



BẢN TIN TỔNG CÔNG TY PHÂN BÓN VÀ HÓA CHẤT DẦU KHÍ

Nhà đầu tư

I N V E S T O R S B U L L E T I N

DPM
QUARTER 4/2019

Basic Information:

- Stock code: DPM (HoSE)
- Listing date: November 05, 2007
- Foreign ownership: 19%
(as of 12/2019)
- Foreign ownership room: 100%
- Listed shares: 391,400,000
- Outstanding shares 391,334,260
- Dividend payout ratio (cash) in 2019: 1,000 VND/share

Shareholder Structure (October 2019):

- PetroVietnam: 59.59%
- Edgbaston: 5.04%
- AGRIMEX Nghe An: 3.93%
- Cape Ann Global Developing Markets Fund: 3.67%
- AGRIMEX Dak Lak: 1.99%
- KWE BETEILIGUNGEN AG: 1.95%
- Others: 23.83%

I. MESSAGE TO INVESTORS

PVFCCo has completed the year 2019 with much effort, overcoming countless challenges and risks to fulfill and exceed the profit target, reaffirming its leading position in the industry despite unfavorable situation in fertilizer market, disrupted production and sales outputs as a result of long maintenance for approximately 3 months.

In addition, aware of many difficulties in the market for agricultural products, sales of domestic fertilizers expected to drop by 20-30% YoY, PVFCCo has actively taken various measures and implemented many action plans to overcome difficulties and seize opportunities to achieve key targets, and at the same time continue improving the overall performance of PVFCCo.

By the end of FY2019, total revenue was estimated at VND 7,726 billion, achieving 89% of the annual plan and down by 18% YoY. The slump in revenue was largely driven by adverse market developments, sales output and selling price dropped sharply from Q3, particularly selling price of NH3 (down by 20% YoY). Pretax profit was estimated at VND 310 billion, representing 151% of the annual plan, down by 64% YoY. The fact that revenue is lower than target but profit exceeds the plan is mainly due to lower stock gas costs, decreased interest expenses of projects as a result of delayed disbursement, and higher profits from other activities

as compared with the annual plan. In addition, PVFCCo accelerated the process to cut down administration and selling costs in an effort to boost its operating profit margin.

In 2019, Phu My Fertilizer Plant underwent the maintenance up to 72 days, marking the production mile stone of about 705 thousand tons, exceeding the annual plan by 5%, down by 14% YoY. Although already in commercial operation, NPK Phu My Plant was still in the process of acceptance test and final settlement and experienced a long shut-down for repair and maintenance. As a result, the plant production output was only 81 thousand tons, representing 54 % of the annual plan, up by 38% YoY.

Production output in chemical sector remained stable, fulfilling and exceeding the plan. Production output of commercial NH₃ reached more than 60 thousand tons, exceeding the annual plan by 31%, up by 7% YoY. UFC85 output also exceeded the plan by 7%, reaching 11.6 thousand tons, up by 4% YoY.

Regarding the market share: In 2019, Vietnam agriculture encountered many adverse impacts from prolonged hot and dry weather in the Southwest and North Central, floods in the Central Highlands during the main season, and slumping prices of key agricultural products, which significantly reduced the fertilizer demand. However, PVFCCo still maintained its leading market share with the total trading output of fertilizers reaching about 956 thousand tons in 2019, down by 20% YoY. In particular, sales output of chemicals grew by 11%, estimated at about 118 thousand tons.

Regarding selling prices: In the second half (2H) of 2019, average selling price of Phu My Fertilizer decreased by 9% YoY (6,746 VND/kg vs. 7,381 VND/kg). Average selling prices of NH₃ and UFC85 also fell by 20% and 9% YoY, respectively.

Regarding expenses: The slump of gas price since the beginning of Q4 has reduced the average annual price by about 2% from the planned price, and down 3.3% from average gas price in 2018, helping PVFCCo reduce production costs. In 2019, PVFCCo further cut down approximately 11% of administration and selling costs to optimize its performance.

Leaders and personnel of PVFCCo are committed to promoting the spirit of overcoming obstacles and enhancing flexibility and creativity in business to achieve challenging goals in 2020, further affirming its position as the leader in fertilizer industry.

In 2020, PVFCCo defines the key tasks as to keep effectively operating its fertilizer and chemical plants, locate stable gas supply sources to ensure long-term performance, strengthen sales activities, diversify the consumption markets for NPK & NH₃, and accelerate the thrift practice in all activities of the Corporation. Also, PVFCCo will proceed with organizational restructure, improve competence, corporate governance and optimize interests of shareholders and investors.

II. BUSINESS PERFORMANCE OF 2H2019 AND 2019

1. Production:

Phu My Urea: Production output in 2H2019 was estimated at 442 thousand tons, up by 3.5% YoY. For 2019, total output was estimated at 704,440 tons, achieving 105% of the annual plan, down by 14% YoY. Production out was lower than that in 2018 because Phu My Fertilizer Plant underwent the maintenance period for 72 days (from 19/2/209 to 30/4/2019) in 2019.

Phu My NPK: Production output of 2019 was estimated at approximately 80,824 tons, representing 54% of the annual plan, up by 38% YoY.

UFC85: Production output of 2019 was estimated at 11,567 tons, representing 107% of the annual plan, up by 4% YoY.

Commercial NH3: Production was estimated at 60,360 tons, representing 131% of the annual plan, up by 7% YoY.

2. Sales

2.1 Sales of fertilizers:

The fertilizer market in 2019 was quite complicated, abnormal weather conditions and slumping prices of major agricultural commodities resulted in a negative impact on agriculture and the investment/reinvestment in fertilizers. In addition, the tax policy with incentives for imports (VAT refund, reduced import duty under FTA commitments) triggered a strong surge in imported fertilizers in the beginning months of the year, specially NPK, resulting in an imbalance of domestic fertilizer market.

For PVFCCo, fertilizer production and trading activities in 2019 were also directly influenced by the longer-than-expected maintenance (72 days in 1H2019) and the new NPK plant not fully and stably operational yet. As a result, production output and quality failed to meet the plan.

Facing those difficulties and unpredictable developments, PVFCCo has taken strict production and business management measures to improve and control product quality, focusing on maintaining the market share, developing new fertilizer products, and expanding chemical business. Specific business results are as follows:

Phu My Urea: Sales volume in the second half was estimated at 419 thousand tons, up by 11% YoY. Sales volume in 2019 was estimated at 680 thousand tons, accounting for 100% of the annual plan, down by 16% YoY.

Selling price of Phu My Urea: Average selling price in the second half was approximately 6,746 VND/kg, down by 9% YoY and 6% lower than the planned target. Average selling price in 2019 was approximately 7,024 VND/kg, equal to the selling price of 2018 and 2% lower than the planned target.

Phu My NPK: Sales volume in 2H and whole year 2019 was estimated at nearly 35 thousand tons and 76 thousand tons, respectively, representing 49% of the annual plan, up by 119% YoY. In 2019, average selling price of NPK Phu My was approximately 8,872 VND/kg, up by 1% YoY.

Imported fertilizer trading: Sales volume in the second half was estimated at 75 thousand tons, down by 44% YoY. Sales volume in whole 2019 was at 200 thousand tons, equal to 86% of the annual plan, down by 39% YoY.

Export: Export volume in 2019 was estimated at 1,300 tons, down by 76% YoY.

Import: Import volume in 2019 was estimated at 108 thousand tons, down by 59 % YoY.

2.2 Sales of chemicals:

Sales volume of chemicals in 2019 was estimated at 118 thousand tons with revenue of 572 billion VND, up by 10% YoY, representing 120% of sales plan and 107% of revenue plan. Of which revenue from NH3 and UFC85 accounts for 82% of total revenue in chemical sector. Specifically:

NH3:

Despite a long maintenance of NH3 Workshop, sales volume of NH3 kept growing favorably, up by 10% YoY. Sales volume in the second half reached more than 42 thousand tons, up by 35% YoY. In the whole year 2019, total sales volume was estimated at 58 thousand tons, achieving 128% of the annual plan, up by 10% YoY. Revenue of NH3 in 2019 was estimated at 358 billion VND, down by 12% YoY.

NH3 market

Due to the long-term maintenance, NH3 production in the first 6 months of PVFCCo dropped sharply, resulting in low stockpiling to cope with customer demand. Global price maintained low at approximately 252 USD/MT, down by 72 USD/MT YoY thanks to abundant global supply.

On Vietnamese market, total NH3 output including surplus from domestic fertilizer plants and imported volume was approximately 280 thousand tons per 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 in the second half was estimated at 4,113 tons, virtually unchanged YoY, increasing the estimated sales volume in 2019 to 8,366 tons, equal to 105% of the annual plan, up by 5% YoY. Revenue in 2019 hit 113 billion VND, down by 2% YoY.

Consumption market was still limited as there were less new UFC85 consumers while Ninh Binh Fertilizer Plant operated at moderate capacity and Ha Bac Fertilizer still did not use UFC85 in 2019 to reduce costs.

CO2

Sales volume in the second half was estimated at nearly 32.8 thousand tons, with estimated sales volume in 2019 reaching approximately 50 thousand tons, representing 113% of the annual plan, up by 12% YoY. Revenue of CO2 in 2019 was estimated at approximately 14 billion VND, up by 35% YoY.

Petrochemicals

Sales volume in the second half was estimated at 900 tons. Sales volume in 2019 was estimated at approximately 1,628 tons, achieving 116% of the annual plan. Revenue in 2019 was estimated at 87 billion VND, achieving 97% of the annual plan, down by 33% YoY.

Petrochemical market was very gloomy due to low oil price. PVFCCo's bids always encountered fierce competition with other vendors. Major customers awarding PVFCCo supply contacts, such as Hoan Long Hoan Vu, reduced their consumption of petrochemical while another potential customer like Vietsovetro only held bidding for small and separate packages.

3. Business plan for 2020:

In 2020, the global economy is forecast to remain complicated, with many potential risks while the domestic economy still struggles with obstacles. PVFCCo has determined to keep up the effort to overcome challenges and establish specific sales targets as follows:

Sales and production targets:

No.	Item	Unit	Planned for 2020
1	Production		
1.1	Phu My Urea	Ton	785,000
1.2	Phu My NPK	Ton	180,000
1.3	UFC 85/Formaldehyde	Ton	13,000
1.4	Commercial NH3	Ton	57,750
2	Sales		
2.1	Phu My Urea	Ton	780,000
2.2	Phu My NPK	Ton	180,000
2.3	UFC 85/Formaldehyde	Ton	9,000
2.4	NH3	Ton	55,000
2.5	Other fertilizers	Ton	189,000
2.6	CO2	Ton	50,000
2.7	Other chemicals	Ton	800

Financial targets:

No.	Item	Unit	Planned for 2020
1	Total revenues	Billion VND	9,237
2	Total expenses	Billion VND	8,724
3	Pre-tax profit	Billion VND	513
4	After-tax profit	Billion VND	433
5	Payment to State Budget	Billion VND	159

4. Business results and financial highlights in 2H2019 and 2019:

Total revenues: Consolidated revenues in 2H 2019 were estimated at approx. 4,167 billion VND, down by 4% YoY. Consolidated revenues in 2019 was estimated at 7,723 billion VND, achieving 89.4% of the annual plan, down by 18% YoY.

Pre-tax profit: Pre-tax profit in the second half was estimated at 208 billion VND, down by 49% YoY. Consolidated pre-tax profit in 2019 was estimated at 310 billion VND, achieving 151% of the annual plan, down by 64% YoY.

Revenues were lower than target, but profit exceeds the plan thanks to the efforts of the leadership in the management of assets and costs. Gas price has dropped since the beginning of Q4, resulting in average annual gas price going down by 2% compared to the plan; Interest expenses fell due to slow disbursements of projects and profits from other activities (transportation, warehouse leasing, office leasing, assets liquidation) grew as compared to the plan in 2019.

Value of investment disbursement and procurement in 2019 was estimated at 133 billion VND, equal to approx. 17% of the annual plan. Low disbursement was due to the contractors' failure to complete payment dossiers for the last milestones of 2 EPC contracts for NH3 & NPK complex projects. Furthermore, the investors and the Contractors failed to reach an agreement upon value of some variation works.

Key financial ratios estimate of 2019:

No.	Item	2018	2019	% increase/decrease
I.	PROFITABILITY RATIOS			
1	Return on Assets (ROA) (Profit after tax/Total Assets)	6.66	2.35	-65%
2	Return on Equity (ROE) (Profit after tax/ Equity)	8.74	3.21	-63%
3	Pre-tax profit/Revenue	9.22	4.01	-56%
II.	LIQUIDITY RATIOS			
1	Overall liquidity ratio (Total assets/Total liabilities)	3.87	3.60	-7%
2	Quick ratio (Current assets - Inventories/Current liabilities)	2.32	2.42	8%
3	Current ratio (Current assets/Current liabilities)	3.42	3.53	3%
4	Liabilities to equity ratio	34.88%	38.52%	10%

II. MARKET INSIGHT:

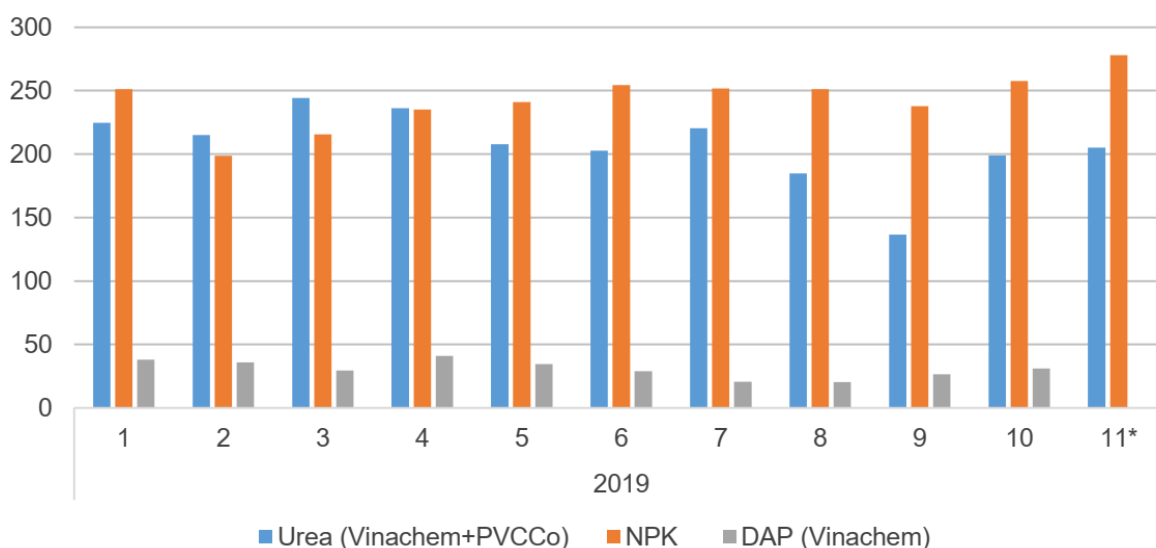
1. Domestic fertilizer market in the second half of 2019

Domestic fertilizer production

According to the General Statistics Office, production output of Urea and NPK in 2H 2019 was estimated at approx. 1.15 million and 1.55 million tons, respectively, up by 10% and 13% YoY. Total output of Urea in 2019 was estimated at 2.27 million, slightly up by 5% YoY, and NPK output estimated at 3 million tons, down 19% YoY. Although Phu My Fertilizer Plant had a

long shutdown period, its production output still reached 705,000 tons in addition to a volume of 852,000 tons by Ca Mau Fertilizer Plant and approx. 715,000 tons by two coal-based plants, Ninh Binh Fertilizer Plant and Ha Bac Fertilizer Plant.

Chart 1: Production output of Urea, DAP and NPK of Vietnam in 2019 (thousand tons)

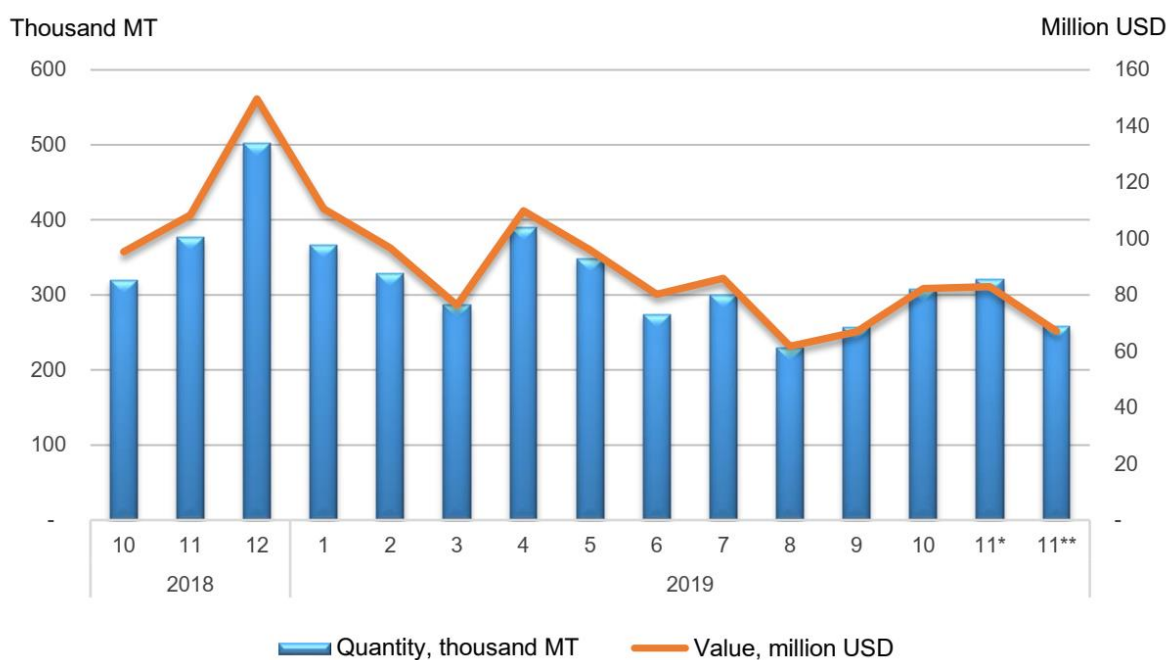


Source: AgroMonitor Database

Fertilizer import

According to the General Statistics Office, total import volume of fertilizers in 2H 2019 was estimated at 1.72 million tons, worth approx. 428 million USD, slightly down by 1.2% in volume and 13% in value YoY. Total import volume in 2019 was estimated at 3.66 million tons, down by 15% in volume and 27.5% in value YoY.

Chart 2: Imported fertilizer volume and value of Vietnam in 2019



Source: AgroMonitor Database

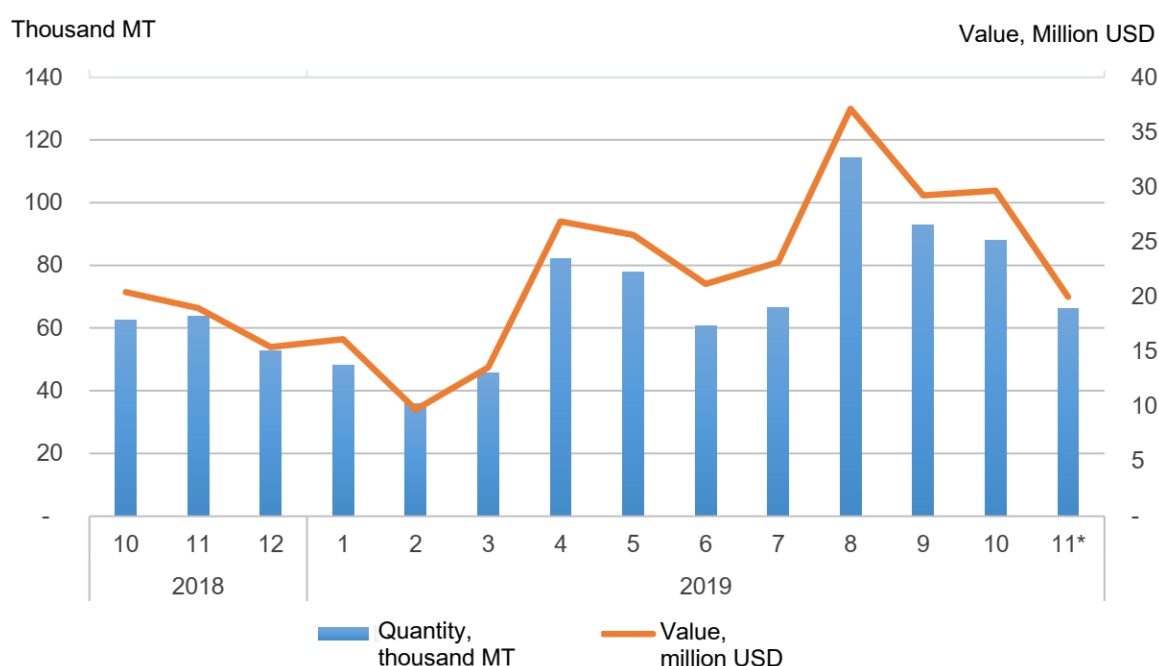
Especially in Q3/2019, Vietnam’s import volume of Urea sharply dropped with only approx. 12 thousand tons, a steep slump of 87% YoY, mainly driven by low demand, high stockpile, and surging global Urea price this year.

Regarding import markets in 2019, Vietnam significantly decreased import volume from UAE, had no import of Russian and Chinese urea while accelerated import from Indonesia and Malaysia. In 2019, Urea imported from Indonesia and Malaysia accounted for over 87.7% of total import volume.

Fertilizer export

According to the General Statistics Office, in 2H 2019, Vietnam exported approx. 495 thousand tons of fertilizers, worth 138 million USD, up by 27% in volume and 13% in value YoY. Total export volume in 2019 was estimated at 836 thousand tons, down by 6% in volume and 5% in value YoY.

Chart 3: Estimated fertilizer volume and export value of Vietnam in 2019



Source: AgroMonitor Database

Domestic supply and demand in the second half and trend forecast

For supply source:

Urea market in August was bleak with poor trading volume and downtrend price. As demand was limited in all regions, domestic manufacturing plants carried out periodic maintenance (Ninh Binh Urea, Ha Bac Urea). Import activities were “stalled” during July and August without any new import order. Dwindling supply drained the stockpile, but this was not enough to boost the price. In August, Urea producers also carried out their maintenance plans. The maintenance of Ninh Binh Fertilizer Plant started from 10/8/2019 and lasted 45 days. Ha Bac Fertilizer Plant also stopped its maintenance process on 15/8/2019. In addition, Ca Mau Fertilizer Plant was also under the maintenance for approx. 14 days, starting from 5/9/2019.

All domestic Urea producers were expected to resume stable production in November after the maintenance period in Q3. Although the demand started to bounce back in Mekong Delta, high stockpile and robust supply did little to support the price.

In December, the Urea market in Vietnam was rather calm as a result of abundant supply and poor demand. Despite low import volume, the urea supply continued rising from domestic

production, coupled with high stockpile at the beginning of month, resulting in excessive supply and slowing down the market. In mid-December, a wide range of domestic producers adjusted their Urea prices regardless of the recovery trend on the global market.

For demand:

Fertilizer demand in August and September remained low due to off-season. Summer-Autumn crop was already harvested in the Mekong Delta while the fertilizer demand for the third crop rapidly went down due to the popular trend to skip the third crop in many regions. In Can Tho and Kien Giang, fertilizer demand for the third crop by mid-July was estimated to drop by 50% over Summer-Autumn crop (the cultivation area with 3rd crop was expected to decrease by over 30%). In Dong Thap, 3rd crop cultivation area was estimated to fall by approx. 30-40%.

In October, the urea market demand started to rise, however, due to low transactions and high stockpile, this demand was not enough to boost the price that remained almost unchanged in October and early half of November. The fertilizer demand in the Mekong Delta has marginally grew from the start of Winter-Spring crop in the second half of October while demand in Northern, Central, Southeast and Central Highland regions was stalled due to off-season.

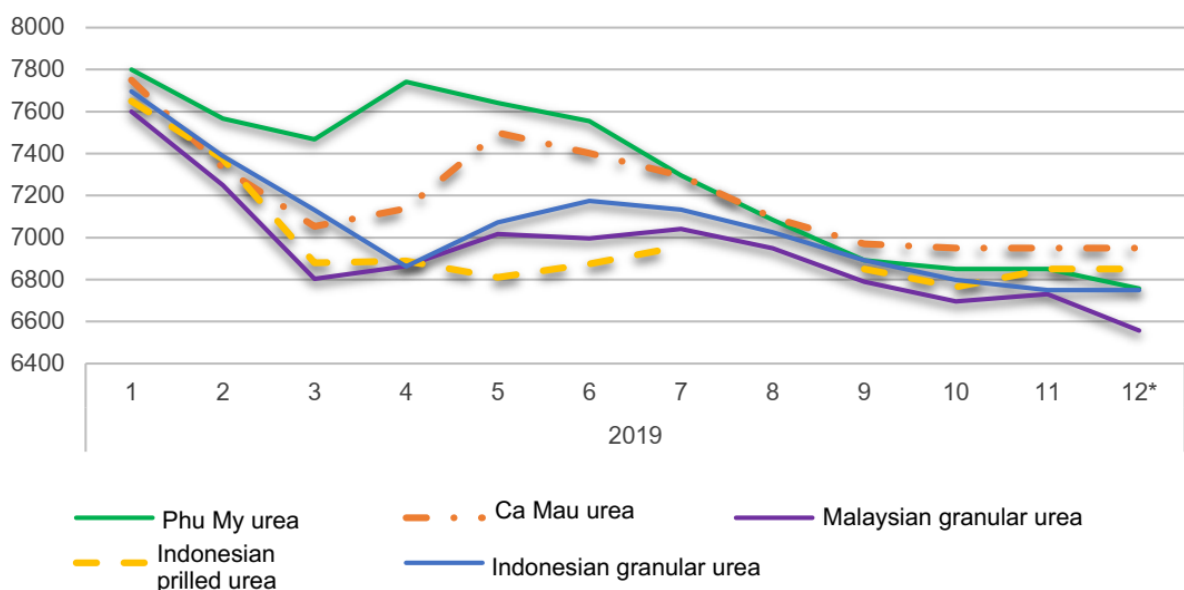
In November, fertilizer demand continued growing in the Mekong Delta thanks to cultivation period starting in many regions. In addition, NPK plants also increased their production output to serve the demand in Winter-Spring crop, accordingly purchasing more materials for production. Urea stockpile as at the end of November fell by 8.7% on month-on-month (MoM) basis to 318 thousand tons.

Development of Urea price

Urea price in Vietnamese market in July and August 2019 continued the downward trend due to low demand despite of import disruption in July-August 2019. By the end of August 2019, prices of Phu My Urea and Ca Mau Urea decreased by 250-300 VND/kg MoM.

In October 2019, although domestic Urea market was gradually supported by Mekong Delta beginning the Winter-Spring crop in 2019-2020, dealer were still anxious of price drop and only purchased small volume for inventory, resulting in relatively stable prices of Ca Mau Urea and Phu My Urea. Domestic Urea price remained relatively stable throughout November 2019, while imported Urea price tended to go down in line with the global trend.

Chart 4: Urea price in District 7, Saigon (Tran Xuan Soan) from January to December 2019 (VND/kg)



Source: AgroMonitor Database

By early December 2019, Urea price in Vietnam fell in line with global trend after a few weeks of unchanged price. On 4 December, Phu My Urea price was 6,400 VND/kg ex-factory and 6,600 VND/kg ex-transit depot in Eastern/Western regions. The demand in Southwest region in December is not expected to grow as many Tier-2 and Tier-3 dealers already imported a large volume from early season for all 3 fertilizing phases. The demand for Winter-Spring crop of 2019-2020 in the Central region is expected to increase. However, Urea was still under significant downward pressure in December as a result of high stockpile and further import volume expected to arrive in Saigon in December.

Forecast of Urea market in 2020

Urea fertilizer demand in 2020 is forecast to keep declining by approx. 5%, while domestic Urea production will be stable at about 2.1 - 2.2 million tons as all plants are scheduled for stable operation and import volume is forecast at 500-600 thousand tons.

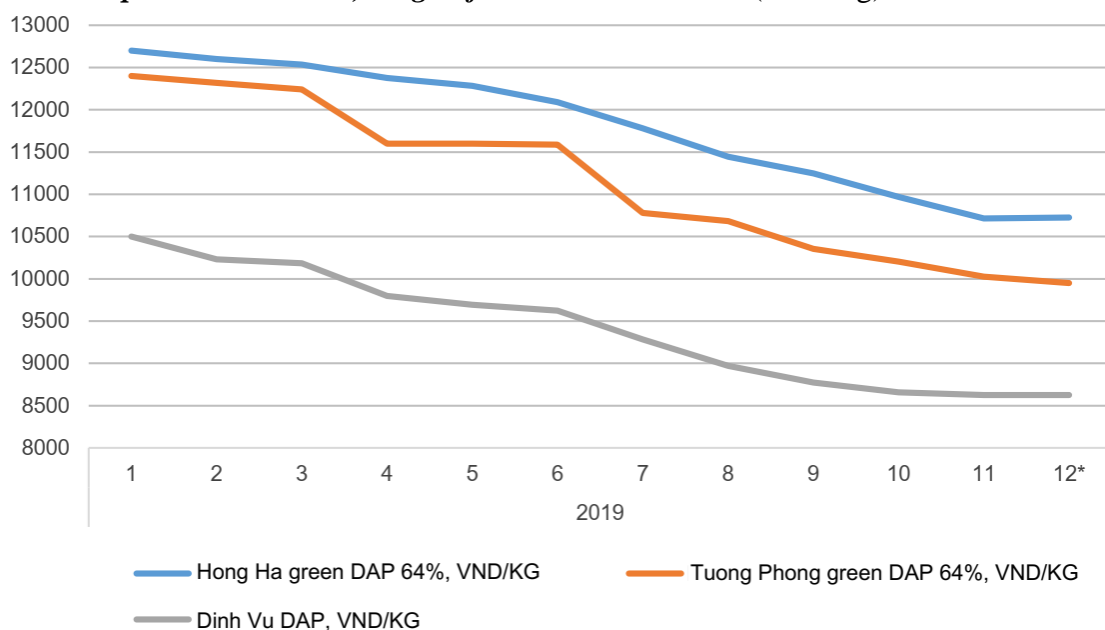
Domestic urea price will not increase due to weak demand, oversupply, and high domestic stockpile. In the meanwhile, IFA forecasts that global urea prices will be flat in the period of 2020-2030.

DAP price

DAP market in Vietnam in Q3/2019 continued to be gloomy due to low domestic demand and price downtrend. Import activities were limited and traders were cautiously monitoring market trends for global price recovery. However, by the end of July, global DAP market still suffered from oversupply and price did not bounce back. Vietnam's import activities in Q3/2019 were forecast to be low. Due to adverse situations in global market since the beginning of the year, Chinese DAP producers continued cutting down production to reduce supply pressure in September.

DAP market in Vietnam has been spiraling down for 10 months since December 2018. The continuous downtrend resulted in psychological pressure. Uncertain when the price would “hit the bottom”, dealers were hesitant to import, or just imported a small volume. However, in preparation for Winter-Spring crop and partially driven by Chinese DAP price downtrend, enterprises resumed their import overland and by sea.

Chart 5: DAP price in District 7, Saigon from Jan - Dec/2019 (VND/kg)



Source: AgroMonitor Database

Potassium market

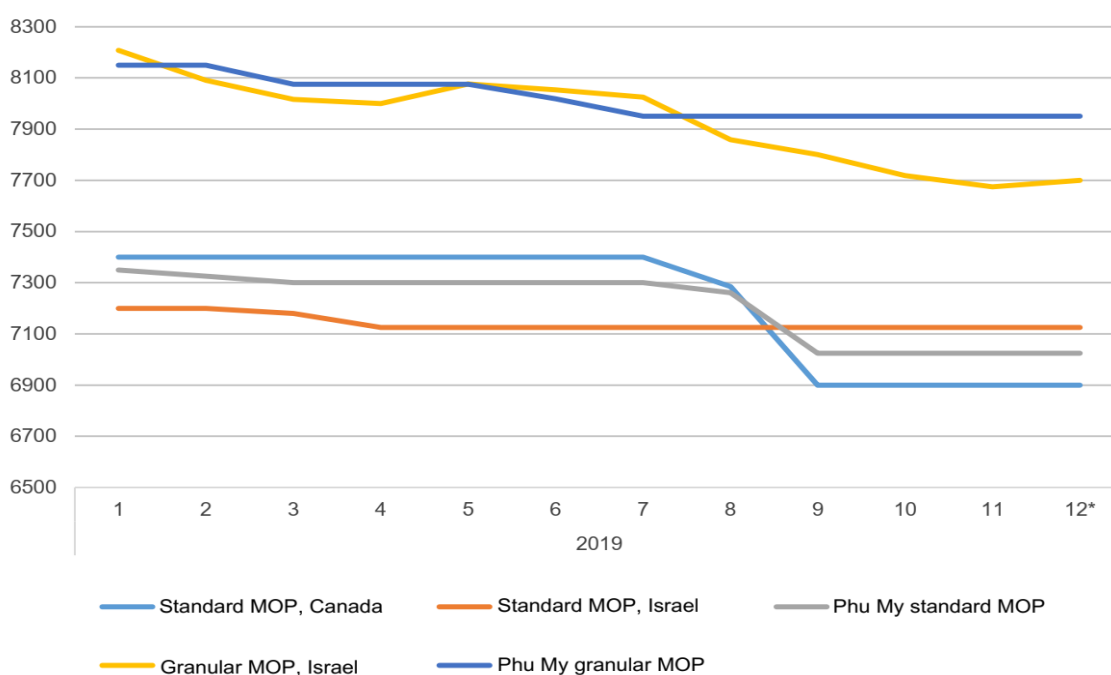
Price of potassium traded in Vietnamese market in July 2019 was relatively stable due to unchanged demand. In line with the price trend of Urea and DAP, price of potassium in Vietnam in August also tended to drop slightly due to low demand and continued with a slight decline in September following the global price trend.

In the short term, Vietnamese market was still under the pressure of global prices. By the end of September 2019, global price of potassium fell by 2-10% QoQ and by 5-15% over early 2019. Meanwhile, long-term trend was not positive because in Q3/2019, the world potassium market was still in oversupply, causing prices to slump, and plants intended to cut down production in Q4/2019.

In October 2019, approx. 110,000 tons of potassium were imported to Vietnam, a strong surge by 108% MoM (53,000 tons) and up by 59% YoY (69,300 thousand tons), but potassium price fell by 3-4% MoM due to the downtrend of global Potassium price and agricultural demand in Vietnam. Production demand of NPK plants in Q4 grew but at a slower rate YoY as a result of high stockpile following weak sales from the beginning of year.

In November 2019, dealers in South West region wanted to purchase Potassium together with Urea, DAP, and NPK to save transportation cost, though it was not the right time to feed rice with Potassium. Also, NPK plants desired to purchase Potassium while import volume in November 2019 was very small. According to initial data of General Statistics Office, only approx. 15,000 tons of potassium were imported, a sharp decrease by 86% MoM and 68% YoY.

Chart 6: Potassium price in District 7, Saigon from 1/2019 to 12/2019 (VND/kg)



Source: AgroMonitor

2. International fertilizer market:

Urea

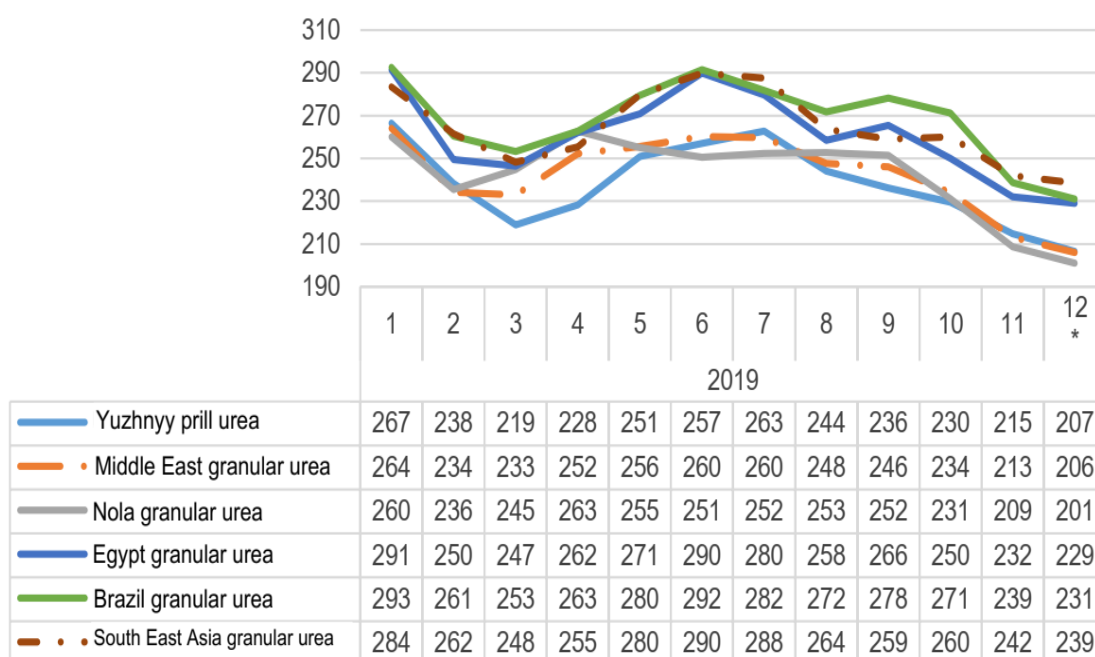
Global Urea market in 2019 was almost at the opposite trend as compared to 2018 with the price falling steadily when it was approaching the year end. Following the upward trend in

Q2/2019, global Urea price began to decline in 2H 2019 due to lower-than- expected demand. Late rains in Brazil delayed the demand for fertilizers, European buyers were not interested, and demand in Southeast Asia was also quite slow. All these factors were expected to keep Urea price down in the last months of the year.

At the end of 2019, domestic Urea market in China continued the downward trend in contrast to the upward trend in the same period of 2018 mainly due to poor demand and oversupply. Coupled with increasing stockpile at plants, relatively high selling pressure, and low demand, urea price was approaching the cost line. Urea demand for agricultural use in 2019 was estimated to fall by 10-15%.

In late November and early December 2019, Urea market appeared to give some positive signs when transactions in some regions were concluded at slightly increased price. FOB prices in China and Southeast Asia rose when traders were trying to avoid loss to secure shipments for bids in India. Except some places where price bounced back thanks to better demand, Urea price in many regions was still on the decline, particularly in the United States as Nola off-barge price fell to 199 USD/ FOB. Some new bids in Egypt and Indonesia also failed to reach the target prices. However, some suppliers still offered increased prices for delivery in late December 2019 and January 2020.

Chart 7: Average Urea price in some regions in the world in 2019 (USD/ton, FOB)



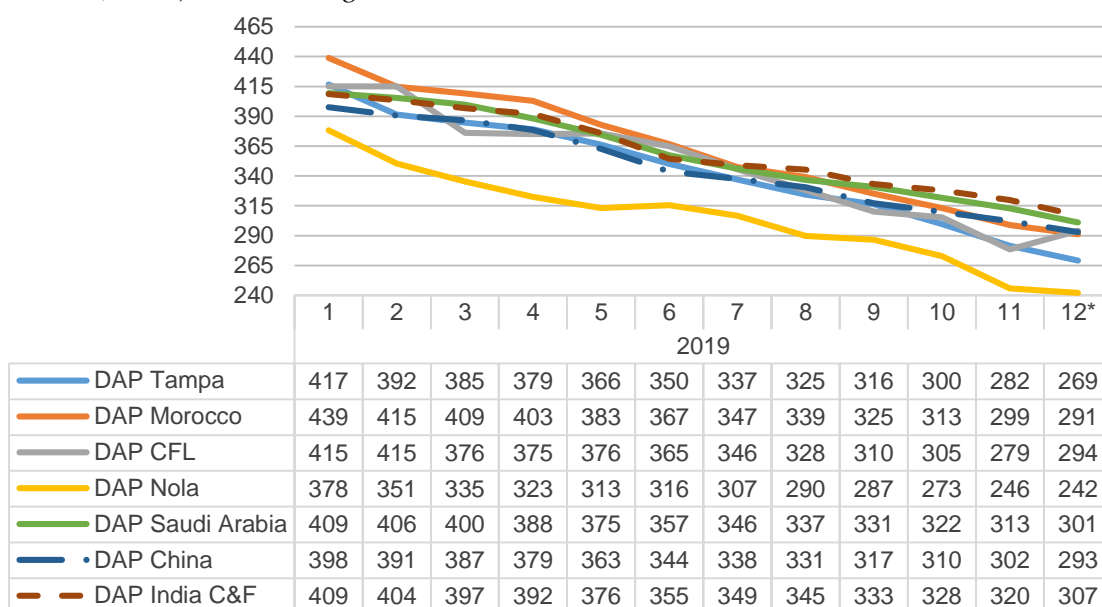
Source: AgroMonitor

DAP

The year 2019 has seen the steady decline of global DAP despite the effort to cut down production by Chinese manufacturers. Oversupply pressure in Saudi Arabia and Morocco continued dragging DAP price down all over the world in the context of low demand. DAP price in 2019 fell by more than 100 USD/ton as compared to average price in 2018. The global DAP market is forecast to remain gloomy as demand in Asia and South America is often poor at the season low in Q1 of each year.

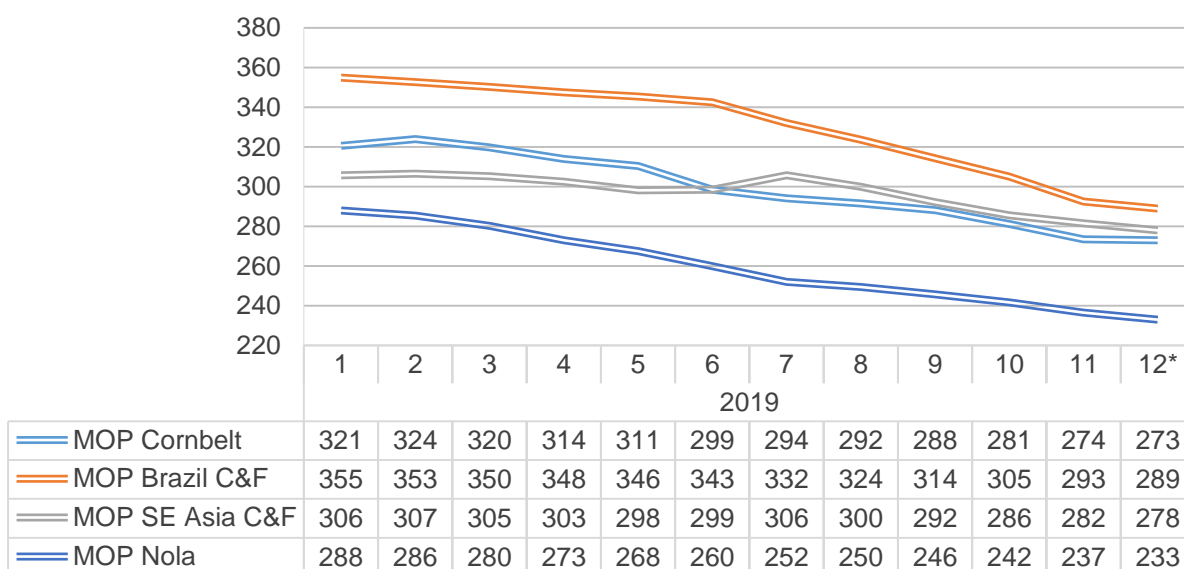
Chart 8: Average DAP price in some regions in the world in 2019

(USD/ton, FOB) - Source: AgroMonitor



Potassium

Chart 9: MOP price in some regions in the world in 2019 (USD/ton FOB, CFR)



Source: AgroMonitor

Global potassium market in 2019 was still stressed with oversupply, high stockpile in Brazil, and Indian and Chinese buyers' constant delay in purchasing due to concerns of further price slump. Potassium demand in India was adversely affected by monsoon climate and low rainfall level. Demand in North America was also affected by weather conditions and reduced area of maize and soybean farms. Potassium price has now dropped to the record low in 2019 and is still on a downward trend even though major producers have cut down production by approx. 2.63 million tons in Q4/2019 due to a relatively adequate supply and high stockpile. In the long run, apart from closing of a number of mines due to exhaustion, new potassium projects are

expected to be established to keep the supply growth in the coming years to exceed demand growth.

On average, global potassium price in November 2019 fell by 4-12 USD/ton MoM and by 24-66 USD/ton YoY.

III. NEWS

1. Investor Relations:

In 2019, PVFCCo won many prestigious awards in governance and brands:

Top 50 Best Listed Companies in Vietnam in 2019 - Top 50 Leading Brands in Vietnam

In August 2019, PVFCCo was honored as Top 50 Best Listed Companies 2019 in Vietnam by Forbes Vietnam. This is the fifth time PVFCCo was included in this list and PVFCCo was the only winner in agricultural support sector in this list. Best Listed Companies are those with high growth rates in the period of 2014 - 2018 in terms of revenue and profit with a focus on sustainable development strategy. Forbes Vietnam also voted PVFCCo with Phu My Fertilizer as one of Top 50 Brands in Vietnam in 2019.

Top 3 large-cap Best Listed Companies with IR most favored by investors

Also in August 2019, PVFCCo was voted among Top 3 Listed Companies in Midcap Group with the Investor Relation (IR) activity most favored in 2019 by investor community for its strict compliance with information disclosure requirements and effective IR performance. This is the 7th year that PVFCCo was voted winner among listed companies with Best IR Award jointly held by Vietstock Financial Information Portal and Vietnam Association of Financial Investors.

Top 5 Listed Companies in Large-Cap Group with Best Corporate Governance

On November 27, 2019, PVFCCo was honored as Top 5 Listed Companies in Large-Cap Group with Best Corporate Governance. This is one of three important awards of Listed Companies Award 2019 jointly organized by Ho Chi Minh Stock Exchange, Hanoi Stock Exchange and the Voting Council. In addition, PVFCCo was also honored in Top 30 Listed Companies in Large-Cap Group with Best Annual Report.

According to the Organizing Committee, listed companies with high corporate governance ratings are those that have made great efforts in enhancing the quality of information disclosure and reports on exercising the roles and responsibilities to stakeholders, improving the organization of General Meetings of Shareholders by providing full and complete information to shareholders, especially the roles and responsibilities of BOD in corporate governance. Leading enterprises in corporate governance had BOD with independent members accounting for at least one third of total members, equivalent to a satisfactory rate of 64%, while this ratio was usually 10% throughout the market. BOD of leading companies also clearly presented their roles in reviewing their strategic objectives, thereby assessing and evaluating strategic contents, strategic adjustments of the Management in response to market changes.

2. Business News:

PVFCCo actively carried out research on new product development projects

In 2019, PVFCCo continued carrying out many activities on new product research, development and testing, as follows:

For research and development of fertilizer products, PVFCCo completed the trial production of PM + Kebo protein, researched and produced, on testing basis, liquid fertilizers from the NPK workshop system, and researched to produce high-quality organic and microbiological organic fertilizers in cooperation with foreign partners. At the same time, PVFCCo experimented and tested new fertilizer products on crops to assess the feasibility of launch of these products on the market.

In chemical sector, PVFCCo continued with research on coating oil for NPK fertilizer, and improved and developed new products based on existing chemical components such as UFC85/AF37 and other potential chemical products, etc.

Phu My Fertilizer Plant completed 2019 Urea production plan 15 days ahead of schedule

On 16/12/2019, Phu My Fertilizer Plant completed the production plan with output of 670,976 tons, 15 days ahead of the schedule. This was the result of tireless efforts of PVFCCo given the fact that the Plant had undergone a shutdown of 72 days earlier this year for maintenance and repair. Thanks to early completion of the annual plan, urea output in the whole year was estimated at approx. 705 thousand tons, up by 5% over the 2019 plan.

Phu My Fertilizer Plant's early completion of its Urea production plan once again affirms PVFCCo's ability to master the technology and equipment at the highest level, ensuring that the Plant always runs safely, stably and efficiently despite 15 years in operation.

Many new formulas of Phu My NPK were “launched”

In 2019, NPK Phu My Plant successfully introduced many new formulas, such as: NPK Phu My 17-17-8 + 10S + TE, NPK Phu My 17-15-9 + 10S + TE, NPK Phu My 16-8-17 + TE, NPK Phu My 16-7-17 + TE and NPK Phu USA 17-7-17 + TE.

With these new formulas, NPK Phu My range of products made by PVFCCo is diversified of multi, medium and micro nutrients, particularly sulfur (S), which is considered the fourth most important nutritional element of plants after nitrogen, phosphorus and potassium. Depending on crop type and soil quality, NPK Phu My offers up to 6 groups of NPK formulas for farmers to choose for their specific farming practice, while reducing fertilizer costs in the context of low prices of agricultural products at the moment.

3. News on Fertilizer and Chemical Markets:

Vietnam aims at producing and selling 3.5 million tons of organic fertilizers by 2020

At the Conference on promoting organic fertilizer production, sales and enhancement held on 28 August 2019 in Hanoi, Mr. Nguyen Xuan Cuong, Minister of Agriculture and Rural Development, said that Vietnam had a high potential for organic fertilizer production with many advantages in terms of raw materials, especially agricultural by-products. To accomplish the target of producing and selling 3 million tons of organic fertilizer domestically and exporting 0.5 million tons by 2020, it is imperative to promote the production and use of organic fertilizers while ensuring food safety and security, thereby improving the quality of

agricultural products and building a clean, high quality, efficient and sustainable agricultural production.

According to the Ministry of Agriculture and Rural Development, Vietnam currently has 265 organic fertilizer plants, accounting for 31.6% of 838 fertilizer plants, up by 1.5 times over 2017. In addition, production volume of organic fertilizers increased by 3.5 times compared to 2017. As of June 2019, the number of organic fertilizers recognized for free sales in Vietnam was approximately 2,500 items, an increase of 3.5 times over December 2017, growing much faster than the number of chemical fertilizers recognized during the same period. For the first 6 months of 2019 only, organic fertilizer production reached 1.2 million tons, up by 200 thousand tons as compared to 2017.

New decree on fertilizer management

On 14 November 2019, Mr. Nguyen Xuan Phuc, Prime Minister, issued Decree No. 84/2019-ND-CP on fertilizer management as replacement of Decree No. 108 dated 20 September 2017. The new decree takes effect from 01 January 2020 with many new regulations detailing conditions for fertilizer production, such as standards for warehouse, machinery and equipment for each type of fertilizer, ISO-based quality management and testing system, etc.

Source: PVFCCo

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