



Basic Information:

- Stock code: DPM (HoSE)
- Listing date: November 05, 2007
- Foreign ownership: 21.35%
(as of December 28, 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 (December 2018):

- PetroVietnam: 59.59%
- Edgbaston: 4.95%
- Nghe An Agricultural Materials and Food JSC: 3.93%
- Cape Ann Global Developing Markets Fund: 2.77%
- Dak Lak Agricultural Materials and Food JSC: 2.07%
- KWE BETEILIGUNGEN AG: 1.96%
- Others: 24.73%

I. MESSAGE TO INVESTORS

PVFCCo has just successfully completed 2018 with its profits exceeding targets and market expectations. This year also marks a strong development in term of production and business scale when the new NH₃ - NPK project was put in commercial operation, establishing an important basis for PVFCCo to enter into a new growth cycle.

PVFCCo continued to strengthen its leading position in the fertilizer - chemicals industry, excellently fulfilling the targets assigned by its shareholders. At the end of the fiscal year 2018, total estimated revenues reached VND 9,378 billion, representing 104% of the annual plan and up by 15% from 2017. The revenue growth was mainly supported by the following factors: Selling prices of chemicals and fertilizers strongly recovered; the operational NH₃-NPK complex made positive contributions to total sales.

The above support factors were further reinforced by the sharp drop of oil prices in the last 2 months of the year along with efforts to restructure and cut administration and sales costs, which helped achieve the profit margin higher than expected. On 12 December 2018, PVFCCo BOD issued the Resolution to adjust and increase the 2018 pre-tax profit target to VND 730 billion, up 65% from the target of VND 442 billion as previously approved by AGM. The actual pre-tax profit is estimated at VND 751 billion, exceeding the original plan by nearly 70% and up 3% from the adjusted profit target.

In 2018, Phu My Fertilizer Plant achieved an output of 816 thousand tons, up 2% from 2017. The NH₃-NPK Complex started contributing significantly to the total production output of

PVFCCo with NH₃ commercial output achieving about 57 thousand tons, up 215% from 2017 and Phu My NPK about 58 thousand tons, exceeding the adjusted target by 17%.

Regarding market share: PVFCCo has reaffirmed its leading share in the fertilizer market with estimated total sales volume of fertilizers in 2018 reaching nearly 1.2 million tons, equivalent to that in 2017. In that total, sales volume of Phu My Urea is estimated at nearly 803 thousand tons, accounting for 100% of the annual plan, up 1% from 2017. Sales volume of imported fertilizers achieved nearly 324 thousand tons, representing 144% of the annual plan, down 13% from 2017 (due to reduction of NPK imported volume). In particular, Phu My NPK Plant has been in commercial operation since mid-August and by the end of 2018, it has achieved the sales volume of nearly 38 thousand tons. The sales volume of chemicals also experienced a strong growth thanks to the increased NH₃ output, reaching 106 thousand tons, up 43% YOY, contributing approximately VND 693 billion to the total revenues, up 67% from 2017.

Regarding selling prices: In the second half of 2018, the urea market was quite stable in Quarter 3 and prices continued to rise sharply in the first half of Quarter 4 before falling gradually in the last month of the year. The average selling price of Phu My Urea in the second half of 2018 increased by 17% YOY (VND 7,325/6,235/kg) and higher than planned by 14%. The average selling prices of NH₃ and UFC85 chemicals also increased by 8.5% and 28.5% respectively as compared to 2017.

Regarding expenses: The stock gas price kept rising in the second half of 2018, up by 9% from the first half, and higher than planned by 36% (6.65/4.9 USD/MMBTU). The average gas price in 2018 increased by 27% YOY and higher than planned by 30%, which was also the main factor increasing the cost of goods sold. However, thanks to restructuring efforts, PVFCCo achieved its goal of drastically reducing the administrative and sales costs, therefore maintaining its leading profit margin and creating more values for its shareholders.

PVFCCo's leadership acknowledges and appreciates the outstanding effort of all PVFCCo's personnel as well as constructive comments and feedback of shareholders and investors helping PVFCCo overcome difficulties, transform itself and achieve important results in 2018 beyond market expectations. This is a solid basis for PVFCCo's constant innovation and stronger development in the coming time.

In 2019, PVFCCo determines that its key task is to continue effectively operating Phu My Urea Plant, new NH₃-NPK Project, UFC85 Workshop in an effort to boost the fertilizer and chemical sales volumes by about 5 % and 15% respectively, and achieve revenue growth of 6% as compared to 2018. At the same time, PVFCCo will continue restructuring the organization, improving capacity, efficiency in management and administration, optimizing interests of its shareholders and investors.

II. BUSINESS PERFORMANCE OF 2H OF 2018 & 2019

1. Production output:

Phu My Urea: Production output in the 2nd half was estimated to reach 388 thousand tons, up 11% YoY. Estimated output in 2018 is 815,946 tons, achieving 101% of the annual plan, up 2% YoY. Phu My Urea Plant completed its 2018 production target of 800,000 tons at 01:00 on December 25, 2018.

Phu My NPK: Estimated at 58,376 tons, accomplishing 117% of the annual plan.

UFC85: Estimated at 11,093 tons, achieving 85% of the annual plan, -12% YoY.

Commercial NH3: 56,385 tons, fulfilling 102% of the annual plan, + 215% YoY.

2. Sales:

2.1 Sales of fertilizers

The world fertilizer market in 2018 was quite complicated. Market transactions were quiet at the beginning of the year and came back more active in the middle of the year. However, by the end of 2018, the market experienced a downward spiral again and trading was gloomy. Domestic fertilizer market was more active when demands for the Winter-Spring, Summer-Autumn seasons were on the rise and the price increased, supplies were plentiful. At the end of the year, most areas across the country have passed the main crop. As a result, the trading and the demand also dropped accordingly.

Fertilizer trading activities of PVFCCo in 2018 maintained stable, accomplishing the goals to retain its market share, develop chemicals business and affirm product quality. Results of fertilizer and chemicals sales volume in 2018 are as follows:

Phu My Urea: Estimated sales in the second half of 2018 reached 366 thousand tons, up 3% YoY. Sales in 2018 is estimated at 803 thousand tons, achieving 100% of the yearly plan, up 1% from 2017.

Selling prices of Phu My Urea: Average selling price for the last 6 months is VND 7,325/kg, up 17% YoY and 16% higher than planned. Average selling price for 2018 is VND 7,013/kg, up 11% from 2017 and 11% higher than planned.

Imported fertilizer trading: Sales volume was estimated to reach 66,670 tons in Q4, equivalent to 148% of Q4 plan and achieving 129,818 tons in the 2H, down 24% YoY. The reason for the decline in Quarter 4 was due to the strong sales in Quarter 3 when the world and domestic prices tended to increase gradually. Sales in 2018 is estimated at 323,865 tons, reaching 144% of annual plan, down by 14% YOY.

Export: Urea was exported to Thailand in Q4 with an estimated export volume of 400 tons. Export volume in 2018 was estimated at 5,480 tons, up 76% YoY.

Import: In Quarter 4, PVFCCo imported approximately 54,000 tons of fertilizers including NPK, Potassium, SA, DAP, achieving 126.8% of quarterly plan. Estimated import in the last 6 months was 77,289 tons, down by 39% YoY. In 2018, 259,242 tons of fertilizers of all kinds were imported, accomplishing 110.3% of the yearly plan.

2.2 Sales of chemicals:

Total sales volume of chemicals in 2018 achieved 105 thousand tons, with an estimated revenues of 693 billion VND (+67% YoY), accomplishing 91% of production plan and 104% of the revenue plan. Revenues from NH3 and petrochemicals accounted for 82% of total revenues of chemicals. Specifically:

NH3:

Sales volume of NH3 increased sharply, up 122% YOY, estimated at 18,207 tons in Q4/2018 and 34,491 tons in the 2H 2018. Total sales volume in 2018 is estimated to hit 55,500 tons, achieving 100% of the yearly plan, up 122% from 2017. Revenue of NH3 in 2018 is estimated to reach 438 billion, up 162% YoY.

NH3 prices in South East Asia market

Ammonia prices in 2018 were volatile, according to Ferretcon news in Southeast Asia market, ammonia prices fluctuated in the range of 315-320 USD/MT in the first 2 months of 2018, but plummeted to 270 USD/MT in Q2. NH3 price recovered in Quarter 3 and surged to 370 USD/MT, higher than the same period in 2017, partly because of the oil price increase.

Domestic NH3 market

On Vietnam market in 2018, the NH3 demand other than for Urea production was mainly from production of explosives, fertilizers, monosodium glutamate, steel and thermal power.

In 2018, PVFCCo officially operated the NH3 Revamped Workshop, which contributed significantly to the domestic NH3 supply. Total NH3 output including surplus from domestic urea plants as well as import was about 280,000 tons/year. Company customers of NH3 still buy sources from urea plants together with imported NH3 in an effort to diversify and secure their supply sources.

UFC 85

Sales volume is estimated at 2,376 tons and 4,069 tons in Q4 and 2H 2018, respectively, with the total sales volume of 2018 reaching 7,934 tons, accomplishing 88% of the yearly plan, down 3% YOY. Estimated revenue of 2018 is VND 115 billion, +24% YOY.

UFC85 sales volume dropped as there was no change on UFC85 market with 100% of products only used for Urea plants while Ha Bac Urea Plant still did not use UFC85 to reduce costs. Ninh Binh Urea Plant was not in stable operation and constantly suspended for maintenance while the research to use UFC85 for glue production was not successful.

CO2

Sales volume is estimated at 6,546 tons in Q4/2018 and 17,975 tons in 2H 2018, with estimated total volume of 2018 reaching 40,000 tons, accomplishing 80% of the yearly plan, up 4% YOY. Total revenue of CO2 is estimated to reach VND 10.2 billion in 2018, up 15% YoY.

CO2 sales volume in 2018 was lower than planned because the new commercial CO2 Plant has just been in operation, accordingly, its sales could not achieve high efficiency and customers' demand was low.

Petrochemicals

Sales volume is estimated at 440 tons and 900 tons in Q4/2018 and 2H/2018, respectively. Total sales volume is estimated at 1,800 tons in 2018, accomplishing 113% of the yearly plan. Total revenue is estimated at VND 130 billion in 2018, representing 107% of 2018 plan, down 12% YoY.

Although the petroleum market has shown positive signs in 2H 2018, the average oil price has not yet reached the expectation. Accordingly, oil and gas exploring customers not only requested for discounts but also minimized their volume of petrochemicals used. In addition, after a long period in production, the output of oil fields falls and the volume of chemicals used also decreases accordingly.

3. Business plans for 2019:

The year 2019 continued to witness PVFCCo to transform its production scale highlighted by the commercial operation of Phu My NPK Plant and NH3 revamped Workshop. PVFCCo plans to operate 80% capacity of NPK Phu My Plant and 100% capacity of Phu My Fertilizer Plant, UFC85 Workshop, NH3 Workshop in order to achieve the output of 800 thousand tons of Urea, 200 thousand tons of NPK Phu My, 13 thousand tons of UFC85 and 61.5 thousand tons of commercial NH3 in 2019.

Sales targets of 2019 include: 810,000 tons of Phu My Urea, 180,000 tons of NPK Phu My and 232,000 tons of other fertilizers. Sales volume of chemicals is about 123,400 tons (including 63,000 tons of NH3, 9,000 tons of UFC85, 50,000 tons of CO2, 1,400 tons of petrochemicals).

4. Business results and financial highlights of Q4, 2H2018 and 2018:

Total revenues: Estimated to achieve VND 2,321 billion in Quarter 4, up 44% YoY. Consolidated revenue in the last 6 months is VND 4,537 billion, up 21% YoY. Consolidated revenue in 2018 reaches VND 9,378 billion, accomplishing 104% of the yearly plan, up 15% from 2017.

Pre-tax profit: Estimated at VND 96 billion in Quarter 4, down 20% YoY. Pre-tax profit in the last 6 months is estimated at VND 286 billion, down 1% YoY (VND 286/289 billion). Consolidated pre-tax profit in 2018 is estimated at VND 751 billion, down 12% YoY.

The revenue increased but the pre-tax profit fell as compared with 2017 mainly because the gas price was in strong surge and the financial cost and depreciation of NH3 - NPK Phu My Complex were started from this year 2018.

Key financial ratios estimate in the 2018:

No.	Item	2018	2017	Increase/Decrease (%)
I.	PROFITABILITY RATIOS			
1	Return on Assets (ROA) (Profit after tax/Total Assets)	5.91%	7.14%	-17%
2	Return on Equity (ROE) (Profit after tax/ Equity)	7.85%	8.70%	-10%
3	Profit before tax/Revenue	8.01%	10.43%	-23%
II.	LIQUIDITY RATIOS			
1	Overall liquidity ratio (Total assets/Total liabilities)	3.66	4.62	-21%
2	Quick ratio (Current assets - Inventories)/Current liabilities)	2.15	2.68	-20%
3	Current ratio (Current assets/Current liabilities)	3.19	3.54	-10%
4	Liabilities to Equity ratio (Liabilities/Equity)	0.38	0.28	36%

Liquidity ratios estimates in 2018: Current ratio and quick ratio are 3.19 and 2.15 respectively, although there was a downward trend YoY but the solvency of PVFCCo with respect to due debts was still assured.

Profitability ratios estimates in 2018: ROA and ROE in 2018 were 5.91% and 7.85% respectively, both down by 17% and 10% YoY, respectively. This is mainly due to its lower profits (-12% YoY) in 2018, resulting in other lower indicators.

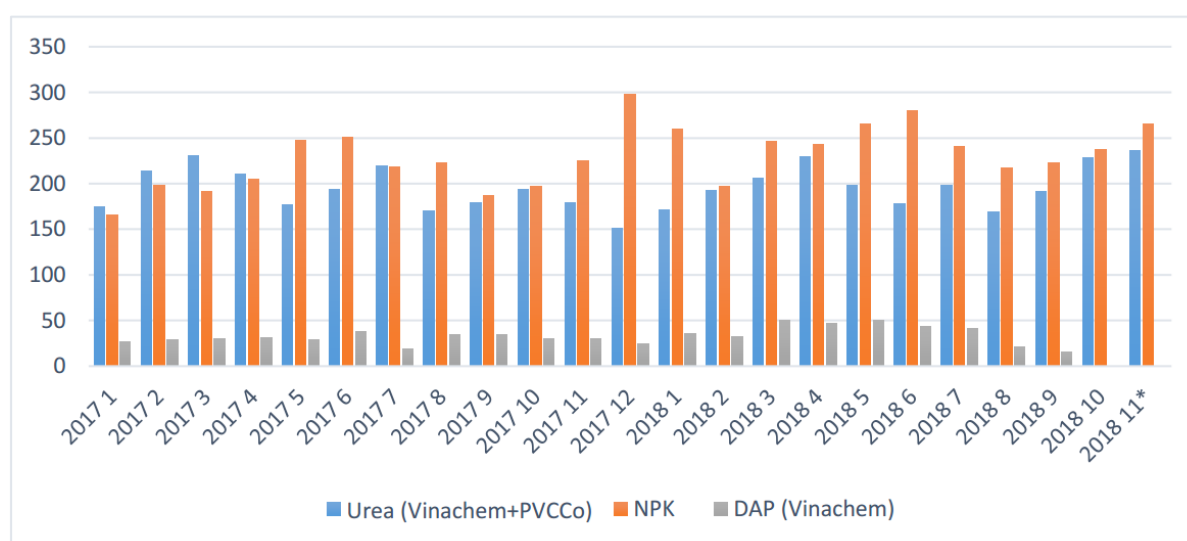
II. MARKET INFORMATION:

1. Domestic fertilizer market in 2H 2018

Domestic fertilizer production

According to statistics of General Statistics Office, production output of Urea and NPK in 2H 2018 was estimated at 1.3 million tons and 1.4 million tons, respectively, up by 7.49% and 8.36% YoY. Total output of Urea in 2018 was estimated at 2.2 million tons, up 4.7% YoY and NPK output estimated at 3.6 million tons, down 9.5% YoY.

Chart 1: Production output of Vietnam's Urea and NPK in 2017 and in 2018



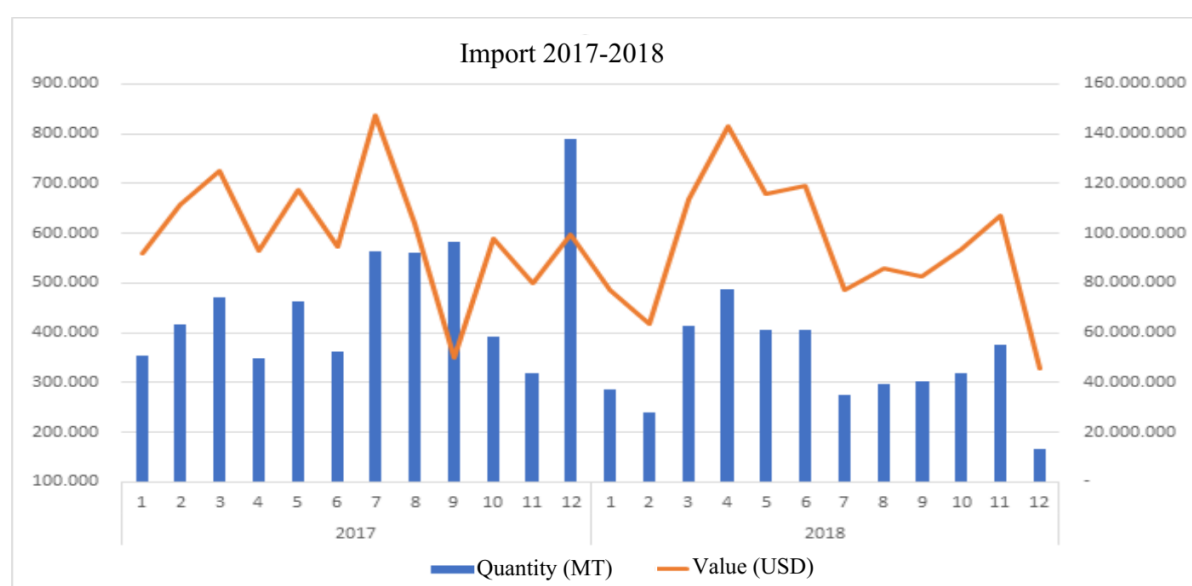
Source: AgroMonitor Database

Fertilizer import

According to General Statistics Office, total volume of imported fertilizers of all kinds in 2H 2018 is estimated at 1.74 million tons, worth approx. USD 492.5 million, down by 41.5 % in volume and 15% in value YoY. Total imported volume in 2018 is estimated at 3.98 million tons, down by 16.1% in volume and 7.2% in value YoY. Vietnam's largest market of Urea import in 2018 was still China, but down by 30% in quantity and 16% in value YoY.

Vietnam's urea import volume in 2018 fell sharply because China transformed itself from a fertilizer exporter to an importer. In 2018, China was estimated to import about 200,000 tons of Urea, up by 73% YoY. Due to strong surge of Urea price, Chinese importers turned to the Middle East for Urea at lower prices. In 2018, China was estimated to export about 3 millions of tons of Urea, down by 35% YoY. China's exports slumped because domestic supplies fell sharply, domestic Urea prices were higher than export prices while some new suppliers joined the international market.

Chart 2: Import quantity and value of fertilizers of Vietnam in January 2017 - December 2018



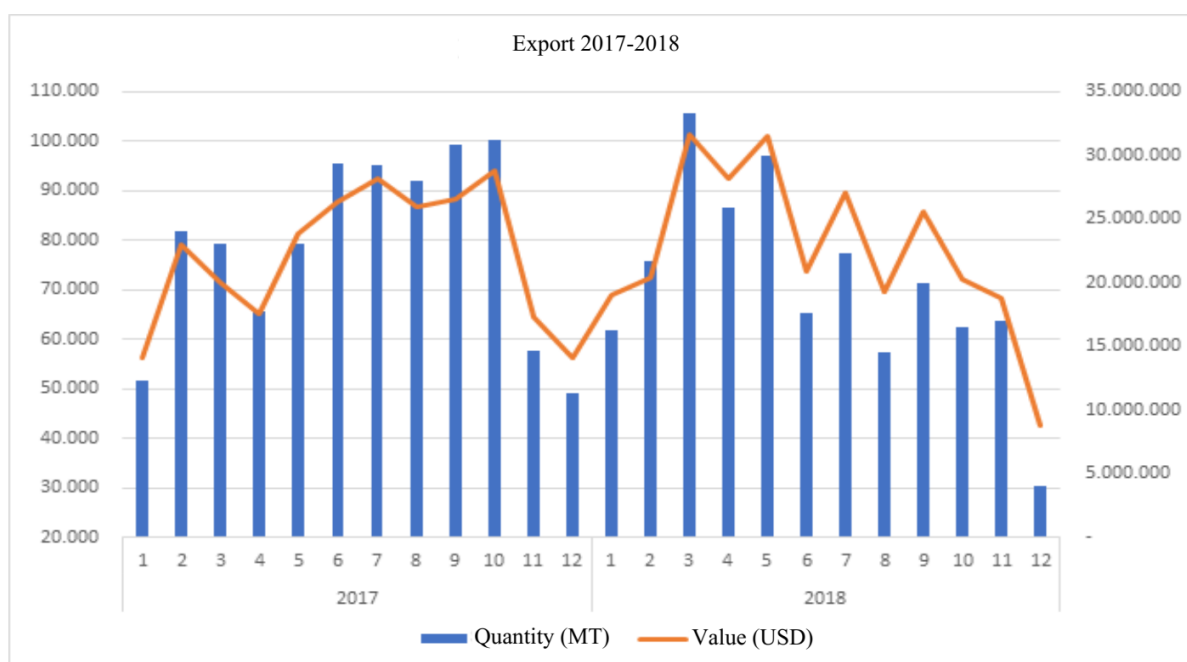
Source: AgroMonitor Database

Fertilizer export

According to the General Statistics Office, in the last 6 months, Vietnam exported about 363 thousand tons of fertilizers, worth USD 119.8 million, down by 26.5% in volume and 15% in value YoY. Total exported volume in 2018 is estimated at 855.2 millions of tons, down by 9.7% in volume but up by 2.2% in export value YoY.

The main export market remained to be Cambodia, still leading in volume but down by 2.9% in quantity and by 3.3% in value YoY. The export markets with significant increase in both output and value were Korea and Malaysia and the market with drastic fall was Indonesia (down by 59% in volume and 61% in value YoY). Previously, Korea and Malaysia used to import fertilizers mainly from China, but later turned to Vietnam due to limited supply from China. As Indonesia launched new plants to increase local supply, their import dropped.

Chart 3: Vietnam's fertilizer export volume and value in January 2017 - December 2018



Source: AgroMonitor Database

Development of domestic supply and demand (the last 6 months and trend forecast)

Vietnam's fertilizer market in the last 6 months has seen a strong surge in all offer prices for fertilizers due to the upward trend of the world market and the rising USD/VND exchange rate. In general, fertilizer prices in 2018 tended to increase significantly as compared to 2017.

For supply sources: Total output of domestic fertilizer production in 2018 was estimated at 6.23 million tons, slightly down by 3% from 2017. The reason is in 2018, domestic Urea and DAP plants had longer periods of suspension for technical maintenance and incidents than in 2017. In the total, total output in 2018 of Urea was 2.2 million tons, +4.7% YoY, NPK: 3.6 million tons, -9.5% YoY. Other fertilizers reached 431 thousand tons, up 23% YoY.

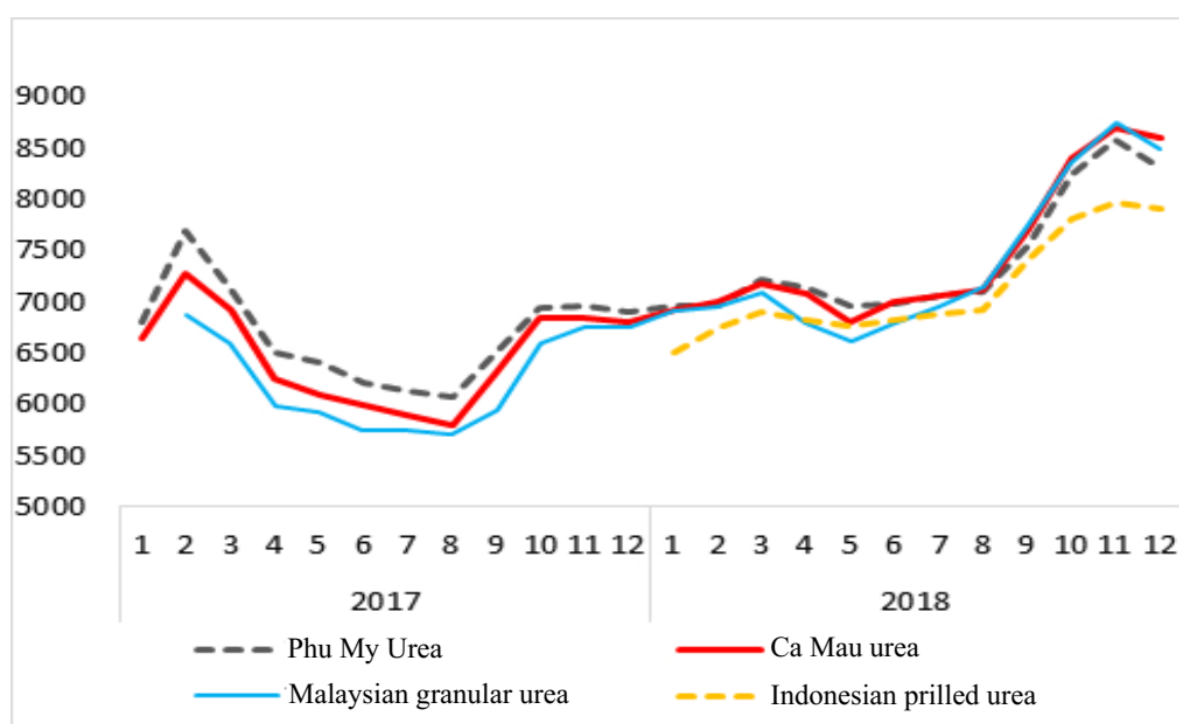
For demand: Due to a decline in prices of industrial crops (pepper, coffee, rubber, etc...), the fertilizer demand for these crops also fell accordingly. However, fertilizer consumption for rice was estimated to increase as compared to 2017. According to dealers in Mekong Delta, although there was no significant change in planting area, the structure of rice varieties has shifted: Some regions increased the area for Japanese Rice and Thom Rice varieties (Urea demand for these rice varieties was higher than IR and Sticky rice). Accordingly, total Urea demand in 2018 was estimated to increase slightly by 0.95% to 2.1 million tons. Meanwhile, demand for NPK increased 3,8% YoY to 4,1 million tons in 2018.

Development of Urea price

On average, in the first half of 2018, Urea price in Vietnam still increased over the same period in 2017. However, on the market, price and demand moved in opposite directions from July. On one hand, prices were continuously pushed to high levels, on the other hand, the demand

dropped due to off-season. By the end of September, Urea price at Tran Xuan Soan Market increased from 3% to 15% over July, when it had already increased from 9% -15%. At the beginning of October, the market kept up with the upward trend, prices of almost all Urea grades increased. Demand for domestic Urea was not significantly improved, but due to strong increase in price, some dealers in the West and the East decided to buy for inventory. Most of their purchase was for stockpiling when the world supply was forecast to decline and prices would not stop the rising trend. The market price remained at a record high until mid-November despite the world Urea price cooled down from end of October. By December, the market price fell but the import volume was expected to increase sharply as compared to November. Although supported by the fertilizer demand for Winter-Spring rice crop in the Mekong Delta, Urea price still fell due to the global trend and abundant supply.

Chart 4: Urea price at Tran Xuan Soan, in January 2018 - December 2018 (VND/kg)



Source: AgroMonitor Database

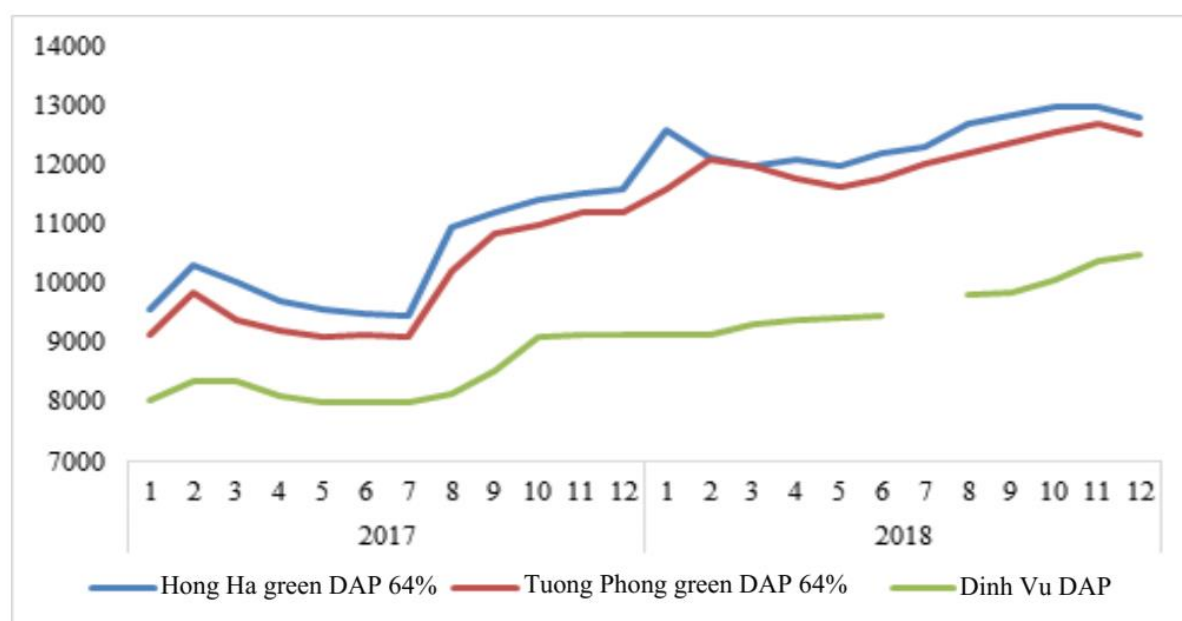
Development of DAP price

For DAP, both domestic supply and import in September declined, together with Chinese DAP price remaining high, the trading price in Ho Chi Minh City increased accordingly.

From July to early August, the world and China's DAP prices continued moving upwards but the demand in Vietnam was quite weak, the domestic prices only went up slightly. DAP price in August and the first half of September continued to increase as compared with July because the world price had not stopped its rising trend, up by 2-3% from July.

In September, Vietnam imported about 28 thousand tons, down by 51% from August; domestic production in September and early October also fell because Lao Cai DAP Plant suspended due to environmental incidents. Vietnam DAP market in November was highlighted with DAP Lao Cai resuming production but prices remained high thanks to strong domestic demand and falling inventory. In December, the DAP price showed signs of decline, dealers bought fertilizers in modest volumes. Moreover, imported fertilizer was arriving at ports, contributing to the situation of declining market and weak transactions.

Chart 5: DAP trading prices at Tran Xuan Soan Market from January 2017 to December 2018 (dong/kg)

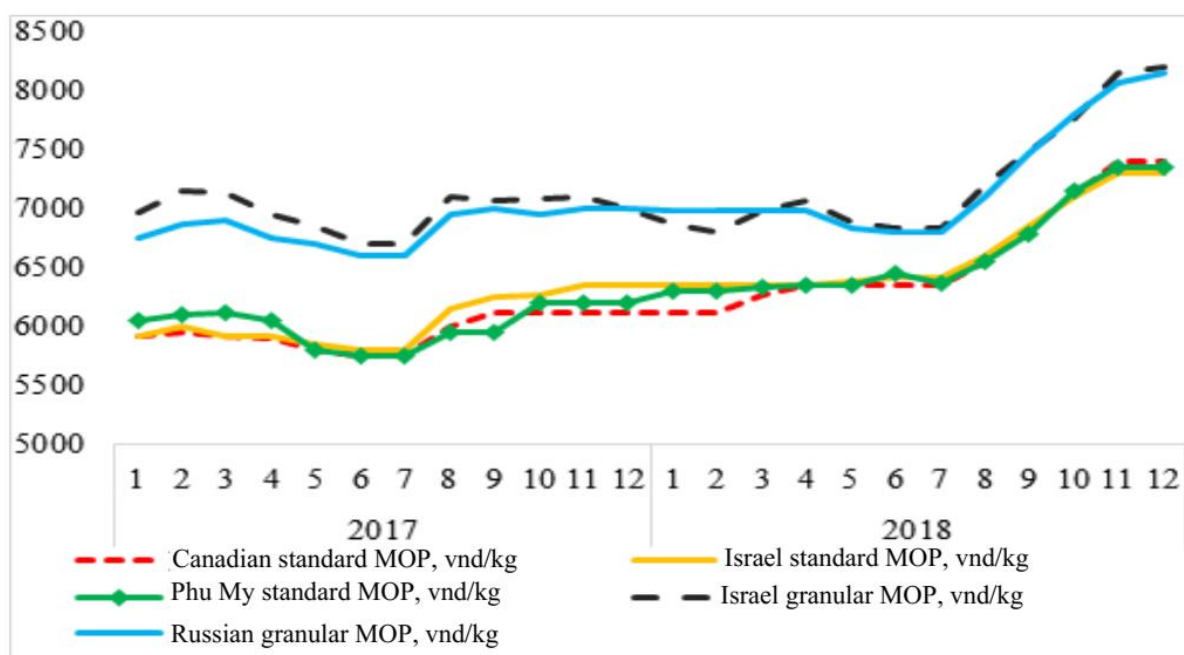


Source: CSDL AgroMonitor

Potassium market

Potassium prices in the first 6 months of 2018 increased YoY due to the upward trend of the world market. From the end of July to the beginning of August, Potassium price in Saigon continued to rise due to a surge in price of imported Potassium regardless of low domestic demand. Prices in September continued to sharply increase in all types as prices on the world potassium market rocketed following the depletion in supply. This upward momentum continued from October until the end of the year. Although the supply was forecast to keep growing, Potassium price was still on the rise because the world price had not stopped falling. Potassium price in Nola, Brazil and Southeast Asia increased by 17-28% from the beginning of year, big contracts prices of China and India signed with suppliers were up by 26% from 2017. Meanwhile, potassium powder/particle in Vietnam only increased by 13-24% from 2018.

Chart 6: Potassium price at Tran Xuan Soan, in January 2017 - December 2018 (VND/kg)



2. International fertilizer market:

World Urea market

The world Urea market in 2018 was quite complicated, the market was bounced back and prospered in the middle of the year after quiet trading in the early months of the year. However, by the year end, the market plummeted again and trading was gloomy.

In November, the world Urea market maintained the weakening trend from the beginning of October. Despite a slight support from auction bid to buy India's Urea on 14 November, this move was not enough for Urea to rebound strongly. On average, Urea price in November 2018 decreased by 3-20 USD/ton as compared to October average but still higher by 43-70 USD/ton than early 2018 and up by 25-64 USD/ton YoY. By early December, the world urea price fell by 30-45 USD/ton as compared to the beginning of October.

India increases Urea production capacity

On November 6, MMTC (India) announced the opening of bidding for imported prilled/granular Urea, helping pull up the world urea price by 2-7 USD/ton. Out of the total bid volume of 3.61 million tons of Urea from 21 suppliers, India concluded to buy more than 1.8 million tons, of which, 900,000 tons was originated from China, a country resuming its position as a major supplier after seeing its export relentlessly plummeting earlier this year. Expectedly, India had enough supply to meet its fertilizer demand in 2018. However, in early January 2019, India is expected to open a new bidding for imported Urea to avoid a shortage of supply in April-March 2019.

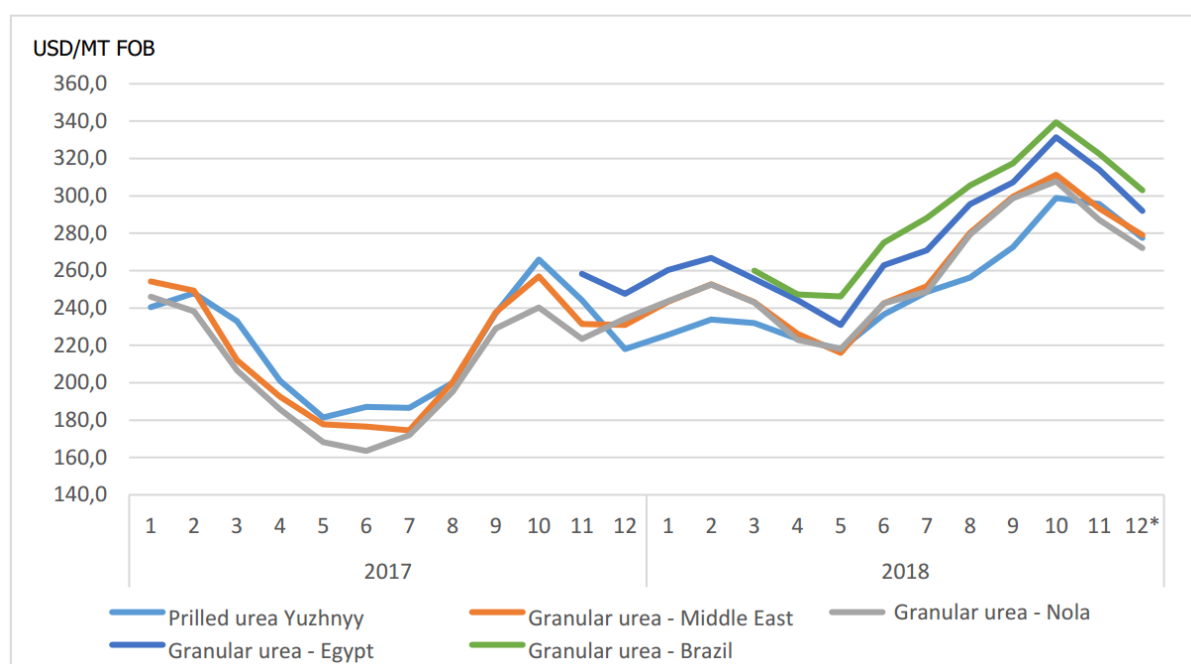
In the long term, India is planning to stop importing Urea from March 2021 as many plants recover production capacity from 2019-2021 (total investment capital for recovery is approximately USD 8.7 billion. By 2022, the estimated design capacity of new plants will reach 9.42 million tons/year.) However, only half of the capacity is expected to be in operation in 2021.

China reduces supply

Urea production capacity in November decreased from 55-56% from early November to less than 50% in late November and early December, lower than the same period in 2017. The capacity decreased mainly due to limited supply of natural gas. In addition, this winter, the Chinese Ministry of Environment continued to have plans for air pollution control regulations which would limit production in areas.

In November, India's bidding session did not provide much support for its domestic market but helped boost the Urea export. Export Urea price remained its downward trend. By early December, China's prilled/granular Urea export price was at US\$ 304-306/ton and US\$304-305/ton FOB, down by US\$ 17-28/ton from early November.

Chart 7: Urea price (monthly average) in some regions of the world from January 2017 to December 2018, (USD/ton, FOB)



Source: AgroMonitor (Updated as at December 7)

World DAP market

As world DAP demand remained low, current export prices continued to decline. As of early December, export DAP prices had decreased by 2-5 USD/ton compared to that of end of October, to 405-407 USD/ton FOB. The trading market was quiet, some export orders were signed until mid-December. In November 2018, price continued to fall slightly due to a shortage of demand. On average, world DAP price in November 2018 dropped by 3-12 USD/ton from October but still higher by 15-50 USD/ton over January 2018 and up by 25-65 USD/ton YoY.

In India, the recovery of Rupee helped improve profits of DAP importers though slow demand caused DAP price to fall. DAP price on Indian market fell by approx. USD 5-9/ton to USD 419-420/ton CFR. By the end of November, India imported about 5.5 million tons of DAP and met most of the demand. India was estimated to buy only 100,000-150,000 tons of DAP in December 2018. In December, the price of DAP traded in India market is expected to drop to 415-416 USD/ton CFR, equivalent to FOB China price at 400 USD/ton; However, currently there is no transaction at this price.

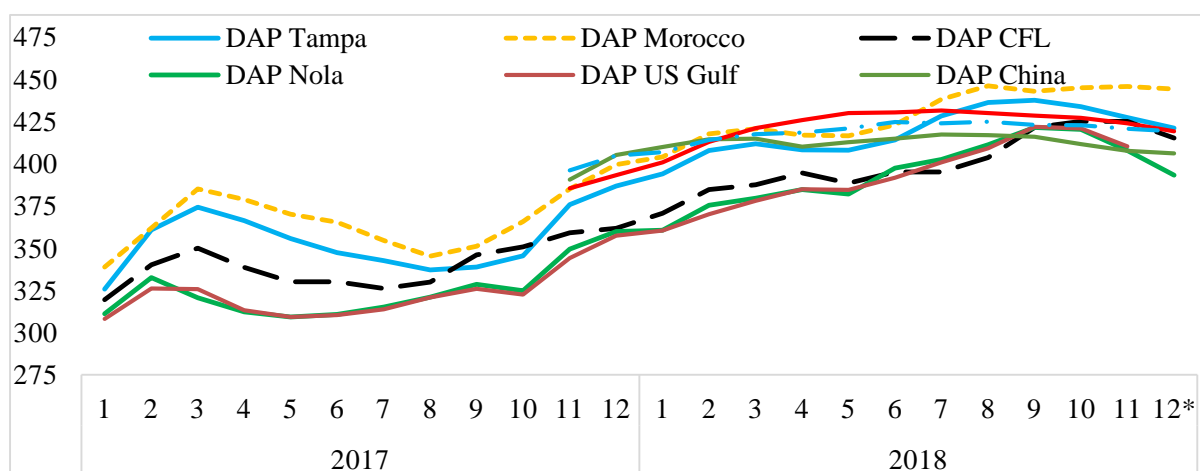
In Pakistan, as it had bought too much for Rabi crop, the demand currently fell sharply.

In the Western Hemisphere, Phosphate prices also weakened due to slow demand.

On China's market, after the Phosphate Compound Fertilizer Conference, export price increased by USD 5-10/ton as compared to the previous level at USD 407-410/ton FOB. Export prices to India and Pakistan will be 410 USD/ton FOB and to Southeast Asia will be 415 USD/ton.

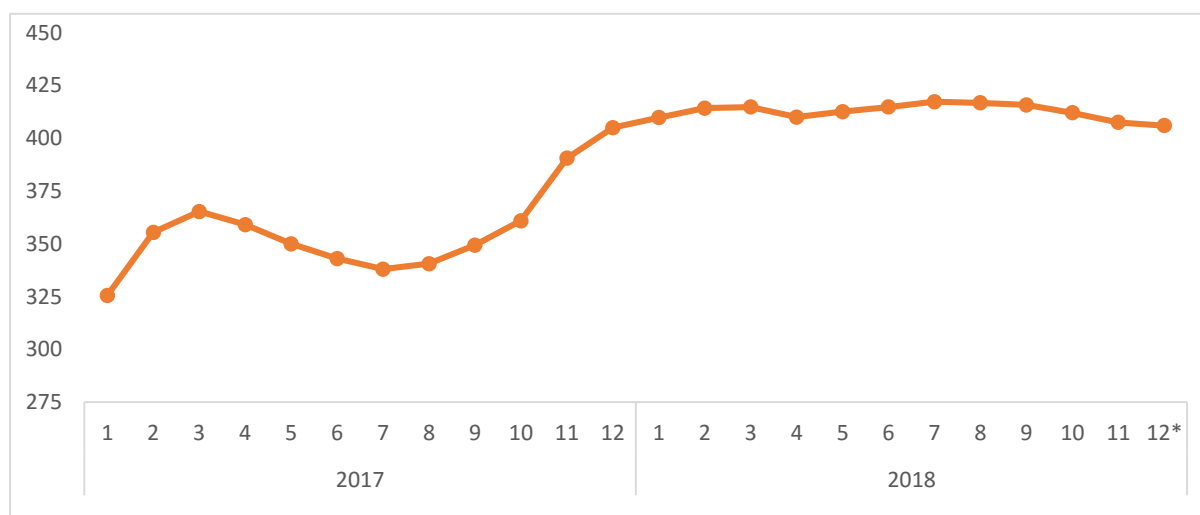
In October 2018, China's export DAP hit 1.36 million tons, a sharp increase of 60% YoY following a strong rise in the registered export in preceding months. Production output in the last 10 months was estimated at 6.21 thousand tons, up by 13% YoY.

Chart 8: DAP price (monthly average) in some regions of the world from January 2017 to December 2018, (USD/ton, FOB)



Source: AgroMonitor (Updated as at December 6)

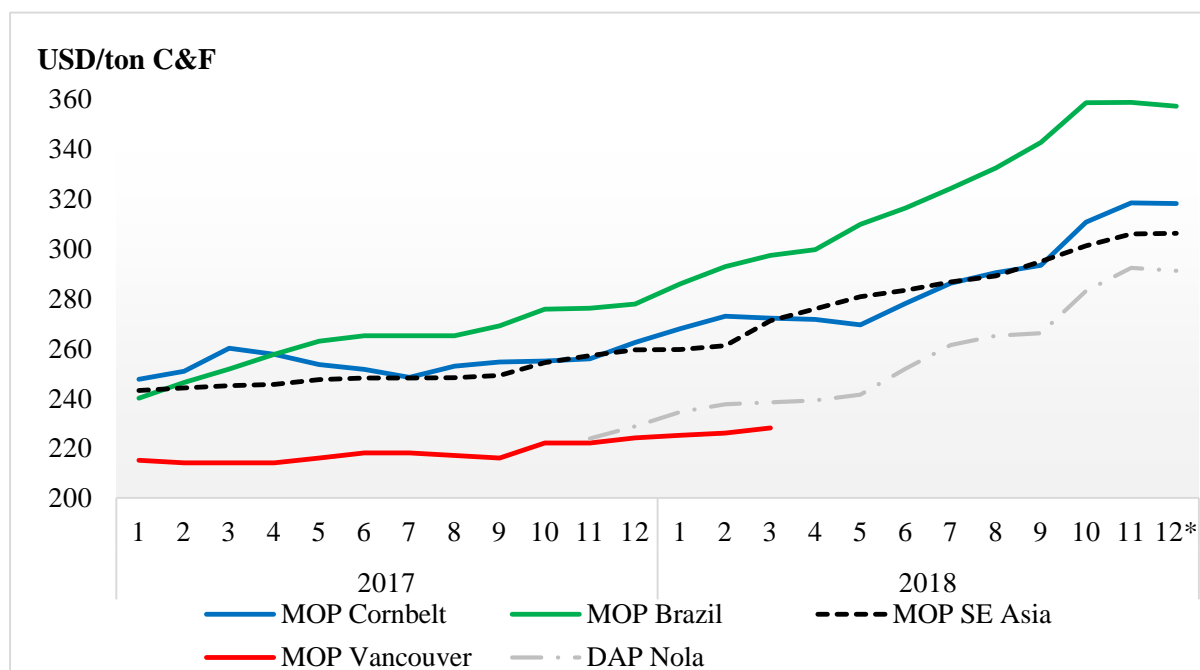
Chart 9: China's DAP export price (monthly average) from January 2017- December 2018 (USD/ton, FOB)



World Potassium market: Price is expected to increase thanks to recovered demand

In November 2018, the Potassium demand slowed down, however, potential demand and limited supply prevented potassium price from plummeting.

Chart 10: MOP price (monthly average) in some regions of the world from January 2017 to December 2018, (USD/ton, FOB)



Source: AgroMonitor (Updated as at December 9)

On European market, constant drought slowed down demands in Germany and Central Europe. Whilst in Brazil and Northwest Europe, most buyers already bought fertilizers for the next crop.

In the United States, the potassium demand also slowed down because the corn harvest was delayed, but Potassium price remained high. Russian producers currently planned to increase the volume shipped to the US in December.

In Brazil, the current demand has slowed down, but traders are aiming at high demands for Safrinha corn crop in Q1/2019. Hence, producers are expected to keep boosting Potassium price to go up. MOP price in Brazil in early December fell by about 5 USD/ton from early November and settled at 350-360 USD/ton CFR, but slightly up by 5 USD/ton from November end.

On average, the price of Potassium in November 2018 dropped by 1-10 USD/ton from October but still higher by 45-73 USD/ton as compared to January of 2018 and up by 48-83 USD/ton YoY.

III. BRIEFING

1. Investor relations:

PVFCCo meets domestic investment funds and brokerage institutions

On 29 November 2018, PVFCCo leadership and IR Team met nearly 130 representatives of investment funds and brokerage institutions in Vietnam. This activity was part of the "Energy Journey" Program co-held by Vietnam Oil and Gas Group and PetroVietnam Securities Incorporated.

In 2018, PVFCCo's Investor Relations Division organized more than 60 direct meetings with over 300 representatives of local and foreign investment funds and brokerage institutions. In

particular, representatives of PVFCCo's leadership and IR Division participated in 8 local and foreign events in Vietnam, Singapore, UK, US... PVFCCo also held a meeting with shareholders, investors and brokerage institutions in June 2018 to brief them on performance results of 1H 2018 and progress of new investment projects and answer questions from investors.

PVFCCo is voted in Top 30 Listed Companies of largest capitalization group with Best Annual Report and Top 20 Listed Companies of largest capitalization group with Best Corporate Governance Report in 2018

This is the annual award co-held by Ho Chi Minh City Stock Exchange, Hanoi Stock Exchange, Securities Investment Newspaper and Dragon Capital Corp.

After many consecutive years being voted in the group of Listed Companies with the Best Annual Report, PVFCCo's 2017 Annual Report continued to be voted in the group of 90 best annual reports out of 440 reports of listed companies on both securities exchanges in 2018, as of the 3 capitalization groups coming through to the final round and voted by the Voting Council. Accordingly, PVFCCo was voted in the Top 30 Listed Companies of largest capitalization with Best Annual Report and Top20 Listed Companies of large capitalization with Best Corporate Governance Report 2018

2. Business News:

Phu My fertilizers effectively helpful on many crops

In 2018, PVFCCo implemented many presentation models using Phu My Fertilizer on crops to help farmers understand better and trust in the effectiveness of Phu My fertilizer products. All the presentation models on main local varieties of plants yielded good results and were trusted by farmers. Some typical results include:

The presentation model using Phu My fertilizer on durian trees in Khanh Son, Khanh Hoa outperformed the comparative model. On the 0.5 hectare of durian used for demonstration, trees which suffered from serious malnutrition in past years improved substantially with Phu My fertilizers, giving high productivity, good-looking durians, good quality, no cracking or hardened fruit, helping the plantation owner earn more than 1 billion from 1 hectare of durian trees.

The presentation model of 0.5 hectare on guava trees in Son Duong commune, Hoanh Bo district, Quang Ninh province: guava trees fed by Phu My fertilizer gave higher productivity and higher quality compared to comparative trees. The 0.5 hectare of the model yielded an income of about 187 million VND, higher by 5.2% than comparative model. At the same time, the post-harvest trees remained very good and healthy, enjoying important advantages for the next crop, especially when weather conditions were abnormal.

The presentation model was carried out on a total area of 1 hectare with OM9577 rice variety in An Hoa commune, Chau Thanh district, An Giang province, using Phu My fertilizer products. The results showed that rice on the model field grew well, as proved by the root length, leaf color, number of shoots/m², rice height, number of cotton, number of firm seeds, the yield of 7.31 tons/hectare, achieving a higher profit of 1,146,000 VND/hectare compared to the comparative field although less fertilizer was used on the rice.

Silica Potassium Urea 35-8-6SiO₂ + TE test product receives positive feedback from customers

This is the opinion from experts, agents and farmers who directly used this test product at the Workshop "Summary on production and sales of Silica Potassium Urea PM 35-8-6SiO₂ + TE " held in November 2018.

Reports and opinions in the workshop highly rated the positive and different aspects of the product as: a new, fast-released product containing amorphous silica. Actual usage on plants showed a positive effect both in plant growth i.e. strong, green, pest-free; and higher economic efficiency due to saving of fertilizers, pesticides and contributing to environmental protection by utilizing rice husk ash, making full use of secondary urea ... However, the product has some shortcomings such as quantity, packaging size; color, size and uniformity of particles, baking ... As a result, the R&D Division of PVFCCo will coordinate with relevant units to handle the above shortcomings to launch commercial products on the market in the near future.

PVFCCo is repeatedly honored with "Typical Employee-Oriented Enterprise"

On December 15, 2018 in Hanoi, PVFCCo was honored to be included in the "Typical Employee-Oriented Enterprise" rating list for the fourth time and awarded the Merit Certificates for 3 consecutive years by the Prime Minister (2016), the Ministry of Labor - Invalids - Social Affairs (2017) and the Vietnam General Confederation of Labor (2018) in recognition of its outstanding achievements in care for employees.

In the rating list of this year, PVFCCo is in the group of Enterprises with better implementation of law provisions. As a result, they were granted bonus points and far exceeded the 100-point scale of the criteria set. Besides, PVFCCo also belongs to the Top 25% of Enterprises ensuring best income for employees amongst those in the rating list, and refusing cut down the workforce even when business operations were in hard time. This is an award co-organized by the Vietnam General Confederation of Labor, the Ministry of Labor, Invalids and Social Affairs and Vietnam Chamber of Commerce and Industry (VCCI) since 2014.

Source: Compiled by PVFCCo

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