,604,350
1. Inventories	141		1,942,109,074,750	4,010,984,671,397
2. Provision for devaluation of inventories	149		(31,268,467,536)	(139,531,067,047)
V. Other short-term assets	150		385,489,424,588	285,300,833,418
1. Short-term prepayments	151	11	33,978,366,057	20,104,181,210
2. Value added tax deductibles	152		310,224,881,046	256,414,054,424
3. Taxes and other receivables from the State budget	153	16	41,286,177,485	8,782,597,784
B. NON-CURRENT ASSETS	200		3,744,153,277,315	4,119,872,255,554
I. Long-term receivables	210		876,100,000	1,154,100,000
1. Other long-term receivables	216	8	876,100,000	1,154,100,000
II. Fixed assets	220		2,988,445,788,293	3,254,819,127,727
1. Tangible fixed assets	221	13	2,154,198,652,529	2,434,307,412,659
- Cost	222		11,574,815,724,954	11,487,943,997,171
- Accumulated depreciation	223		(9,420,617,072,425)	(9,053,636,584,512)
2. Intangible assets	227	14	834,247,135,764	820,511,715,068
- Cost	228		1,182,099,652,534	1,156,764,897,293
- Accumulated amortisation	229		(347,852,516,770)	(336,253,182,225)
III. Investment property	230	15	190,456,645,571	200,140,392,532
- Cost	231		317,953,542,202	317,953,542,202
- Accumulated depreciation	232		(127,496,896,631)	(117,813,149,670)
IV. Long-term assets in progress	240		261,326,265,034	218,938,454,705
1. Construction in progress	242	17	261,326,265,034	218,938,454,705
V. Long-term financial investments	250		33,359,983,256	41,768,055,625
1. Investments in joint-ventures, associates	252	18	29,759,983,256	29,279,430,994
2. Equity investments in other entities	253	5	20,502,000,000	20,502,000,000
3. Provision for impairment of long-term financial investments	254	5	(16,902,000,000)	(8,013,375,369)
VI. Other long-term assets	260		269,688,495,161	403,052,124,965
1. Long-term prepayments	261	11	57,616,661,429	41,988,497,354
2. Deferred tax assets	262	12	59,981,494,127	187,897,314,223
3. Long-term reserved spare parts	263	10	129,152,858,473	150,228,832,256
4. Other long-term assets	268		22,937,481,132	22,937,481,132
TOTAL ASSETS (270=100+200)	270		13,309,260,029,583	17,698,795,735,776

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




CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2023

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

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		1,764,060,255,739	3,681,356,971,208
I. Current liabilities	310		1,484,492,945,240	2,995,517,551,891
1. Short-term trade payables	311	19	768,442,429,490	869,008,139,154
2. Short-term advances from customers	312	20	124,312,355,882	71,911,963,956
3. Taxes and amounts payable to the State budget	313	16	6,127,123,790	296,882,468,676
4. Payables to employees	314		164,498,016,812	219,267,116,813
5. Short-term accrued expenses	315	21	239,514,869,880	802,572,736,521
6. Short-term unearned revenue	318		18,181,819	18,181,819
7. Other current payables	319	22	71,840,876,194	69,965,282,982
8. Short-term loans and obligations under finance leases	320	35	-	202,043,481,704
9. Short-term provisions	321	23	8,176,000,000	375,437,729,910
10. Bonus and welfare funds	322		101,563,091,373	88,410,450,356
II. Long-term liabilities	330		279,567,310,499	685,839,419,317
1. Other long-term payables	337	22	2,219,808,500	3,385,964,000
2. Long-term loans and obligations under finance leases	338	35	-	505,108,697,415
3. Deferred tax liabilities	341		132,540,000,000	132,540,000,000
4. Long-term provisions	342	23	102,177,312,389	-
5. Scientific and technological development fund	343		42,630,189,610	44,804,757,902
D. EQUITY	400		11,545,199,773,844	14,017,438,764,568
I. Owners' equity	410	24	11,545,199,773,844	14,017,438,764,568
1. Owners' contributed capital	411		3,914,000,000,000	3,914,000,000,000
- Ordinary shares carrying voting rights	411a		3,914,000,000,000	3,914,000,000,000
2. Share premium	412		21,179,913,858	21,179,913,858
3. Treasury shares	415		(2,296,824,120)	(2,296,824,120)
4. Investment and development fund	418		4,599,179,502,370	3,497,039,984,859
5. Retained earnings	421		2,838,340,934,833	6,401,099,929,390
- Retained earnings accumulated to the prior year end	421a		2,435,451,267,470	962,657,286,718
- Retained earnings of the current year	421b		402,889,667,363	5,438,442,642,672
6. Non-controlling interests	429		174,796,246,903	186,415,760,581
TOTAL RESOURCES (440=300+400)	440		13,309,260,029,583	17,698,795,735,776

Tran Xuan Thao
 Preparer

Vo Ngoc Phuong
 Chief Accountant

Tran Thi Phuong Thao
 Executive Officer

08 March 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		13,719,510,012,331	18,744,713,575,383
2. Deductions	02		150,324,493,920	117,534,031,118
3. Net revenue from goods sold and services rendered (10=01-02)	10	27	13,569,185,518,411	18,627,179,544,265
4. Cost of sales	11	27	11,917,438,631,877	10,788,959,662,813
5. Gross profit from goods sold and services rendered (20=10-11)	20	27	1,651,746,886,534	7,838,219,881,452
6. Financial income	21	29	457,576,170,227	365,063,532,585
7. Financial expenses	22	30	71,157,838,669	85,257,284,733
- In which: Interest expense	23		50,638,299,383	64,787,709,845
8. Share of net profit from joint-ventures, associates	24		2,664,912,263	2,662,097,523
9. Selling expenses	25	31	848,444,338,144	977,707,327,576
10. General and administration expenses	26	31	502,354,622,004	556,278,720,793
11. Operating profit (30=20+(21-22)+24-(25+26))	30		690,031,170,207	6,586,702,178,458
12. Other income	31		11,025,864,376	21,118,924,268
13. Other expenses	32		10,090,505,890	2,239,166,716
14. Profit from other activities (40=31-32)	40		935,358,486	18,879,757,552
15. Accounting profit before tax (50=30+40)	50		690,966,528,693	6,605,581,936,010
16. Current corporate income tax expense	51	32	33,233,788,075	1,129,400,312,150
17. Deferred corporate tax expense/(income)	52	32	127,915,820,096	(108,709,662,383)
18. Net profit after corporate income tax (60=50-51-52)	60		529,816,920,522	5,584,891,286,243
In which:				
18.1 Profit after tax attributable to Parent Company	61		519,466,561,842	5,564,877,377,993
18.2 Profit after tax attributable to non-controlling shareholders	62		10,350,358,680	20,013,908,250
19. Basic earnings per share	70	33	1,030	13,581


 Tran Xuan Thao
Preparer


 Vo Ngoc Phuong
Chief Accountant


 Tran Thi Phuong Thao
Executive Officer

08 March 2024

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


CONSOLIDATED CASH FLOW STATEMENT

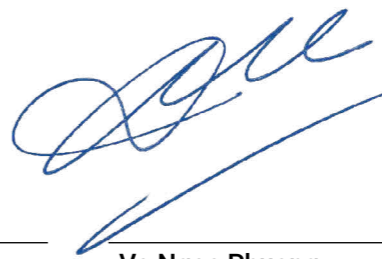
For the year ended 31 December 2023


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
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	690,966,528,693	6,605,581,936,010
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	403,299,073,758	514,801,559,639
Provisions	03	(364,604,096,606)	329,374,106,479
Foreign exchange losses arising from translating foreign currency items	04	763,978,887	4,492,199,435
Gain from investing activities	05	(452,967,211,465)	(330,771,138,384)
Interest expense	06	50,638,299,383	64,787,709,845
3. Operating profit before movements in working capital	08	328,096,572,650	7,188,266,373,024
Increase, decrease in receivables	09	(239,668,055,799)	80,003,832,513
Increase, decrease in inventories	10	2,089,951,570,430	(1,258,270,907,215)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	(551,418,283,375)	516,135,552,056
Increase, decrease in prepaid expenses	12	(29,502,348,922)	(21,066,197,693)
Interest paid	14	(76,374,372,520)	(64,435,955,328)
Corporate income tax paid	15	(344,716,043,525)	(1,209,088,866,037)
Other cash outflows	17	(231,522,416,705)	(270,280,230,233)
Net cash generated by operating activities	20	944,846,622,234	4,961,263,601,087
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(240,758,232,062)	(77,483,959,653)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	906,078,161	2,494,306,734
3. Cash outflow for lending, buying debt instruments of other entities	23	(9,615,000,000,000)	(11,790,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	11,110,000,000,000	8,365,000,000,000
5. Interest earned, dividends and profits received	27	420,929,990,034	273,435,614,320
Net cash generated by/(used in) investing activities	30	1,676,077,836,133	(3,226,554,038,599)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	-	1,059,193,105,000
2. Repayment of borrowings	34	(707,152,179,119)	(1,258,761,624,358)
3. Dividends and profits paid	36	(2,755,413,813,475)	(1,977,035,742,700)
Net cash used in financing activities	40	(3,462,565,992,594)	(2,176,604,262,058)
Net decreases in cash (50=20+30+40)	50	(841,641,534,227)	(441,894,699,570)
Cash and cash equivalents at the beginning of the year	60	2,083,841,053,069	2,524,115,312,966
Effects of changes in foreign exchange rates	61	(638,156,727)	1,620,439,673
Cash and cash equivalents at the end of the year (70=50+60+61)	70	1,241,561,362,115	2,083,841,053,069


 Tran Xuan Thao
Preparer


 Vo Ngoc Phuong
Chief Accountant


 Tran Thi Phuong Thao
Executive Officer

08 March 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 Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Corporation"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under the Enterprise Registration Certificate No. 4103007696 first issued on 31 August 2007 and the 16th amendment dated 16 February 2024, issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Corporation officially transformed its operation into parent-subsidiary model in accordance with Resolution No. 01/NQ-DHDCD released by the Shareholders' General Meeting. Accordingly, the Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC was established from functional departments of PetroVietnam Fertilizer and Chemicals Joint Stock Company, project management units and Phu My Fertilizer Plant.

As at 31 December 2023, the Corporation's charter capital was VND 3,914,000,000,000, equivalent to 391,400,000 ordinary shares, each share has par value of VND 10,000. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 05 November 2007 with the stock symbol as "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group (the "Group" or "PVN") who holds 59.58% of its charter capital as at 31 December 2023.

Operating industries and principal activities

The operating industries of the Corporation include:

- » Production and trade in fertilizer, liquid ammonia, industrial gas, other chemicals;
- » Provision of technical services relating to production and trade in fertilizer and other related chemicals (excluding heavily toxic chemicals);
- » Architectural activities and related technical consultancy;
- » Production, transmission and distribution of electricity;
- » Trade in real estates, land use rights held as owner, user or lessor;
- » Wholesale of agricultural and forestry products (excluding wood, bamboo) and living animals;
- » Goods transport services by road and by inbound waterway, processing of oil and gas-related products and minerals;
- » Vocational training;
- » Supporting services for waterway transportation; loading and unloading goods at seaports and inland terminals; and
- » Acting as vessel agent and shipping agency and providing warehousing services.

The principal activities of the Corporation are production and trade in fertilizers used in agriculture.

Normal production and business cycle

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The Corporation's structure

As at 31 December 2023, the Corporation's dependent units are as follows:

No	Name	Address
1	Phu My Fertilizer Plant	Phu My 1 Industrial Park, Phu My Ward, Phu My Town, Ba Ria – Vung Tau Province, Vietnam
2	Ho Chi Minh City Branch	27 Dinh Bo Linh Street, Ward 26, Binh Thanh District, Ho Chi Minh City, Vietnam
3	Cambodia Branch (i)	Phnom Penh, Cambodia
4	Fertilizer and Chemical Projects Management Unit	Phu My 1 Industrial Park, Phu My Ward, Phu My Town, Ba Ria – Vung Tau Province, Vietnam
5	Research and Application Center (ii)	Phu My 1 Industrial Park, Phu My Ward, Phu My Town, Ba Ria – Vung Tau Province, Vietnam

(i) According to Decision of the Board of Directors No.313/QD-PBHC dated 26 June 2014, the Corporation's Board of Directors approved the plan to liquidate the Corporation's branch at Cambodia. The Corporation is in process of liquidating its branch in Cambodia.

(ii) According to Decision of the Board of Directors No. 504/QD-PBHC dated 09 December 2022, the Corporation's Board of Directors approved the plan to establish a branch of PetroVietnam Fertilizer and Chemical Corporation - Joint Stock Company - Research and Applications Center. On 18 January 2023, the Corporation completed procedures to establish the Research and Application Center.

Details of subsidiaries and associates of the Corporation as at 31 December 2023 are as follows:

Subsidiary/associate	Location	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Subsidiaries				
1. Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75.00	75.00	Trading in fertilizer and chemicals
2. SouthWest PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75.00	75.00	Trading in fertilizer and chemicals
3. SouthEast PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75.00	75.00	Trading in fertilizer and chemicals
4. Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi	75.00	75.00	Trading in fertilizer and chemicals
Associates				
1. Dam Phu My Packaging Joint Stock Company	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages
2. PetroVietnam Urban Development JSC	Can Tho City	35.63	35.63	Construction and installation of civil and industrial works and services provision
3. Viet Nam Petrochemical and Fiber JSC	Hai Phong City	25.99	25.99	Production and sale of polyester fibers

Disclosure of information comparability in the consolidated financial statements

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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 Corporation's Branch in Cambodia uses United States Dollar (USD) as currency unit in accounting. The Corporation has translated all remaining balances of its branch in Cambodia for the year ended 31 December 2023 into VND under Vietnamese Accounting Standards, accounting regime for enterprises and related legal regulations.

The consolidated financial statements are prepared based on consolidation of separate financial statements of the Corporation and its subsidiaries' financial statements.

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

Financial year

The Corporation'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 Corporation in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of 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 Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December 2023. This control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

All inter-company 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 (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

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

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for impairment of investments (if any).

Provision for impairment of investment of held-to-maturity investments is made in accordance with prevailing accounting regulations.

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control or significant influence.

Equity investments in other entities are carried at cost less provision for impairment of such investments.

Provisions for impairment of investments in other entities are made in accordance with prevailing accounting regulations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

FORM B 09-DN/HN

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 recorded under the perpetual method. 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, except for issue cost of materials that is calculated using the FIFO 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 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 State's 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 recognized 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, structures	3 - 25
Machinery, equipment	3 - 15
Motor vehicles	5 - 10
Office equipment	3 - 9
Others	3 - 15

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

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Corporation as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Corporation as lessee

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

Intangible assets and amortization

Land use rights

The consolidated financial statement are prepared based on consolidation of separate financial statement of the company and its subsidiaries' financial statements.

Copyrights

The copyrights are initially recognized at purchase price and amortised using the straight-line basis over their estimated useful lives.

Computer software and other intangible assets

Computer software and other intangible assets are initially recognized at purchase price and amortised using the straight-line basis from 3 to 6 years.

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals. Investment properties held to earn rentals are stated at cost less accumulated depreciation. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

The Corporation does not depreciate investment real estate, which is indefinite land use rights. The remaining investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Definite land use rights	50
Buildings, structures	7 - 25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

Construction in progress

Properties in the course of construction for production, rental or administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, interest expense and other related costs in accordance with the Corporation'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.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including maintenance costs of information technology systems, insurance costs, repairing expense, land and office rentals, tools and supplies allocated and other types of prepayments.

Insurance costs represent the insurance payment in advance and charged into the consolidated income statement based on the straight-line basis over the rental term.

Land and office rentals represent the land and office rental payment in advance and allocated into income statement based on the straight-line basis over the rental term.

Maintenance costs of information technology systems are recognized based on contract purchase price and amortized to the consolidated income statement on a straight-line basis over a specified period in accordance with the current prevailing accounting regulations.

The costs of tools and supplies allocated comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Corporation and are charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

The repairing expense and other types of prepayments which are expected to provide future economic benefits to the Corporation and charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

Payable provisions

Payable provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation.

Phu My Fertilizer Plant accrued the estimated repair cost to annual expense for fixed assets which have annual overhaul. If actual amount is higher than accrued amount, the difference is included in reasonable cost. If actual amount is lower than the accrued amount, the difference is recorded as a decrease in expense during the year.

Scientific and technological development fund

Scientific and technological development fund has been made since 2014 in order to finance science and technology activities of the Corporation. This fund was formed on the basis of the Corporation's demand for development and technology innovation and is recognized in the income statement according to Joint Circular No.12/2016/TTLT-BKHHCN-BTC issued by Ministry of Science and Technology, and Ministry of Finance on 28 June 2016, amended and supplemented by Circular No.05/2022/TT-BKHHCN issued by Minister of Science and Technology on 31 May 2022 and Circular No. 67/2022/TT-BTC issued

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

by the Ministry of Finance on 07 November 2022. Accordingly, the Corporation bases on the capital demand for scientific and technological activities to appropriate a maximum of 10% of the taxable profit for this fund.

Revenue recognition

Revenue from sale of goods

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

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

Revenue from the rendering of services

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 Corporation;
- (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.

Revenue from leasing investment properties

Revenue from leasing investment properties is recognized in profit or loss on the straight-line basis over the lease term.

Financial income

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

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Sales deductions

Sales deductions include sales discount.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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.

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 31 December 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying rate announced by the 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 issued on 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200"). However, such difference has no material influence on the Corporation's consolidated financial statements for the year ended 31 December 2023.

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 and investment properties, 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.

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 Corporation 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	2,657,500,348	2,515,509,016
Bank demand deposits	572,123,935,435	305,466,403,312
Cash equivalents (i)	666,779,926,332	1,775,859,140,741
	1,241,561,362,115	2,083,841,053,069

- (i) As at 31 December 2023, cash equivalents represent time deposits with original terms from 01 to 03 months at commercial banks at the interest rates ranging from 2.5% to 5.1% per annum (as at 31 December 2022: interest rates ranging from 3.0% to 6.0% per annum).

As at 31 December 2023, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official Letter No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. Interest income from these deposits has been paid by Ocean Commercial One Member Limited Liability Bank from 01 October 2015 to present. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

5. FINANCIAL INVESTMENTS

a. Short-term financial investments

	Closing balance		Opening balance	
	Cost	VND Carrying amount	Cost	VND Carrying amount
Held-to-maturity investments				
Term deposits (i)	5,385,000,000,000	5,385,000,000,000	6,880,000,000,000	6,880,000,000,000
	5,385,000,000,000	5,385,000,000,000	6,880,000,000,000	6,880,000,000,000

- (i) Held-to-maturity investments as at 31 December 2023 represent time deposits with original terms of more than 03 months and remaining terms of less than 12 months from the consolidated balance sheet date at commercial banks at the interest rates ranging from 3.4% to 8.3% per annum (as at 31 December 2022: interest rates ranging from 3.9% to 9.5% per annum).

As at 31 December 2023, the 12-month term deposit at the Joint Stock Commercial Bank for Investment and Development of Vietnam - Phu My Branch with the amount of VND 5,852,663,400 is restricted to ensure the payment obligation for the guarantee from the bank related to the power purchase agreements for non-domestic purposes at Phu My Fertilizer Plant - branch of the Corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

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(b) Long-term financial investments

	Closing balance		Opening balance	
	Cost	Provision	VND Fair value	VND Fair value
Investments in other entities				
Petroleum Information Technology, Telecom and Automation JSC	3,600,000,000	-	(ii) 3,600,000,000	(ii)
Ut Xi Aquatic Products Processing JSC	16,902,000,000	(16,902,000,000)	(ii) 16,902,000,000	(ii) (8,013,375,369)
	20,502,000,000	(16,902,000,000)	20,502,000,000	(8,013,375,369)

(ii) For the investments in other entities, these companies have not had their shares listed on a stock exchange yet and the Corporation was unable to determine their fair values as at the consolidated balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value on these financial investments.

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 (Continued)

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6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
a. Short-term trade receivables which are not related parties		
Kumsung Enc Co., Ltd	50,007,500,000	-
Minh Dung Trading and Services Co., Ltd	46,222,847,421	59,139,170,671
Hung Thanh VTNN Co., Ltd	40,658,619,230	1,308,220,000
Tuan Vu Fertilizer Trading and Services Co., Ltd	31,999,880,000	24,957,337,700
Minh Khoa Trading and Services Co., Ltd	31,587,378,570	3,678,000,000
Others	204,856,281,335	110,059,918,451
	405,332,506,556	199,142,646,822
b. Receivables from related parties which are not related parties		
(Details stated in Note 35)	26,918,973,010	35,514,830,917
	26,918,973,010	35,514,830,917
Total	432,251,479,566	234,657,477,739

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
a. Short-term advances to suppliers which are not related parties		
Mico Mineral Mineral Industry Joint Stock Company	3,220,800,000	-
Ngoc Lan Production Trade Company Limited	-	9,153,800,000
Others	17,330,348,608	68,556,688,063
	20,551,148,608	77,710,488,063
b. Short-term advances to related parties		
(Details stated in Note 35)	35,737,537,839	12,427,127,188
	35,737,537,839	12,427,127,188
Total	56,288,686,447	90,137,615,251

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Other short-term receivables		
Viet Nam Petrochemical and Fiber JSC (i)	114,209,081,543	114,209,081,543
PetroVietnam Trade Union Finance Investment Corporation (PVFI) (ii)	110,043,267,289	110,093,267,289
Accrued interest income from term deposits	115,078,553,295	83,932,273,536
Other short-term receivables	38,471,659,765	58,725,024,316
	377,802,561,892	366,959,646,684
In which:		
Other short-term receivables from related parties	225,470,431,024	224,818,294,037
(Details stated in Note 35)		
b. Other long-term receivables		
Long-term deposits	876,100,000	1,154,100,000
	876,100,000	1,154,100,000

- (i) As at 31 December 2023, other short-term receivables for Vietnam Petrochemical and Fiber Joint Stock Company ("VNPOLY") represent (i) the total amount of VND 107,786,937.303 that the Corporation has paid according to the Counter-Guarantee Agreement between the Corporation and Vietnam Oil and Gas Group ("PVN") related to PVN's guarantee obligations for VNPOLY's medium and long-term capital loans, and (ii) other receivables of VND 6,422,144,240.

According to the Memorandum among PVN, VNPOLY and the Corporation, PVN shall be responsible for collecting the principal and interest of the guarantees having paid by parties on behalf of VNPOLY. Within 07 days from when PVN receives debt payments from VNPOLY (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in VNPOLY to the Corporation. The interest rate is determined at the rate equal to demand deposit interest rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam. The interest calculation period starts from when the Corporation pays the reciprocal guarantee amount to PVN.

As at 31 December 2023, the Executive Board assessed the recoverability of this receivable at low level as the accumulated losses of VNPOLY had exceeded its equity, and VNPOLY is unable to meet its financial obligations as and when they fall due.

- (ii) The balance of the other short-term receivables from PetroVietnam Trade and Services Joint Stock Company (formerly known as PetroVietnam Trade Union Finance Investment Corporation) ("PVTSJSC") as at 31 December 2023 represents an investment trust and its unpaid interest with the amount of VND 101,597,868,000 and VND 8,445,399,289 respectively. The Executive Board assessed the recoverability of this receivable at low level due to the PVTSJSC's difficult situation in business and operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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9. BAD DEBTS

	Closing balance		Opening balance	
	Recoverable amount	VND Overdue time	Recoverable amount	VND Overdue time
PetroVietnam Trade and Services JSC	-	Over 3 years	-	Over 3 years
- Principal of investment capital trust	-	101,597,868,000	-	101,597,868,000
- Interest of investment capital trust	-	8,445,399,289	-	8,495,399,289
Viet Nam Petrochemical and Fiber JSC	1,545,947,178	Over 3 years	1,545,947,178	Over 3 years
- Receivables relating to reciprocal guarantee commitments	-	107,786,937,303	-	107,786,937,303
- Trade receivables and other receivables	7,843,112,140	7,938,816,345	1,545,947,178	1,545,947,178
Ngoc Lan Production Trade Company Limited	-	9,153,800,000	-	Over 3 years
	225,673,316,732	1,545,947,178	234,972,820,937	1,545,947,178
Provision for short-term doubtful debts	224,127,369,554		233,426,873,759	

The recoverable amount is determined at cost less the provisions for doubtful debts made.

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
a. Inventory				
Goods in transit	70,606,174,026	-	267,561,155,169	-
Raw materials	309,731,169,770	(73,056,320)	735,311,999,640	(290,262,998)
Tools and supplies	7,276,696,097	-	4,986,330,742	-
Work in progress	75,591,581,221	-	273,274,432,238	-
Finished goods	1,212,216,519,901	(30,883,284,630)	2,003,744,144,579	(69,018,424,938)
Merchandise	266,686,933,735	(312,126,586)	726,106,609,029	(70,222,379,111)
	1,942,109,074,750	(31,268,467,536)	4,010,984,671,397	(139,531,067,047)
b. Long-term reserved spare parts	129,152,858,473	-	150,228,832,256	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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During the year, an amount of VND 217,206,678 (prior year: VND 189,745,620) was reversed for devaluation of raw materials because the Corporation has used and sold some raw materials which had been made provision in the previous period.

During the year, an amount of VND 31,195,411,216 (prior year: VND 137,234,837,162) was provided for devaluation of inventories of merchandise and finished goods as the estimated net realised amount was lower than the cost of these inventories.

During the year, an amount of VND 139,240,804,049 (prior year: VND 793,890,833) was reversed for devaluation of merchandise and finished goods. Because the Corporation has sold some merchandise and finished products which had been made provision in the previous year.

11. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
Maintenance costs of information technology systems	10,650,109,221	9,211,220,787
Insurance premiums	5,654,446,620	-
Repairing expense	3,168,037,052	-
Tools and supplies	4,395,293,493	1,743,971,610
Others	10,110,479,671	9,148,988,813
	33,978,366,057	20,104,181,210
b. Non-current		
Tools and supplies	22,592,700,959	18,505,218,044
Land and office rentals	10,364,224,313	5,612,342,663
Others	24,659,736,157	17,870,936,647
	57,616,661,429	41,988,497,354

12. LONG-TERM DEFERRED TAX ASSETS

	Closing balance VND	Opening balance VND
Accrued expenses not yet billed	35,969,702,213	162,826,836,066
Unused taxable losses	11,121,121,549	-
Unearned revenue	2,027,636,208	9,652,499,964
Others	10,863,034,157	15,417,978,193
	59,981,494,127	187,897,314,223

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST						
Opening balance	2,337,565,207,020	8,189,181,198,622	92,973,225,137	242,679,230,869	625,545,135,523	11,487,943,997,171
Additions	46,971,000,699	16,999,102,049	7,792,293,607	29,813,744,445	364,788,615	101,940,929,415
Disposals	-	(4,251,304,844)	(4,900,028,000)	(5,637,662,538)	(280,206,250)	(15,069,201,632)
Closing balance	2,384,536,207,719	8,201,928,995,827	95,865,490,744	266,855,312,776	625,629,717,888	11,574,815,724,954
ACCUMULATED DEPRECIATION						
Opening balance	1,637,245,008,964	6,659,191,488,017	78,768,220,354	214,649,275,952	463,782,591,225	9,053,636,584,512
Charge for the year	85,611,970,654	257,100,279,627	3,685,172,906	14,218,128,977	21,392,727,311	382,008,279,375
Disposals	-	(4,209,894,657)	(4,900,028,000)	(5,637,662,555)	(280,206,250)	(15,027,791,462)
Closing balance	1,722,856,979,618	6,912,081,872,887	77,553,365,260	223,229,742,374	484,895,112,286	9,420,617,072,425
NET BOOK VALUE						
Opening balance	700,320,198,056	1,529,989,710,605	14,205,004,783	28,029,954,917	161,762,544,298	2,434,307,412,659
Closing balance	661,679,228,101	1,289,847,122,940	18,312,125,484	43,625,570,402	140,734,605,602	2,154,198,652,529

The cost of the Corporation's tangible fixed assets as at 31 December 2023 includes VND 7,303,692,228,644 (31 December 2022: VND 6,723,529,088,073) of tangible fixed assets which have been fully depreciated but are still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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14. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Patent VND	Computer software VND	Others VND	Total VND
COST					
Opening balance	863,853,207,162	159,315,893,074	117,844,443,903	15,751,353,154	1,156,764,897,293
Additions	-	-	6,626,914,000	18,735,441,241	25,362,355,241
Decreases	-	-	(27,600,000)	-	(27,600,000)
Closing balance	863,853,207,162	159,315,893,074	124,443,757,903	34,486,794,395	1,182,099,652,534
ACCUMULATED AMORTISATION					
Opening balance	54,576,610,445	159,315,893,074	110,002,141,370	12,358,537,336	336,253,182,225
Charge for the year	4,847,325,295	-	4,562,035,167	2,197,686,960	11,607,047,422
Decreases	-	-	(7,712,877)	-	(7,712,877)
Closing balance	59,423,935,740	159,315,893,074	114,556,463,660	14,556,224,296	347,852,516,770
NET BOOK VALUE					
Opening balance	809,276,596,717	-	7,842,302,533	3,392,815,818	820,511,715,068
Closing balance	804,429,271,422	-	9,887,294,243	19,930,570,099	834,247,135,764

The cost of the Corporation's intangible assets as at 31 December 2023 includes VND 267,715,462,572 (31 December 2022: VND 266,581,371,663) of intangible assets which have been fully amortized but are still in use.

15. INCREASES, DECREASES IN INVESTMENT PROPERTIES

	Land use rights VND	Buildings and structures VND	Total VND
COST			
Opening balance	99,499,152,000	218,454,390,202	317,953,542,202
Closing balance	99,499,152,000	218,454,390,202	317,953,542,202
ACCUMULATED DEPRECIATION			
Opening balance	12,675,392,493	105,137,757,177	117,813,149,670
Charge for the year	1,005,683,040	8,678,063,921	9,683,746,961
Closing balance	13,681,075,533	113,815,821,098	127,496,896,631
NET BOOK VALUE			
Opening balance	86,823,759,507	113,316,633,025	200,140,392,532
Closing balance	85,818,076,467	104,638,569,104	190,456,645,571

List of investment properties

	Closing balance Cost VND	Closing balance Accumulated depreciation VND	Net book value VND	Opening balance Cost VND	Opening balance Accumulated depreciation VND	Net book value VND
Land use rights and Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City	90,358,442,144	24,097,962,643	66,260,479,501	90,358,442,144	22,512,336,643	67,846,105,501
Land use rights and Cuu Long Supermarket and Office Building at Ca Mau Province	157,460,134,120	72,301,933,250	85,158,200,870	157,460,134,120	67,009,210,926	90,450,923,194
PVFCCo Building at 43 Mac Dinh Chi, Ho Chi Minh City	70,134,965,938	31,097,000,738	39,037,965,200	70,134,965,938	28,291,602,101	41,843,363,837
Total	317,953,542,202	127,496,896,631	190,456,645,571	317,953,542,202	117,813,149,670	200,140,392,532

Fair value of investment properties

According to VAS No. 05 - Investment Properties, fair value of investment properties at the consolidated balance sheet date is required to be disclosed. However, the Corporation has not determined the fair value as at 31 December 2023; therefore, no information about the fair value of investment properties is stated at the Notes to the consolidated financial statements. In order to determine the fair value, the Corporation would require an independent consultancy company to perform the valuation. At present, the Corporation has not found a suitable consultancy company yet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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16. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance VND	Receivable/Payable during the year VND	Received/Paid during the year VND	Closing balance VND
b. Payables				
Value added tax	4,844,825,440	45,825,534,105	48,997,603,641	1,672,755,904
- VAT on domestic goods	4,844,825,440	20,600,081,288	23,772,150,824	1,672,755,904
- VAT on imports	-	25,225,452,817	25,225,452,817	-
Import-export duties	(15,482,225)	53,286,912,160	53,271,429,935	-
Corporate income tax	272,603,296,747	33,233,788,075	344,716,043,525	(38,878,958,703)
Personal income tax	(3,152,818,774)	3,152,818,774	-	-
Personal income tax	13,470,952,473	97,147,671,160	109,021,689,330	1,596,934,303
Natural resource tax	340,440,480	3,536,188,440	3,546,177,720	330,451,200
Environmental protection tax and other taxes	8,656,751	5,918,220,076	5,807,113,226	119,763,601
- Environmental protection tax	107,573,001	424,358,900	412,168,300	119,763,601
	-	3,772,750,177	3,772,750,177	-
- Other taxes	(98,916,250)	1,721,110,999	1,622,194,749	-
	288,099,870,892	242,101,132,790	565,360,057,377	(35,159,053,695)
In which:				
Taxes and other receivables from the State budget	8,782,597,784			41,286,177,485
Includes:				
- Corporate income tax at the Holding of the Corporation	-			35,961,294,531
- Corporate income tax at Cambodia Branch	3,152,818,774			-
- Corporate income tax at subsidiaries	5,515,380,535			3,755,565,433
- Personal income tax at Phu My Fertilizer Plant	-			1,569,317,521
Taxes and amounts payable to the State budget	296,882,468,676			6,127,123,790

(*) During the year, the Corporation classified the overpaid corporate income tax at the Cambodia branch as "Other short-term receivables."

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17. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
NH ₃ and NPK project	137,760,601,166	126,888,915,355
Apartment buildings for employees	36,342,070,618	36,342,070,618
Tay Ninh warehouse	29,120,068,273	29,120,068,273
20,000 tons NPK fertilizer finished goods Warehouse	11,365,026,465	531,362,867
Other projects	46,738,498,512	26,056,037,592
	261,326,265,034	218,938,454,705

18. INVESTMENTS IN ASSOCIATES

	Closing balance			Opening balance		
	Historical cost	Amount according to the equity method	VN Fair value	Historical cost	Amount according to the equity method	VN Fair value
Dam Phu My Packaging Joint Stock Company (i)	18,203,000,000	29,759,983,256	22,571,720,000	18,203,000,000	29,279,430,994	21,843,600,000
Viet Nam Petrochemical and Fiber JSC	562,700,000,000	-	(ii)	562,700,000,000	-	(ii)
PetroVietnam Urban Development JSC	100,000,000,000	-	(ii)	100,000,000,000	-	(ii)
	680,903,000,000	29,759,983,256	22,571,720,000	680,903,000,000	29,279,430,994	21,843,600,000

(i) The Corporation has determined the fair value of the investment in Phu My Fertilizer Packaging Joint Stock Company based on listed price of their shares on the stock exchange and the number of shares currently held by the Corporation.

(ii) and the Corporation was unable to determine the fair value of investments in other associates as at the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value on these financial investments.

Movements in investments in associates are as follows:

	Closing balance VND	Opening balance VND
Opening balance	29,279,430,994	28,619,663,470
Share of net profit from associates	2,664,912,263	2,662,097,523
Dividends	(2,184,360,000)	(2,002,330,000)
Other adjustment	(1)	1
Closing balance	29,759,983,256	29,279,430,994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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19. SHORT-TERM TRADE PAYABLES

	Closing balance VND	Opening balance VND
	Amount/ able to be paid off	Amount/ able to be paid off
a. Short-term trade payables		
Technip Italy S.p.A	13,896,504,050	-
CMC Technology And Solution Company Limited	6,854,085,000	-
Green Leaf International Company Limited	6,329,324,980	-
Regas Trading Fze	-	30,576,737,400
Others	182,583,558,318	257,628,977,870
	209,663,472,348	288,205,715,270
b. Short-term trade payables to related parties (Details stated in Note 35)		
	558,778,957,142	580,802,423,884
	558,778,957,142	580,802,423,884
Total	768,442,429,490	869,008,139,154

20. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
a. Short-term advances from customers		
Hung Thanh Agricultural Materials Company Limited	10,740,883,320	763,625,039
Ameropa Asia Pte., Ltd	9,736,400,000	-
Brio Agrochem Pte., Ltd	8,738,495,360	-
Forplas Industry Limited	7,076,580,000	-
Lucky Horse Trading Co., Ltd	7,327,222,000	-
Tuan Vu Fertilizer Commercial Services Company Limited	5,571,438,090	24,205,652,205
Others	75,054,712,112	46,639,854,356
	124,245,730,882	71,609,131,600
b. Short-term advances from related parties (Details stated in Note 35)		
	66,625,000	302,832,356
	66,625,000	302,832,356
Total	124,312,355,882	71,911,963,956

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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21. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accruals for construction in progress	106,797,556,696	126,967,023,088
Transportation and Loading expenses	10,295,791,956	7,110,365,817
Gas transportation expenses	3,725,626,697	469,082,932,421
Accrued interest	-	25,736,073,137
Other accruals	118,695,894,531	173,676,342,058
	239,514,869,880	802,572,736,521
In which:		
Short-term accruals with related parties (Details stated in Note 35)		
	70,989,155,110	633,850,591,589

22. OTHER PAYABLES

	Closing balance VND	Opening balance VND
a. Current		
Dividend payables	36,212,473,534	32,673,967,009
Short-term deposits received	7,558,772,997	7,172,519,938
Others	28,069,629,663	30,118,796,035
	71,840,876,194	69,965,282,982
b. Non-current		
Long-term deposits received	2,219,808,500	3,385,964,000
	2,219,808,500	3,385,964,000

23. PROVISIONS

a. Short-term payable provisions

	Provision for maintenance costs for Gas Turbine VND	Provision for repair and maintenance costs for Phu My Fertilizer Plant VND	Total VND
Opening balance	426,155,443	375,011,574,467	375,437,729,910
Additional provision for the year	8,176,000,000	-	8,176,000,000
Utilisation of provisions	(426,155,443)	(375,011,574,467)	(375,437,729,910)
Closing balance	8,176,000,000	-	8,176,000,000

b. Long-term payable provisions

	Provision for repair and maintenance costs for Phu My Fertilizer Plant VND
Opening balance	-
Reclassification to short-term provision	102,177,312,389
Closing balance	102,177,312,389

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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24. OWNERS' EQUITY

Changes in owners' equity

	Owners' contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Subtotal VND	Non-controlling interests VND	Total VND
Prior year's opening balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	3,085,566,955,137	10,515,490,029,734	197,669,690,909	10,713,159,720,643
Profit for the year	-	-	-	-	5,564,877,377,993	5,564,877,377,993	20,013,908,250	5,584,891,286,243
Distributions to bonus and welfare funds	-	-	-	-	(292,673,103,740)	(292,673,103,740)	(4,880,338,578)	(297,553,442,318)
Dividends paid by cash	-	-	-	-	(1,956,671,300,000)	(1,956,671,300,000)	(26,387,500,000)	(1,983,058,800,000)
Prior year's closing balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	6,401,099,929,390	13,831,023,003,987	186,415,760,581	14,017,438,764,568
Current year's opening balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	6,401,099,929,390	13,831,023,003,987	186,415,760,581	14,017,438,764,568
Profit for the year	-	-	-	-	519,466,561,842	519,466,561,842	10,350,358,680	529,816,920,522
Distributions to bonus and welfare funds (ii)	-	-	-	1,102,139,517,511	(1,102,139,517,511)	-	-	-
Distributions to bonus and welfare funds (i)	-	-	-	-	(240,143,117,072)	(240,143,117,072)	(2,357,372,358)	(242,500,489,430)
Dividends paid by cash (ii)	-	-	-	-	(2,739,339,820,000)	(2,739,339,820,000)	(19,612,500,000)	(2,758,952,320,000)
Other decreases	-	-	-	-	(603,101,816)	(603,101,816)	-	(603,101,816)
Current year's closing balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	4,599,179,502,370	2,838,340,934,833	11,370,403,526,941	174,796,246,903	11,545,199,773,844

(i) During the year, the Corporation and its subsidiaries made additional accruals to the Bonus and welfare funds from 2022 retained earnings and accrued funds from profit in 2023 under Resolution of Annual General Meeting of Shareholders. Details are as follows:

Company	Resolution	Amount VND	In which	
			From 2022 retained earnings VND	From profit after tax in 2023 VND
PetroVietnam Fertilizer and Chemicals Corporation - JSC	Resolution No. 57/NQ-DHDCD dated 27 June 2023	233,071,000,000	123,071,000,000	110,000,000,000
Northern PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 35/NQ-DHDCD dated 06 April năm 2023	1,925,914,654	660,296,790	1,265,617,864

(ii)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Company	Resolution	Amount VND	In which	
			From 2022 retained earnings VND	From profit after tax in 2023 VND
Central PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 84/NQ-DHDCD dated 03 April 2023	4,676,717,085	-	4,676,717,085
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 37/NQ-DHDCD dated 21 April 2023	2,414,521,605	-	2,414,521,605
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 05/NQ-DHDCD dated 25 April 2023	412,336,086	-	412,336,086
Total		242,500,489,430	123,731,296,790	118,769,192,640

(ii) During the year, the Corporation and its subsidiaries made dividend payment from profit after tax in 2022 under Resolution of Annual General Meeting of Shareholders. Details are as follows:

Company	Resolution	Description	Ex-Dividend Date	Amount
PetroVietnam Fertilizer and Chemicals Corporation - JSC	Resolution No. 55/NQ-PBHC dated 27 December 2023	The first estimated dividend from the profit in 2022	16 February 2023	1,565,337,040,000
	Resolution No. 57/NQ-DHDCD dated 27 June 2023	The last dividend from the profit in 2022	23 August 2023	1,174,002,780,000
Northern PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 35/NQ-DHDCD dated 06 April 2023	The first dividend from the profit in 2022	26 June 2023	14,400,000,000
Central PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 84/ NQ-DHDCD dated 03 April 2023	The first dividend from the profit in 2022	31 August 2023	30,000,000,000
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 77/NQ-DNB dated 11 September 2023	The first dividend from the profit in 2022	22 September 2023	18,750,000,000
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 05/NQ- NQ DHDCD dated 25 April 2023	The first dividend from the profit in 2022	11 September 2023	15,300,000,000
Total				2,817,789,820,000
<i>In which:</i>				
- Dividends to Owners				2,739,339,820,000
- Subsidiaries paid dividends to the Parent Company eliminated from the consolidated financial statements				58,837,500,000
- Dividends to Non-controlling interests				19,612,500,000

(ii)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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- (iii) According to the Resolution No.57/NQ-DHDCD dated 27 June 2023 of the General Shareholder's Meeting on approval of 2022 profit distribution plan, the Corporation made accruals to Investment and development fund with the amount of VND 1.102.139.517.511 from 2022 retain earnings (equivalent to 20%).

Shares	Closing balance	Opening balance
Number of shares issued to the public	391,400,000	391,400,000
<i>Ordinary shares</i>	<i>391,400,000</i>	<i>391,400,000</i>
Number of treasury shares	65,740	65,740
<i>Ordinary shares</i>	<i>65,740</i>	<i>65,740</i>
Number of outstanding shares in circulation	391,334,260	391,334,260
<i>Ordinary shares</i>	<i>391,334,260</i>	<i>391,334,260</i>

A common share has par value of VND 10,000.

Charter capital

According to Enterprise Registration Certificate No. 4103007696 dated 31 August 2007 and its latest amendment dated 16 June 2023 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,914,000,000,000. The charter capital was fully contributed by the shareholders as at 31 December 2023 as follows:

Shareholders	Contributed capital			
	Closing balance		Opening balance	
	Number of shares	%	Number of shares	%
Vietnam Oil and Gas Group	233,204,253	59.58	233,204,253	59.58
Others	158,130,007	40.40	158,130,007	40.40
	391,334,260	99.98	391,334,260	99.98
Treasury shares	65,740	0.02	65,740	0.02
	391,400,000	100.00	391,400,000	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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25. OFF BALANCE SHEET ITEMS

Operating lease assets

	Closing balance VND	Opening balance VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	23,225,837,580	24,701,732,130
In the second to fifth year inclusive	90,278,317,080	90,278,317,080
After five years	473,961,164,670	473,961,164,670
	587,465,319,330	588,941,213,880

Operating lease commitment of the Corporation is land and office rentals. On 03 September 2005, the Corporation was handed over Land-subleasing contract No. 178/HD/TLD/UDEC.2001 dated 01 June 2001 signed between the Project Management Unit (PMU) of Dam Phu My Plant and Ba Ria-Vung Tau Urban Development and Construction Company for the long-term lease of land and infrastructure in Phu My I Industrial Zone, Tan Thanh district, Ba Ria - Vung Tau province. The contract is valid for 17 years from 03 September 2004. According to land sub-lease contract No. 46/HD/TLD/IZICO-PVFCCo signed on 23 December 2021, from 2022 onwards, the Corporation has to pay the annual fee for leasing land and using infrastructure in VND with an amount equivalent to USD 634,066 on every 15 February. Lease term is from 23 December 2021 to 20 October 2048.

Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	5,341,665	2,764,228
Euro (EUR)	32,547	31,065

Bad debts written off

	Closing balance VND	Opening balance VND
Ngoc Lan Production Trade Company Limited	9,153,800,000	-

26. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Corporation's principal activities are production and trade of fertilizers used in agriculture. Accordingly, the information as presented in the consolidated balance sheet as at 31 December 2023 and the revenue, expenses as presented in the consolidated income statement for the year ended 31 December 2023 relate only to the trade of fertilizers. Revenue and cost of sales by product line and business are presented in Note 27.

The Corporation distributes fertilizer, chemicals, packages, and provides services throughout the country via its subsidiaries in each region, including the North, Central Region - Central Highlands, Southeast, Southwest and Ho Chi Minh City. During the year, the Corporation exported fertilizers with the revenue about VND 998.5 billion - accounting for less than 10% of gross revenue from goods sold and services rendered of the Corporation. Thus, almost all business and operating activities of the Corporation during the period were carried out within the territory of Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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27. REVENUE AND COST OF SALES

	Locally-produced products VND	Imported and domestic purchased goods VND	Total VND
Current year			
Net revenue	11,424,950,950,742	2,144,234,567,669	13,569,185,518,411
Cost of sales	(9,711,667,181,730)	(2,205,771,450,147)	(11,917,438,631,877)
Gross profit	1,713,283,769,012	(61,536,882,478)	1,651,746,886,534
Prior year			
Net revenue	16,138,188,846,810	2,488,990,697,455	18,627,179,544,265
Cost of sales	(8,385,036,284,042)	(2,403,923,378,771)	(10,788,959,662,813)
Gross profit	7,753,152,562,768	85,067,318,684	7,838,219,881,452

Details of revenue from trading locally-produced products are as follows:

	Current year VND	Prior year VND
Revenue from sale of merchandise and services		
Sales of fertilizers	10,695,632,321,267	14,448,178,535,222
Sales of chemicals	840,512,835,832	1,765,926,742,990
Others	37,553,125,063	41,235,711,997
	11,573,698,282,162	16,255,340,990,209
Deductions		
Sales discount	148,747,331,420	117,152,143,399
	148,747,331,420	117,152,143,399
Net revenue of merchandise and services	11,424,950,950,742	16,138,188,846,810

Details of cost of sales with regard to trade in locally-produced products are as follows:

	Current year VND	Prior year VND
Cost of fertilizers	9,002,866,360,466	7,628,024,817,248
Cost of chemicals	683,418,843,329	717,849,244,209
Others	25,381,977,935	39,162,222,585
	9,711,667,181,730	8,385,036,284,042

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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28. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	6,871,144,247,415	7,309,033,678,171
Labour	598,801,329,925	632,987,983,443
Depreciation and amortisation	403,299,073,758	514,801,559,639
Provision expenses	972,240,458,737	993,520,499,116
Out-sourced services	1,945,008,673	325,825,437,941
Other monetary expenses	651,985,001,608	992,144,414,585
	9,499,415,120,116	10,768,313,572,895

29. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	443,628,158,336	323,301,862,803
Foreign exchange gain	8,118,651,893	36,954,491,724
Dividends and profits received	5,829,359,998	4,807,178,058
	457,576,170,227	365,063,532,585

30. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	50,638,299,383	64,787,709,845
Foreign exchange loss	11,396,915,667	16,781,720,350
Additional provision for impairment of long-term investments	8,888,624,631	3,548,668,538
Others	233,998,988	139,186,000
	71,157,838,669	85,257,284,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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31. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Selling expenses		
Transportation, loading, unloading and storages	310,648,973,160	316,332,377,461
Social security, advertisement and marketing	277,991,474,962	342,182,753,906
Salary and other benefits for sale staff	96,768,673,993	94,320,467,849
Others	163,035,216,029	224,871,728,360
	848,444,338,144	977,707,327,576
General and administration expenses		
Administration staff costs	189,813,835,005	191,888,843,621
Depreciation and amortisation	33,553,552,368	56,254,030,719
Others	278,987,234,631	308,135,846,453
	502,354,622,004	556,278,720,793

32. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	8,905,364,717	1,126,476,674,717
Corporate income tax expense based on taxable profit in the current year	24,328,423,358	2,923,637,433
Total current corporate income tax expense	33,233,788,075	1,129,400,312,150
Deferred corporate tax expense/(income)		
Deductible temporary differences	139,036,941,645	(108,709,662,383)
Deferred tax income arising from unused tax losses	(11,121,121,549)	-
Total deferred corporate tax expense/(income)	127,915,820,096	(108,709,662,383)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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33. BASIC EARNINGS PER SHARE

	Current year	Prior year (Restated)
Profit after corporate income tax (VND)	519,466,561,842	5,564,877,377,993
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(116,576,894,479)</i>	<i>(250,000,957,914)</i>
Profit attributable to ordinary shareholders (VND)	402,889,667,363	5,314,876,420,079
Average ordinary shares in circulation for the year (shares)	391,334,260	391,334,260
Basic earnings per share (VND/share)	1,030	13,581

The bonus and welfare fund was accrued based on estimation basis, therefore, basic earnings per shares for the year ended 31 December 2023 can be changed according to the Resolution of the General Meeting of Shareholders about distribution of 2023 profit.

The basic earnings per share for the year ended at 31 December 2022 were restated due to the effect of the distribution of 2022 after-tax profit under resolutions of the Corporation's General Shareholders' Meetings (Details stated in Note 24). Accordingly, the distribution to bonus and welfare funds for the year ended 31 December 2022 were recalculated and distributed as follows:

	Reported amount	Restated amount
Profit after corporate income tax (VND)	5,564,877,377,993	5,564,877,377,993
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(126,434,735,321)</i>	<i>(250,000,957,914)</i>
Profit attributable to ordinary shareholders (VND)	5,438,442,642,672	5,314,876,420,079
Average ordinary shares in circulation for the year (shares)	391,334,260	391,334,260
Basic earnings per share (VND/share)	13,897	13,581

34. CONTINGENT LIABILITIES

Land use fee and other costs of the 0.6ha road area which has been invested and built by the Corporation in Ca Mau province

As at 31 December 2023, the Corporation is in the process of working with the People's Committee of Ca Mau Province to determine obligations to pay land use fees and other costs that may arise related to the determination of land use purpose of the 0.6 ha road area which has been invested and built by the Corporation in Ca Mau province.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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35. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Dam Phu My Packaging Joint Stock Company	Associate
Viet Nam Petrochemical and Fiber JSC	Associate
PetroVietnam Urban Development Joint Stock Company	Associate
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	Company under Vietnam Oil and Gas Group
Petro Vietnam Gas Joint Stock Corporation	Company under Vietnam Oil and Gas Group
Vietsovpetro Joint Venture	Company under Vietnam Oil and Gas Group
PTSC Phu My Port Joint Stock Company	Company under Vietnam Oil and Gas Group
PVI Holdings	Company under Vietnam Oil and Gas Group
Vietnam Petroleum Institute	Company under Vietnam Oil and Gas Group
Petro Vietnam Security Service Joint Stock Company	Company under Vietnam Oil and Gas Group
Petro Vietnam Transportation Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Services Corporation	Company under Vietnam Oil and Gas Group
PVD Trading and Technical Services Joint Stock Company	Company under Vietnam Oil and Gas Group
PTSC Thanh Hoa Port JSC	Company under Vietnam Oil and Gas Group
Petrovietnam Trade And Services Joint Stock Company	Company under Vietnam Oil and Gas Group
Vietnam Public Joint Stock Commercial Bank	Company under Vietnam Oil and Gas Group
Petro Power Renewable Energy Joint Stock Company	Company under Vietnam Oil and Gas Group
Petroleum Securities Joint Stock Company	Company under Vietnam Oil and Gas Group
PVD Trading and Technical Services Joint Stock Company	Company under Vietnam Oil and Gas Group
Petro Vietnam Chemical And Services Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam University	Company under Vietnam Oil and Gas Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Current year VND	Prior year VND
Sales		
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	127,929,716,919	146,079,718,071
Petro Power Renewable Energy Joint Stock Company	100,680,947,618	-
Petro Vietnam Gas Joint Stock Corporation	22,250,200,700	19,430,285,700
Vietsovpetro Joint Venture	9,915,044,489	8,219,111,395
PTSC Thanh Hoa Port JSC	400,000,000	396,000,000
PTSC Phu My Port Joint Stock Company	195,503,355	-
Petro Vietnam Transportation Corporation	-	1,319,760,000
Vietnam Public Joint Stock Commercial Bank	-	50,290,000
	261,371,413,081	175,495,165,166
Purchases		
Petro Vietnam Gas Joint Stock Corporation	5,197,857,025,811	5,465,081,146,347
Dam Phu My Packaging Joint Stock Company	244,877,830,362	225,497,711,280
PVI Holdings	74,298,091,250	108,780,305,300
Vietnam Oil and Gas Group	61,109,286,358	63,820,000,000
PTSC Phu My Port Joint Stock Company	18,084,275,088	13,605,479,135
Petro Vietnam Security Service Joint Stock Company	7,519,029,964	10,814,021,062
Viet Nam Petrochemical and Fiber JSC	9,558,637,383	5,408,934,288
Petro Vietnam Chemical And Services Corporation	2,171,985,286	5,160,456,000
Petro Vietnam Transportation Corporation	3,272,832,780	3,251,496,415
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	1,632,813,636	-
Vietnam Petroleum Institute	1,175,482,690	-
PVD Trading and Technical Services Joint Stock Company	-	13,432,008,532
PetroVietnam University	-	1,271,900,000
	5,621,557,290,608	5,916,123,458,359
Loans paid		
Vietnam Public Joint Stock Commercial Bank	707,152,179,119	199,568,519,358
Dividends paid		
Vietnam Oil and Gas Group	1,632,098,664,756	1,166,021,265,000
Interest expenses		
Vietnam Public Joint Stock Commercial Bank	47,162,569,134	61,123,662,622

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	Closing balance VND	Opening balance VND
Short-term trade receivables		
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	19,670,906,460	24,988,055,543
Petro Vietnam Gas Joint Stock Corporation	4,803,714,920	6,781,403,475
Vietsovpetro Joint Venture	1,003,850,000	2,100,266,064
Viet Nam Petrochemical and Fiber JSC	1,420,967,900	1,516,672,105
PTSC Thanh Hoa Port JSC	-	108,900,000
Petro Vietnam Transportation Corporation	19,533,730	19,533,730
Vietnam Public Joint Stock Commercial Bank	-	-
	26,918,973,010	35,514,830,917
Short-term advances to suppliers		
Dam Phu My Packaging Joint Stock Company	35,271,597,750	385,794,198
Vietnam Oil and Gas Group	358,835,974	-
Petroleum Securities Joint Stock Company	107,104,115	107,107,515
PVD Trading and Technical Services Joint Stock Company	-	5,745,564,576
PetroVietnam Urban Development Joint Stock Company	-	4,860,607,417
Viet Nam Petrochemical and Fiber JSC	-	1,328,053,482
	35,737,537,839	12,427,127,188
Other short-term receivables		
Viet Nam Petrochemical and Fiber JSC	114,209,081,543	114,209,081,543
Petrovietnam Trade and Services Joint Stock Company	110,043,267,289	110,093,267,289
Vietnam Public Joint Stock Commercial Bank	1,218,082,192	515,945,205
	225,470,431,024	224,818,294,037

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	Closing balance VND	Opening balance VND
Short-term trade payables		
Petro Vietnam Gas Joint Stock Corporation	485,400,818,467	468,425,781,017
Dam Phu My Packaging Joint Stock Company	63,782,261,381	28,806,646,742
PVI Holdings	6,219,891,282	125,617,477
PTSC Phu My Port Joint Stock Company	1,708,113,736	3,282,822,308
Viet Nam Petrochemical and Fiber JSC	1,383,489,268	-
Petro Vietnam Transportation Corporation	-	171,661,680
PetroVietnam Technical Services Corporation	-	42,281,377,789
PVD Trading and Technical Services Joint Stock Company	-	32,969,850,656
PetroVietnam Urban Development Joint Stock Company	-	2,719,205,271
Petro Vietnam Security Service Joint Stock Company	-	1,976,260,944
Vietnam Petroleum Institute	-	43,200,000
Petroleum Securities Joint Stock Company	-	-
	558,494,574,134	580,802,423,884
Short-term advances from customers		
PVI Holdings	66,625,000	66,625,000
Vietnam Public Joint Stock Commercial Bank	-	236,207,356
	66,625,000	302,832,356
Short-term accruals		
Vietnam Oil and Gas Group	56,065,889,597	124,108,320,518
PetroVietnam Technical Services Corporation	14,923,265,513	14,923,265,513
Petro Vietnam Gas Joint Stock Corporation	-	469,082,932,421
Vietnam Public Joint Stock Commercial Bank	-	25,736,073,137
	70,989,155,110	633,850,591,589
Loans and obligations under finance leases		
Vietnam Public Joint Stock Commercial Bank	-	707,152,179,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

Remunerations of Executive Board, Board of Directors and Board of Supervisors:

Remuneration of Executive Board, Board of Directors and Board of Supervisors in the year as below:

Name	Title	Current year VND	Prior year VND
Mr. Hoang Trong Dung	Chairman (resigned on 27 October 2023) Member of BOD (appointed 27 June 2023)	1,856,544,776	1,738,033,235
Mr. Nguyen Ngoc Anh	Member in charge of BOD (appointed 27 October 2023) Member of BOD (resigned on 27 June 2023)	109,481,454	-
Mr. Duong Tri Hoi	Member of BOD	1,733,053,857	1,740,705,755
Mr. Trinh Van Khiem	Member of BOD	1,642,081,715	1,582,343,345
Mr. Ho Quyet Thang	Non-executive Member of BOD (appointed 27 June 2023)	608,951,838	-
Mr. Le Cu Tan	Member of BOD (resigned on 27 June 2023) Chief Executive Officer (resigned on 27 October 2023)	1,889,993,078	2,003,173,733
Mr. Louis T.Nguyen	Non-executive Member of BOD (resigned on 27 June 2023)	280,456,480	192,000,000
Mr. Dao Van Ngoc	Executive Officer in charge of Executive Board (appointed 27 October 2023 and resigned 25 January 2024) Chief Executive Officer	1,596,384,952	1,598,276,612
Mr. Cao Trung Kien	Executive Officer	1,671,906,909	1,632,079,997
Ms. Tran Thi Phuong Thao	Executive Officer	1,733,053,856	1,740,705,755
Mr. Ta Quang Huy	Executive Officer	1,565,965,524	1,447,297,476
Mr. Le Van Quoc Viet	Executive Officer (retired on 05 May 2023)	1,277,703,858	1,740,705,755
Ms. Le Thi Thu Huong	Executive Officer (resigned 15 August 2023)	1,433,213,856	1,741,165,755
Mr. Huynh Kim Nhan	Head of Board of Supervisions	1,733,053,856	1,740,705,755
Mr. Luong Phuong	Member of Board of Supervisions	290,961,702	128,000,000
Ms. Tran Thi Phuong	Member of Board of Supervisions (appointed on 27 June 2023)	500,179,022	-
Mr. Le Vinh Van	Member of Board of Supervisions (resigned on 27 June 2023)	1,085,525,407	1,438,465,302
Mr. Vo Ngoc Phuong	Chief Accountant	1,572,343,719	1,576,923,395
		22,580,855,859	22,040,581,870

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

36. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION


Unused cash and cash equivalents held by the Corporation

As at 31 December 2023, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official Letter No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

37. COMMITMENT

On 06 March 2015, the Corporation and Vietnam Oil and Gas Group ("Group") signed Agreement No. 141/2015/PVFCCo/TCKT-PVN/D_NVBL on the implementation of Counter Guarantee obligations for Dinh Vu Petrochemical and Fiber Joint Stock Company (now Viet Nam Petrochemical and Fiber Joint Stock Company ("VNPOLY")) related to the Group's guarantee obligations for the loans to invest Dinh Vu Polyester Fiber Plant of VNPOLY - an associate of the Corporation. Accordingly, the amount that the Corporation shall pay to the Group according to the counter-guarantee agreement is determined by the amount the Group has paid on behalf of VNPOLY multiplied by (x) the Corporation's ownership ratio in VNPOLY (25.99%).

On 10 January 2024, the Group issued Official Letter No. 171/DKVN-TCKT announcing the Corporation's guarantee obligation of USD 25,334,317.47 for VNPOLY's overdue principal of USD 97,479. 268 USD and request the Corporation to repay the Group the amount of USD 1,266,715.87 (equivalent to VND 30,961,069,384), corresponding to 25.99% of the first installment paid by the Group to VNPOLY in the 2023 according to the committed payment schedule to banks. At the reporting date of the separate financial statements for the year ended 31 December 2023, the Corporation is working with the Group to have a plan to handle this issue according to current regulations.





Tran Xuan Thao
Preparer

Vo Ngoc Phuong
Chief Accountant

Tran Thi Phuong Thao
Executive Officer

08 March 2024



PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION

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