

**REPORT
SUMMARY OF PRODUCTION AND BUSINESS ACTIVITIES IN 2024
ORIENTATION AND TASKS FOR 2025**

*(Documents for the General Meeting of Shareholders
Lam Thao Fertilizers and Chemicals Joint Stock Company)*

**PART I
SUMMARY OF PRODUCTION AND BUSINESS ACTIVITIES IN 2024**

I- General Situation

In 2024, the production and business activities of Lam Thao Fertilizers and Chemicals Joint Stock Company experienced the following advantages and difficulties:

1. Advantages

- The leadership, along with all employees of the Company, have shown unity, solidarity, and consensus, continuing to maintain stable production and business operations, ensuring steady employment and improving income for workers. The employees trust in the sustainable development of the Company.

- The Company's products have maintained their brand reputation, are diverse in types, and the Company continues to invest in research to bring new products to the market, maintaining and enhancing quality, which is trusted by consumers.

- The Company regularly receives close leadership and guidance from the Vietnam National Chemical Group, as well as support and favorable conditions from various departments, agencies, and authorities of Phu Tho Province and Lam Thao District. It also enjoys strong support from farmers nationwide for the Company's products.

2. Difficulties

2.1. Difficulties Due to the Impact of Global Economic Factors

2024 was affected by various complex factors such as:

- Political developments (the war between Russia and Ukraine, the conflict between Israel and Hamas, armed conflicts in the Red Sea, trade wars between the U.S. and countries like China, Canada, Mexico, etc.) impacted the socio-economic development of many countries, continuing to cause unpredictable

and complicated fluctuations in the prices and supply of raw materials used in fertilizer production.

- Climate change developments: Natural disasters, storms (such as Typhoon No. 3 Yagi), floods, etc., occurred more frequently and with greater destructive power, causing severe damage to people and property in many northern localities and the economy. This has significantly affected the Company's fertilizer consumption.

2.2. Difficulties Regarding Raw Materials and Production Costs

- The prices of key raw materials for NPK fertilizer production fluctuated continuously with large margins, significantly affecting customer sentiment and demand for fertilizers.

- The shortage and declining quality of apatite ore (the P_2O_5 nutrient content in 2024 decreased by an average of 0.68%) used for producing superphosphate led to reduced production output, negatively impacting the Company's production and business results.

Thanks to the attention and guidance from various authorities, from the Central Government to local levels, the Vietnam National Chemical Group, and the trust of partners and consumers; along with comprehensive management solutions, the application of science and technology, and the streamlining of product

II- Results of Production and Business Activities and Basic Construction Investment in 2024

1. Business and Production Activities

1.1. Industrial Production Value at Current Prices: 3,380 billion VND, reaching 102% of the annual plan, a decrease of 4% compared to the same period. The total fertilizer production output reached 823,929 tons, equivalent to 101% of the annual plan, an increase of 4% compared to the same period. Main products produced include:

- Superphosphate: 425,319 tons (including 6,312 tons of bio-superphosphate)
- NPK: 391,643 tons (including 17,208 tons of high-content, bio-fertilizer)
- Organic Mineral Fertilizer: 6,967 tons (including 866 tons of bio-organic mineral fertilizer)
- Sulfuric Acid: 145,790 tons

1.2. Revenue from Sales and Service Provision: 3,600 billion VND, reaching 106% of the annual plan, equivalent to 102% of the same period. The total fertilizer sales volume reached 603,230 tons, equivalent to 97% of the

annual plan, an increase of 3% compared to the same period. Main products sold include:

- Superphosphate: 215,240 tons (including 5,406 tons of bio-superphosphate)
- Various NPK Types: 382,186 tons (including 14,052 tons of high-content, bio-fertilizer)
- Organic Mineral Fertilizer: 5,804 tons (including 837 tons of bio-organic mineral fertilizer)
- Sulfuric Acid: 2,055 tons

Other chemical products such as single alum, double alum, sodium bisulfite, sodium fluoride, etc., were produced and supplied adequately to meet customer demand.

1.3. Pre-Tax Profit: Reached 216.19 billion VND, equivalent to 159% of the annual plan, an increase of 16% compared to the same period.

1.4. Amount Contributed to the State Budget: Reached 85.89 billion VND, equivalent to 170% of the annual plan, an increase of 136% compared to the same period.

1.5. Total Average Number of Employees: 1,836 people, with an average monthly income of 17.25 million VND per worker. The Company continues to arrange labor in reasonable positions, enabling workers to maximize their capabilities and improve labor productivity.

2. Basic Construction Investment

2.1. The value of basic construction investment in 2024 reached: 71.114 billion VND (85% of the annual plan), including:

- Construction value: 15.886 billion VND.
- Equipment value: 42.433 billion VND.

2.2. The Company's basic construction investment activities in 2024 primarily focused on implementing projects carried over from 2023, preparing investment procedures, approving projects, selecting contractors, and signing contracts for several new projects under the 2024 investment plan approved by the Group, specifically:

- Projects completed, accepted, handed over, and put into use in 2024: Renovation of the exhaust gas treatment system for 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;

Construction of raw material and product storage at the Company; Purchase of 02 passenger cars; Purchase of an ambulance and a fire truck.

- Projects in the process of contractor selection, contract signing, procurement, and on-site construction: Construction of SOP production line with a capacity of 20,000 tons/year; Renovation of the circulation pond; Construction of a sales and product display area; Purchase of gas storage tanks.

- Projects in the preparation phase for investment: Construction of the Company's office building; Renovation of the sulfur-burning furnace for Acid Line 1 - Acid Enterprise; Construction of the aluminum sulfate (PAC) production line with a capacity of 10,000 tons/year; ...

3. Sales Operations

- Organized the launch of specialized fertilizers for Coffee plants, Forestry plants, and Urban Agricultural Fertilizers, and announced new packaging designs for Lam Thao fertilizer products.

- Effectively implemented sales operations, offering flexible policies and customer care tailored to specific stages and business conditions, gaining consensus from distributors; organized special promotional programs, particularly the "Scan the code to win money, gold,..." program when purchasing Lam Thao fertilizers (Organic Mineral Fertilizer, Bio-Organic Mineral Fertilizer, Bio-Superphosphate, High-Content NPK, Bio-NPK).

- Held Customer Conferences; organized customer appreciation programs in Phu Quoc and arranged learning tours for customers to the United States and Indonesia, promoting the Company's brand to partners and consumers.

- Collaborated with the Department of Culture, Sports, and Tourism of Phu Tho Province to organize the Hung Vuong Supe Lam Thao Volleyball Cup - the main sponsor for the period 2025-2030.

4. Production, Science and Technology, Research and Development, Quality Management

- Implemented solutions to maintain and improve the quality of the Company's fertilizer products.

- Promoted the application of scientific and technical advancements to enhance product quality, management efficiency, and process control effectiveness: Notably, the Company successfully organized production and launched new products designed for Coffee plants, Forestry plants, and Urban Agricultural Fertilizers.

5. Organization and Employee Welfare

- Arranged and allocated labor reasonably to meet the requirements of production and business activities.

- Effectively took care of employees' health, improved working conditions, and enhanced their quality of life to build trust and commitment to the Company:

- The average income reached 17.25 million VND/person/month, achieving 136% of the annual plan and increasing by 19% compared to the same period last year.

- Paid special attention to improving healthcare services for employees by organizing regular health check-ups, in-depth medical examinations, and ensuring quality healthcare. Provided health insurance for 100% of employees working at the Company.

- Additionally, employees were provided with nutritious drinks such as Bird's Nest, Cordyceps, etc., to improve health, restore labor capacity, and received gifts in kind during holidays and festivals.

6. Safety Assurance and Fire Prevention

Effectively organized the management and protection of assets; implemented occupational safety, industrial hygiene, and fire prevention measures; ensured the safety of warehouses, equipment, and products; and maintained food safety and hygiene across units.

7. Financial Operations

- Units completed financial settlement procedures on schedule as required.
- Effectively managed cost control, debt recovery, and ensured cash flow for the Company's production and business activities.

8. Procurement of Materials for Production and Business Activities

Purchased and stored raw materials at reasonable prices, reduced costs, and contributed to improving the Company's production and business efficiency.

9. Other Activities

- Successfully organized the Annual General Meeting of Shareholders and the Employee Conference in 2024.

- Successfully organized programs commemorating the 62nd anniversary of President Ho Chi Minh's visit to the Company and the Company's production anniversary.

- Fulfilled national defense and security duties: The Company's Military Command carried out military-defense tasks and provided military training for the self-defense force in strict compliance with the regulations of higher-level military authorities.

- Completed all reporting requirements on production, business, construction investment, finance, and science and technology in accordance with the requirements of the Vietnam National Chemical Group and state management agencies.

- Cooperation between units within the Group has been favorable and gradually become a cultural characteristic of the enterprise. In 2024, transactions between Lam Thao Fertilizers and Chemicals Joint Stock Company and other units within the Group exceeded 730 billion VND, contributing to the internal consumption of the Group's products.

PART II
DIRECTIONS AND TASKS FOR PRODUCTION AND BUSINESS
OPERATIONS IN 2025

I. Situation Assessment

It is forecasted that in 2025, the global and domestic fertilizer market will become increasingly complex. To stabilize production and business activities under the new circumstances, the Company will base its business plan on the actual market situation. Priority will be given to enhancing the marketing of new Lam Thao fertilizer products and focusing on developing a range of microbiological products and products containing Potassium sulfate (K_2SO_4) to penetrate the market and gain the trust of farmers, alongside the Company's traditional fertilizers for maximum effectiveness. The Company will strengthen and develop its brand through communication agencies, mass media, agricultural specialty agencies, farmers, rural areas, and its distribution network. Management efforts will be intensified, with ongoing research and application of scientific and technological solutions in production to reduce material consumption rates and lower product costs.

II- Business Production and Basic Construction Investment Plan for 2025

1. Business Production Plan

Based on the results of the 2024 business production plan, fluctuations in the fertilizer market, and weather forecasts for 2025, the Company's Executive Board directs departments to build the 2025 business production plan as follows:

1.1. Industrial production value (at actual prices): 3,801 billion VND, with a total fertilizer output of 833,000 tons.

- Supe phosphate: 425,000 tons.
- NPK fertilizers: 400,000 tons.
- Organic-mineral fertilizers: 8,000 tons.
- Sulfuric acid: 145,000 tons.

1.2. Sales revenue and service provision: 3,545 billion VND, with a total fertilizer consumption of 628,000 tons.

- Supe phosphate: 220,000 tons.
- NPK fertilizers: 400,000 tons.
- Organic-mineral fertilizers: 8,000 tons.
- Sulfuric acid: 1,500 tons.

1.3. Budget contribution: 63.431 billion VND.

1.4. Pre-tax profit: 205 billion VND.

1.5. Basic construction investment: 124.141 billion VND.

1.6. Ensure sufficient employment for employees with stable income.

2. Basic Construction Investment: 124.141 billion VND

In which:

- Construction: 38.459 billion VND
- Equipment: 71.212 billion VND
- Other costs: 14.470 billion VND

Key Projects:

+ Ongoing Projects: SOP Production Line Project (20,000 tons/year); Sales and Product Display Area Project; Circulating Pond Renovation Project; Gas Storage Tank Procurement Project.

+ New Investment Projects: Office Building Construction Project; PAC Production Line Project (10,000 tons/year); Sulfur Burning Furnace Renovation (Axit Production Line 1); Contact Process Improvement Project; Flue Gas Treatment System Renovation for Acid Production Lines; Electrical System Renovation Project (110KV Substation); Technology Upgrading and Super Phosphate Production Line Renovation Project; Various Equipment Procurement Projects.

III- Solutions for Implementing the 2025 Plan

III- Solutions for Implementing the 2025 Plan

1. Develop new fertilizer products suitable for various crops, derived from K_2SO_4 , which helps crops bloom and ripen early, enhances fruit sweetness and color, and increases productivity and efficiency.

2. Manage and operate production activities at units according to current standards, regulations, and procedures. Strengthen management, reduce costs, ensure safe business operations, integrate environmental protection, and move towards adopting modern, eco-friendly technologies.

3. Implement specialized production based on product lines at units to increase labor productivity, improve product quality and appearance, and enhance market competitiveness.

4. Organize market development and product consumption: expand markets for new fertilizers, high-nutrient NPK fertilizers, organic mineral fertilizers, and fertilizers containing microorganisms in Central, Central Highlands, and Southern regions; gradually promote direct fertilizer export.

5. Effectively implement investment programs: invest in the K_2SO_4 production line, develop science and technology to meet the Company's growth needs, ensure safety in production and business operations (capital safety, food safety, fire and explosion prevention, etc.); mechanize loading, unloading, and

transportation of raw materials and products to save time and labor; complete experimental garden construction; build new sales stations.

6. Organize workforce training and arrangement: streamline and optimize labor force allocation to be suitable and efficient. Implement electronic timekeeping to ensure transparency, stabilize employment, and improve both the material and spiritual well-being of employees.

7. Strengthen asset, material, and product management; maintain inventory at reasonable levels to reduce costs; actively recover debts to ensure cash flow for business operations.

8. Promote emulation movements in production labor; encourage and motivate all Company staff and employees to work enthusiastically, creatively, and responsibly, contributing to the Company's sustainable growth.

9. Based on the 2024 business results and the 2025 objectives, employees of Lam Thao Fertilizers and Chemicals Joint Stock Company will focus their efforts on business production, investment development, and market expansion to achieve the highest possible results and exceed the annual targets for 2025.

Recipients:

- Company's Board of Directors
- General Director (e-copy)
- Filed: KHVT, VT

GENERAL DIRECTOR

(Signed)

Pham Thanh Tung