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*Phu Tho, 11<sup>th</sup> March, 2025*

**REPORT OF THE BOARD OF DIRECTORS  
ON 2024 ACTIVITIES AND 2025 ORIENTATION**  
*(At the 2025 Annual General Meeting of Shareholders)*

**I. REPORT ON ACTIVITIES IN 2024**

**1. Characteristics of the situation in 2024**

**A. Advantages:**

The company's management and administration in 2024 were effective and efficient. With financial resources and comprehensive business strategy oriented toward specific goals, the company achieved impressive results in revenue and profit.

Through unity and determination from the entire staff and employees, the company's leadership focused its intelligence and maximized all resources and competitive advantages to overcome difficulties and enhance business performance.

The company's products have maintained their brand reputation, continuously improving quality, diversifying types, packaging designs, aligning with consumer trends, and fitting the current green, environmentally friendly industry.

The company has built a fair, healthy, and competitive business environment; implemented flexible policies and mechanisms to attract increasingly effective sales, meeting market demand and earning the trust and love of farmers.

**B. Disadvantages:**

Political instability and armed conflicts in several countries have negatively affected all aspects of business operations for companies in general and the company in particular.

Climate change, natural disasters, storms, floods, and other events occurring frequently in the country have caused severe damage to people and property in many Northern provinces, significantly impacting the company's fertilizer consumption.

The prices and supply of raw materials used in fertilizer production have been highly volatile and unpredictable (particularly the main materials for NPK production). Additionally, the supply of Apatite is increasingly scarce, with declining quality (the average P<sub>2</sub>O<sub>5</sub> nutrient content decreased by 0.68% in 2024), leading to

reduced production output, significantly affecting the company's business performance.

## 2. Achieved results

Business Results in 2024 Compared to the Shareholders' Meeting Plan (Summary):

*Unit: Billion VND*

No.	Categories	Plan assigned by the General Meeting of Shareholders	Implementation	Percentage (%) compared to AGM Plan
1	Sales revenue and service provision	3.400	3.599,95	105,8
2	Pre-tax profit	136	216,19	158,9
3	State budget contribution	49,505	85,89	173,5

## 3. Assessment of the performance of the Board of Directors; meetings and decisions of the Board of Directors in 2024

With the goal of determinedly implementing the Resolution of the 2024 Annual General Meeting of Shareholders, the Board of Directors (BOD) actively and comprehensively carried out activities across all areas to ensure effectiveness and compliance with the Company's Charter and the BOD's Operational Regulations.

The BOD held 6 direct meetings and regularly sought opinions from BOD members to promptly address tasks according to assigned progress. All discussion topics and requests for opinions fell under the BOD's authority. All BOD members participated, providing direct feedback, with the presence of the Supervisory Board. All meetings resulted in resolutions and decisions issued promptly according to regulations, effectively enhancing the Company's operations while safeguarding shareholders' legal rights and interests.

The Company's Secretariat successfully advised and assisted the BOD in receiving, processing documents, information, and coordinating work between the BOD and the Executive Board, the BOD and the Supervisory Board, as well as between individuals, departments, and related functional units, ensuring timely and high-quality task fulfillment.

The Secretariat collaborated with functional departments to continue reviewing,

drafting, issuing new documents, supplementing, and amending internal management documents to create a legal framework for implementation; preparing all content, programs, and documents for the 2024 Annual General Meeting of Shareholders accurately and promptly. It also coordinated the planning and organization of BOD meetings according to the practical requirements of each meeting's content.

The Secretariat closely coordinated with the Company's Information Disclosure Officer to implement the publication of information according to legal regulations, effectively fulfilling the tasks of preparing annual reports, governance reports, and periodic reports as required.

Shareholder Relations: The company maintained good relations with shareholders, ensuring timely and accurate information disclosure.

#### **4. Evaluation of the Board of Directors on the activities of the Executive Board**

In 2024, the Executive Board demonstrated a high sense of responsibility and decisiveness in implementing the business production plan and effectively executing the strategic direction set by the Board of Directors, helping the Company achieve impressive business results and exceed all assigned targets.

Areas such as investment and construction, equipment lines, technology, products, production, finance, procurement of raw materials, environment, occupational safety, and wages were all prioritized and addressed to meet work requirements at each stage.

Throughout 2024, the Executive Board made significant efforts to regulate policies, especially in sales and product development, to meet the demand for transitioning from inorganic fertilizers to organic ones. Management and operational measures were strengthened to achieve the highest efficiency in business production. Alongside adjustments in sales mechanisms, product marketing, and promotion, the Company maintained stable production, effectively managed production standards, controlled inventory levels of raw materials, minimized costs, created jobs, increased employee income, and ensured safety in terms of personnel, assets, environment, and labor hygiene.

The Board of Directors acknowledges and commends the Executive Board for its outstanding performance, providing fundamental solutions with core value to stabilize and promote the Company's sustainable growth and development.

## **II. ORIENTATION OF THE BOARD OF DIRECTORS' ACTIVITIES IN 2025**

### **1. Business production tasks for 2025:**

- Industrial production value (at current prices): 3,801 billion VND
- Sales revenue and service provision: 3,545 billion VND
- Pre-tax profit: 205 billion VND
- State budget contribution: 63.431 billion VND
- Basic construction investment: 124.141 billion VND

### **2. General development strategy**

With the overarching goal of comprehensively focusing on a sustainable development strategy oriented towards green agriculture that is environmentally friendly, the Company continues to strengthen research and development of organic fertilizer products of natural origin, while applying and improving advanced manufacturing technologies to enhance product quality, while minimizing negative impacts on the ecological environment, meeting the needs of farmers and both domestic and international markets.

Priority is given to enhancing the marketing of Lam Thao fertilizer products, particularly ensuring effective market development for new product lines; Focusing on developing a line of microbial products to penetrate the market alongside the Company's traditional fertilizer products effectively.

Consolidating and developing the Company's brand through various channels, digital platforms, media agencies, public communication, agencies, specialized agricultural organizations, farmers, rural areas, and the Company's distribution and consumption customer system.

Strengthening management work, increasing the support of scientists, regularly researching, and applying scientific and technical topics to practical production to reduce the consumption of raw materials, lower product costs, and adapt to market trends.

Continuing to improve the Company's internal regulations and procedures. Strengthening business management and debt management to enhance business efficiency.

### **3. Solutions**

In 2025, the Board of Directors and Executive Board will continue to direct and lead the company to leverage its existing strengths while overcoming difficulties and shortcomings to promptly meet market demands and trends, further promoting effective production and business operations. Some specific directive solutions include:

### **3.1. Regarding Production, Business, and Market**

Improve the management of all aspects of production and business activities, with special attention to production management at units to ensure compliance with current standards and procedures; implement product-specific specialization for each unit.

Inspect and closely monitor efficiency, minimize costs, reduce product costs, use energy efficiently, optimize processes, and collaborate with other businesses to support product consumption under mutually beneficial models to maintain existing markets and expand new domestic and export markets.

Research and develop new fertilizer product lines suitable for different crop characteristics from  $K_2SO_4$ -based materials; Continue to research high-quality fertilizers to meet market competition and help farmers use fertilizers effectively, selecting authentic, safe products to achieve high farming efficiency and protect soil resources and ecological environments.

Regularly and intensively inspect and monitor the implementation of safety, industrial hygiene, fire prevention, environmental protection, and asset and human protection regulations.

Strengthen market forecasting and predictions to develop reasonable reserve plans, reduce inventory, minimize capital stagnation, and ensure sufficient products for market needs at each stage.

Promote and standardize communication, advertising, branding, and brand positioning activities to enhance competitiveness, cooperation, and connectivity between the Company and its customers. Accurately capture and analyze market demands to develop highly effective key products. Implement advertising, exhibitions, fairs, conferences, and product introductions to reach a broad audience of consumers, partners, and investors both domestically and internationally.

Focus on reviewing, adjusting, and supplementing policies, regulations, and internal procedures to align with current legal provisions and the Company's business strategy.

Perfect appropriate sales policies, develop a professional sales system and distribution network. Seek domestic and international partners to cooperate in the production and business of products manufactured and exported by the Company.

### **3.2. Regarding Human Resources and Workforce Training**

Comprehensive and synchronized human resource management based on consolidating core corporate cultural values; aiming to build a high-quality workforce that encompasses all valuable factors to meet the requirements of tasks in the new situation.

Standardizing training work towards consistency, quality, and efficiency based on reviewing and updating training programs suitable for business operation requirements; Focusing on innovating training, fostering, and recruiting high-quality personnel in industries the Company needs and lacks to promptly meet the requirements of each stage and promote the Company's development. Ensuring improved quality in training, balancing between basic training and specific specialized training, linking training with application and usage.

Researching, considering, and developing policies on labor, wages, bonuses, and welfare towards linking business performance with productivity and employee contributions through evaluation standards currently applied effectively at various companies.

### **3.3. Regarding Development Investment**

Effectively exploit the projects that have been completed and handed over for use in 2024 (Renovation of the exhaust gas treatment system of Acid Line No. 1 - Acid Enterprise; Investment in renovating Absorption Tower 1 of Acid Line No. 2 - Acid Enterprise; Investment in purchasing a 10-ton Crane - Supe 1 Enterprise; Investment in building Raw Material and Product Storage Warehouse at the Company...); accelerate the progress of projects currently undergoing contractor selection, contract signing, and implementation of procurement and on-site construction (Investment in building a SOP production line with a capacity of 20,000 tons/year; Renovation of the circulating pond; Construction of sales areas and product introduction centers; Procurement of gas storage tanks) and projects that are in the

investment preparation stage (Construction of the Company's office building; Renovation of the Sulfur Burner of Acid 1 - Acid Enterprise; Construction of an aluminum sulfate (PAC) production line with a capacity of 10,000 tons/year;...).

### **3.4. In terms of financial work**

- Standardize the financial accounting and management accounting information system to create a solid foundation for making business decisions, along with preparing financial reports that comply with advanced, modern financial accounting standards in the region and internationally.

- Define and classify cost analysis, set norms for material consumption to tightly control expenses, thereby developing appropriate financial regulations and plans that closely align with actual requirements. Strictly manage assets, capital sources, and utilize and develop capital effectively and transparently.

### **3.5. Shareholder Relations and Labor Production Emulation Movements**

Maintain close relationships and ensure the legitimate rights of shareholders; Continue to enhance the reputation, image, and brand value of the Company. Launch and spread powerful messages about innovation throughout the entire Company's staff and employees to boost morale, foster a sense of collective responsibility, encourage creative labor, and propel the Company forward.

## **CONCLUSION**

The economy in 2025 is expected to experience significant improvement, and the Vietnamese fertilizer market is anticipated to maintain stability in supply thanks to increasingly improved domestic production capacity. However, alongside these opportunities and the heavy tasks ahead, the Company's staff and employees must continue to make even greater efforts to successfully accomplish the Company's business and production objectives in 2025.

The Company's Board of Directors respectfully reports to the General Meeting and sincerely hopes to continue receiving contributions and support from esteemed shareholders, providing the Company with new motivation and resources for sustainable development.

Wishing all of you good health, happiness, and much success.

Sincerely thank you./.

**OH BEHALF OF THE BOARD OF DIRECTORS  
CHAIRMAN**

**(signed)**

**Nguyen Quoc Anh**