



Basic Information:

- Stock code: DPM (HoSE)
- Listing date: November 05, 2007
- Foreign ownership: 20.25%
(as of June 29, 2018)
- Foreign Ownership Limit: 100%
- Listed share: 391,400,000
- Outstanding shares: 391,334,260
- Dividend payout ratio (cash) in 2018: 1,000 VND/share

Shareholder Structure (June 2018):

- PetroVietnam: 59.59%
- Edgbaston: 4.25%
- GIC: 1.78%
- Deutsche Bank AG London: 1.63%
- VanEck Vectors ETF: 1.59%
- Cape Ann Global Developing Markets Fund: 1.47%
- KWE BETEILIGUNGEN AG: 1.26%
- Others: 28.43%

I. MESSAGE TO INVESTORS

The first half of 2018 has seen positive developments in the domestic fertilizer market. Nevertheless, many difficulties and challenges remain, especially from cheap imports in big quantities adding to competitive pressure on the market. With drastic efforts in implementing production and business management solutions, PVFCCo has achieved remarkable results with business financial achievements exceeding the preset plan.

Phu My Fertilizer Plant operated at top capacity to promptly satisfy the fertilizer demand in the key regions while the NH3 Revamp project has been commissioned and officially operational. The NPK chemical technology plant has basically completed the test run phase and is expected to be put into commercial operation in Q3 of 2018.

The production estimate of Phu My Fertilizer Plant in the 1st half of 2018 was 426,554 tons, representing 106% of 1st half plan and 53% of yearly plan. Consumption estimate of Phu My Urea in the first half was 437,028 tons, completing 53% of the yearly plan. Fertilizer sales estimate was 195,000 tons, fulfilling 151% of the 6-month plan and 87% of yearly plan. Especially, though still in the test-run phase, Phu My NPK Plant met commercial standards and produced 22,000 tons of high quality products to be launched to the market, making an initial contribution to the revenue and profit of the Corporation.

Chemical business also performed well with a surge of NH₃ sales 21,008 tons, a growth rate of 235% YoY, or 38% of yearly plan, largely driven by full operation of the NH₃ Revamp from the beginning of 2018. In addition, in the first 6 months of 2018, PVFCCo sold more than 27,000 tons of other chemicals, including UFC85, CO₂, and petrochemical products.

Total revenue estimate of the first half of 2018 was VND 4,841 billion, or 56% of yearly plan, up 9% YoY. Profit before tax reached VND 465 billion, representing 105% of yearly plan.

Regarding input gas source, the gas price policy for urea production in 2017-2019 period is reportedly unchanged. Transportation tariff for Phu My Urea production will remain the same as those approved by PetroVietnam under Decision No. 7614/QD-DKVN dated October 31, 2014.

In the 2nd half of 2018, PVFCCo is expected to keep pushing its products to the market, with total sales of fertilizer products reaching about 570,000 tons, including 400,000 tons of Phu My Urea and 75,000 tons of Phu My NPK. Total revenue target for the 2nd half of 2018 is VND 4,113 billion and pre-tax profit VND 211 billion. The profit target is expected to be lower than in the first half as depreciation has begun for the NPK Plant after official test acceptance and operation, and the fertilizer consumption peak in Summer/Autumn season is over.

With above forecast, PVFCCo's expected revenue for 2018 edges up VND 8,954 billion and profit before tax possibly reaches VND 676 billion, up 4.4% and 53%, respectively, as compared to the targets passed by the General Meeting of Shareholders.

The management of PVFCCo commits to corporate governance solutions, seriously looking at ways for cost reduction in an effort to increase profit and pay higher dividend to shareholders, and may adjust the annual plan depending on favorable conditions.

II. BUSINESS PERFORMANCE OF 1H 2018 AND PLAN FOR 2H 2018

1. Production estimate:

Phu My Urea: 426,554 tons, reaching 106% of 6-month target and 53% of yearly target, down 6% YoY.

Phu My NPK: 22,021 (NPK production during the test running phase to June 18, 2018).

UFC85: 5,607 tons, completing 42% of yearly target.

2. Sales estimate:

2.1 Sales of fertilizers

The domestic fertilizer market showed high demand for fertilizers in early 2018 thanks to the upcoming winter-spring crop, more active market, higher adjusted price, but with abundant supply of all kinds of fertilizers.

Phu My Urea: 437,028 tons, reaching 104% of 6-month target and 53% of yearly plan. Average selling price of Phu My Urea rose by 5% YoY. After early rise in the year, Urea price slightly decreased in Q2. The main reasons are because the winter-spring crop was over, imported Urea was offered at cheap price and quality constantly replenished.

Trading of imported fertilizers: 194,901 tons, accomplishing 151% of 1H target and 87% of yearly plan, down 5% YoY. This volume was lower over the previous year as production activities of NPK Plant were delayed and the volume satisfying commercial standards was

lower than planned. For imported Potassium, highly competitive market and lower domestic selling price resulted in less-than-expected sales volume.

Urea export: 4,180 tons to such markets as Korea, Thailand, Myanmar and Japan. Export volume was low because international market price was lower than in the domestic market.

Import: 195,370 tons of all kinds of fertilizers (Including: Potassium: 88,024 tons; NPK: 73,673 tons; DAP: 33,674 tons), reaching 178% of 6-month plan and 103% of yearly target.

2.2 Sales of chemicals estimate:

NH3: 21,008 tons, accomplishing 76% of 6-month plan and 38% of yearly plan, up 235% YoY. Sales volume of NH3 was lower than planned since increased NH3 output was partially consumed to increase Urea production (exceeding the plan) and partially delivered late to subscription customers.

UFC85: 3,864 tons, reaching 86% of 6-month plan and 43% of yearly target, down 12% YoY. Sales volume was lower than planned because this product was only an additive to production activities of Urea manufacturing plants while Ninh Binh Urea and Ha Bac Urea plants operated unstably during the first 6 months due to technical problems.

CO2: 22,358 tons, fulfilling 90% of 6-month plan and 45% of yearly target, up 22% YoY. CO2 is a co-product of NH3 production and a key ingredient for urea production. Accordingly, CO2 is used with first priority for Urea production. Therefore, actual sales volume of CO2 was lower than planned due to the increased volume for urea production.

Other chemicals: 904 tons, representing 113% of 6-month plan and 56% of yearly target, up 38% YoY.

3. Business plan for 2H 2018:

Basing on market situation, business performance for 1H 2018, and forecast for 2H 2018, PVFCCo presents a number of key targets, as follows:

Output:

<i>Item</i>	<i>Unit</i>	<i>Production</i>	<i>Sales</i>
1. Phu My Urea	Ton	403,287	399,000
2. NPK (production)	Ton	94,920	74,650
3. Other fertilizers	Ton		95,500
4. Chemicals (sales)	Ton		58,484

Financial indicators:

<i>Item</i>	<i>Unit</i>	<i>2H 2018</i>
1. Total revenues	VND Bil	4,113
2. Profit before tax	VND Bil	211
3. Investment disbursement	VND Bil	708

The forecast for the second half of the year is based on output, selling price, product structure targets, etc. that are fundamentally similar to those for the first half. Profit target is VND 211 billion, which is lower than VND 430 billion achieved in the first half, mainly due to

depreciation expense of NPK project (this expense is not inclusive in the first half as the Plant has not been put in commercial production).

4. Progress of NH₃-NPK Complex:

Following the success of Phu My Urea Plant Project, PVFCCo has invested in the construction of Phu My NPK Plant since 2015. By the end of Q2/2018, the Plant has successfully carried out the test run in the most important production mode (solid mode). As a sister brand of Phu My Urea, Phu My NPK is expected to quickly dominate the market thanks to its premier advantages.

Phu My NPK Plant is a large and modern investment project at the same level as Phu My Urea Plant in terms of investment construction scale, operation and maintenance technology. Phu My NPK is also the first and only factory in Vietnam that produces NPK by using chemical technology licensed by Incro SA (Spain), equipment and contractors meeting G7 and European standards. This is the most advanced NPK production technology currently applied in many developed countries in the world such as Europe, South Korea, Japan, etc. Its special advantage is the flexibility of production in various modes such as solid, chemical and mixed mode. This enables the Plant to flexibly produce NPK of many different formulas. In addition, the plant is also operated by the existing engineers of Phu My Fertilizers Plant - a team with high expertise and professional experience in operation, service and maintenance of modern petrochemical, fertilizer plants.

The existing staff has quickly adopted the technology and mastered the operations to produce high quality products on test. During the commissioning period, the plant has produced total output of 22,000 tons of test products including 6,000 tons of 16-8-16 NPK, 11,000 tons of 16-16-8 + 13.01S NPK and 5,000 tons of DAP. Particularly, 16-16-8 + 13.01S NPK products were selling so well to farmers, and the volume of test products failed to meet their demand.

An important contributor to advantages of NPK products is the quality of raw materials and one of key materials is Ammonia (NH₃), which is produced by Phu My Urea Plant by using the technology of Haldor Topsoe (Denmark). In order to ensure sufficient NH₃ for Urea and NPK production, as well as for domestic NH₃ market, PVFCCo has raised the capacity of NH₃ plant by 20% to 540,000 tons per year. Currently, the NH₃ Revamp project has been completed and operational since the beginning of 2018. In the first half of 2018, additional NH₃ output is about 24,000 tons, up by 18,000 tons YoY and contributed additional production volume for urea and NPK products.

5. 1H 2018 performance estimates:

Total revenues: VND 4,841 billion, reaching 108% of 6-month plan and 56% of yearly target, up 9% YoY.

Profit before tax: VND 465 billion, achieving 201% of 6-month plan and 105% of yearly target, down 18% YoY. Profit declined YoY mainly due to the decreased sales volume of other fertilizers and the surge of gas price by 23%, resulting in an increase in cost of goods sold by 22% YoY. On the other hand, the profit exceeded the plan mainly thanks to the upward trend in prices of fertilizers and chemicals. In 1H 2018, ASP of Phu My urea increased by 5%, other fertilizers 13%, UFC85 23% and other chemicals 15%. At the same time, SG&A expenses were cut by 28% YoY. Besides, Phu My NPK project was in test run phase, factoring no depreciation cost in the same period.

Key financial ratios estimate in the 1H 2018:

No.	Item	1H 2018	1H 2017	Increase/Decrease (%)
I.	PROFITABILITY RATIOS			
1	Return on Assets (ROA) (Profit after taxes/Total assets)	3.78%	4.62%	-18%
2	Return on Equity (ROE) (Profit after taxes/Equity)	5.01%	5.62%	-11%
3	Profit before taxes/Revenue	9.61%	12.74%	-25%
II.	LIQUIDITY RATIOS			
1	Overall liquidity ratio (Total liabilities/Total Asset)	27.42%	21.13%	30%
2	Quick ratio (Current assets - Inventories)/Current liabilities)	1.83	2.94	-38%
3	Current ratio (Current assets/Current liabilities)	2.75	3.97	-31%
4	Liabilities to Equity ratio	37.37%	26.79%	49%

Liquidity ratios: Debt ratios increased YoY but current and quick ratios in the first 6 months of 2018 remained higher than 1. This indicated good solvency capacity and PVFCCo encountered no pressure of any debt when due, ensuring good business activities.

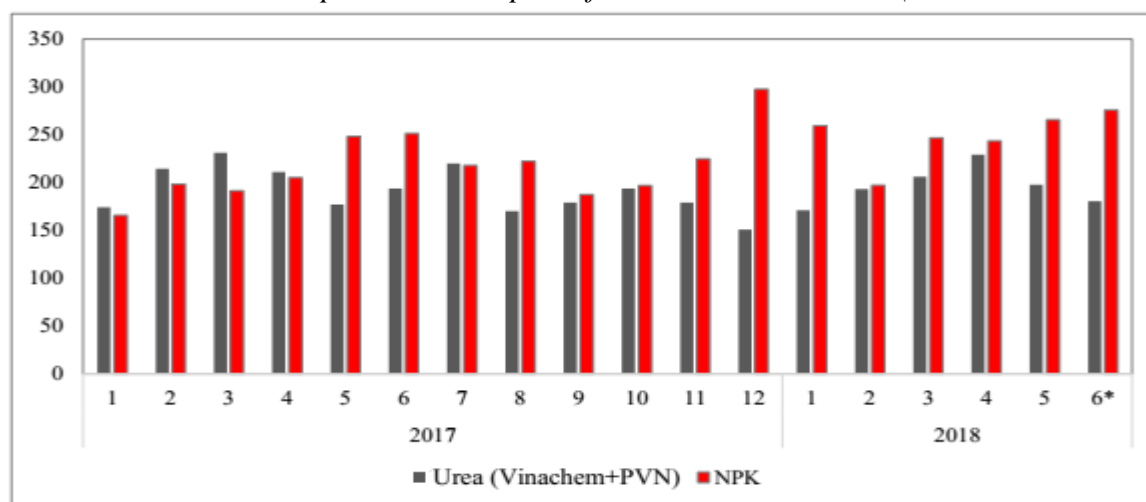
Profitability ratios: ROA and ROE were down YoY as a result of the down 18% YoY in profit before taxes.

II. MARKET INSIGHT OF THE FIRST HALF OF 2018:

1. Domestic fertilizer market

Fertilizer production

Chart 1: Urea and NPK production outputs of Vietnam in 2017-2018 (unit: thousand tons)



Source: Estimates of the General Statistics Office (June 2018)

The General Statistics Office estimated that total Urea and NPK output in the first 6 months of 2018 at 1.177,70 thousand tons and 1.487,90 thousand tons, down 1.8% and 2.0% YoY respectively.

Fertilizer import

Chart 2: Volume and value of fertilizer import of Vietnam from January 2017 to June 2018

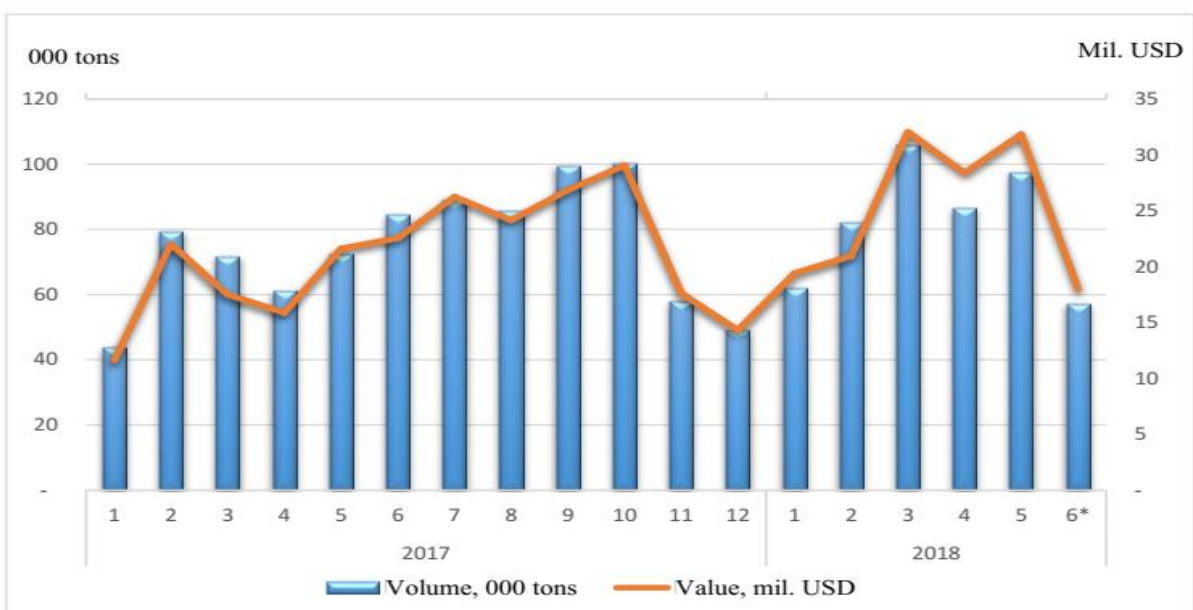


Source: General Statistics Office

The GSO estimated the total import volume in the first 6 months at 2.270 thousand tons, valued US\$ 651 million, down 5.5% in volume and slightly increase 0.3% in value YoY.

Fertilizer export

Chart 3: Volume and value of fertilizer export of Vietnam from January 2017 to June 2018



Source: Ministry of Agriculture and Rural Development

The Ministry of Agriculture and Rural Development estimated that in the first 6 months of 2018 Vietnam exported about 469 thousand tons of fertilizers worth US\$ 150 million, up 3,4% in volume and 19,70% in value YoY.

Domestic supply and demand

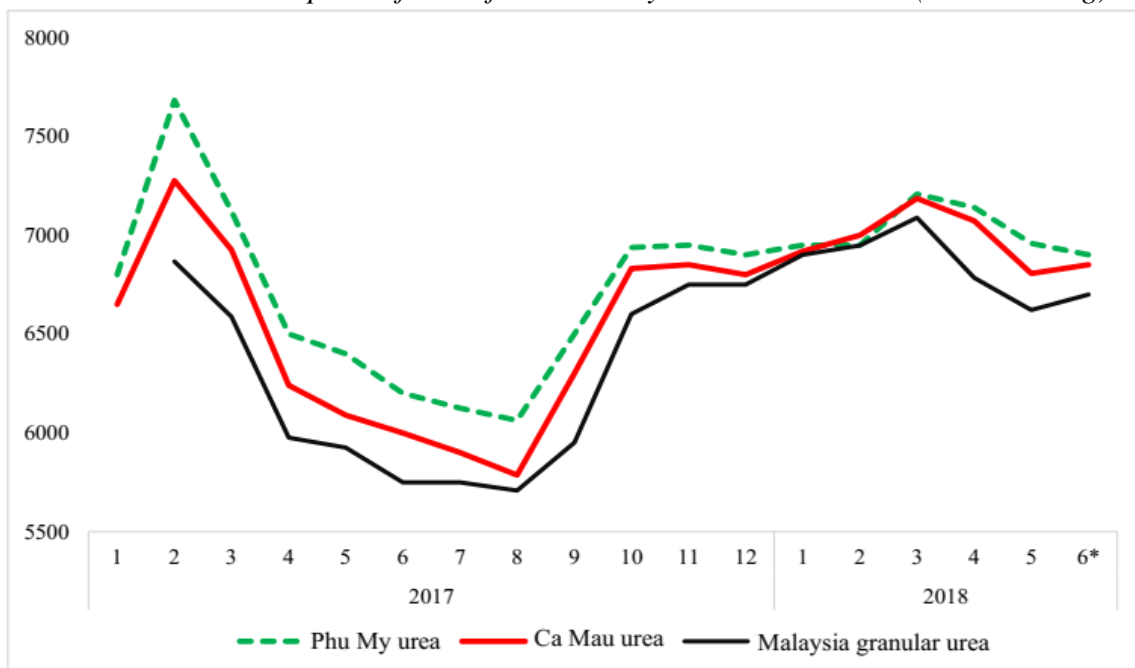
After the strong recovery in April due to imported Urea constantly arriving at Saigon port in vast quantity, the Urea market eased off in May. The slump in Urea prices also slowed down thanks to increasing demand in many regions. In the first half of May, demand increased in the South East and Central Highlands as the fertilization for industrial crops started. In the Central Region, the summer-autumn rice crop in late May also begun, so dealers preparing their inventories. In the first week of June, additional supply from domestic plants and import contributed to slight decrease of Urea prices. However, in mid-June, domestic supply of Urea increased so slowly, and though more imported urea arrived at Saigon port, Urea price tended to rise.

On the supply side, Ha Bac Fertilizer Plant has resumed its production since early June with a capacity of about 50%. Ninh Binh Fertilizer Plant was expected to start operating again in July. Phu My Fertilizer Plant and Ca Mau Fertilizer Plant were in stable operation. In the first six months of 2018, total fertilizers import volume was estimated at over 2 million tons worth US\$578 million, down 7.8% in volume and 2.8% in value YoY.

Urea price

As of June 15, offer price of Phu My Urea at West southern/Southeastern depots was 6,900-6,950 VND/kg and 7,000-7,100 VND/kg while that of Ca Mau Urea was 6,900-6,950 VND/kg (at the plant's gate). At-port offer prices of Malaysia Urea and Indonesia Urea on June 14 were as follows: Granular Malay Urea: 6,800 VND/kg; granular Indo Urea: 6,900 VND/kg; grinded Indo Urea: 6,850 VND/kg.

Chart 4: Domestic urea price of Urea from January 2017 to June 2018 (unit: VND/kg)

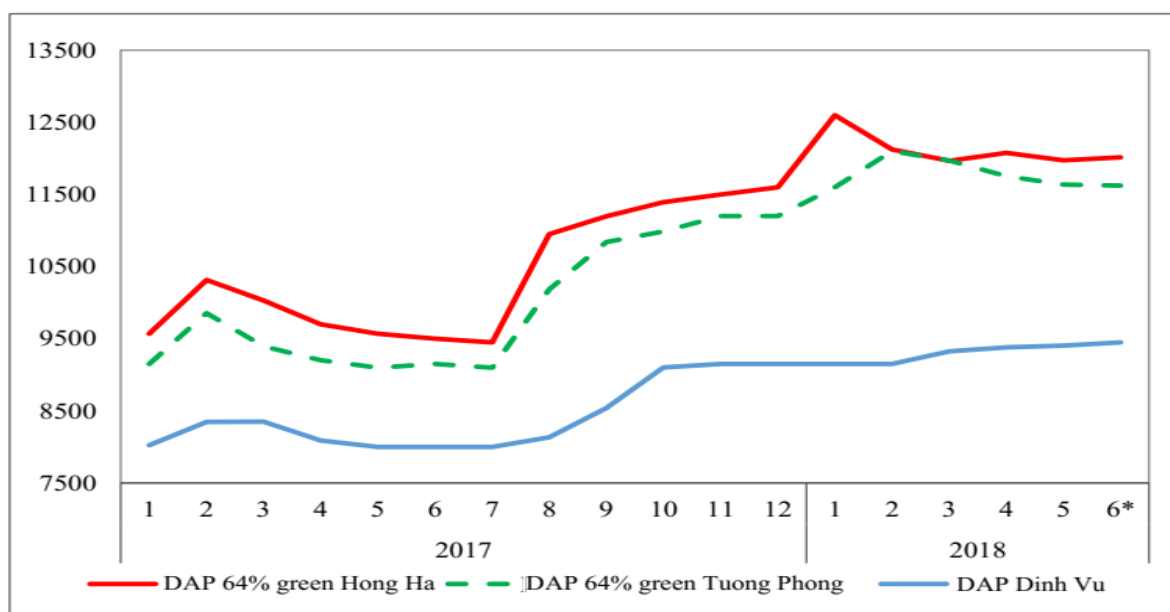


Source: AgroMonitor

DAP

In Vietnam, DAP price dropped in the later half of April and was adjusted up by 64% in early June for domestic DAP and Hong Ha blue DAP. Price of Tuong Phong DAP was increased to 11,800 VND/kg with limited import of blue 64% products. Price of Van Thien Hoa DAP (China) offered in Saigon continued to rise to 12,200-12,300 VND/kg.

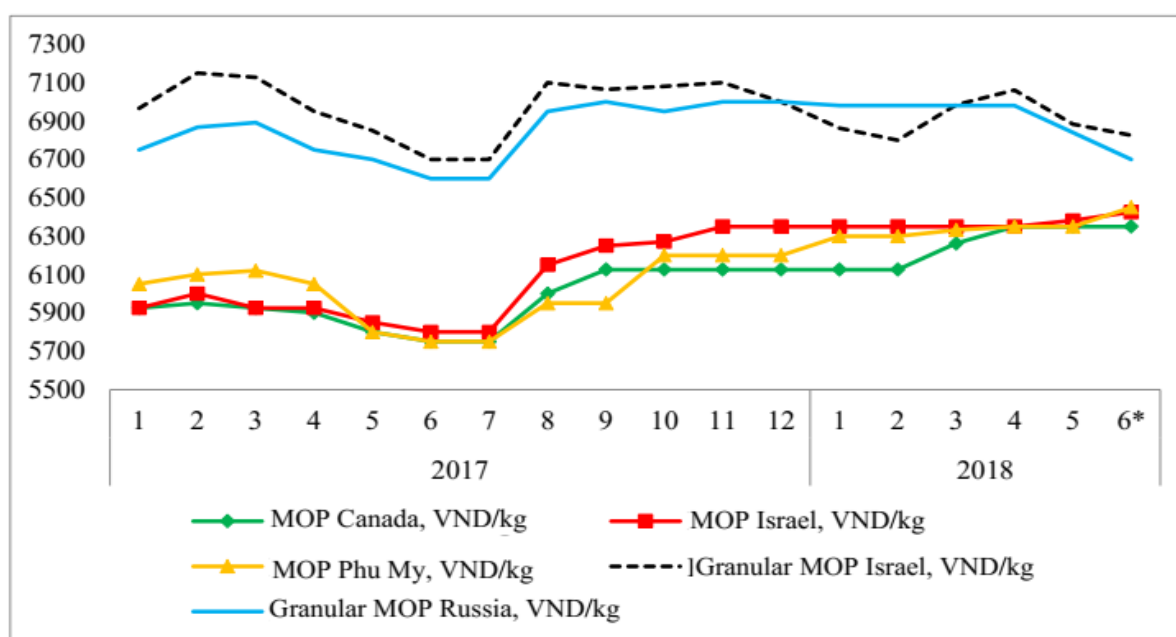
Chart 5: DAP prices at Tran Xuan Soan Market from 1/2017 to 6/2018 (Unit: VND/kg)



Source: AgroMonitor

Potassium

Chart 6: Potassium prices at Tran Xuan Soan Market from 01/2017 to 06/2018 (VND/kg)



Source: AgroMonitor

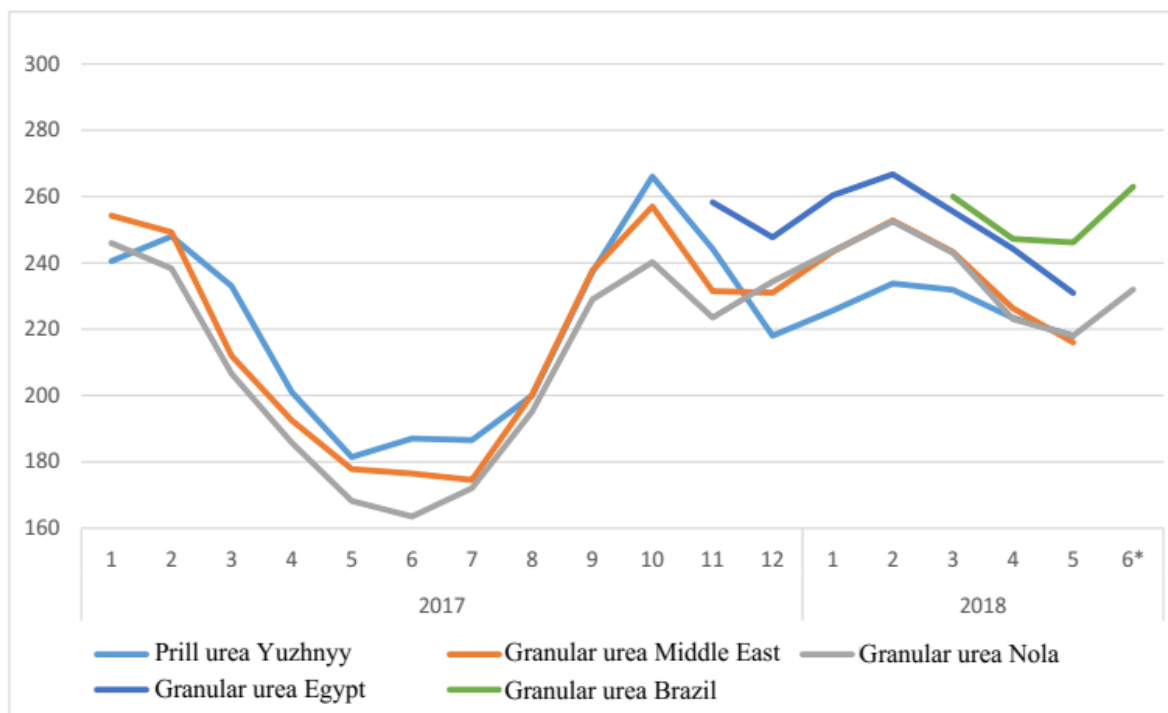
In May, ASP of Russia/Israel powder Potassium was 6,350 VND/kg, a slight increase MoM. In the meanwhile, price of Russia/Israel granular Potassium was 6,861 VND/kg, down by 2% MoM. In early June, price of granular Potassium fell slightly due to additional supply to Saigon and Central region.

2. International fertilizer market:

Urea

After the downward trend since March 2018, international urea price rebounded from late May and retained its upward trend in the first week of June. Average urea price was 35-50 USD/ton higher YoY. With the current upward trend, traders expect world urea market to be on rise trend. In line with that, demand is also supported by Brazilian importers who are expected to buy large quantities of Urea in Q3/2018.

Chart 7: (Monthly average) Urea price in some regions in the world from 01/2017 to 06/2018 (USD/ton, FOB)



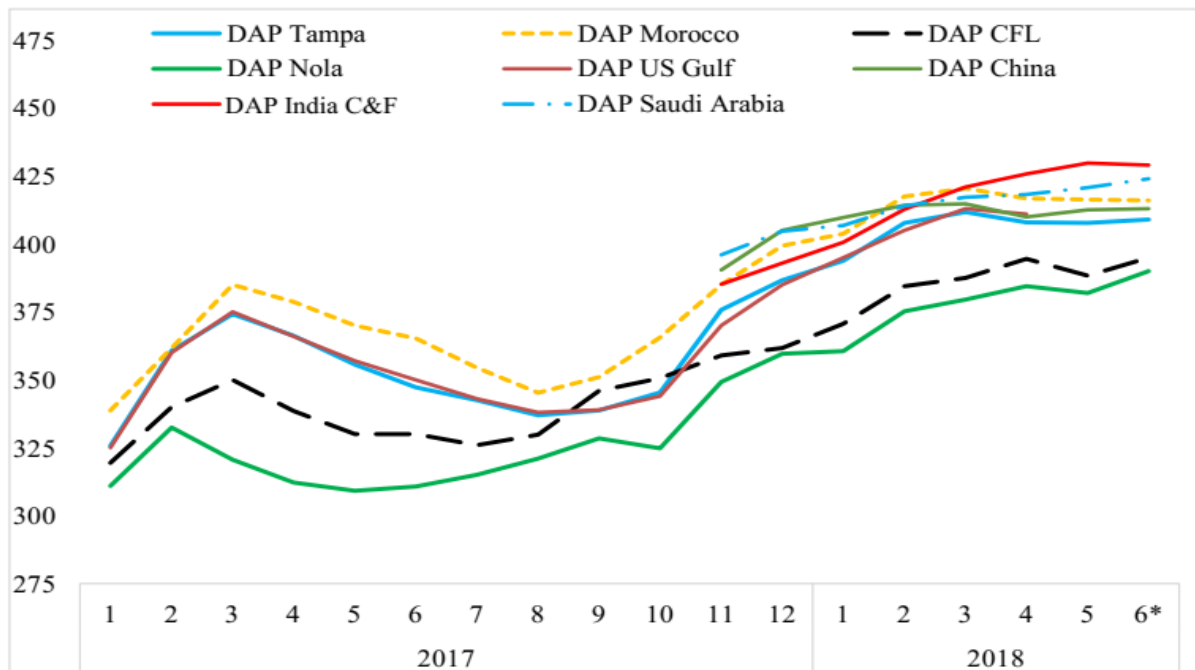
Source: AgroMonitor

It should be noted that China, once the largest Urea exporter, has shifted to be an importer due to declining supply. In the first five months of 2018, China imported 396,000 tons of urea, about 60% of which were for re-export and 40% for domestic consumption. Expectedly, in June, China will continue importing about 100,000 tons of urea.

DAP

DAP surged in May in the eastern hemisphere while slightly decreased in some Western hemisphere markets. The world DAP price is expected to keep rising in June due to strong demand from India, Bangladesh and other potential markets.

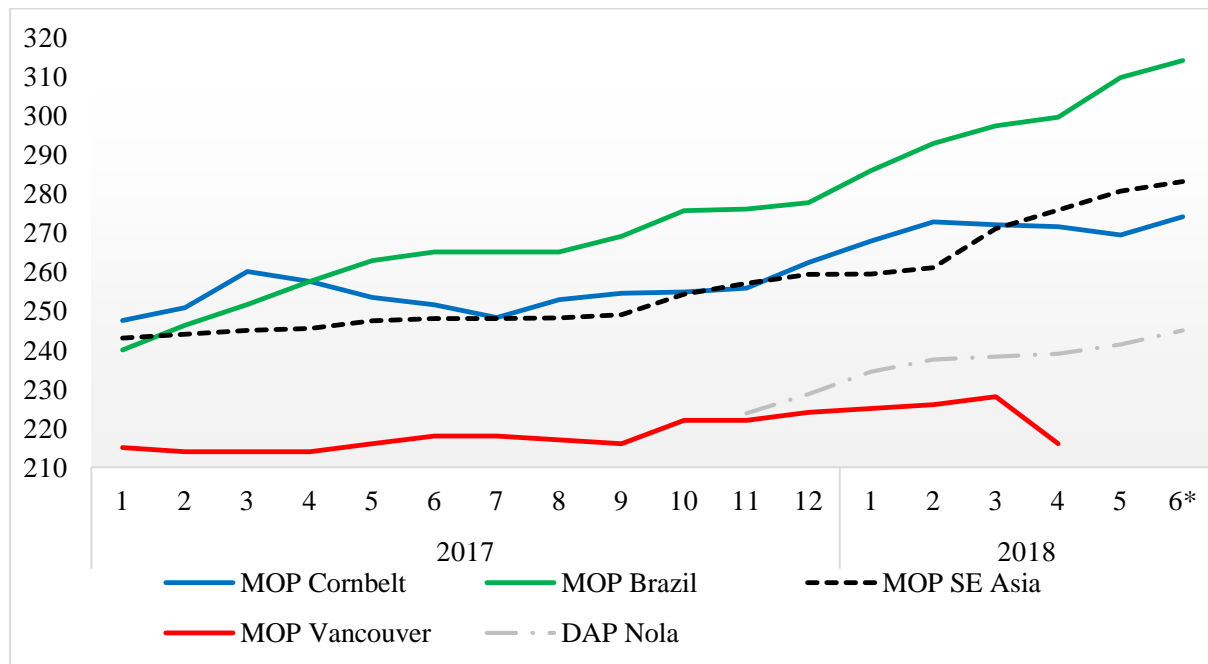
Chart 8: (Monthly average) DAP price in certain regions from January 2017 to June 2018 (USD/ton, FOB)



Source: AgroMonitor

Potassium

Chart 9: (Monthly average) MOP price in certain regions from January 2017 to June 2018 (USD/ton, C&F)



Source: AgroMonitor

In May, Potassium market price kept rising in Brazil and South East Asia as demand increased while declining in Europe. Limited supplies in the Northwest helped producers stop MOP prices from falling.

In Brazil, demand increased sharply while tight supply pushed MOP prices up to 310 USD/ton CFR. As of June, granular MOP price in Brazil was 310-315 USD/ton CIF. It is estimated that in July and August, Potassium price may rise to 315-320 USD/ton CIF.

In Southeast Asia, the rainy season has started in Thailand and this pushed demand up. In Indonesia, delivery in May/June was set at 295 USD/ton CFR. In northwestern Europe, despite slow demand for fertilizers due to weather, MOP prices remained at 265-270 Euro/ton CFR due to limited supply.

3. Chemical market:

NH₃

Previously, when production output failed to meet the demand, Vietnam had to import NH₃ to fully meet the domestic demand every year. At the beginning of 2018, PVFCCo has completed the NH₃ workshop revamping project to expand its capacity to 540,000 tons/year (an additional 90,000 tons/ year) and put it in official operation, which basically addresses the shortage of domestic demand. NH₃ sales volume of PVFCCo in the first half of 2018 increased by 18,000 tons YoY. In the last 6 months of 2018, as Ca Mau Fertilizer Plant plans to increase its urea production capacity, the domestic supply of NH₃ will be in shortage, and PVFCCo will increase its sales volume to complete the plan to sell about 55,000 tons NH₃ in 2018. In addition, PVFCCo is also in co-operation to build an NH₃ terminal system at Thi Vai International Port to transport a large volume by vessels (in bulk) of NH₃ to northern markets in order to reduce costs and compete with foreign suppliers for sales in regional market.

UFC85 market

UFC85 is a chemical additive (anti-caking) used primarily in Urea production. Therefore, annual demand for UFC85 in Vietnam is relatively stable at 9,000 tons per year. In the first 6 months of 2018, PVFCCo produced and supplied about 4,300 tons to the market. In the last 6 months of 2018, when Ca Mau Fertilizer Plant plans to increase its urea production capacity, the demand for UFC85 will rise and this is a good factor for PVFCCo to increase its UFC85 production and sales volume.

CO₂

The Ministry of Industry and Trade has decided to review and re-operate Bio-Ethanol plants in the country. Therefore, CO₂ consumption market in 2018 is forecast to be very competitive and difficult. However, in the first half of 2018, PVFCCo's sales volume of CO₂ remained stable and slightly increased YoY (up by around 4,000 tons) due to slow progress in review, maintenance and operation of Bio-Ethanol plants.

In the second half of 2018, Bio-Ethanol plants are expected to resume operation and put pressure on CO₂ sales in the market of PVFCCo. Nevertheless, with outstanding quality, meeting the high requirements in the food and beverage sector, and trusted by partners and customers, PVFCCo has identified and built the market and key consumption sectors to be able

to complete its sales plan for 2018 and compete with imported products to increase its market share.

III. NEWS

1. Investor Relations:

PVFCCo leaders meet investors to update its positive 1H 2018 performance

On June 21, 2018, representatives of PVFCCo leaders met investors to keep them updated on production and business activities in the first 6 months, discussing plans for the second half of the year, and briefing on the implementation of key projects of PVFCCo. The meeting was attended by 50 representatives of shareholders, investment funds and brokerage organizations in Vietnam.

At the meeting, on behalf of the Management Board, Mr. Doan Van Nhuom, President and CEO, delivered a presentation on business results of PVFCCo in the first 6 months. Accordingly, PVFCCo's revenue and profit grew positively thanks to the test run and operation of NH₃-NPK chemical technology complex and positive developments in fertilizer market. The President of PVFCCo also briefed on key tasks of the last 6 months, and initial sale execution of Phu My NPK products. Mr. Le Cu Tan, Chairman of the Board, and representatives of the Management Board of PVFCCo, directly responded to questions and concerns of shareholders about market situation, the operation of NPK-NH₃ complex, plan for the last 6 months, gas price road map, plan for divestment of state capital, and orienting research and development of organic products in the trend of clean agriculture development, etc.

Mr. Dinh Van Son - Member of Board of Directors of PVN, major shareholder of PVFCCo, said that PVN was currently submitting to competent authorities the divestment plan to reduce the State capital in PVFCCo to below 51% so that other investors could participate in corporate governance to keep in line with the modern trend. At the same time, PVN also committed to ensure a stable gas supply for PVFCCo's production and would balance gas prices accordingly.

Leaders of PVFCCo met shareholders and investors in the UK and US

In June and July 2018, Mr. Le Cu Tan – Chairman of the Board, and Mrs. Nguyen Thi Hien – Vice Chairwoman of the Board, together with IR Team, jointly attended a series of meetings with foreign shareholders and institutional investors at financial centers in London (UK), New York, San Francisco, and Boston (United States).

Within the framework of the program, leaders of PVFCCo chaired nearly 20 separate meetings with DPM's major investment funds currently key shareholders and potential investors interested in DPM. Leaders of PVFCCo gave an update on the performance and potential of new projects and listened and responded to questions about governance, production and business issues raised by shareholders and investors.

Representatives of investors include institutional shareholders, reputable investment funds, and world's leading asset managers, such as Blackrock, Edgbaston, Fidelity, Ashmore, RWC Partners, Stone Forest, Harding Loevner, Neon Capital, Fiera Capital, Cape Ann...

By the end of June 2018, ownership of foreign investors in DPM accounted for 20.05%, in which most investors were financial investment organizations in the United Kingdom and United States.

PVFCCo paid 2017 year-end dividend at 10% par value

On June 28, 2018, PVFCCo made 2nd payment of dividend for 2017 at 10% per share, which was equivalent to 1,000 VND per share. With this dividend payment, PVFCCo completed its cash dividend payment plan in 2017 at 20% per share as committed to its shareholders.

The 2018 AGM also approved of a dividend payout ratio of 10% for 2018 to be paid in cash.

2. Business News:

PVFCCo invited many typical customer delegations to visit Phu My NPK Plant

From March to May 2018, Phu My chemical-technology NPK Plant invested by PVFCCo welcomed nearly 700 customers as dealers, store owners and farmers from the Central, Highland, Southeastern and Southwestern provinces to visit and learn about the plant technology to better understand about the technology and production processes.

Customers were briefed by the Plant's engineers on the Plant and its chemical technology system and product quality control process of PVFCCo. They also had opportunities to observe production and packaging processes and check the product quality at the Plant.

In the coming time, PVFCCo will keep organizing trips for customers and partners to visit the Plant, and thereby promoting the confidence in product quality as well as tightening the relationship between Phu My Fertilizer brand and customers.

Phu My fertilizer helped farmers at Kbang District transform their crop structure

Since 2015, PVFCCo and the Provincial Center for Agricultural Promotion have jointly held many seminars, conferences, and demonstrations to help farmers at Kbang District, Gia Lai Province successfully transform their crop structure. By the end of 2017, more than 50% of crop area in Kbang district was using Phu My fertilizer, of which most of fruit trees growing area used Phu My NPK 16-16 -8 + 13S + TE, Phu My NPK 15-8-20 + 10S, Phu My Urea and Phu My Potassium following the procedure of PVFCCo in cooperation with agricultural promotion experts of the Province.

Mr. Pham To Huu, owner of an 8,000-m² orange orchard, said that his family's orchard was preparing for harvest in the third year, with estimated output to reach 8 tons of fruits, revenue of VND 300-320 million and profit of over VND 200 million. His oranges were certified by Gia Lai Province Sub-Department of Agriculture, Forestry and Fisheries as clean agricultural products in the supply chain of safe food, and were selling extremely well with demand outweighing supply.

Phu My Fertilizer application software (Smart Fertilizer) helped with high efficiency

Smart Fertilizer was researched and developed by PVFCCo to provide direct advice and guidance to farmers on fertilization by the formula and concentration instructions of the software. Via Smart Fertilizers, farmers can analyze samples of soil and water on the fields, etc. The demonstration model was carried out on an area of 01 ha (using Phu My fertilizers with Smart Fertilizer app) with the comparative model on an area of 01 ha using traditional fertilization practice of local farmers.

Accordingly, the model using Phu My fertilizers with Smart Fertilizer performed better with 20-30% higher productivity and income than those of the comparative model while reducing the cost per unit area of dragon fruit. This is a very encouraging result for farmers to grow dragon fruit given abnormal weather, difficult-to-control fertilizer quality and unstable prices of agricultural products.

PVFCCo met US partner on biotechnology application

In the afternoon of June 26, 2012, PVFCCo met and worked with Biowish Technologies (USA) and Biowish Vietnam to explore opportunities for cooperation and investment in the field of fertilizers and biology. The two parties hoped to conclude formal cooperation in the future on applying advanced technologies to reduce production costs and develop a clean and sustainable agriculture.

At present, PVFCCo has tested the use of Biowish NPK on narrow and large scale with two crops, fruit tree (avocado) and industrial crop (coffee) in the Central Highlands (Dak Lak). Biowish microbial NPK fertilizer provided a high productivity.

Biowish Technologies Inc. is a global leader in biotechnology, providing biological products and applications for a variety of fields, such as: Livestock, Fisheries, Crop Production, Environment and Human Health. Microbiological products of Biowish, researched and made entirely in the U.S., help improve product quality, environmental treatment and bring economic benefits to farmers.

PVFCCo was honored to win High Quality Vietnamese Product Award for 15 consecutive years

In the evening of February 07, 2018, at the Ceremony of 2018 High Quality Vietnamese Product Award, PVFCCo won the High Quality Vietnamese Product Award as voted by consumers. This is the 15th consecutive year since its entry to the market (2004-2018) that PVFCCo has been honored with this noble award.

3. News on Fertilizer and Chemical Markets:

Fertilizers will be subject to VAT at a preferential tax rate of 5%

The Ministry of Finance said that according to a draft law amending and supplementing some articles in the 6 tax laws, fertilizers will be subject to VAT at a preferential tax rate of 5% to help iron out difficulties for domestic fertilizer producers as proposed previously.

Officially applying safeguard measures on DAP and MAP fertilizer products from March 7, 2018

On March 02, 2018, the Ministry of Industry and Trade issued Decision No. 686/QĐ-BCT officially applying safeguard measures for DAP and MAP fertilizers with HS codes 3105.10.20; 3105.10.90; 3105.20.00; 3105.30.00; 3105.40.00; 3105.51.00; 3105.59.00; 3105.90.00 imported into Vietnam. Fertilizers containing one of ingredients at the following content will be excluded from the scope of application of such provisional safeguard measures: Nitrogen (N) <7%; Phosphorus (P₂O₅) <30% and Potassium (K₂O)> 3%. Accordingly, the Ministry of Industry and Trade decided to officially apply the safeguard tax at VND 1,128,000 per ton. This Decision took effect on March 7, 2018.

Morocco may be added to the list of countries imposed with safeguard tax upon DAP fertilizer as its market share of DAP exports to Vietnam is higher than 3%

For the first five months of 2018, DAP imported into Vietnam was estimated at 251 thousand tons, down 34% YoY. It is noteworthy that the decline in DAP import from Russia and Australia led to an increase in import from Morocco and Jordan. This change made Morocco and Jordan become the second and third largest DAP suppliers in Vietnam with a market share of 14% and 7.75%, respectively, in the first five months of 2018. As a result, Morocco may be added to the list of countries imposed with safeguard tariff upon DAP products as its market share is higher than 3%.

In the first 5 months of 2018, DAP imported from Morocco was about 42,000 tons, mainly by PVFCCo. If Morocco is included in the list of required countries of origin, it will be subject to a safeguard tariff of VND 1,128,000 per ton. Currently, Morocco, Egypt and Mexico remain among DAP exporters exempted from import tax in Vietnam. The inclusion of those potential suppliers could lead to the resumption of DAP import from previously diminished exporters such as Russia and Australia.

Source: PVFCCo

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