

MARKET IS PIONEERING MARK

BUSINESS PERFORMANCE

Organization and human resources	86
Report and Assessment of BOM	90
BOD's Assessment	102
Report of Supervisory Board	110



ORGANIZATION AND HUMAN RESOURCES

BOARD OF MANAGEMENT

List of BOM members

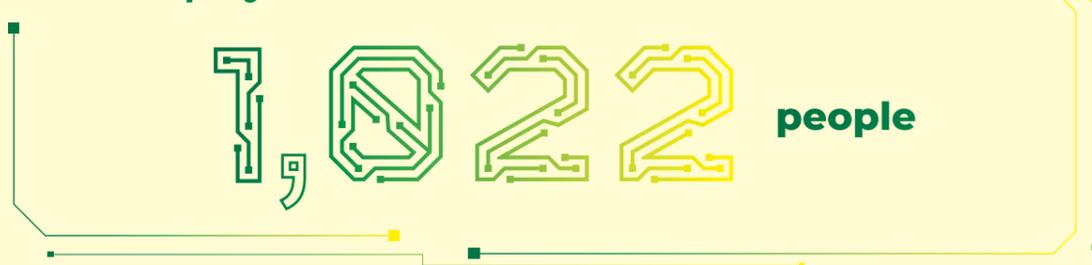
No.	Full name	Position	Number of shares owned at the end of the period	Share ownership rate at the end of the period
1	Mr. Van Tien Thanh	General Director	30,000	0.005667%
2	Mr. Tran Chi Nguyen	Deputy General Director	1,600	0.000302%
3	Mr. Le Ngoc Minh Tri	Deputy General Director	1,600	0.000302%
4	Mr. Nguyen Tuan Anh	Deputy General Director	0	0.000000%
5	Ms. Nguyen Thi Hien	Deputy General Director	0	0.000000%
6	Mr. Nguyen Thanh Tung	Deputy General Director	5,003	0.000945%
7	Mr. Dinh Nhu Cuong	Chief Accountant	52,900	0.009992%

Changes in BOM

There were no changes in BOM of PVCFC in 2021.

HUMAN RESOURCE REPORT 2021

Total employees in 2021



Overview of human resources

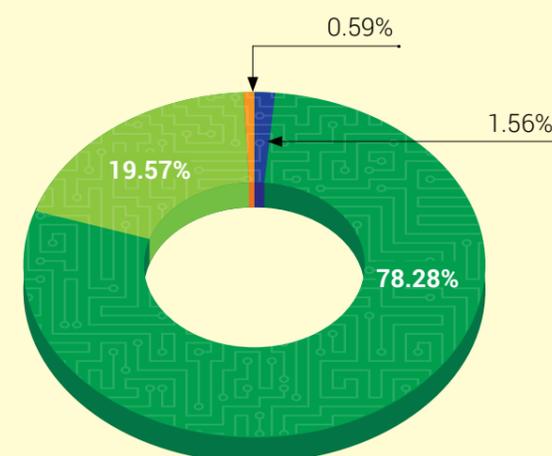
As of 31 December 2021, the total number of employees of PVCFC is 1,022 employees. The Company's labor structure by functional division, gender, term of labor contract and professional qualification is shown as follows:



PVCFC engineers were inspecting machinery at Ca Mau Fertilizer Plant

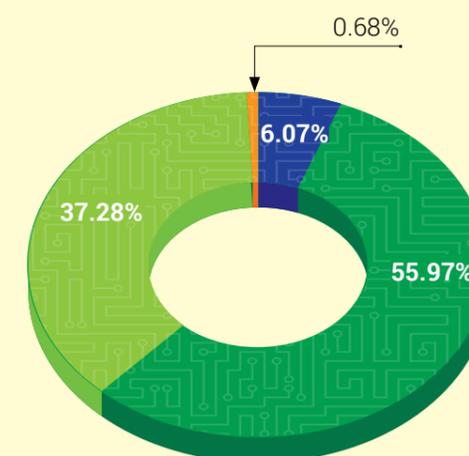


By term of labor contract



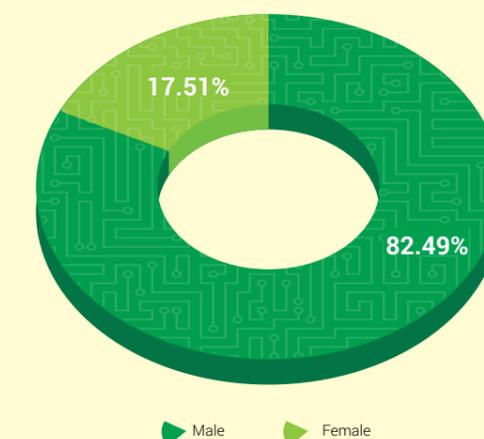
- No signed labor contract (appointed by PVN and unspecialized members of SB)
- Indefinite-term labor contract
- Definite-term labor contract from 01 to 03 years
- Short-term labor contract under 01 year

By professional qualification



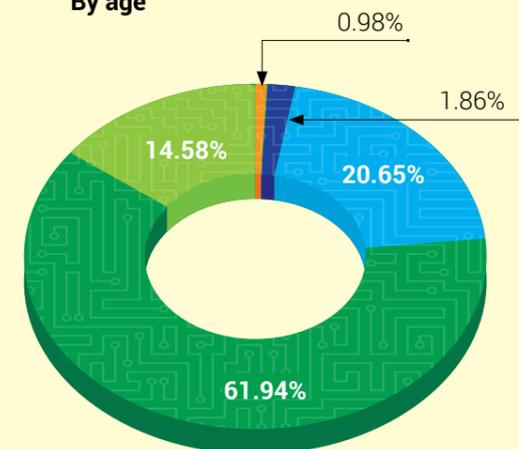
- Post-graduate
- University
- College, Intermediate, Elementary
- Common labor

By gender



- Male
- Female

By age



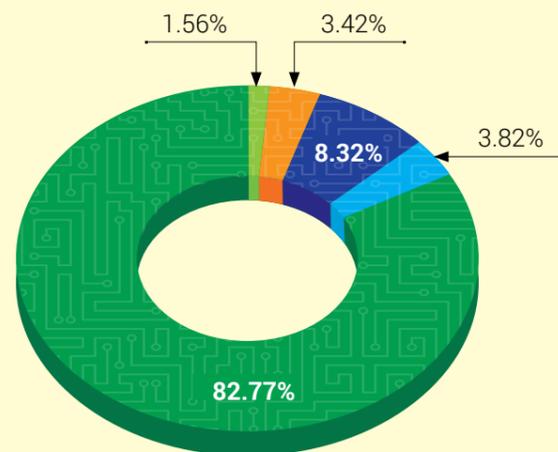
- Over 55
- 50 - 55
- 40 - 49
- 30-39
- Under 30



ORGANIZATION AND HUMAN RESOURCES (continued)

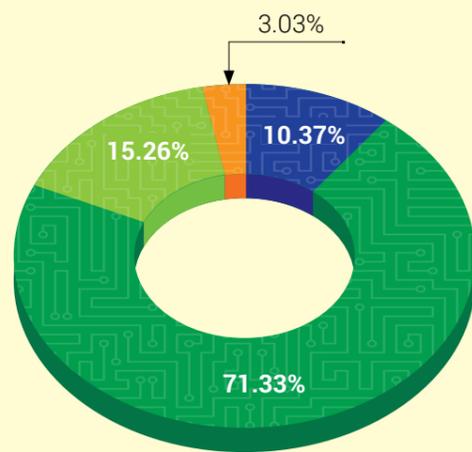
HUMAN RESOURCE REPORT 2021 (continued)

By management level



- Board of Management
- Head of Department and equivalents
- Staff
- Head of Division and equivalents
- Leader

By functional division



- Sales
- Supporting
- Production
- Branches

General Director was checking operation at central control room of Ca Mau Fertilizer Plant



In 2021, the Company supplemented personnel for divisions, units and branches; therefore, the number of personnel increased by 50 people compared to the end of 2020, who were additionally recruited for the direct production force of Ca Mau Fertilizer Plant and Business Division. The staff receipt, allocation, appointment and re-appointment as well as the staff planning, assessment and classification have been carried out strictly in line with the regulations and processes, based on the actual needs. The appointed staff have well promoted their roles and tasks in new positions, contributing to the construction and development of the Company.

The Company has well implemented employee policy and collective labor agreement. The Company also strengthened training for management levels, regularly retraining for employees of departments, updating professional knowledge to enhance qualification and skills in operation - maintenance as well as to raise the solidarity among the Company's employees, meeting the production and business requirement.

Improvements in organizational structure, policies and management

In 2021, the Company made a number of improvements in terms of compensation and benefit under human resource development strategy, to be specific, reviewing regulations on salary and bonus payment for the positions of area management and customer management of Business Division, preparing draft of amended regulations on management of salary, bonus and welfare, adjusting the Company's policy on employees, etc.



REPORT AND ASSESSMENT OF BOM

BUSINESS PERFORMANCE IN 2021

The year 2021 has ended in the heavy impacts of Covid-19 pandemic to the global economic activities. In Vietnam, Covid-19 epidemic broke out from the end of April 2021 in many localities together with a new variant that was fast spreading, dangerous and complicated; accordingly, directives on social isolation for pandemic prevention have caused serious effects to supply chain, production and business of enterprises. Facing the complicated developments of socio-economic environment, PVCFC has strived to successfully implement all assigned objectives, ensuring effective prevention of Covid-19 pandemic, thanks to proactively overcoming difficulties and taking advantage of favorable conditions.

Performance of production and business targets

No.	Items	Unit	Implemented 2020	2021		Rate	
				Planned	Implemented	Comparison (%)	
A	B	C	1	2	3	4=3/2	5=3/1
I Production output							
1	Products						
-	Urea converted	Thousand tons	934.77	875.49	898.56	103%	96%
	<i>In which, Urea-based products</i>	<i>Thousand tons</i>	<i>35.51</i>	<i>74.30</i>	<i>75.25</i>	<i>101%</i>	<i>212%</i>
-	NPK	Thousand tons		47.87	48.19	101%	
2	Consumption						
-	Urea converted	Thousand tons	973.39	765.87	755.50	99%	78%
	<i>Urea-based products</i>	<i>Thousand tons</i>	<i>35.15</i>	<i>62.65</i>	<i>68.42</i>	<i>109%</i>	<i>195%</i>
-	NPK	Thousand tons		47.18	38.39	81%	
-	Trading of imported fertilizers	Thousand tons	171.48	150.00	161.07	107%	94%
II Consolidated financial indicators							
1	Total revenue	VND billion	7,700.33	9,168.32	10,041.67	110%	130%
2	Profit before tax	VND billion	716.53	924.45	1,956.27	212%	273%
3	Profit after tax	VND billion	662.45	867.50	1,826.12	211%	276%
4	Obligations to State budgets	VND billion	87.09	98.85	222.41	225%	255%
III Parent company financial indicators							
1	Total revenue	VND billion	7,663.86	9,132.59	10,056.63	110%	131%
2	Profit before tax	VND billion	714.83	920.66	1,950.55	212%	273%
3	Profit after tax	VND billion	661.56	864.57	1,821.83	211%	275%
4	Obligations to State budgets	VND billion	80.24	91.87	196.77	214%	245%
5	Pre-tax ROE	%	14%	17%	37%	212%	273%
6	Investment value	VND billion	112.89	96.84	72.58	75%	64%

Notes: (*) Targets for 2021 were implemented according to PVCFC's Disclosure No.2064/PVCFC-IR dated 27 December 2021. These targets were adjusted to replace the production and business targets approved in Resolution No.854/NQ-PVCFC dated 27 April 2021 at the Annual General Meeting of Shareholders 2021.

Comment:

Performance

All targets, including both consolidated targets and Parent Company's targets assigned by GMS have been exceeded:

Production output reached

898.56
thousand tons

Production output reached 898.56 thousand tons, reaching 103% of the plan, 96% higher than the same period in 2020. The Company has pushed new product development based on Urea and NPK with an output of 75.25 thousand tons and 48.19 thousand tons, respectively, both exceeding 1% of the plan.

Urea consumption reached

755.50
thousand tons

Urea consumption volume reached 755.50 thousand tons, completing 99% of the plan and equal to 78% of the same period in 2020. Consumption was lower than the same period due to Covid-19 breakout from April 2021 and social isolation which limited good shipment. Self-trading products reached 161.07 thousand tons, completing 107% of the plan and equal to 94% of the same period in 2020.

Total consolidated revenue reached

VND 10,041.67
billion

Total consolidated revenue reached VND 10,041.67 billion. This is the first year that the Company's revenue reached more than VND 10,000 billion with constant efforts in consumption as well as benefiting from selling price increase.

Consolidated profit before tax was valued at

VND 1,956.27
billion

Consolidated profit before tax and Parent company's profit before tax were valued at VND 1,956.27 billion and VND 1,950.55 billion, respectively. This is the highest profit ever of PVCFC thanks to increase in revenue, the Company implements activities to optimize savings, reduce savings, and is flexible in management activities.



REPORT AND ASSESSMENT OF BOM (continued)

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

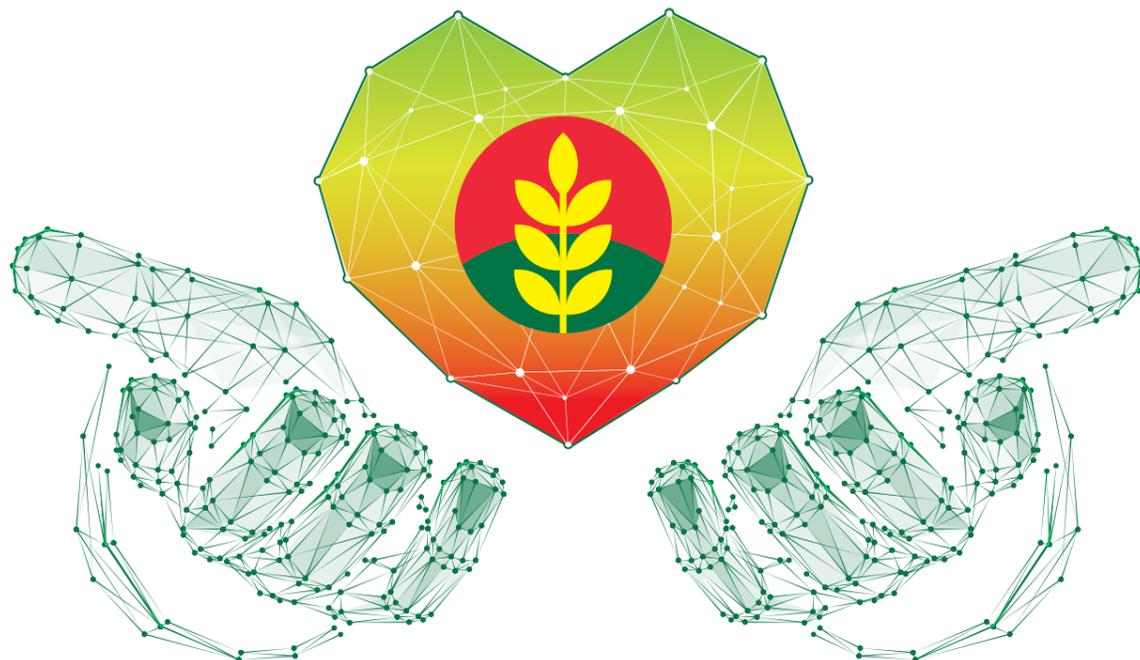
Social responsibility

 Apart from social security programs on building community facilities, PVCFC has actively supported and donated VND 28.14 billion to Covid-19 prevention and control activities including VND 5 billion to Covid-19 Vaccine Fund; giving medical supplies and equipment for health facilities and localities worth VND 20.64 billion; donating VND 1 billion to take Ca Mau people home; supporting Covid-19 Vaccine Fund of Ca Mau province with a total value of VND 1 billion; giving VND 500 million to help farmers in the Mekong Delta to overcome challenges caused by Covid-19 pandemic.

 Implement the “together we share” program in Southwestern and Southeastern Regions-Central Highlands, accompanying local people to overcome difficulties and consequences of Covid-19 pandemic, helping farmers recover agricultural production activities.

 PVCFC’s trade and worker unions have organized many meaningful programs and activities under Ca Mau fertilizer brand, culture and identity such as renewal program to celebrate the 10th anniversary of the company, participation in Petro Vietnam-Ca Mau 2021 Marathon themed “Future Run beyond Reach”, folk cake festival themed “Delicious Dishes-acts of kindness during pandemic”, Zero-dong meal program to support people return Ca Mau province.

 From 8 December 2021, some employees in housing area have been found to be positive for Covid-19, Covid-19 Prevention and Control Board has coordinated with Ca Mau Center for Disease Control and Prevention (CDC) to conduct rapid Covid-19 tests, provide guidelines on Covid-19 quarantine and isolation, health care for workers to quickly control the disease.



Assessment of Board of Management on environmental criteria

Security, safety, environment and fire prevention: the Company always strictly complies with regulatory requirements and in accordance with ISO 14001:2015 standard to ensure environmental compliance. Waste sources of plants are closely monitored with waste minimization and quality control in accordance with environmental permitting regulations before being discharged.

Apart from conducting periodical environmental monitoring to ensure compliance with regulations on wastewater and emission quality, the Company also installs automatic monitoring systems to continuously monitor wastewater and emission results online, and transmitting the data to the Ca Mau Department of Natural Resource and Environment with no environmental parameters exceeding the permissible limit. Besides, solid wastes (daily waste, ordinary industrial solid waste, hazardous waste) are classified, collected and handled pursuant to regulations.



Lotus pond for wastewater treatment in Ca Mau Fertilizer Plant



REPORT AND ASSESSMENT OF BOM (continued)

PRODUCTION AND BUSINESS PLAN FOR 2022

PVCFC continues to face difficulties and challenges in 2022, to be specific, complicated Covid-19 pandemic with speedy spread of new variants affecting the global supply chain; conflict between Russia and Ukraine causing negative effect to the global financial market, highly increased cruel oil price, inflation, logistic interruption leading to shortage of supply sources. However, thanks to the advantages from the Group in ensuring gas supply for highest production capacity together with the internal strength and determination of leaders and employees, PVCFC continues to set challenging goals in 2022 to submit to the GMS, to be specific:

Main duties

- 1 Operating Ca Mau Fertilizer Plant and ensuring production of current products (i.e., Urea and NPK) in an efficient, safe, stable, and optimal manner.
- 2 Quickly deploying and putting energy-saving and optimization programs/projects into use to improve Urea and NPK production efficiency.
- 3 Researching to diversify sources of raw materials and fuels for Urea and NPK production to increase flexibility, initiative and sustainability in production and business.
- 4 Focusing on market development, distribution system and awareness increase of Ca Mau NPK in target markets, especially developing effectively in the Southwest market, bringing organic fertilizers to target markets.
- 5 Building a new business model to add value and improve production and business efficiency.
- 6 Creating preparations to improve fertilizer efficiency and specializing for plants based on Urea/NPK. There are at least 2 preparations applied on effective commercial products.

- 7 Continuing to implement and strictly comply with regulations on Covid-19 prevention of the Government, the Ministry of Health, central and local agencies, and the Group. Regularly updating Covid-19 developments, building safe adaptation plan and pandemic control to ensure that it is consistent with the Government's socio-economic transition process and the specific characteristics the Company's operations for performance improvement.
- 8 Implementing digital transformation, strongly applying information technology and building ERP system, ensuring consistency and synchronization with digital transformation and ERP of PetroVietnam.
- 9 Completing management system according to the best corporate governance practices to increase competitiveness and market value of Ca Mau Fertilizer.
- 10 Coordinating with PVN to restructure PVCFC in line with the Group's restructuring project for the period of 2021-2025 after being approved by the authority.
- 11 Following up competent agencies of the National Assembly to amend Law 71 in 2014 on making fertilizers subject to value added tax.
- 12 Continuing to build corporate culture to create environment and motivation for sustainable development.



REPORT AND ASSESSMENT OF BOM (continued)

PRODUCTION AND BUSINESS PLAN FOR 2022 (continued)

PVCFC's plan targets for 2022

Production output

No.	Items	Unit	Planned 2022
I Production output			
1.1	Urea converted	Thousand tons	860.10
-	<i>In which: Urea-based fertilizers</i>	<i>Thousand tons</i>	<i>80.00</i>
1.2	NPK	Thousand tons	80.00
II Business volume			
2.1	Urea	Thousand tons	770.27
2.2	Urea-based fertilizers	Thousand tons	80.00
2.3	NPK	Thousand tons	80.00
2.4	Trading of imported fertilizers	Thousand tons	202.00

Financial plan

No.	Items	Unit	Planned 2022
I Financial indicators (Consolidated)			
1	Total revenue	VND billion	9,059.73
2	Profit before tax	VND billion	543.66
3	Profit after tax	VND billion	513.26
4	Obligations to State budget	VND billion	73.92
II Financial indicators (Parent company)			
1	Owner's equity	VND billion	6,447.03
2	Total revenue	VND billion	9,014.56
3	Profit before tax	VND billion	542.11
4	Profit after tax	VND billion	512.41
5	Pre-tax ROE	%	8%
6	Obligations to State budget	VND billion	67.73
7 Capital construction investment and equipment purchase			
7.1	Total investment	VND billion	929.96
-	Capital construction investment and equipment purchase	VND billion	929.96
-	Capital contribution to member unit	VND billion	
7.2	Investment capital source	VND billion	929.96
-	Owner's equity	VND billion	290.67
-	Borrowings and others	VND billion	639.29



Long-term investment and development plan

In 2022, the investment is focused on completion of transition projects, to be specific:

No.	Items	To be implemented in 2022
1	Raw CO ₂ conversion and supply	Completing trial run for project acceptance and settlement
2	PVCFC's R&D Center	Completing land use right transfer procedures, preparing for investment and construction some technical infrastructures

In addition, the Company focuses on investment in "Long An warehouse project", "Ho Chi Minh City Communication station Head office" while seeking opportunities for the projects of finding alternative sources of raw materials and fuels, diversifying products, investing in digitization for production management, building Data warehouse and procuring materials and equipment to ensure that the plant is always maintained in a safe and stable operation, to be specific:

No.	Items	Purposes of researching and investment
1	Long An warehouse project	At present, PVCFC is leasing warehouses that can meet the current sales volume. However, based on the development strategy, the Company needs to expand production and business and diversify products such as Urea, NPK, organic fertilizer, microbial organic fertilizer, and others. Thus, the demand for raw materials serving production and the production output will increase. Moreover, to be proactive, flexible and effective in sales, raw materials for production must be continuously supplied, together with the opportunity factor, PVCFC needs to have a warehouse for raw material and product storage.
2	Ho Chi Minh City Communication station Head office	With the Company's development orientation according to the strategic vision to 2025 to become a leading enterprise in fertilizer production and trading in Vietnam and Southeast Asia, it is necessary to consider and invest new modern and comfortable office to be worthy of a leading enterprise.
3	Coal gasification plant investment project	Implementing the strategy of studying and seeking alternative raw materials for the existing gas serving Ca Mau Fertilizer Plant, with the goal of reducing pressure from gas supply source, diversifying products and improving production efficiency.
4	Microbiological organic fertilizer plant	Organic fertilizer is an inevitable trend as per the development direction of the future agricultural industry towards sustainable development and increasing position, brand and competitiveness of the Company.



REPORT AND ASSESSMENT OF BOM (continued)

PRODUCTION AND BUSINESS PLAN FOR 2022 (continued)

Major solutions

Corporate governance

-  Continuing to coordinate with PetroVietnam to realize production and business goals.
-  Strengthening inspection and supervision in all aspects to promptly overcome shortcomings to well implement the goals, tasks, plans and strategies as set out.
-  Continuing to build Data warehouse and connect IT-based application systems.
-  Deploying succession planning for key positions; building a team of experts to meet the actual needs in production and business and the Company's development strategy.
-  Continuing to develop and complete PVCFC culture re-creation project.

Production operation

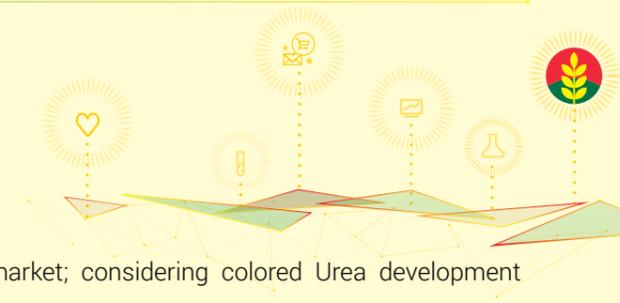
-  Focusing on operating and maintaining production capacity of the plant to ensure production output as planned.
-  Building database, upgrading application software, automating plant operations; building log sheets to add into IMS module, calculating and giving out data sets for equipment related to capacity, performance, system status, and device risks to monitor and support production operation and supervision.
-  Continuing to expand and implement gas and power reduction/optimization programs in comparison to norms; renovating equipment to increase capacity of Ammonia and Urea workshops.
-  Continuing to seek alternative materials for gas, to be specific, studying opportunities for producing gas by other technologies; coordinating with PVN on master plan for long-term gas source in the Southwest region.

Business and market development

-  Continuing to maintain and increase the existing market; considering colored Urea development orientation, product lines with differences, etc.
-  Focusing on dominating target market in Southwest, Southeast and Central Highlands in the context of fierce competition of Ca Mau NPK; organizing raw material procurement for NPK production and efficient logistics.
-  Researching and building high-tech agricultural production models according to each scale and focusing on crops in Mekong Delta.
-  Building a centric brand development strategy for Ca Mau Fertilizer identity, including Ca Mau Urea, NPK complex fertilizers, and microbial organic fertilizers.
-  Applying digital technology in business activities (upgrading DMS, developing functions on "2Nông" App, building and developing Omni Contact Center system, etc.).

Capital construction investment

-  Accelerating settlement for completed projects and proactively deploying new projects.
-  Closely following strategic goals to carry out research and assess feasibility of projects and items to optimize power consumption and reduce dependence on gas supply.
-  Researching and seeking opportunities for investment cooperation and M&A to diversify products and services to increase value and profit for the Company.
-  Strictly controlling progress, effectively controlling costs and quality of investment projects. Reviewing and re-evaluating project investment efficiency in accordance with the actual situation and the market factors before approval.



REPORT AND ASSESSMENT OF BOM (continued)

PRODUCTION AND BUSINESS PLAN FOR 2022 (continued)

Major solutions (continued)

Human resources training and developing

-  Reviewing and completing policies and regimes for mid-level management team and key positions to retain and attract effective human resources.
-  Improving compensation and benefit scheme based on contribution ability of each individual and implementing in each phase.
-  Building practical training programs (in which employees can suggest suitable training courses to meet the work requirements and personal development). Heads of Division take time to train and develop their team.
-  Thoroughly applying E-learning platform to train and test, encouraging employees to build lessons in video form to add to E-learning ecosystem.
-  Promoting professional training to improve skills of maintenance staff, especially in the field of electricity and control.

Science and technology research

-  Studying to provide services in fertilizer supply chain in form of B2B.
-  Finding opportunities with product lines that are forecasted to become trend as well as boldly stopping unfeasible research projects.
-  Accelerating and encouraging employees to carry out research projects and initiatives that bring remarkable efficiency to the Company.
-  Researching and implementing solutions to increase alternative raw materials and fuels for PVCFC's production. Prioritizing to deploy the solutions with low investment costs but bringing quick and obvious results.

Finance

-  Building corporate governance system according to best practices, researching to prepare financial statements according to IFRS.
-  Arranging capital for projects that ensure efficiency, management and preservation of capital.
-  Closely following the Group, Ministries and Sectors to give explanation on obstacles in implementing Law on Tax No.71/2014/QH13 on fertilizers and propose to the National Assembly to early adjust to add fertilizers to the list of goods subject to VAT.

Environment, safety and health

-  Proactively and promptly grasping the directives of the Government and Ministries Covid-19 pandemic prevention. Tightening the Company's pandemic control process to ensure no production and business interruption.
-  Maintaining environmental management system according to ISO 14001 (EM.14000) and Occupational Health and Safety Management Systems according to OHSAS 18001.
-  Strictly controlling security, safety and fire prevention at plant.



BOD'S ASSESSMENT

BOD'S ASSESSMENT ON THE COMPANY'S ACTIVITIES

Production operation

The Plant maintained safe operation with average capacity of 109.39% (Calculating based on capacity of Urea workshop). On 06 October 2021, Ca Mau Fertilizer Plant reached the capacity of 8 million tons per day after more than 9 years of commercial operation.

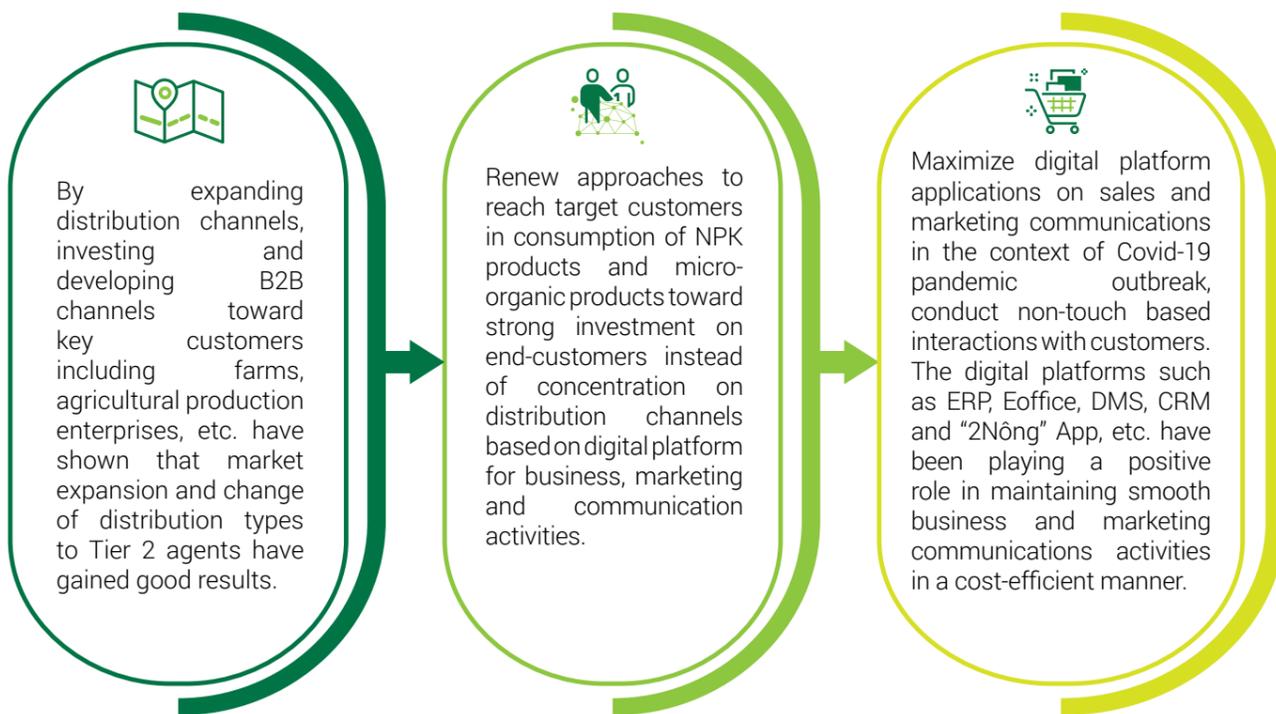
Total productive maintenance (TPM) in 2021 took place in extremely special conditions. To be specific, the plan of machine termination for maintenance was changed three times; the procurement faced many challenges due to pandemic outbreak; foreign experts could not be mobilized and it was difficult to find domestic contractors. However, thanks to initiative in preparation and highly skilled plant personnel, the Company has completed TPM objectives. The TPM was carried out in November 2021, with 2,171 items, in 13.4 days (including the time to stop and restart the Plant) and produced NH₃ and Urea products in 50.5 hours and 6 hours prior to schedule.

This is a new step in self-controlled maintenance towards implementation and development of maintenance services according to strategic goals.

In particular, optimization is a strength of the team of plant engineers and workers. During the year, PVCFC has accelerated optimization program, including the items already completed in TPM and in the process of recording efficiency evaluation data such as collecting hydrogen in off gas stream to increase NH₃ production; increasing the capacity of heat exchanger E04301; and recalling MP vent gas in Urea plant. In addition, the items under construction such as optimizing cooling water system, optimizing LTS operation to increase NH₃ output, renovating and importing liquid NH₃ for Urea production, installing coalesce filter at gas distribution assembly, and renovating hydrogen recycle supply system and expected to be put into operation in 2022.

Business, marketing and communications management

When Covid-19 pandemic widely broke out in HCMC and Southern provinces in April 2021, some cities/provinces have posed social distancing measures, travel restrictions which had big impacts on product consumption and left ports, warehouses short of workers, difficulties in fertilizer transportation and circulation had negative impacts on product consumption need. Facing these challenges, PVCFC has implemented business solutions to adapt with the pandemic, ensure smooth production consumption and contribute to market stabilization, specifically:



Investment and construction

The Covid-19 pandemic outbreak in 2021 has caused difficulties for the Company to implement investment projects as well as attract experts and contractors, however, with ceaseless efforts in connecting with Copyright Office to begin remote tests on "molten Urea-based complex fertilizer production project with a capacity of 300,000 tons/year". And when social distancing measures were eased, the Company has completed necessary procedures for the Copyright Office to visit Vietnam. The project is now under acceptance process. Besides, projects implemented in 2021 have shown positive changes:

-  Progress of converting and supplying raw CO₂ at Ca Mau Fertilizer Plant has reached 96.30%/97.47%, the Company is now taking final steps of construction and preparing for putting into trial operation.
-  PVCFC's Research and Development Center: with hi-tech agricultural development as its strategic orientation and providing nutritional solutions for plants, PVCFC has allocated a land plot in Long An province to build a Research and Development Center. Long An Department of Planning and Investment is now completing procedures for approval of investment policy.
-  Projects under material diversification strategy: "Coal gasification factory project" is under evaluation of investment opportunity with Ca Mau Fertilizer brand as its business strategy to conduct tests and market research before making investment decision.
-  Apart from diversifying products and expanding factory scale, demand of storing material and products also keeps increasing. Therefore, the Company is seeking sites for a wholesale warehouse in the Mekong Delta region, upgrade and expand warehouses in the plant for seasonal inventory during low-season to ensure continuous production.

PVCFC always takes initiative in carefully reviewing and evaluating all investment projects, procurement items before implementation to ensure necessary steps, reasonability and orders of priority as well as optimal capital structure.



Leaders of Ca Mau Province, Vietnam National Oil and Gas Group and of PVCFC at a completion ceremony for Ca Mau NPK Plant



BOD'S ASSESSMENT (continued)

BOD'S ASSESSMENT ON THE COMPANY'S ACTIVITIES (continued)

Other activities

Corporate governance

- During Covid-19 pandemic outbreak in 2021, PVCFC has adapted to "live with the pandemic", minimized impacts of social distancing measures causing supply disruptions thanked to well-prepared technology platforms: Eoffice, electronic signature, digital process, SAP ERP system providing data visibility needed to improve quality of report, analysis and governance, it is the central system to connect with other systems such as HRM, DMS, Eoffice, MIS/MES; platforms like DMS, CRM, "2Nông" App, etc. have promoted their positive roles in ensuring smooth business and market communications activities on a cost-efficient manner.
- Strengthen the Company's governance capacity, establish Project Co-ordination Board to carry out IFC's recommendations:



- Create financial statements and governance report compliance with International Financial Reporting Standards (IFRS), governance of R&D and intellectual properties, risk management, etc. to enhance competitiveness, attract investors and improve corporate value.

Organizational and corporate culture

Corporate culture is a foundation for PVCFC to overcome challenges caused by Covid-19 pandemic. After five years of implementation of the project of "Building PVCFC's corporate culture" from basic culture based on "7 habits of highly effective people". In 2021, the Company has conducted preliminary review of 5 years of implementation of the project of "Building PVCFC's corporate culture". Basically, PVCFC has completed a set of cultural identities and is now focusing on putting these cultural identities into life. In 2021, the Company has organized online sharing sessions of the company's leaders on PVCFC's culture handbook, sharing the Company's visions, strategies and 4 core values, connecting common goals and contributions of employees based on the Company's development criteria; organizing sessions to sharpen "7 habits of highly effective people"; making a cultural handbook video & organizing Elearning training courses, etc.

On 5 December 2021, PVCFC was recognized as typical enterprise in construction and implementation of corporate culture, sustainability, code of business ethnics and social responsibility.

Corporate restructuring

The Company has prepared necessary works to improve capital efficiency and asset value: complete information of PVCFC for announcement, attract foreign investors on digital platform; seek potential investors through foreign advisors; build development goals and action plans till 2025 in line with economic changes post-Covid-19 pandemic, energy transition and digital transformation, etc. to enhance competitiveness and market value of PVCFC as a premise for new development phases, attract investors, implement divestment of PVN holding 51% of charter capital.



BOD'S ASSESSMENT (continued)

BOD'S ASSESSMENT ON THE COMPANY'S ACTIVITIES (continued)

Other activities (continued)

Research & Development

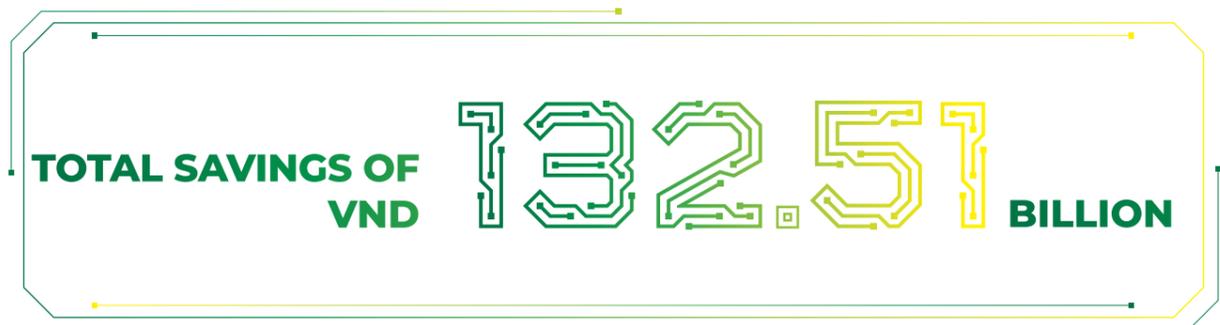
Implement the company's development orientations and strategy to diversify products and services, research and development activities in 2021 mainly focused on:

- Successfully conduct research for new product (N46.True) on plants (sweet potatoes, potatoes, corn), complete field-based agronomic evaluation on ability to keep plants from falling over and keep plant trunks healthy, etc. The Company has produced and put these plants on business trial since February 2022 to evaluate market evaluation rate.
- Do research on additional products, bacterial strains to enhance phosphorus solubilization, solubilize iron and aluminum bound phosphorus into chemical fertilizer; microorganisms decomposing organic residues in rice field; salt tolerant microbes. These research themes have been tested and expected to put into pilot scale production.
- Continue to do research and completion of industrial scale production process of beneficial microorganisms and fermented organic fertilizers from animal by-products on farming/processing, fisheries, animal husbandry; conduct research on nutritional fertilizers for fruits (mango, durian, pomelo, jackfruit) grown in Dong Thap Muoi - an ecological protected area with characteristics of acid sulfate soil, conduct tests and experiments at PVCFC's experimental farms for efficiency evaluation.
- In 2021, PVCFC has built a long-term R&D Strategy, conducting product research and development toward diversification of NPK fertilizer products, organic mineral, organic microorganisms and high-quality fertilizers in line with the company's strategic orientations.

Cost management and savings

PVCFC has synchronously and flexibly implemented optimal solutions to improve energy efficiency and plant performance, doing a good job in cost management and product cost management through assigning detailed cost plans to each department/unit as a foundation for monitoring and evaluation of cost planning.

Total savings from cost management/reduction in 2021 reached VND 132.51 billion, equal to 169% of the plan, of which VND 111.23 billion came from energy and material efficiency, VND 20.07 billion came from management, sales and production activities, VND 1.21 billion came from construction and investment management.



Training and human resource development

In 2021, PVCFC has trained a total of 4,350 people, equal to 165% of year plan. The Company has implemented skill development training courses and continuous learning programs to support laborers to be fully equipped and updated professional knowledge and self-development. Besides, on purpose of improving competitiveness and adaptation to unpredictable economic changes post-Covid-19 pandemic, PVCFC has strengthened training courses, seminars, Vietnam-Singapore Senior Governance Forum, energy transition, digital transformation, corporate governance compliance with the best practices, legal issues in business, risk management, R&D governance and intellectual property, local documents, etc. to enhance performance management and governance capacity

Human resource, salary and bonus

Till end of 2021, PVCFC has total of 1,022 employees, 23 lower than 2021 plan and a slight increase as of end of 2020 due to request of additional staff to technical and production divisions, while sales staff were transferred to other professional divisions, units and production plants.

Salary: PVCFC deploys a policy of paying salaries, bonuses, benefits and other remunerations in compliance with provisions of the Laws, the Group and the Company to ensure proper work-life balance for employees. Besides, PVCFC is updating and adjusting regulations on salary, bonus and remuneration, new policy on employee to create motivation and equality for all employees, consider job description salary range.



BOD'S ASSESSMENT (continued)

SUPERVISION ACTIVITIES OF THE BOARD OF DIRECTORS TO THE BOARD OF MANAGEMENT

Pursuant to the Company's Charter and Corporate Governance, the Board of Directors supervised the activities conducted by the General Director and members of the Board of Management in operating the Company's production and business as well as implementing resolutions of the General Meeting of Shareholders and ones of the Board of Directors in 2021. Details are as follows:

Supervision method

-  Supervising the production planning process in 2021 and the implementation of those targets approved by the General Meeting of Shareholders.
-  Attending periodical meetings of the Board of Management on the Company's business and production performance and holding quarterly progress meetings in order to promptly support and ensure the effective operation of the Board of Management, the assisting apparatus for the Board of Management, and a representative in the enterprise that the Company contributed capital in.
-  In addition to individual thematic meetings with the Board of Management and supervisors of some departments, the Board of Directors also has real-time inspection and supervision to grasp the actual situation of the Company's business through the Audit and Risk Management Committee, the Internal Audit Committee, and coordinate with the Supervisory Board. Furthermore, the Board of Directors has supervised and discussed with independent audit firms during the audit and appraisal of financial statements in accordance with prevailing regulations.

Supervision results

The Board of Directors assessed that the Board of Management had successfully completed its role of operating the Company's production and business, successfully completed the assigned targets in 2021, specifically as follows:

-  Managed and operated the Company's production and business with a high sense of responsibility, ensuring compliance with the Resolution of the General Meeting of Shareholders, the direction of the Board of Directors, complying with the processes and regulations in operating the Company in accordance with its Charter, Corporate Governance regulations as well as relevant laws.
-  Constantly improved professional and modern management capacity, gradually completing management tools from production, financial management, to risk management, and strategic management.

-  The implementation of strategic goals has continued to be carried out methodically according to the roadmap with specific solutions and always be ready to prepare for adverse situations or future risks.
-  Regularly reviewed and evaluated investment projects in details, promptly provide solutions to ensure projects are implemented safely, timely, with high quality and efficiency.
-  Based on the results achieved in 2021, the Board of Directors has summarized, discussed and evaluated that despite difficulties due to the impact of the Covid-19 pandemic, the General Director and the Board of Management have made great efforts and well performing the assigned tasks in 2021, strictly complying with the prevailing legal regulations and the Company's governance. In particular, the Board of Management has successfully managed the production and business, ensured employment, employee's health and safety, and done business with high responsibility to related parties.

ORIENTATION AND OPERATING PLAN OF PVCFC IN 2022

In 2022, because of the complicated progress of the Covid-19 pandemic, high oil prices, fierce competition between domestic fertilizer manufacturers and importers, slow recovery of the global supply chain, PVCFC's Board of Directors has determined the key tasks to be performed during the year as follows:

- Continue to operate Ca Mau Fertilizer Plant effectively, safely, and optimize capacity.
- Continue to follow research orientation to diversify sources of materials and fuel for Urea production to increase flexibility, initiative and sustainability in its production and business.
- Direct the operation and efficient exploitation of the Ca Mau NPK Plant, meeting the fullest extent of market demand.
- Continue to promote digital transformation.
- Promote effective and strategic investment projects.



REPORT OF SUPERVISORY BOARD

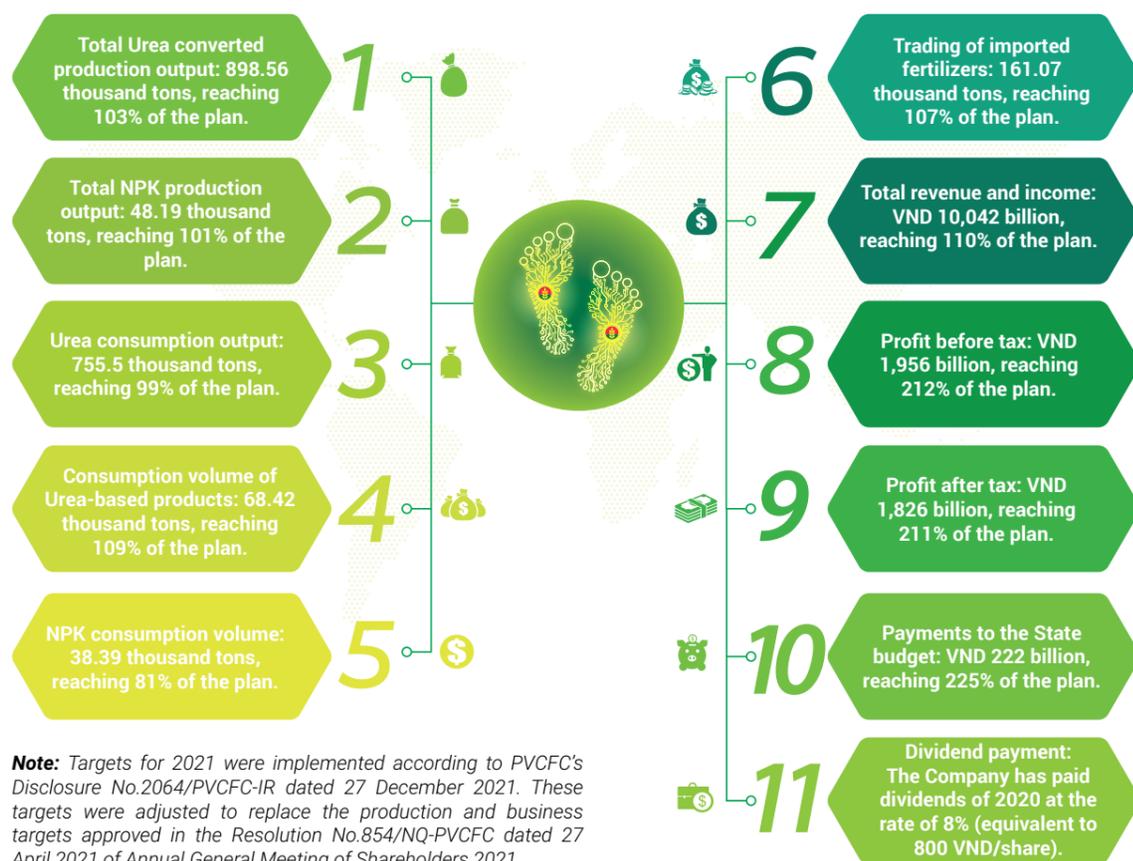
RESULTS OF SUPERVISING OPERATION AND FINANCIAL SITUATION IN 2021

Business and production operation

Business and production operation

>> Implementation of business and production plan

In 2021, besides the advantages thanks to highly increased selling price, PVCFC faced many difficulties due to the Covid-19 pandemic complicated developments and the sharp increase in oil prices. However, with the efforts in implementing solutions for energy/material optimization and cost savings/reduction, maintaining safe and stable plant operation and being flexible in sales, PVCFC has exceeded almost production and business plan in 2021, to be specific (according to PVCFC's audited consolidated financial statements):



>> Implementation of capital construction investment projects

Investment project to produce complex fertilizers from molten Urea with a capacity of 300,000 tons/year was behind schedule. From 01 December 2021, copyright provider has cooperated with General Contractor and PVCFC to inspect entire production line and conducted a trial run of NPK products with formula 20-20-15, 16-16-8, etc.

In addition, PVCFC also implemented some projects such as raw CO₂ conversion and supply, Long An raw material warehouse, research and development center, etc.

Total value of investment and equipment procurement in 2021 was VND 72.58 billion, reaching 75% of the plan.

>> Business arrangement and renewal

In 2021, PVCFC has developed and issued regulations on functions, tasks, authority and organizational structure of functional divisions/departments; Continue to update and complete the Regulations and Operational Procedures according to the new model in line with the Company's strategic goals.

In the third quarter of 2021, the Company's Board of Directors established the Audit and Risk Management Committee, and the Governance, Human Resources and Compensation Committee to perfect the governance model following good practices, ensuring that the Company's activities can be operated effectively, complying with legal regulations, the Company's Charter, internal regulations and processes.

>> Governance

Governance is always the top focus of PVCFC's Leadership, pioneering in applying advanced management system tools, implementing digital technology transformation, building corporate culture, etc. Details are as follows:

- In the context of the Covid-19 pandemic in 2021, thanks to well-prepared technology background, the Company has adapted to "live with the pandemic", minimizing the impact of the social distancing, which has stalled and disrupted supply.
- Implemented the project to strengthen corporate governance capacity. Specifically, the Company has established Project Management Division to coordinate the implementation of IFC's recommendations: (i) The Company is committed to apply good corporate governance practices; (ii) Develop and publish the Company's Code of Business Conduct and Ethics; (iii) Improve disclosure in the annual report to demonstrate the Company's commitment to environmental, social, and governance sustainability (ESG); (iv) Develop policy on management of interests of related parties; (v) Develop a project implementation plan to promote gender equality at PVCFC.

>> Financial investment

As of 31 December 2021, PVCFC has only invested in one (01) subsidiary - PetroVietnam Packaging Joint Stock Company (PPC), with contributed capital of VND 20.83 billion, accounting for 51.03% of charter capital. In 2021, PPC has completed its production and business targets, in which profit after tax in 2021 is VND 5.8 billion, reaching 102.2% of the target, and ROE reaches 12.08%.



>> Evaluate the system of internal control, internal audit and risk management

The Company's internal control system was established right from the early years of the Company's establishment to focus on the inspection and control of compliance, operations, finance, and risks.

The Company has completed the management model in 3 lines. The internal processes and risk management system are built according to COSO standards. The Board of Directors also pays great attention to internal audit; therefore, a consultant firm is hired to review the internal audit process and regulations, build a 3-year internal audit plan and an assurance map to help the 3 management lines operate effectively.

Currently, the Company's internal control, internal audit and risk management systems are operating well and effectively. The top risks are soon identified and solutions are provided in a timely manner.



REPORT OF SUPERVISORY BOARD (continued)

RESULTS OF SUPERVISING OPERATION AND FINANCIAL SITUATION IN 2021 (continued)

Business and production operation (continued)

Financial statement appraisal

The Supervisory Board has appraised the quarterly, semi-annual and annual financial statements in 2021 to ensure their correctness and transparency. The appraisal results are as follows:

- The financial statements have fully, truly and reasonably reflected the financial position of the Company as of 31 December 2021, as well as its business performance in 2021.
- The recording, opening of accounting books and classification of economic contents are in line with current accounting standards and accounting regimes.
- The basic financial indicators showed that the Company's financial position was healthy, ensuring solvency, preserving and developing capital, to be specific:



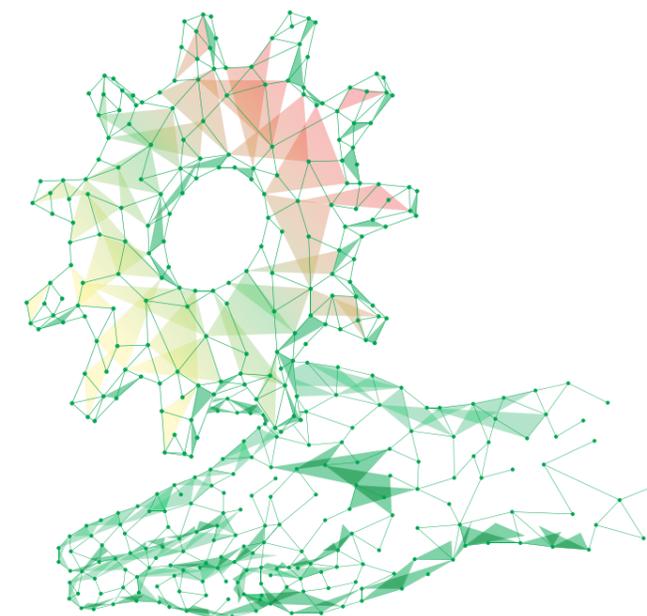
- > Current ratio reached **2.28 times**
- > Quick payout ratio reached **1.59 times**
- > Debt-to-total-assets ratio reached **0.32 times**
- > Debt-to-equity ratio reached **0.48 times**
- > Consolidated return on equity (ROE) reached **26.46%**
- > Consolidated return on on total assets (ROA) reached **18.46%**
- > Capital preservation ratio as of 31 December reached **1.2 times** (consolidated equity as of 31 December 2021 was **VND 7,478 billion**; consolidated equity as of 31 December 2020 was **VND 6,326 billion**).

ASSESSMENT OF THE ROLE, RESPONSIBILITIES AND INDEPENDENCE OF INDEPENDENT AUDIT

PricewaterhouseCooper (PwC) Vietnam Co., Ltd. was selected to audit PVCFC's financial statements in 2021. PwC has reviewed and audited the semi-annual and annual financial statements in a cautious, independent and objective manner. The audit firm has complied with professional ethics and standards during the audit. The audit results of the financial statements have fully, truly and reasonably reflected the financial position as well as the business performance of the Company.

ASSESSMENT OF THE COMPANY'S BUSINESS PERFORMANCE AND REPORTS OF THE BOARD OF DIRECTORS, GENERAL DIRECTOR AND OTHER MANAGEMENT

- In 2021, the Board of Directors has held 12 monthly meetings and 34 times to collect written opinions to comprehensively direct all aspects of the Company's business, review the production and business situation, invested projects, especially urge the progress of NPK project and give timely direction in the context of complicated progress of the Covid-19 pandemic. In addition, the Board of Directors also organized and participated in other 39 meetings/training sessions (21 thematic meetings, 9 training sessions and 9 short meetings to handle the General Director's submissions) to in-depth exchange of specialized work, strategic orientation and direct the Board of Management to implement solutions.
- The Board of Directors has issued 64 documents including Resolutions, Decisions and Directives related to PVCFC's operation in accordance with the order and authority prescribed by the Enterprise Law and the Company's Charter.
- The Board of Directors has focused on improving the corporate governance capacity, so they have hired consultants (IFC, Deloitte, etc.) to assess the corporate governance situation, thereby building a roadmap to be in line with the best practices of good corporate governance. The Board of Directors established the Audit and Risk Management Committee, the Governance, Human Resources and Compensation Committee to strengthen the governance and promote the supervisory role of the Committees. Independent members of BOD are assigned to be Chairman of the Committees in order to increase the independence in performing the tasks of the Committees.
- Members of BOD fully participate in meetings and work with a high sense of responsibility. In 2021, BOD has performed well its role of supervision, direction, as well as strategic orientation and created all favorable conditions for the Board of Management to operate the Company's business.
- The independent members of BOD have promoted their roles well, properly performed their functions and duties to ensure the common interests of the Company and Shareholders.
- The Board of Management seriously implemented the Resolutions, Decisions and Directives of BOD and the General Meeting of Shareholders.
- The Board of Management operates the Company's production and business flexibly and proactively, resulting to exceed production and business targets in 2021.
- The reports of the Board of Directors and of the General Director submitted to the General Meeting of Shareholders have fully and truly reflected the management, administration and operation results of the Company.



REPORT OF SUPERVISORY BOARD (continued)

ASSESSMENT OF OPERATION COOPERATION BETWEEN SUPERVISORY BOARD, BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SHAREHOLDERS

- The coordination between the Supervisory Board for the activities of the Board of Directors and the Board of Management is based on transparency and clarity principles, and in compliance with the Laws and the Company's regulations in order to ensure the interests of the Company and its shareholders.
- The Board of Directors and the Board of Management have closely coordinated and created favorable conditions for the Supervisory Board in carrying out inspection and supervision. They also provide adequate information and related documents, always invite to participate in meetings and implement recommendations of the Supervisory Board.
- The Supervisory Board has closely coordinated with the Board of Directors and the Board of Management in inspecting and supervising activities at the Company to take timely measures to handle existing problems to improve operational efficiency, ensure proper and complete compliance with current regulations of State agencies.
- The Supervisory Board has fully fulfilled its reporting obligations to shareholders in accordance with the provisions of the Enterprise Law and the Company's Charter.

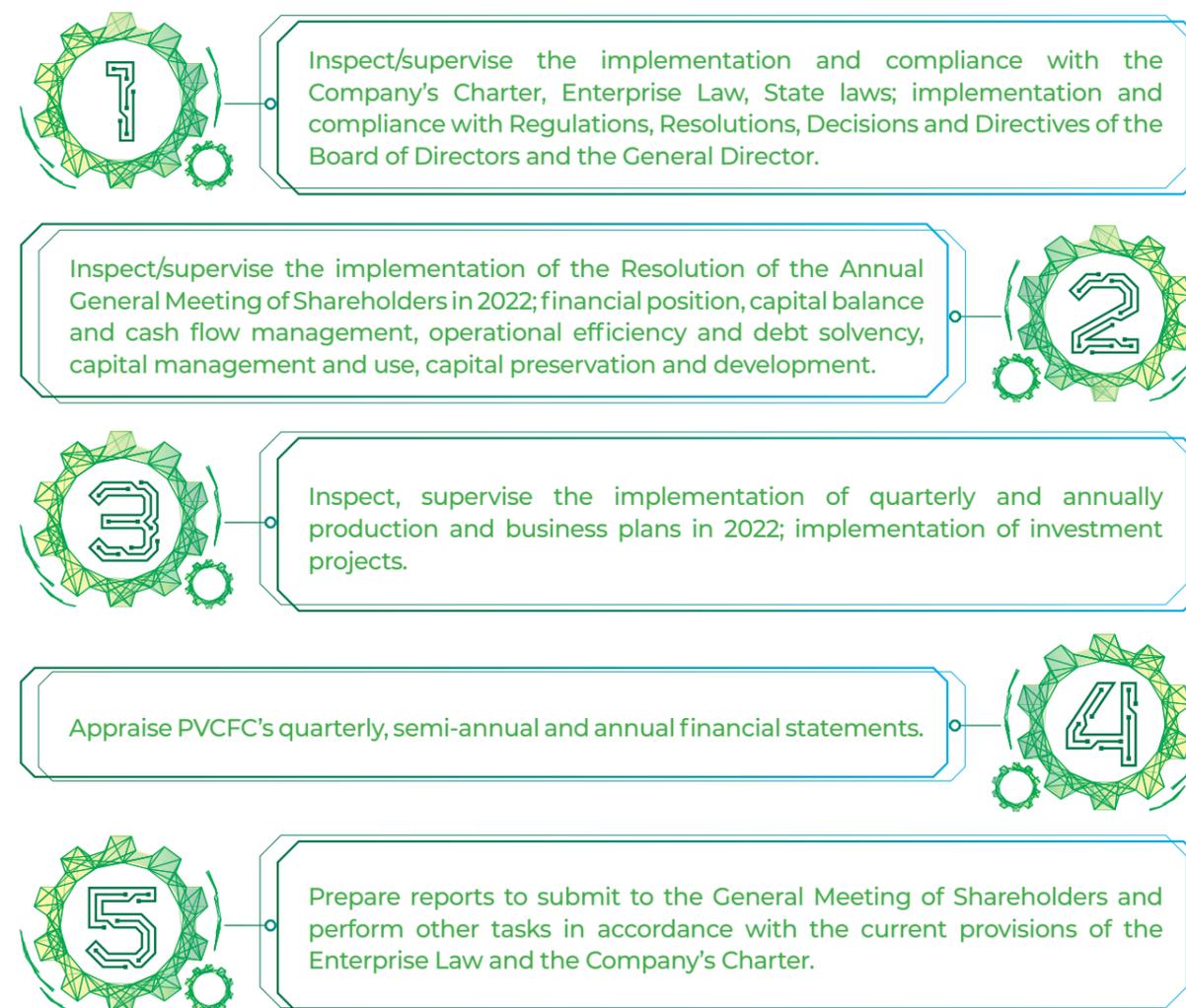
RECOMMENDATIONS OF THE SUPERVISORY BOARD

In order to ensure that the production and business activities at PVCFC follow the plan in 2022 to be highly effective, the Supervisory Board recommends a number of contents as follows:



OPERATING PLAN OF THE SUPERVISORY BOARD IN 2022

In 2022, the Supervisory Board properly implements the rights and responsibilities as prescribed in the Enterprise Law, the Company's Charter and the tasks in 2022 set out by the General Meeting of Shareholders. The Supervisory Board will focus on inspecting and monitoring the following main contents:



PROPOSED SELECTION OF AUDIT FIRMS

On the basis of reviewing and evaluating the capacity of independent audit firms, the Supervisory Board of PetroVietnam Camau Fertilizer Joint Stock Company would like to submit to the Board of Directors authorized by the General Meeting of Shareholders to select one of the following audit firms, including Deloitte Vietnam Co., Ltd., KPMG (Vietnam) Co., Ltd., Ernst & Young Vietnam Co., Ltd., PwC (Vietnam) Co., Ltd. to audit the Company's financial statements in 2022.