



Basic Information:	Shareholder Structure (December 19, 2017):
<ul style="list-style-type: none"> • Stock code: DPM (HoSE) • Listing date: November 05, 2007 • Foreign ownership as of December 31/12/2017: 20.46% • Room for foreign investors: 49% • Listed share: 391,400,000 • Outstanding shares: 391,334,260 • Dividend payout ratio (cash) in 2017: 2,000 VND/share 	<ul style="list-style-type: none"> • PetroVietnam: 59.59% • Edgbaston: 4.24% • KWE BETEILIGUNGEN AG: 1.78% • GIC: 1.78% • CitiGroup: 1.31% • Agrimex Dak Lak JSC: 1.05% • Agrimex Nghe An JSC: 1.02% • Others: 29.23%

I. MESSAGE TO INVESTORS

In 2017, PVFCCo maintained its leading position in the fertilizer and chemical industry, completing and exceeding major production and sales targets. Nevertheless, domestic and international markets constantly fluctuated with a lot of difficulties and disadvantages, especially in terms of input material and selling prices, resulting in double-hit pressure and a significant drop in profit margin. Moreover, strong increase in import volume and fierce competition in domestic market also posed challenges to management and effort to cut costs.

In that context, PVFCCo and its subsidiaries have taken a lot of efforts to overcome difficulties and achieve major objectives entrusted and expected by shareholders and investors. Phu My Fertilizer Plant operated at maximum capacity and successfully completed yearly plan ahead of schedule, with output reaching nearly 810,000 tons or 103% of yearly plan, contributing significantly to help PVFCCo achieve its business targets and maintain its market share. In Q4, the plant was shut down for 30 days for overall periodic maintenance and officially resumed its operations on December 22, 2017.

In the second half of the year, unpredictable and unfavorable market situations continued. Selling price of Phu My Urea in the 2H2017 increased by 8.5% YoY (6,410/5,910 VND/kg), reaching 100% of planned target while input gas price increased sharply by 18% YoY (5.21/4.419 USD/MMBTU) (inclusive of VAT), which was 16.55% higher than planned target.

In addition, adverse weather conditions also caused impacts on market demand, even during peak times of Winter-Spring crop.

However, PVFCCo has maintained its leading position in the industry with estimated total sales volume of fertilizers in 2017 reaching nearly 1.2 million tons, exceeding the yearly plan by 7% and equal to that in 2016. In that total, sales volume of Phu My Urea reached nearly 810,000 tons or 104% of yearly plan with an YoY decrease by 1.6% due to downtime of 30 days for maintenance. Fertilizer import business reported impressive results with sales volume of 379,000 tons, exceeding the yearly plan by 22% with an YoY increase by 7%. Sales of chemical products was negatively affected by market demand, however, it reported satisfactory results with total volume of nearly 71,000 tons, contributing approximately 390 billion VND to total revenue of PVFCCo.

In Q4, PVFCCo and its contractors also took urgent measures to complete installation works and prepare materials for connecting the NH₃ Revamping project and trial operation of Phu My NPK Plant in order to put the complex in commercial operation in early 2018. In 2017, PVFCCo disbursed 1,535.57 billion VND for these two projects.

Management of PVFCCo has identified key tasks in 2018 to effectively operate Phu My Fertilizer Plant and the new NH₃-NPK Complex to increase fertilizer and chemical production by 10-15% and contribute an expected YoY revenue growth of 10%. At the same time, PVFCCo will seek strategic partners for divestment of state capital and restructuring to improve the efficiency of corporate governance and optimize shareholders' and investors' interests.

II. BUSINESS PERFORMANCE OF Q4, 2H 2017 AND 2017

1. Production:

Phu My Urea: In Q4, Phu My Fertilizer Plant was estimated to produce 124,365 tons, or 87% of quarterly plan. Production in the second half was estimated at 342,303 tons, down by 13% YoY. In the 2017, production (including NH₃ equivalent) is estimated to reach 825,939 tons, representing 107% of yearly plan. Production in Q4 was lower than planned target because the Plant had previously operated beyond its design capacity and completed its yearly plan 1 month ahead of schedule.

UFC85: Production in 2017 reached 12,573 tons, achieving 97% of yearly plan.

2. Sales:

2.1 Sales of fertilizers

In 2017, domestic fertilizer market had to compete fiercely with cheap imported fertilizers. Nevertheless, sales of PVFCCo's fertilizers in 2017, particularly Phu My Potassium and NPK, reported positive growth. In which, sales of Potassium and NPK recorded YoY growth of 14% and 20%, respectively. Sales of both fertilizers and chemicals in 2017 completed and well surpassed yearly plans, specifically.

Phu My Urea: Domestic sales reached 157,320 tons in Q4, or 96% of quarterly plan, and 368,950 tons in 2nd half of 2017, up by 4% YoY. Sales in 2017 was estimated at 810,887 tons, reaching 103% of yearly plan, down by 0.4% YoY. The decrease of sales in Q4 and in 2017 was because of the Plant shutting down for overall periodical maintenance.

Selling price of Phu My Urea: Average selling price in Q4 rose by 9% QoQ and by 20% YoY. After early rise in the year, Urea price was kept at low level from Q2 to Q3. This was mainly because of large stock volume, high supply pressure, and low consumption demand in many regions. Besides, import price of Urea tended to decrease with increasing addition of supply. However, in Q4, Urea price in domestic market rose again due to increased demand for fertilizers for Winter-Spring crop.

Trading imported fertilizers: Sales volume was estimated to reach 49,178 tons in Q4, completing 85% of quarterly plan, and 153,345 tons in 2nd half of 2017, up by 6.8% YoY. The decrease of sales in Q4 was due to strong consumption in Q3 and increasing trend in global and domestic prices. Accumulated volume in 2017 was estimated at 379,421 tons, reaching 117% of yearly plan, up by 7% YoY.

Export: Urea was exported to Korea and Thailand with an estimated export volume of 320 tons in Q4, reaching 2% of quarterly plan. Export volume in 2017 was estimated at 3,120 tons, including 1,120 tons of Urea and 2,000 tons of NPK, reaching 8% of yearly plan. Export volume failed to meet the plan because global fertilizer price was lower than domestic price and domestic market was prioritized for maximization of profit.

Import: In Q4, PVFCCo imported approx. 56,339 tons of fertilizers, including NPK, Potassium, SA, and DAP, representing 147% of quarterly plan. Export volume in the second half was 127,986 tons, up by 63% YoY. In 2017, export volume of fertilizers of all kinds was 312,000 tons, or 135% of yearly plan.

2.2 Sales of chemicals:

Total sales of chemicals in 2017 reached nearly 71,000 tons with an estimated total revenue of 390 billion VND (-7.6% YoY), of which revenue of NH₃ and petrochemicals accounted for 72.6%. Specifically:

NH₃:

Sales volume reached 7,851 tons in Q4/2017, 17,223 tons in the second half of 2017, and accumulated to 23,504 tons in 2017, completing 235% of yearly plan, down by 29% YoY. Revenue of NH₃ in 2017 reached 152 billion VND, down by 35.9% YoY. Total sale volume of NH₃ in 2017 was much higher than the plan thanks to additional 13,500 tons of NH₃ supplied by PVFCCo.

NH₃ price rose slightly as compared to the forecast

In its early-year report, Fertercon forecast that Ammonia price would reach its 2017 bottom low at 263 USD/MT FOB in Southeast Asian market, but later adjusted its forecast to 270 USD/MT FOB after reviewing actual supply/demand situation in the market. According to PVFCCo's report, the current price is slightly rising, but close to the forecast, to 274 USD/MT. This is mainly because of slight YoY rise in global price, the shut down of many plants in China for failure to comply with environmental safety requirements, and interruptions of major in America and Asia plants caused by natural disasters.

Stable domestic NH₃ demand

In Vietnamese market, domestic NH₃ demand in 2017 was approx. 250,000 tons, mainly from production sectors, such as: explosives, fertilizers, MSG, steel, and thermal power.

Domestic NH₃ supply was mainly sourced from excessive stock of Urea manufacturing plants, including Ca Mau and Phu My Fertilizer plants, with a total volume of approx. 50,000 tons. Total volume of NH₃ import and excessive stock of Ha Bac and Ninh Binh Fertilizer plants was 200,000 tons/year.

UFC85

Sales volume reached 1,567 tons in Q4/2017, 4,218 tons in the second half of 2017, and 8,443 tons in 2017 as a whole, completing 94% of yearly plan, up by 51% YoY. Revenue was estimated at 98 billion VND.

Total market demand for UFC85 in Vietnam is about 14,000 tons/year, mainly used for Urea manufacturing plants, and PVFCCo is currently supplying all UFC85 for these plants. However, due to a lot of difficulties in the market recently, only Phu My and Ca Mau Fertilizer Plants were buying UFC85 volume as planned. Ha Bac Fertilizer Plant hasn't been consumed UFC85 since year beginning and Ninh Binh Fertilizer Plant was already shut down in September 2017, resulting in lower consumption volume as compared to the plan.

CO2

Sales volume reached 8,475 tons in Q4/2017, 19,665 tons in the second half of 2017, and 38,937 tons in 2017 as a whole, completing 95% of yearly plan. Total revenue of CO2 was approx. 9 billion VND. Sales volume of CO2 was lower than planned target because Phu My Fertilizer Plant underwent a periodic maintenance for 30 days.

Petrochemicals

Sales volume reached 489 tons in Q4/2017, 922.8 tons in the second half of 2017, and 1,739 tons in 2017 as a whole, completing 87% of yearly plan, down by 17% YoY. Revenue in 2017 reached 131 billion VND, down by 9% YoY. In 2017, DPM remained the supplier of petrochemicals for many joint ventures under signed contracts, including Hoang Long Hoan Vu Joint Venture, Lam Son, Thang Long, JVCP, Vietsovpetro, PV Gas, etc.

3. Business plan for 2018:

The year 2018 marks an important change in production scale with the official operation of Phu My NPK Plant and NH3 Revamp, which is expected to contribute to revenue growth of the Corporation. PVFCCo set its 2018 plan to consume 820,000 tons of Phu My Urea, 178,000 tons of NPK, and 225,000 tons of other fertilizers. Sales of chemicals will be approx. 120,000 tons.

Phu My Urea: The Plant is expected to run at top design capacity with production output of 800,000 tons. Sales volume will be 820,000 tons.

Phu My NPK:

NPK Plant is expected to start its commercial operations on April 01, 2018 with an estimated output of 170,000 tons and sales volume of 150,000 tons in the first year of operation. As the Plant will be operational from Q2/2018, PVFCCo still expects to import NPK for meeting consumption demand in early months of 2018. Import volumes will be based on actual demand and estimated to be 10,000-20,000 tons of NPK of all kinds. In addition, PVFCCo will continue importing and selling 170,000 tons of Potassium in 2018.

Phu My NPK Plant is Vietnam's only chemical technology plant capable of producing high quality and rich content NPK formulas. This will be the advantage of PVFCCo as Vietnam imports more than 300,000 tons of high-quality NPK each year to supplement its domestic demand. PVFCCo will focus on developing its NPK share in the crop markets with high ROI and value and competitive selling prices, and flexible sales policies. Apart from advantage as

the available supply of Phu My NPK, PVFCCo will keep improving the delivery and distribution process to make full use of existing warehouses and terminals. At the same time, PVFCCo will also enhance the performance of its distribution system to meet consumption demands of the NPK plant when operating at full capacity. In addition, PVFCCo will continue training and improving the quality of human resources, particularly sales teams, keeping them ready for its business growth in 2018, as well as strengthening international cooperation to find potential opportunities for import and export of fertilizers and chemicals.

Chemicals:

Sales volume in 2018 is planned to reach nearly 12,000 tons, including: 55,000 tons of NH₃, 50,000 tons of CO₂, 9,000 tons of UFC85, and 400 tons of petrochemicals.

4. Progress of NH₃-NPK Plants:

Phu My NPK Plant

As of November 25, 2017, overall progress of NPK project was 98.37% (delayed by 1.63% as compared with the planned 100%). Estimated date of trial run was already 4 months behind schedule, and the two parties are negotiating and the trial run is scheduled for December 24, 2017.

NH₃ Revamp:

As of November 25, 2017, overall progress of the project was 97.37% (delayed by 0.8% as compared with the adjusted plan of 98.17%). It is expected that trial run and delivery for commercial operation will be completed in January 2018.

As of December 31, 2017, accumulated disbursement progress for the Complex was 2,986.64 billion VND, of which owner's equity was 2,170.65 billion VND and loan capital 815.99 billion VND.

5. Business results and financial highlights of Q4, 2H2017 and 2017:

Total revenue: Total revenue of Q4 reached 1,447 billion VND, completing 100% of the plan, down by 16.9% YoY. Consolidated revenue in the second half of 2017 was approx. 3,590 billion VND, down by 0.9% YoY. Consolidated revenue in 2017 was estimated to reach 8,015 billion VND, or 104% of yearly plan, down by 2% YoY. Lower YOY revenue is mainly due to the drop in prices of fertilizers and chemicals.

Profit before tax: Profit before tax of Q4 estimated to reach 112 billion VND, down by 30.4% YoY. Profit before tax of the 2H2017 was 281 billion VND, down by 32.6 % YoY (281/417 billion VND). Consolidated profit before tax in 2017 reached 845 billion VND, or 100% of yearly plan (adjusted), down by 39.3% YoY.

Revenue and profit before tax are decreased YoY, which is mainly because of a sharp increase of 28% (5.01/3.39 USD/MMBTU, VAT inclusive) in gas price, a decrease of 1.6% in sales of Phu My Urea, a decrease of 59% in sales of NH₃, and a decrease of 5% in price of imported fertilizers, YoY.

Financial highlights of the first 9 months of 2017:

No.	Item	9 months of 2016	9 months of 2017	Increase/Decrease (%)
I.	PROFITABILITY RATIOS			
1	Return on Assets (ROA) (Profit after tax/Total assets)	9.57%	5.99%	-37%
2	Return on Equity (ROE) (Profit after tax/Equity)	11.57%	7.28%	-37%
3	Profit after tax/Revenue	15.69%	9.19%	-41%
II.	LIQUIDITY RATIOS			
1	Overall liquidity ratio (Total assets/Total liabilities)	8.02	4.72	-41%
2	Quick ratio ((Current assets - Inventories)/Current liabilities)	4.69	2.03	-57%
3	Current ratio (Current assets/Current liabilities)	8.50	3.98	-53%
4	Liabilities to Equity ratio	0.14	0.27	89%

Liquidity ratios: current ratio and quick ratio are 3.98 and 2.03, respectively, respectively although they were a downward pattern YoY but the solvency of PVFCCo with respect to due debts was still assured.

Profitability ratios: ROA and ROE in the first 9 months were 5.99% and 7.28%, respectively, both down by 37% YoY. This is mainly due to its lower profits (-40% YoY) in the first 9 months of 2017, resulting in other lower indicators.

III. MARKET INSIGHT:

1. Domestic fertilizer market in Q4 and 2H2017

Selling price recovered, domestic supply slumped

After the early rise and subsequent slump in Q2, fertilizer price in Q3 became stable thanks to high stockpile level and sale pressure while demand suffered from a sharp decrease due to adverse weather impacts on domestic fertilizer price. However, selling price in Q4 was slightly bounced back thanks to the support of the rise in oil price and fertilizer demand for 2018 Winter-Spring crop.

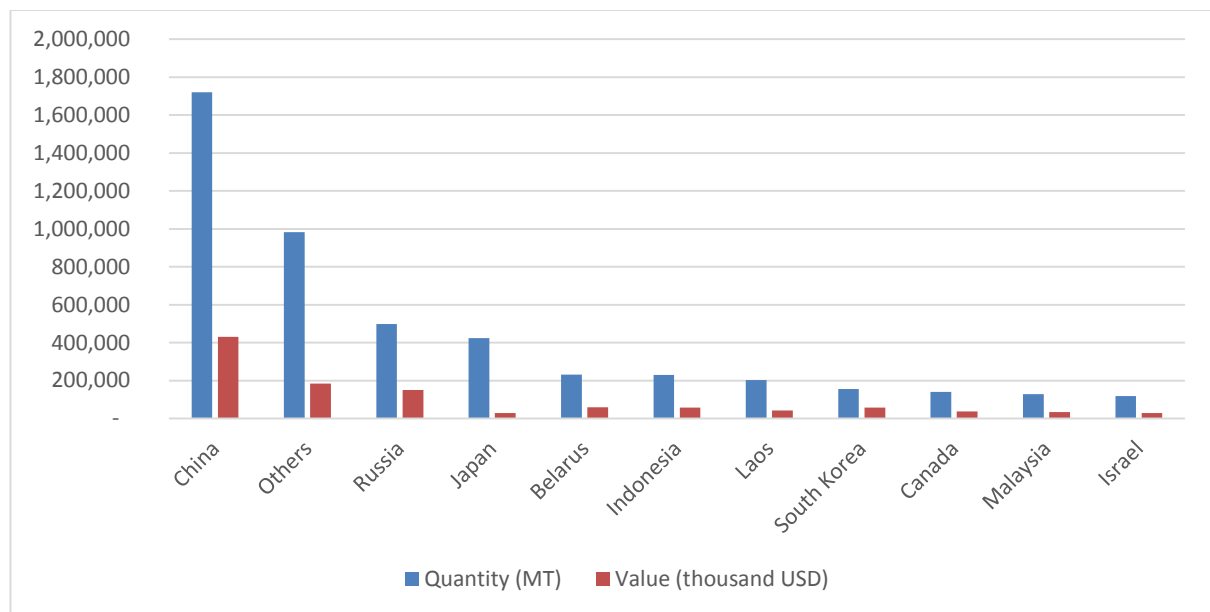
Urea production output in 2H2017 was approx. 1 million tons, a slight decrease YoY. Ninh Binh Fertilizer Plant was suspended for relatively long periods with nearly zero production since August 2016. Ha Bac Fertilizer Plant operated at over 60% of its design capacity and was forecast to produce over 300,000 tons in 2017. Ca Mau Fertilizer Plant was in stable

production. Phu My Fertilizer Plant was expected to undergo a periodic maintenance for 30 days, from November 22 to December 22, 2017, resulting in a significant supply slump.

Strong import growth

To meet additional domestic demand, fertilizer import volume has rapidly increased recently. According to data of the General Department of Customs, in the first 11 months of 2017, China remained the largest exporter of fertilizers into Vietnam with import value of 430.3 million USD, or 37.5% of total value of fertilizer import in Vietnam, and import volume reached 1.7 million tons. Russia ranked 2nd with import value of 150.6 million USD, equivalent to a volume of 498,959 tons.

Chart 1: Exporters of fertilizers into Vietnam in 11 months of 2017



(Source: General Department of Customs)

In 11 months, Vietnam imported 4.8 million tons of fertilizers of all kinds with import value of over 1.1 billion USD, up by 17% and 15% in volume and value, respectively, YoY.

Price tending to rise slightly

Prices of some domestic fertilizers are forecast to rise during peak time of Winter-Spring crop due to the influence of global fertilizer and oil prices, but at slight increase at most due to abundant supply and stockpile level. On the other hand, adverse weather conditions and saline intrusion in coastal Southwestern provinces, as well as floods along the North Central and Central Coast, have forced many regions to re-structure agricultural production activities, thereby reducing cultivation area and, consequently, fertilizer demand.

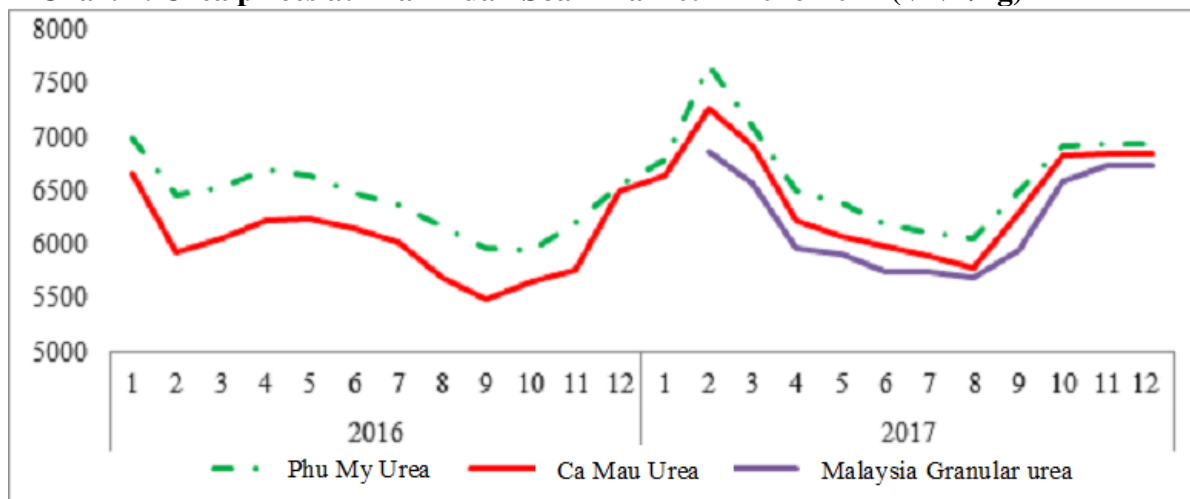
Development of fertilizer prices:

Urea:

Despite preparations for Winter-Spring crop, Vietnamese fertilizer market in Q4 remained rather quiet with a low demand in most regions. In October, average offer price was 6,200-6,300 VND/kg for Indo/Malay Prilled Urea and 6,800-7,000 VND/kg for Indo/Malay Granular Urea. Domestic Urea price remained at high level, in which Phu My Urea and Ca Mau Urea was offered at 6,800-7,000 VND/kg.

In the first week of December, despite the fact that Winter-Spring crop started in the Southwest region and Phu My Fertilizer Plant was suspended for maintenance, Urea price was less volatile and the market was rather quiet. Purchase price for Tier-1 dealer (not including freight cost) was 6,800 VND/kg for ex-factory Ca Mau Urea and 6,700-6,800 VND/kg for Phu My Urea at Can Tho transit depot.

Chart 2: Urea prices at Tran Xuan Soan Market in 2016-2017 (VND/kg)

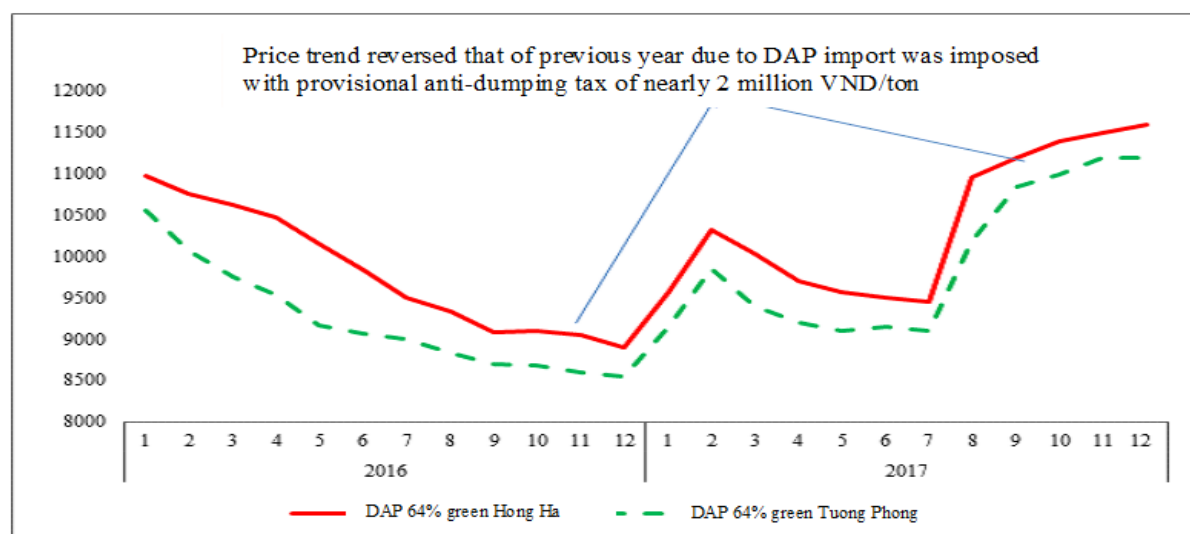


Source: AgroMonitor, PVFCCo

DAP:

According to the General Department of Customs, nearly 90% of DAP imports into Vietnam is from China. As a result, a rise in DAP price in China may cause significant impact on transaction price in Vietnam. Most of plants in China have stopped selling DAP, mainly due to the sharp rise in sulfur prices leading to increased manufacturing costs. High prices and lower supply of raw materials also narrowed down production at the plants; as a result, DAP 64% offer prices in many plants were up to 3,000 RMB/ton. It is expected that after the meeting of compound and phosphate fertilizer manufacturers held in November, DAP prices are likely to continue rising higher.

Chart 3: DAP prices at Tran Xuan Soan Market from 1/2016 to 12/2017

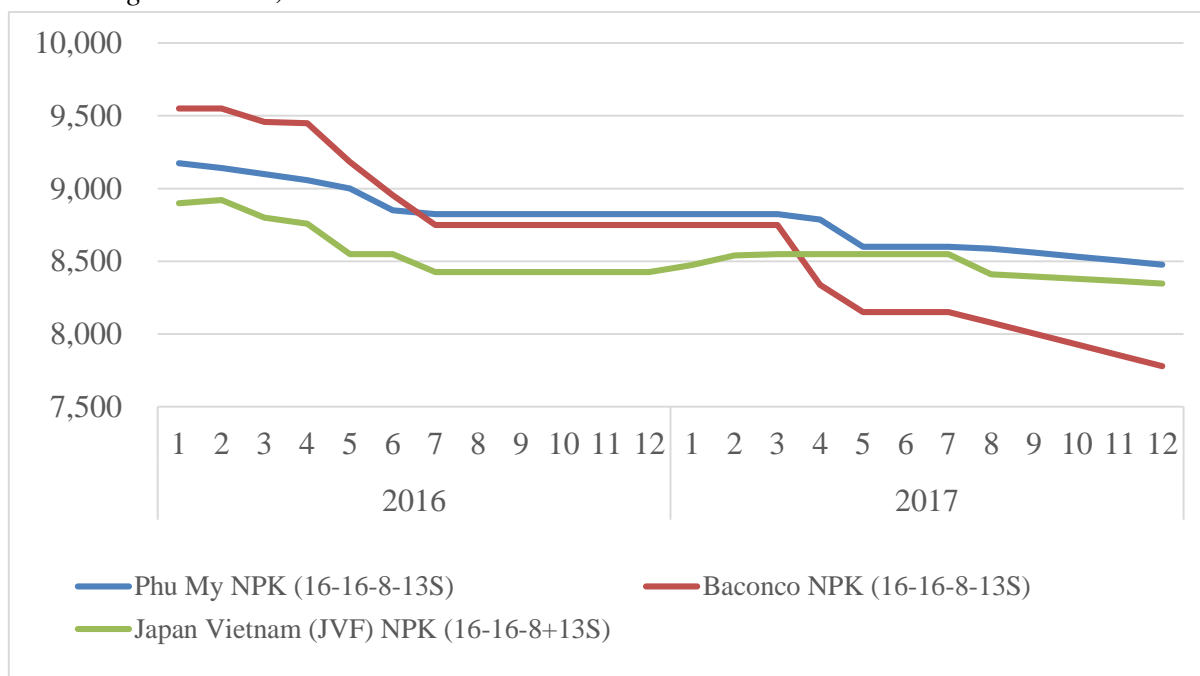


Source: AgroMonitor, PVFCCo

NPK:

In October, several small NPK mixing plants raised their offer price due to the pressure of rising raw material prices; however, domestic NPK price remained stable. In December, prices remained relatively stable at 7,700 - 8,300 VND/kg for 16-16-8 NPK.

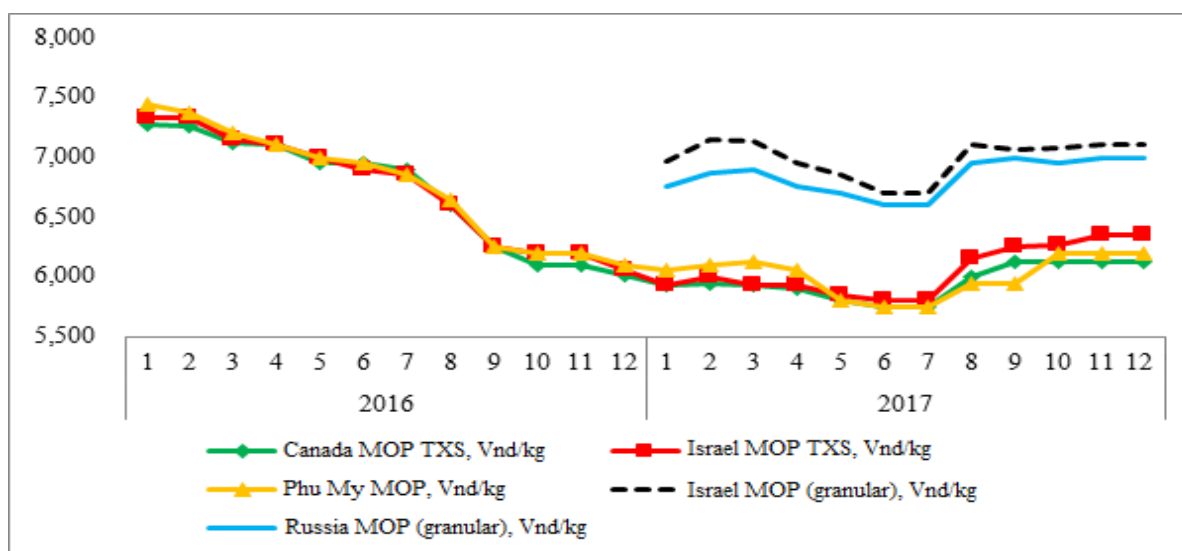
Chart 4: NPK prices at Tran Xuan Soan Market from 1/2016 to 12/2017 (VND/kg) - Source: AgroMonitor, PVFCCo



Potassium:

Potassium demand was low in October, resulting in a slowdown in prices. However, global Potassium price was bounced back in early November and trading price in Vietnam rose slightly, too. Phu My Potassium was selling well in the region and preferred by many farmers even as a fertilizer for seeds, and the market share was relatively stable, too. But in early December, Potassium market was slowing down with poor sales.

Chart 5: Potassium prices at Tran Xuan Soan Market from 1/2016 to 12/2017 (VND/kg)



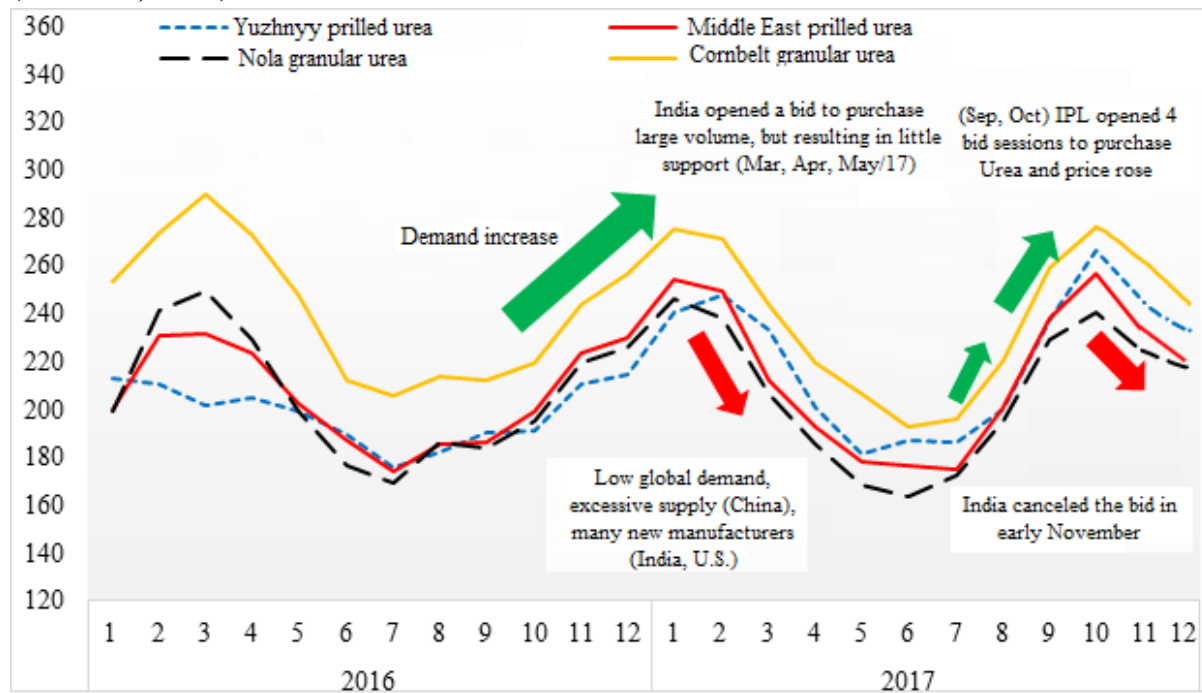
Source: AgroMonitor, PVFCCo

2. International fertilizer market:

Urea market

Global Urea prices have been falling steadily since early November, ending the rising trend over the past four months as India canceled its Urea import bid in early November. In November and early December, Urea prices fell by 20-80 USD/ton compared to the peak level in early November. As of early December, prices have slumped to around 200 USD/ton FOB. Although some Middle Eastern plants were shutting down for maintenance and repairs in November, plus a tight cut in China's supply due to environmental inspections and high coal and gas prices, still there wasn't enough push to help Urea prices recover. On the supply side, export output from China fell due to reduced capacity and increased coal prices. On the demand side, however, the rising demand from India due to low stock level may support a higher price in 2018.

Chart 6: (Monthly average) Urea prices in certain regions in the world in 2016-2017 (USD/ton, FOB)

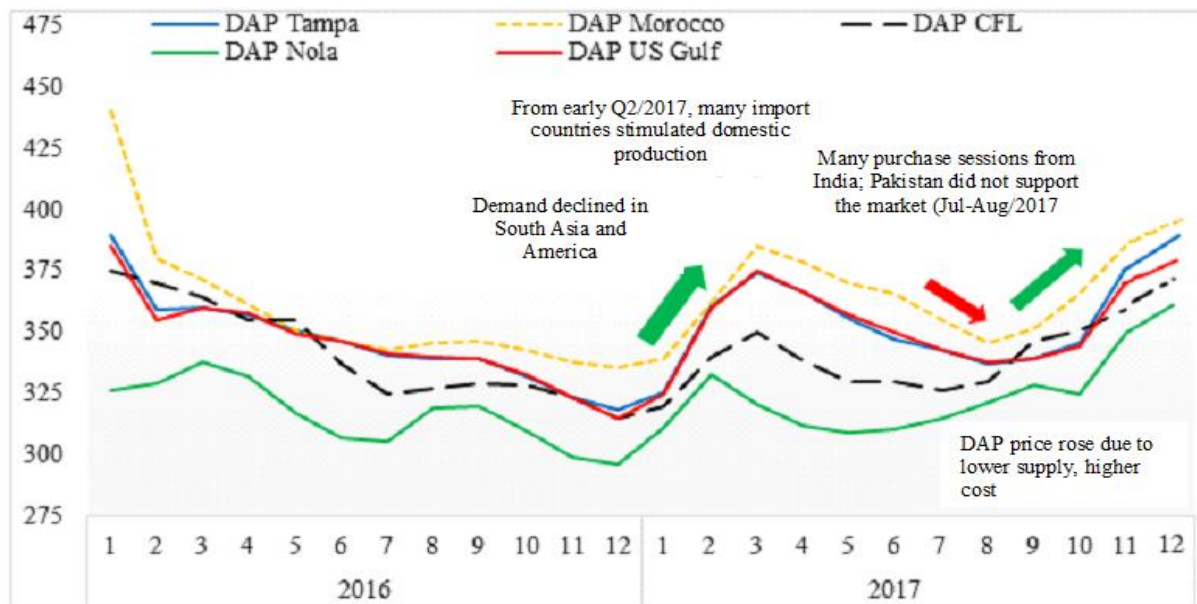


Source: AgroMonitor, PVFCCo

DAP market

In November 2017, prices are on steadily rising trend in most of major Phosphate markets in the world due to the rise in raw material prices and concerns about declining supply. Offer prices were constantly rising across major markets, especially in China, Saudi Arabia, and Morocco. In early December, DAP prices reached around 400 USD/ton FOB, the highest peak in the last 02 years.

Chart 7: (Monthly average) DAP prices in certain regions in the world in 2016-2017 (USD/ton, FOB) - Source: AgroMonitor, PVFCCo

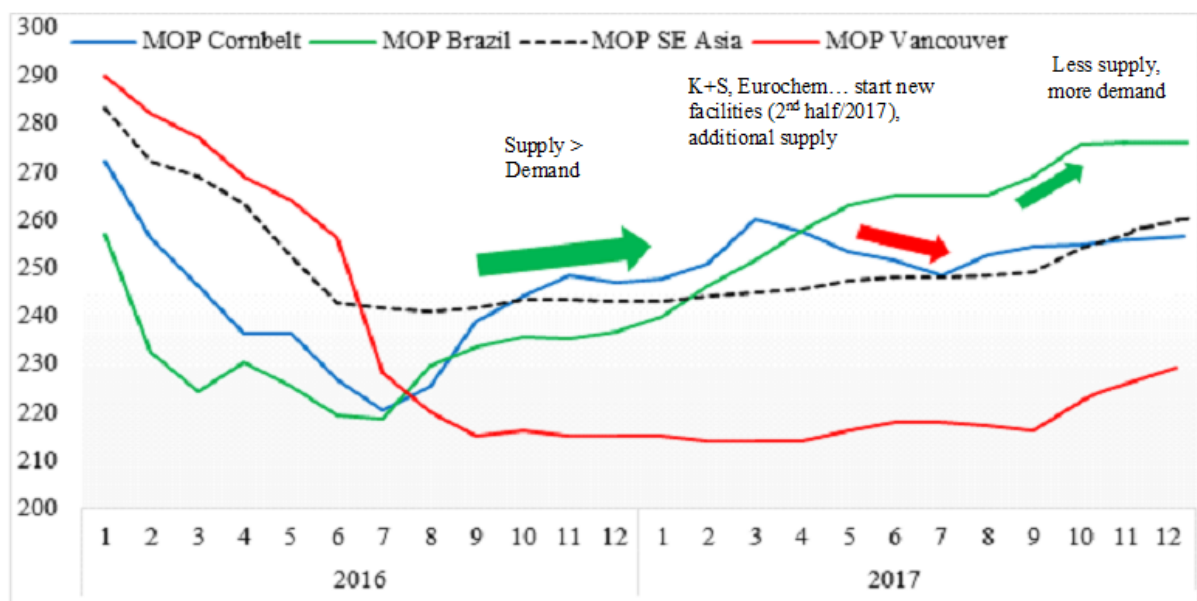


Potassium market

In November, international Potassium market was generally stable in most regions. Potassium prices in Brazil and South East Asia remained at 255-265 USD/ton CFR and 280-285 USD/ton CFR, respectively. In Indonesia, it has been importing a large volume of Potassium in this year. U.S. offshore Potassium import also hit a record in early November, which indicates a strong demand in US market. However, most of price offers suggest no major rise in price in the short-run.

Chart 8: (Monthly average) MOP prices in certain regions in the world in 2016-2017 (USD/ton, FOB, CFR)

Source: AgroMonitor, from PVFCCo



IV. NEWS

1. Investor Relations:

DPM announced the first dividend payout in 2017 at 10% par value

On November 28, 2017, PVFCCo's BOD issued a resolution on advance of first dividend payout in 2017 at 1,000 VND/share, or 10% of par value, from undistributed profit of PVFCCo. Payment date is set to be January 24, 2018.

At 2017 AGM, shareholders of DPM approved the cash dividend for 2017 at 2,000 VND/share.

PCE announced the first dividend payout in 2017 at 6%; DPM is entitled to receive 4.5 billion VND

Central PetroVietnam Fertilizer and Chemicals Joint Stock Company (HNX: PCE), a subsidiary of PVFCCo, recently announced its advance of first dividend 2017 in cash at 6% to its shareholders on December 15, and November 16 would be Ex-dividend date. In 2017, PCE expected to pay dividends to its shareholders at the rate of 12%. Currently, PetroVietnam Fertilizer and Chemicals Corporation (HOSE: DPM) is the parent company holding 75% of shares in PCE. Accordingly, DPC is expected to receive 4.5 billion VND as a result of this payment.

PVFCCo welcomes domestic investment funds and brokerage institutions

On December 04, 2017, Mr. Le Cu Tan – Chairman and Mrs. Nguyen Thi Hien – Vice Chairwoman and Spokeswoman of PVFCCo represented the Management to welcome and meet nearly 40 representatives of investment funds and brokerage institutions in Vietnam. At the meeting, PVFCCo leaders updated business results as of mid-Q4 of 2017, estimations for whole year 2017 and prospects in 2018, and answered relevant questions raised by investors. Accordingly, PVFCCo expected to accomplish and exceed its business and sales targets, but fail to meet profit target due to strong rise in input oil prices and slow recovery of selling prices. Also at the meeting, the leaders of PVFCCo announced the plan on divestment of state capital from DPM in 2018 and the plan on preferred selection of strategic investors for optimization of transaction value.

PVFCCo is awarded TOP3 Mid Cap Listed Companies with Best IR 2017

PVFCCo (stock code DPM) was elected as one of TOP3 Mid Cap Listed Companies with Best IR Activities 2017 by financial institutions for its strict compliance with information disclosure requirements and good Investor Relation (IR) practices. This is the 6th straight year in which PVFCCo as the only enterprise in oil and gas sector was elected for the award of best IR companies listed on the stock market of Vietnam.

The election for Best IR 2017 Award was conducted via a comprehensive survey on 672 listed companies in three categories: Largecap, Midcap and Smallcap, and selected 63 outstanding companies out of 114 ones that satisfied survey criteria. Accordingly, awarded companies were those that strictly complied with information disclosure requirements (as stipulated in Circular 155/2015/TT-BTC), passed a rigorous evaluation of IR activities conducted by professional financial institutions, as well as received the most popular votes from the investor community.

DPM is ranked among TOP100 of Profit500

Vietnam Report has recently announced the List of Most Profitable Firms in 2017. Accordingly, DPM is ranked among TOP100 of Profit500.

Profit500 Ranking List is prepared by Vietnam Report and independently reviewed in an effort to honor Vietnamese firms with positive profitability and high potential to become the pillars for future development of Vietnamese economy and, as well as to help promote Vietnamese brands in domestic and international business communities.

The assessment is based on key profitability indicators (ROA, ROE, ROR); profit before tax; and business sales. In addition, assessment criteria also include reputation, labor size, business prospect, etc.

DPM is honored with Enterprise for Employees 2017 Award

On November 21, 2017, the Review Committee for “Enterprise for Employees 2017” Ranking List announced the decision on honoring 74 outstanding enterprises out of over 300 candidates.

Of 74 winners of this year, 44 enterprises are ranked as Enterprises for Employees, 10 are awarded merit certificates from the Ministry of Labour, Invalid, and Social Affairs, 10 to receive merit certificates of Vietnam General Confederation of Labour, and 10 to receive merit certificates from VCCI. PVFCCo is one of 10 enterprises to receive Merit Certificates from Vietnam General Confederation of Labour.

2. Business News:

News on service of Phu My Fertilizer Plant

Completion of the overall periodical maintenance of Phu My Fertilizer Plant and connection of NH3 Revamp

On December 22, 2017, PVFCCo completed the overall maintenance of Phu My Fertilizer Plant. This was the 8th maintenance, lasting for 1 month from November 22, 2017 to December 22, 2017, and also the biggest and most complicated overall maintenance ever with a total of 5,252 work items – 311 more than the planned target. On December 30, 2017, all workshops of the Plant resumed normal operations, reaching 109% of design capacity of Urea workshop.

In this maintenance, PVFCCo successfully integrated the connection of NH3 Revamp project. This successful integration is expected to help increase output of NH3 Workshop by 90,000 tons/year from 2018 onward, up by 20% as compared with previous output.

Phu My fertilizers help raise rice productivity by 10% and durian productivity by 12%

At the Summary Conference on Demonstration Model using Phu My Fertilizers on Rice in Summer-Autumn Crop 2017 held at Trieu Do Commune, Trieu Phong District, Quang Tri Province, the Provincial Center for Agriculture Promotion published a report that showed higher efficiency of model field than that of comparative field. Specifically, rice in model field using Phu My Fertilizers grows healthily with higher hardness, better resistance, and 10% higher productivity estimated to reach 50 quintals/ha, compared to only 46 quintals/ha in comparative field. Economic efficiency of model field is 2.64 million VND higher than that of comparative field.

In addition, at the Summary Conference on Demonstration Model using Phu My Fertilizers on Durian, the Highland Center for Soil, Fertilizer, and Environment Studies published results of the survey on the use of Phu My fertilizers that showed higher productivity and economic

efficiency by 11.7% and 12.9% respectively (profit increased by 1 million VND/tree) as compared to comparative field. Also, there is a significantly less prevalence of pests and diseases in the demonstration field over the comparative field. In 2017, durian price rose up to 50,000 VND/kg (at plantation) and durian plantation area in Dak Lak and the country was also constantly expanded. Currently, Vietnam's total area for durian growing is 17,000, of which Dak Lac claims 3,000 ha, up by 300 ha YoY. This is a good opportunity for Phu My fertilizers to approach and expand the market for increasing the usage and consumption.

PVFCCo rewarded its customers with “gold”

From June 15 to September 12, 2017, PVFCCo officially launched “Phu My Urea - Millions of Love” promotion program with a total value of awards of up to 10 billion dong to mark the 10 million ton output of Phu My Fertilizer Plant. Accordingly, during the promotion period, for each 50-kg package of Phu My Urea labeled with “Phu My Urea - Millions of Love”, a customer will have an opportunity to win a prize with a lucky scratch card in each package.

3. News on Fertilizer and Chemical Markets:

Potash Group reduces supply of Potassium

In early October, Potash Group declared to temporarily suspend production activities at two mines in Canada in order to reduce excessive supply of Potassium and adjust its stock level. Specifically, the Group is planning to cut back production at one facility for about 10 weeks, starting from November 19, 2017, and the other for 8 weeks, starting from December 03, 2017. This will further tighten the supply in the future.

Also in the end of October, Jordan APC Group announced its temporary suspension of Potassium production for about 01 months due to technical issues, thereby reducing the supply by approx. 200,000 tons.

Uralkali starts Potassium mine with capacity of 2.5 million tons/year

Uralkali is planning to start the operation of Ust-Yaiv mine in early 2020. At that time, the capacity of Ust-Yaivinsky is expected to reach 2.5 million tons/year. Currently, Ust-Yaivinsky project is progressing with 40% complete and total investment capital of approx. 1.2 billion USD.

China aims at limiting the use of agricultural chemicals

China is currently aiming at “Zero Growth” policy - no agricultural chemicals by 2020, including chemical fertilizers and agricultural pesticides in China. According to PotashCorp (POT), this policy will focus on Nitrogen-based and Phosphate-based fertilizers.

Vietnamese Government revises import duty on fertilizers

On November 16, 2017, the Government issued a new Decree on export tariffs, preferential import tariffs and lists of commodities and their flat tax rates, compound tax rates and outside tariff quota rates. Also on November 16, 2017, the Prime Minister issued the Decision on amending and supplementing the Regulations on application of ordinary import tariffs.

Accordingly, preferable import tariffs for fertilizers in 2017 will still be applied from January 1, 2018. Also according to the new Decision, ordinary import tariffs on fertilizers as applied from January 01, 2018 will rise to 5% for items with current rate of 0% and remain at 9% for those with current rate of 9%.

NH3 prices in global market fluctuated unstably

According to Fertercon forecast at the end of 2016, NH3 prices in 2017 would drop to bottom level of 263 USD/MT FOB in Southeast Asia. In fact, however, NH3 prices in 2017 were unstable, constantly fluctuated and sometimes reduced to about 205 USD/MT. Average price in recent period is about 265 USD/MT and is still on the rising trend. Price instability in Southeast Asia is caused by a number of factors, including declining global oil price, reduced costs of projects and transportation costs. Especially in Asia, NH3 was in oversupply due to new projects operational in Indonesia and Malaysia in 2017.

Stable domestic NH3 supply and demand

Currently, domestic NH3 demand is about 250,000 tons/year, mainly from production sectors, such as: explosives, fertilizers, MSG, steel, thermal power, etc.

NH3 is mainly supplied from excessive production of Urea plants such as Ha Bac Fertilizer, Ninh Binh Fertilizer, Ca Mau Fertilizer, and Phu My Fertilizer, as well as importation.

Source: PVFCCo

Board of Editors:

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