



Basic information:

- Stock code: DPM
- Listed date: 05 November 2007
- Number of listed shares: 391,334,000
- Foreign ownership: 9.1% (31 December 2021)
- Dividend by cash in 2021: 3.500 VND/share

Shareholder structure (April 2021):

- PetroVietnam: 59.59%
- Agrimex Nghe An and Dak Lak: 6.96%
- KWE BETEILIGUGEN AG: 2.58%
- Edgbaston: 2.35%
- ACADIAN FRONTIER MARKETS EQUITY FUND: 1.66%
- Prudential Vietnam: 1.28%

I. MESSAGE TO INVESTORS

PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo - Stock code: DPM) today announced preliminary results for the second half and the full year ended December 31, 2021.

PVFCCo achieved a robust growth in 2021, one of the most challenging yet successful years in its history, representing a significant year-on-year gains across all key metrics. The Corporation appreciates the tremendous efforts of the whole PVFCCo team and the ways its people connected and united to keep PVFCCo operational throughout the pandemic and long lasting lockdown during the second year of Covid-19.

The year 2021 witnessed the ongoing disastrous outbreaks of Covid-19 pandemic with many virus variants strongly spreading around the world and in almost every province and city nationwide. In that environment, PVFCCo took various measures to ensure retention and connection of human resources across the system in order to maintain stable and efficient operations during long period of lockdown and isolation. This performance demonstrates its unlimited efforts to achieve key output targets, as well as the flexibility and agility of the whole PVFCCo system.

The Corporation prepared resources and scenarios of risk control at all levels in support of accomplishing key operation goals, with top priority given to the turnaround maintenance of Phu My Fertilizer Plant before the outbreak of Delta variant. At the same time, PVFCCo also

put together the plan to ensure stable source of input materials, continuing improvements to quality and operation efficiency of NPK Plant.

With preliminary results far exceeding the set targets, PVFCCo kept reaffirming its position as the leader in fertilizer and chemical industry in the country. Total sales output of fertilizers and chemicals in 2021 was estimated at 1.27 million tons, up 3% year-on-year (yoy). The positive sales output benefited from strong demand and progressive increase in prices of key products and has helped accommodate skyrocketed input costs. As a result, PVFCCo achieved a full year growth of 63% in revenue and 352% in profit after tax and expanded EBITDA margin to 34% from 19% of the previous year.

In 2021, the average selling prices of key products (Urea and NH₃) soared by 72% and 117% yoy respectively, much higher than the increase of input stock gas price of 42% yoy. Strong improvement in selling price, coupled with favorable market environment contributed to substantial operating leverage in 2021.

As for production, NPK Plant completed the annual target 35 days ahead of schedule, reaching production output of 162,000 tons, representing 101% of annual plan, up 40% yoy. This is the highest annual production output since the Plant started operation in 2018, also marking the first year of exceeding its annual production plan. At the same time, Phu My Fertilizer Plant reached the output of 797,000 tons, completing 104% of annual year, down 8% yoy due to the turnaround maintenance period of 31 days in April and May.

As for sales, the domestic market in 2021 experienced a mixture of advantages and disadvantages. The disruption in supply sources and skyrocketing costs dramatically drove up prices of fertilizers and chemicals around the world, especially urea and NH₃. As for domestic market, the long period of restricted lockdown also challenged logistics and sales, and imposed negative impact on demand at certain times. However, thanks to full autonomy of input materials, flexible sales policy plus advantages of delivery and transportation system, PVFCCo was able to maximize value by achieving continuous operational excellence, leveraging its industrial position and broaden commercial presence to meet rising demand in major import regions.

Total sales output of PVFCCo's fertilizers in 2021 recorded a positive growth, reaching approx. 1.14 million tons, up 4% yoy. As for Phu My urea, the sales output was estimated at 748,900 tons, representing 100% of annual plan, down 9% yoy. Sales output of Phu My NPK was estimated at 151,400 tons, completing 108% of annual plan, up 60% yoy. In 2021, PVFCCo exported 60,000 tons of Phu My urea (down 17% yoy), valued at around 40 USD million (2.1x higher yoy).

In particular, PVFCCo's chemical sector recorded very impressive results in recent years, mainly driven by soared selling prices of chemicals, with the average selling price of NH₃ in 2021 estimated to increase by 117% yoy. Total sales volume of chemicals in 2021 was estimated at 124,000 tons, completing 102% of annual plan, down 6% yoy. Sales volume of

NH3 was estimated at 70,300 tons, up 4% yoy. Sales volume of UFC85 was 9,402 tons, completing 111% of annual plan, down 2% yoy. In 2021, the chemicals contributed approx. VND 1,124 billion in revenue, accounting for 9% of total revenue, and approx. VND 475 billion in profits, accounting for 14% of total profit before tax.

Key financial results:

- Total revenue of 2021 was estimated at VND 13,117 billion, completing 109% of annual plan, up 63% yoy. The robust growth in revenue as compared to the target and on yoy basis was largely driven by surged selling prices of fertilizers and chemicals (except UFC85) with the sales volume maintaining positive as mentioned above.
- Gross profit of 2021 was estimated at VND 4,786 billion, up 177% yoy. Gross profit margin was enlarged to 37%, mainly thanks to selling prices much higher than input material costs.
- EBITDA 2021 was estimated at VND 4,393 billion with EBITDA margin strongly improved, reaching 34% as compared with 19% of the previous year, mainly supported by favorable prices and cost savings.
- EBIT 2021 was estimated at VND 3.866 billion, EBIT margin reached 30%.
- Profit before tax 2021 was estimated at VND 3,799 billion, up 348% yoy.
- Profit after tax 2021 was estimated at VND 3,171 billion, up 352% yoy.
- Cash and cash equivalents as December 31, 2021 was estimated at VND 2,524 billion.
- Capital expenditure in 2021 was estimated at VND 126 billion, completing 48% of annual plan. Capex in 2021 was lower than plan due to unfinished EPC contracts of NH3-NPK projects.

In 2021, DMP stock also hit a record high thanks to vigorous recovery of revenue and profit, attracting significant interests and cash flows from the market. At the close of the trading session in 2021, DPM stock traded at VND 50,000/share, increased by 176% during the year. The company's market cap was close to VND 20,000 billion, with liquidity strongly improved at 4 million shares/day, 10 times higher than the previous year.

2022 Outlook

In 2022, Covid-19 pandemic is forecast to keep inflicting countless challenges upon the global economy, from rising inflation to disruption to supply chains, though World Health Organization also hopes the pandemic to subside and be over soon.

For PVFCCo, the leadership sets the key targets in 2022 as follows: Continuing to prepare and complete solutions to overcome difficulties and risks in business operations, ensuring safe and stable operation of fertilizer and chemical plants, maintaining product quality assurance; Seeking solutions to stabilize sources of production materials in support of long-term business efficiency; Continuing to increase sales volume, constantly expanding domestic and foreign market shares; Maintaining good control over production, selling costs and cash flows to improve operation efficiency; Continuing to develop and implement restructuring process, and

at the same time, preparing a long-term plan adapted to the pandemic in the ‘new normal’ with priority given to digital transformation, vigorous application of IT to corporate management, towards sustainable and comprehensive development goals.

Key targets in 2022:

Production:

- Phu My urea: 828,000 tons
- Phu My NPK: 165,000 tons
- Phu My Kebo: 10,000 tons
- Commercial NH3: 70,000 tons
- UFC85: 12,800 tons

Sales:

- Phu My urea: 800,000 tons
- Phu My NPK: 165,000 tons
- Phu My Kebo: 10,000 tons
- Imported fertilizers: 234,000 tons
- NH3: 70,000 tons
- UFC85: 8,500 tons
- CO2: 50,000 tons
- Other chemicals: 668 tons

Financials:

- Total revenue: VND 11,085 billion
- Profit before tax: VND 1,130 billion
- Profit after tax: VND 945 billion

(The 2022 guidance was based on scenario of crude oil price at US\$ 60/barrel, FO price at US\$ 326/ton)

Notes:

- *In 1H2021, PVFCCo booked an extra income (VND 240 billion) and revenue (VND 98 billion) following accounting adjustments as advised by the State Audit.*
- *PVFCCo revised its key yearly targets in December 29, 2021. Accordingly, estimated business results for the full year 2021 was attached to the revised targets.*

More details of business results and market insights in 2H201 and the full year 2021 are in the followings and at PVFCCo’s website: www.dpm.vn

II BUSINESS PERFORMANCE IN 2H2021 AND ESTIMATES OF 2021

1. Production:

Phu My urea: Estimated at 454,041 tons in 2H2021, up 4% yoy. Total production output of 2021 is estimated at 797,000 tons, achieving 104% of annual plan, down by 8% yoy.

Phu My NPK: Estimated at 85,978 tons in 2H2021, up 38% yoy. Total production output of 2021 is estimated at 162,000 tons, completing 101% of yearly targets, up 40% yoy.

UFC85: Estimated at 6,453 tons in 2H2021, down 3% yoy. Total production output of 2021 is estimated at 12,000 tons, completing 96% yearly targets, down 7% yoy.

Commercial NH3: Estimated at 38,164 tons in 2H2021, up 1% yoy. Total production output of 2021 is estimated at 68,700 tons, completing 96% of yearly target, down 11% yoy.

Production output of Phu My urea and commercial NH3 dropped compared to 2020 when Phu My Fertilizer Plant underwent maintenance for 31 days (from 17 April 2021).

2. Sales:

2.1 Sales of fertilizers

Due to the prolonged pandemic causing disruption to the supply source and transportation, the global and domestic fertilizer markets in 2H2021 started to show favorable signs with constant rise in selling prices driving sales opportunities. Balanced supply-demand and low inventory pressure paved the way for PVFCCo to boost sales, and short supply was noted at some times, some places.

Prices of single element fertilizers rose strongly while that of NPK grew more slowly. However, PVFCCo had an advantage as its NPK Plant employed the one-grain type chemical technology (using previously stockpiled input materials considered less expensive than other NPK plants adopting the simple, three-color blended technology). In 2021, production output of Phu My NPK Plant jumped dramatically while other plants had to narrow down production due to impact cost of single-element fertilizers as input materials.

In addition, the Covid-19 pandemic pushed up the world's demand for food security, which eventually drove prices of Vietnamese agricultural products (especially rice and coffee) to reach highest levels ever. High prices, high productivity and good profits delivered more resources and motivated farmers to make re-investments and expand their cultivation area, thereby boosting the demand for fertilizers in rice and coffee farming areas. In addition, favorable weather in 2021 also contributed to agricultural production.

In such circumstance, PVFCCo regulated the supply source, introducing reasonable and competitive sales policy in line with market movements, and continuing to improve product quality, especially NPK product. During the period of sharp increase in selling prices, PVFCCo seized the opportunity to boost sales volume, with competitive sale policy based on large volume to expand domestic market share, and carry out exports at favorable times.

Business performance of fertilizers and chemicals in 2H2021 and estimates for 2021 are as follows:

Phu My urea: Estimated at 377,000 tons in 2H2021, down 8% yoy. Total sales in 2021 is estimated at 749,000 tons, achieving 100% of annual plan, down 9% yoy. The average selling price of Phu My urea in 2021 rose by 72% yoy.

Phu My NPK: Estimated at 62,600 tons in 2H2021, up nearly 23% yoy. Total sales in 2021 is estimated 151,400 tons, completing 108% of annual plan, up 60% yoy.

Trading of imported fertilizers: Estimated at 141,900 tons in 2H2021, up nearly 57% yoy. Total sales in 2021 is estimated at 244,000 tons, achieving 87% of annual plan, up 36% yoy.

2.2 Sales of chemicals:

Total sales volume of chemicals in 2021 was estimated to reached 124,000 tons, achieving 102% of annual plan, down 6% yoy.

Revenue of chemicals was estimated at VND 1,124 billion, representing 204% of annual plan, up 91% yoy.

In details as follows:

NH3: Estimated at 32,600 tons in 2H2021, down 7% yoy. Total sales in 2021 was estimated at 70,300 tons, achieving 112% of annual plan, up 4% yoy.

UFC85: Estimated at 4,628 tons in 2H2021, down 2% yoy. Total sales in 2021 was estimated at 9,402 tons, completing 111% of annual plan, down 2% yoy.

CO2: Estimated at 23,100 tons in 2H2021, down 7% yoy. Total sales in 2021 was estimated 43,500 tons, representing 87% of annual plan, down 20% yoy.

Petrochemicals: Estimated at 404 tons in 2H2021, about the same as last year. Total sales in 2021 amounted to 751 tons in, achieving 116% of annual plan, up 12% yoy.

3. Key estimated financial indicators of 2H2021 and 2021:

Total consolidated revenues: Estimated to reach VND 8,084 billion in 2H2021, up 93% yoy. Total revenue in 2021 was estimated to arrive at VND 13,117 billion, completing 109% of annual plan, up 63% yoy.

Profit before tax: Estimated to reach VND 2,771 billion in 2H2021 and VND 3,799 billion in 2021.

Revenues and profits far exceeded the targets and rose strongly compared to 2020 mainly because the selling prices of fertilizers and chemicals rocketed and sales volumes of NPK and imported fertilizers recorded a robust surge according to annual plan and yoy as mentioned above.

Key financial indicators in 2021 (estimated):

| No. | Targets | 2020 | 2021 | Increase/Decrease (%) |
|-----------|--|--------|--------|-----------------------|
| I | PROFITABILITY RATIOS | | | |
| 1 | Return on Assets (ROA) (Profit after tax/Total Assets) | 6.17% | 25.15% | 308% |
| 2 | Return on Equity (ROE) (Profit after tax/ Equity) | 8.55% | 33.45% | 291% |
| 3 | Profit before tax/Revenue | 10.55% | 28.96% | 175% |
| II | LIQUIDITY RATIOS | | | |

| | | | | |
|---|--|------|------|------|
| 1 | Overall liquidity ratio (Total liabilities/Total Assets) | 0.27 | 0.23 | -15% |
| 2 | Quick ratio (Current assets - Inventories)/Current liabilities | 2.39 | 3.13 | 31% |
| 3 | Current ratio (Current assets/Current liabilities) | 3.12 | 4.42 | 42% |
| 4 | Liabilities-to-equity ratio (Liabilities/equity) | 0.37 | 0.30 | -19% |

YoY growth of ROE & ROA was driven by profit after tax, which rose by 352% yoy (increased by VND 2,469 billion).

Total assets as at 31/12/2021 was estimated at VND 13,918 billion, up 23% from the beginning of the year.

Current liabilities as at 31/12/2021 was estimated VND 2,152 billion, up 6% from the beginning of the year.

Non-current liabilities as at 31/12/2021 was estimated at VND 1,053 billion, of which long-term loan to finance the NH3 – NPK Complex was VND 700 billion.

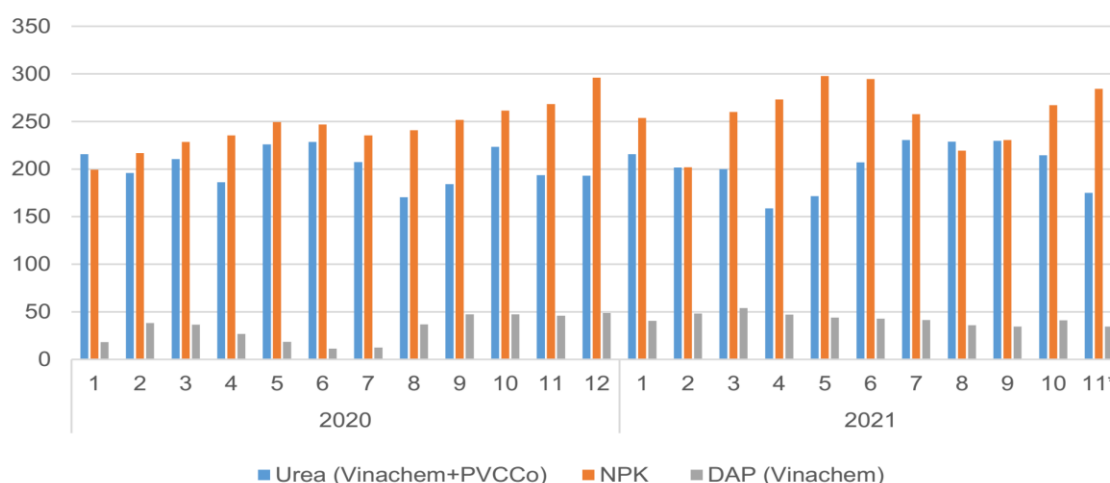
Equity as at 31/12/2021 was estimated at VND 10,712 billion, up by 30% from the beginning of the year.

III. MARKET INSIGHT OF 2H2021:

1. Domestic fertilizer market

Fertilizer production

Chart 1: Vietnam's monthly production output of Urea, DAP and NPK in 2020-2021, thousand tons



Source: AgroMonitor

Urea production output was estimated at 2.39 million tons in 2021, up 9% yoy. In particular, the output from the two gas-based plants was 1.67 million tons and from the two coal-based

urea plants was 720,000 tons. Production output of NPK was estimated at 3.13 million tons, up 7.5% yoy and DAP from the domestic plants reached 478,000 tons, up 31% yoy.

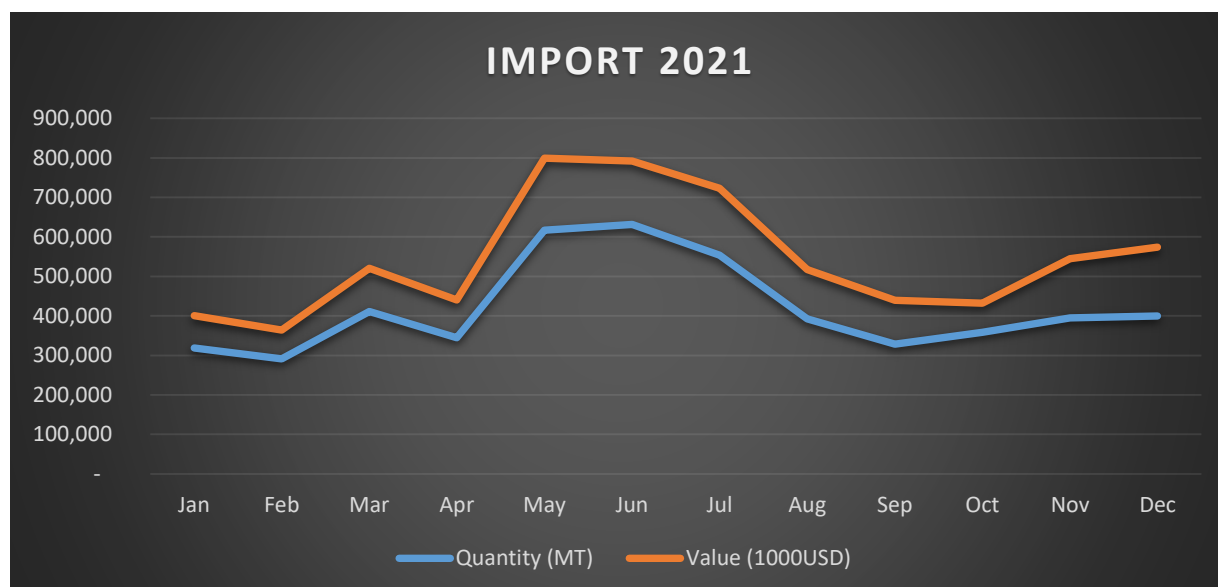
Production output from Phu My Fertilizer Plant fell by 8% compared to 2020 mainly because the plant underwent overall maintenance and repair for 32 days. Ca Mau Fertilizer Plant in 2021 was estimated to reach full capacity in 2021, up 5% yoy.

Urea imports

In 2H2021, the total urea imports reached only 125,000 tons (US\$ 59.5 million). In 2021, the total urea import was estimated at 295,000 tons (US\$ 122.6 million), up 263% in quantity and up 433% in value.

Volumes of other imported fertilizers in 2021 was estimated to reach 5 million tons, valued at US\$ 1.6 billion, up 127% yoy and up 165% in value.

Chart 2: Vietnam's fertilizer imports in volume and turnover in 2021



Source: AgroMonitor

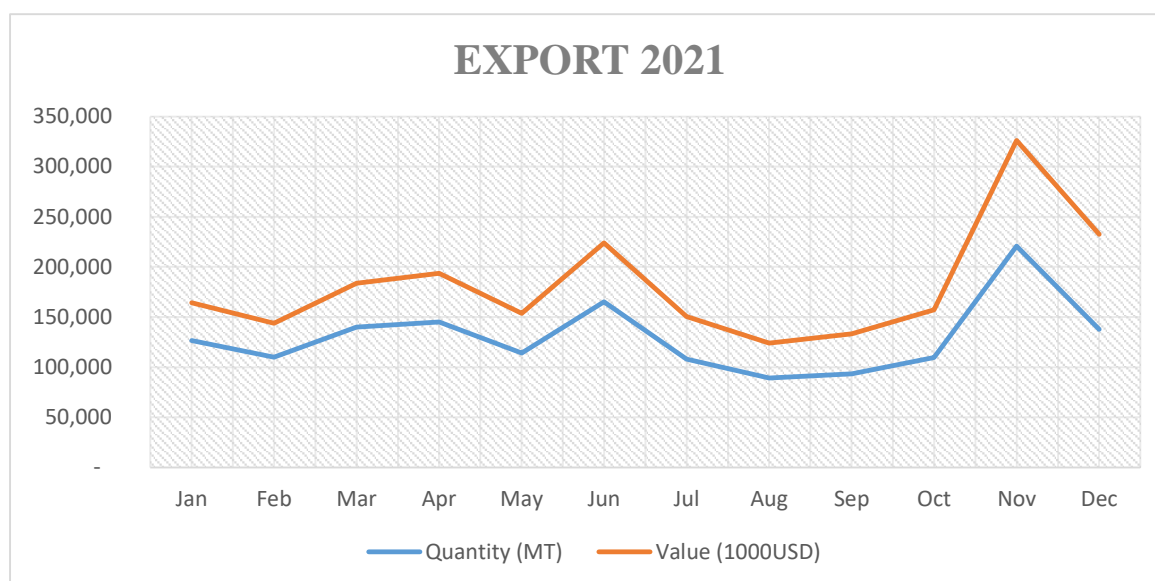
Fertilizer exports

Vietnam's urea exports rose 11% yoy in 2021. Total urea export in 2021 was estimated at 500,000 tons (valued at US\$ 232.8 million), up 11% in quantity and 97% in turnover yoy.

Fertilizer exports increased sharply in November due to high selling prices. In November, Vietnam exported 221,000 tons of fertilizers, up 110,000 tons MoM, thereby reaching an accumulated total of 1.42 million tons of fertilizers in eleven months, up 22% YoY. In December, exports would slow down as the sharp increase in the global prices reduced liquidity, thereby restricting the spot orders. At the same time, the pre-signed orders were also

delivered in the previous month. In 2021, Vietnam exported 1.56 million tons of fertilizers, up 31% yoy in quantity and up 82% yoy in value.

Chart 3: Correlation between urea exports and imports on a monthly basis in 2021 (tons)

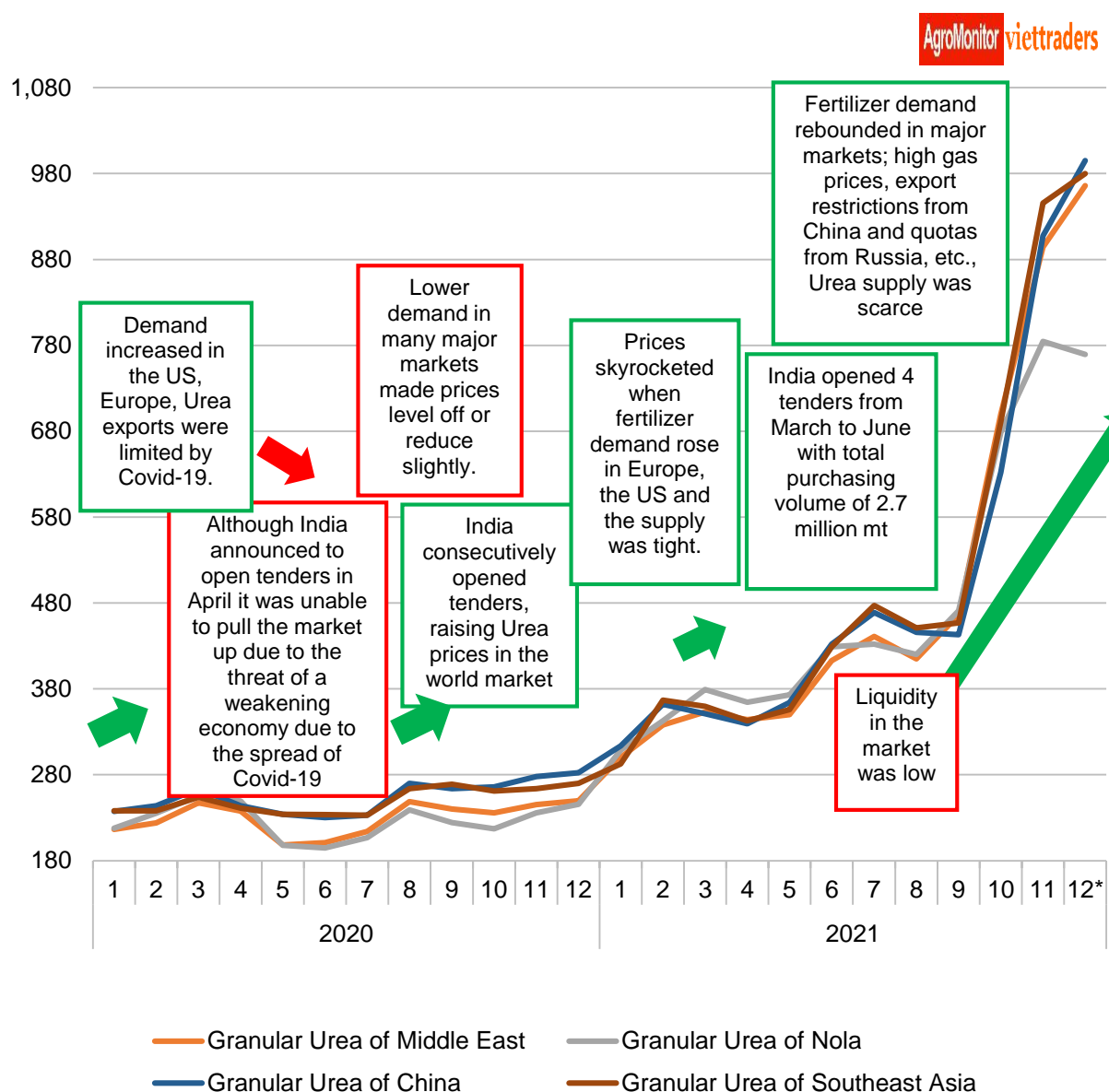


Source: AgroMonitor

Supply and demand in 2H2021 and trend forecast

Vietnamese urea market was mainly supported by the global market trend. The global urea prices exceeded many years' peaks (in October reaching the 2008 peak), boosting domestic prices despite low demands. At the same time, this trend strongly promoted exports in October and November when demands from Asian countries soared as a result of tightened supplies in the global market. In the domestic market, urea prices have constantly risen since 2020. However, as Vietnam has actively secured supply source from domestic production, the selling prices were maintained quite stable and lower than global ones and predicted to remain so until the end of Q2.2022. If gas price in Europe is resolved and China lifts the ban on fertilizer exports, the price will be adjusted to a new balanced level.

Chart 4: Urea price in Vietnam 2020-2021, VND/kg

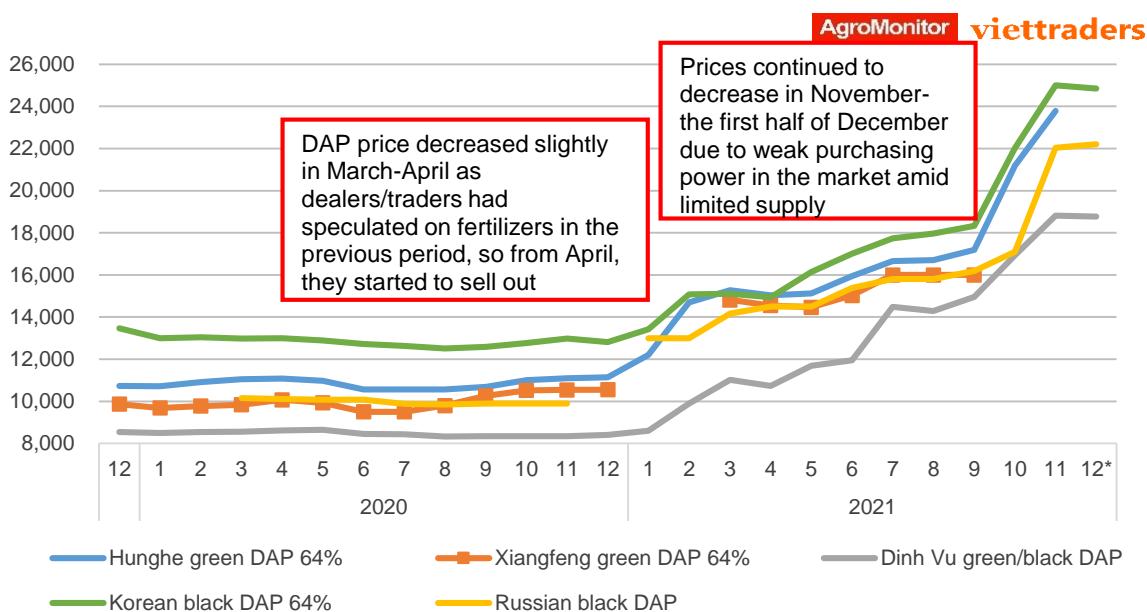


Source: AgroMonitor (December* as of December 9, 2021)

DAP market

DAP prices in domestic market kept rising in October Q4.2021 but trading was still gloomy as most buyers did not accept high price. Buying and selling remained modest on last days of October. Price fell slightly at the end of November and trading was quiet and became more active in December. The difference between import price and domestic price continued to be widen. The import price was 2,000-6,000 VND/kg higher than domestic price (from time to time and depending on type). Consequently, dealers/factories kept looking for domestic urea.

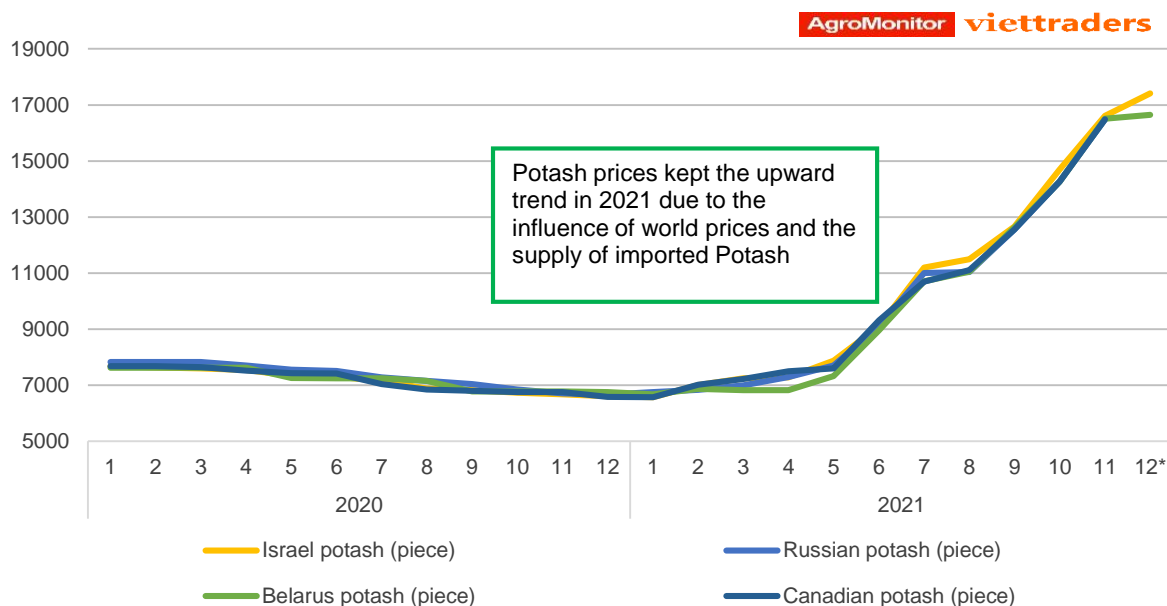
Chart 5: DAP price at Tran Xuan Soan Market 2020-2021, VND/kg



Source: AgroMonitor (December*: as of December 16)

Potassium market

Chart 6: Potassium prices at District 7 Market 2020-2021 (VND/kg)



Source: AgroMonitor (December*: as of December 16)

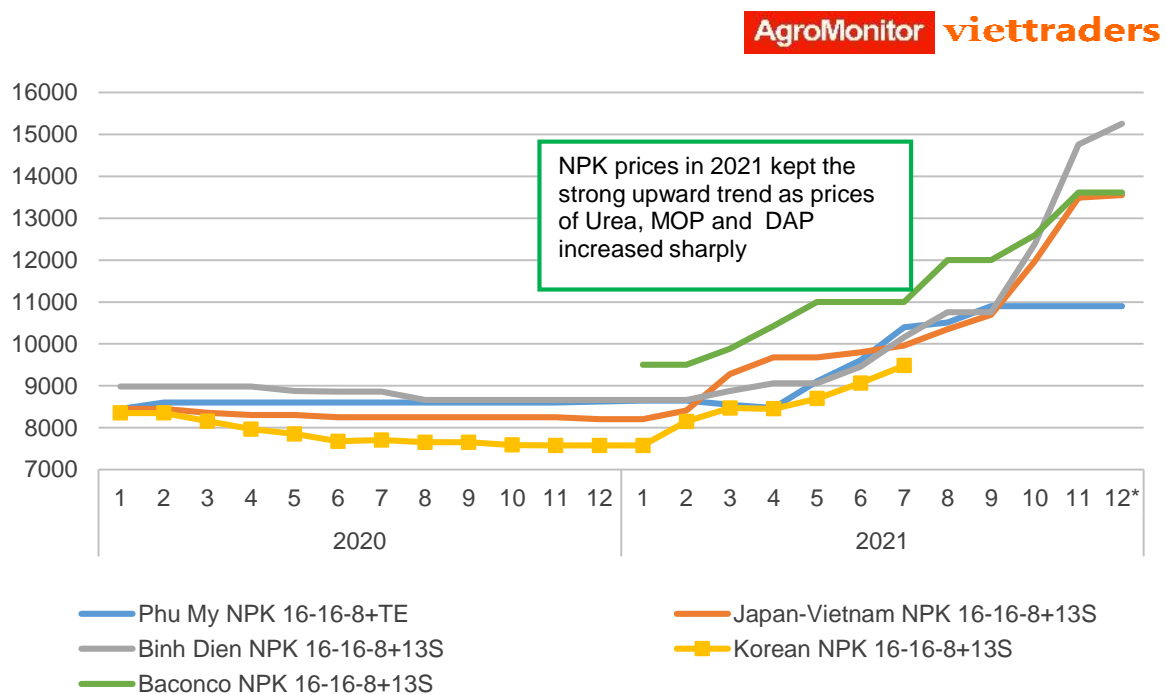
In Quarter 4, impacted by the upward trend of the world potassium market and prices of other fertilizers, Vietnam potassium price continued to rise strongly amid weak domestic demands. In October, potassium supply source sharply surged by 45,000 tons month-on-month.

However, many importers/dealers refrained from offering quotation, with the hope that the price would keep rising and the supply source would become limited consequently. In November, the Potassium price continued its upward trend due to impact of the world potassium prices. In particular, the price of granular potassium tended to rise strongly and fluctuated widely while powder potassium price rose slowly and showed less fluctuation. The strong growth in granular potassium price in November was due to insignificant volume of imports. For powder potassium, the price was more stable as a result of abundant supply but still rose slightly.

In December, price of broken potassium continued upward trend due to low supply while powder potassium was slightly on downward trend, with very limited order from local buyers. Price of broken potassium in mid-December imported from Israel in HCMC reached VND 17,400/kg, up by VND 2,700/kg (up 18%) as compared with price in October. Price of power potassium from Israel dropped by VND 490/kg month-on-month to VND 13,050/kg.

NPK market

Chart 7: NPK price at District 7 Market on a monthly basis 2020-2021, VND/kg



Source: AgroMonitor (Korean NPK: no shipments arrived and few offers; December: as of December 16)*

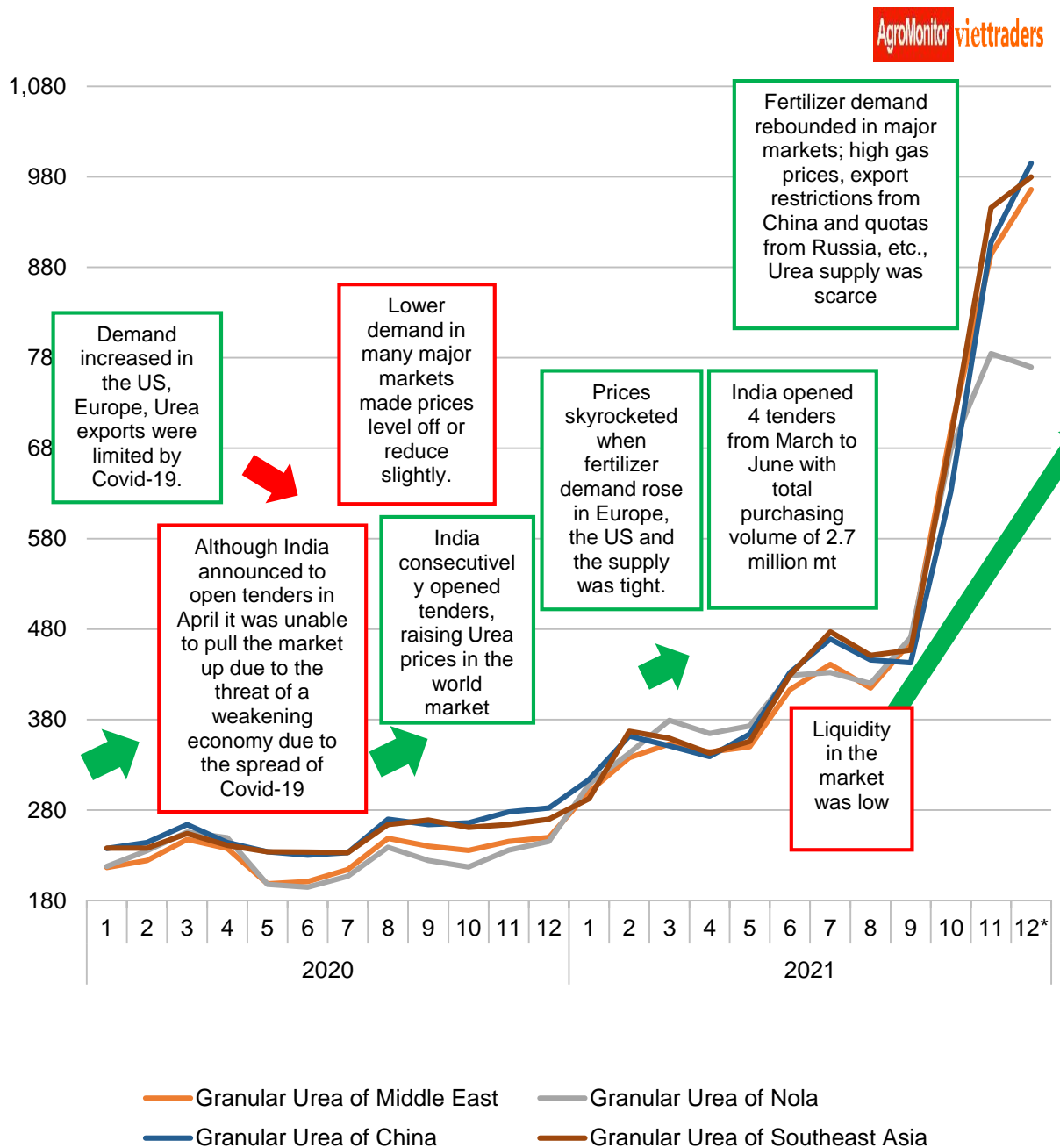
In October, amid rising prices of other fertilizers, the NPK manufacturers dramatically raised their prices of NPK despite weak demand in all the regions. Some plants even adjusted prices twice in October. In November, Vietnam’s NPK manufacturers kept increasing their prices when other fertilizers remained on the upward trend amid low domestic demand. At the same time, NPK imports fell by 20,300 tons month-on-month due to scarce supply and too high offer prices from importers.

In November, NPK import volume was estimated at 20,500 tons, down by more than 20,000 tons month-on-month. In December, some NPK shipments from importers would be imported. These shipments were signed in November with estimated total of 38,000 tons.

2. World fertilizer market

World urea market

Chart 8: Urea price (monthly average) in certain regions in 2021 (US\$/ton FOB)



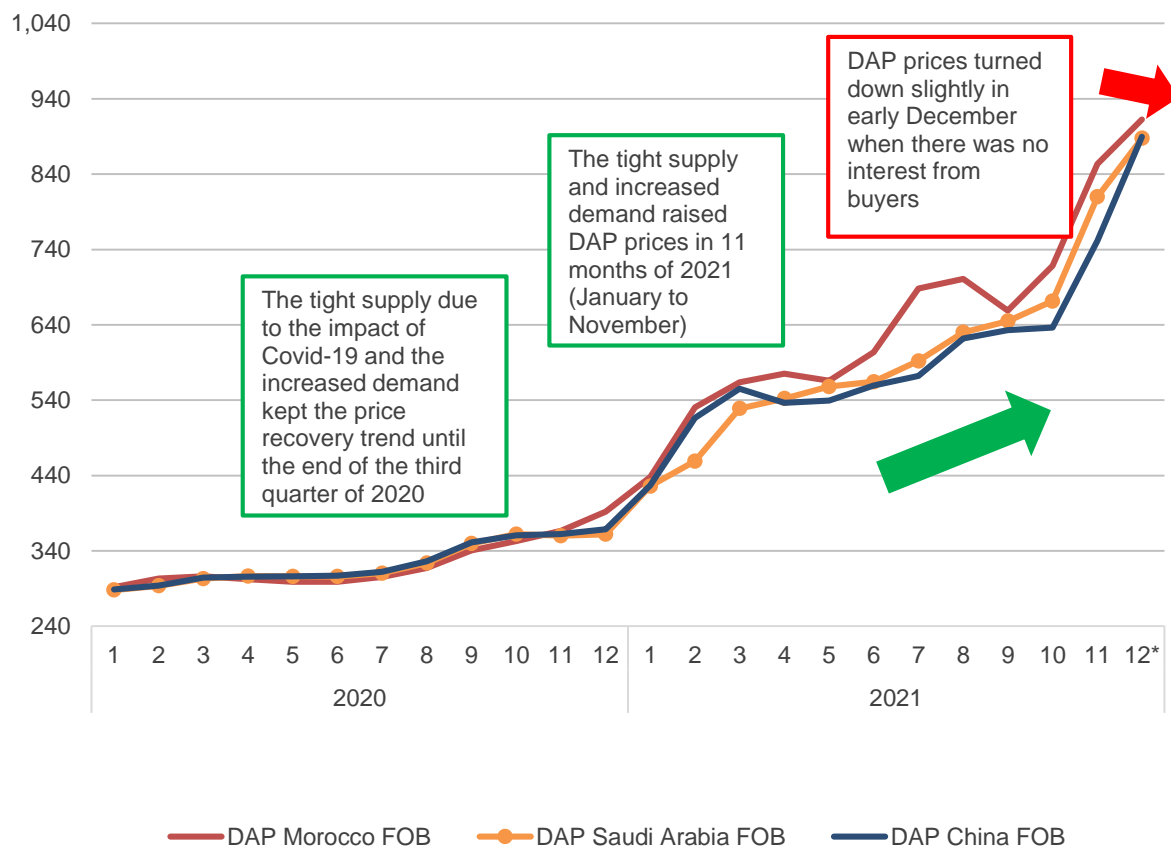
Source: AgroMonitor (December*: as of December 9, 2021)

Urea supply was tightened as a result of energy crisis in Europe from September, forcing many plants to suspend production. In addition, the impact of China and Turkey's policies and Russia's measures on export restriction further contributed to the sluggishness of the world urea supply. Demands skyrocketed in major import markets such as India, Pakistan...with many biddings organized. Urea price continued to rise strongly after hitting a record in many markets at the end of September. The urea price exceeded the record high level in 2008. In the short term, urea supply will be the key factor impacting the market trend.

In December, the urea supply weakened in Egypt while demands for urea in Ethiopian, Indian and European markets remained reinforced. Urea price kept rising slightly in the US. Due to oversupply, the price slightly declined in Brazil but was stable in other regions. It is likely that India remains outside the import market until Q2 2022. India's announcements to open bidding will be a factor to push up the price again in the world market.

World DAP market

Chart 9: DAP price (monthly average) in certain regions in 2021 (US\$/ton FOB)



Source: AgroMonitor (December*: as of December 9)

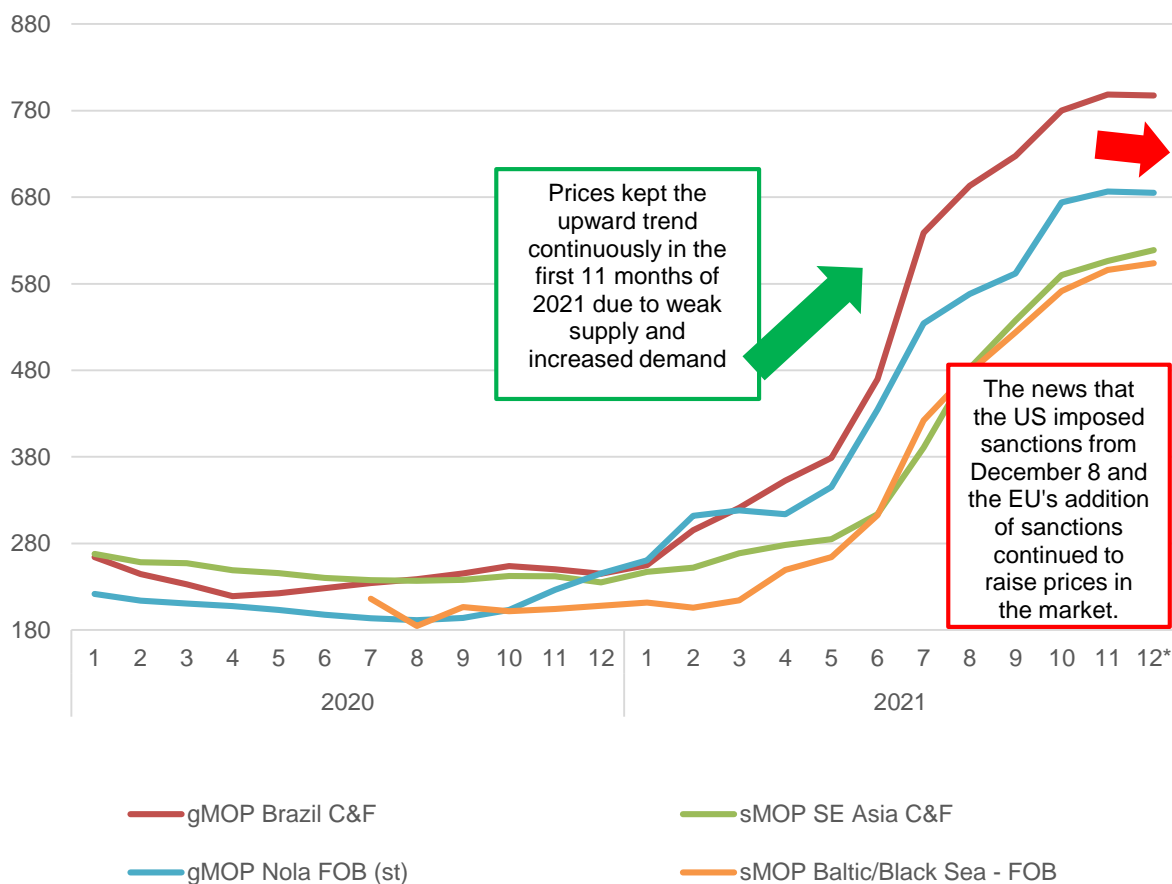
DAP price strongly surged in all the markets, as driven by scarce supply and hit many unprecedented records since 2009.

In Q4.2021, MOP price continued to rocket as compared to September. MOP supply was tightened as the fuel crisis in Europe showed no signs of abating and China's export restriction measures took effect from mid-October given the demand expected to rise strongly in last months of the year as the markets were in preparation for main crops. Most buyers temporarily stopped trading to assess the impact on supply. Many manufacturers withdrew their quotations at the markets of high purchase volume.

World potassium market

In Q4.2021, the world potassium price skyrocketed as compared to September and hit many unprecedented records since 2009. MOP supplies were tightened as the fuel crisis in Europe showed no signs of abating and China's export restriction measures took effect from mid-October given the demand expected to rise strongly in last months of the year as the markets were in preparation for main crops. MOP demand and price strongly surged in all markets.

Chart 10: Potassium price (monthly average) in certain regions in 2021 (US\$/ton FOB)

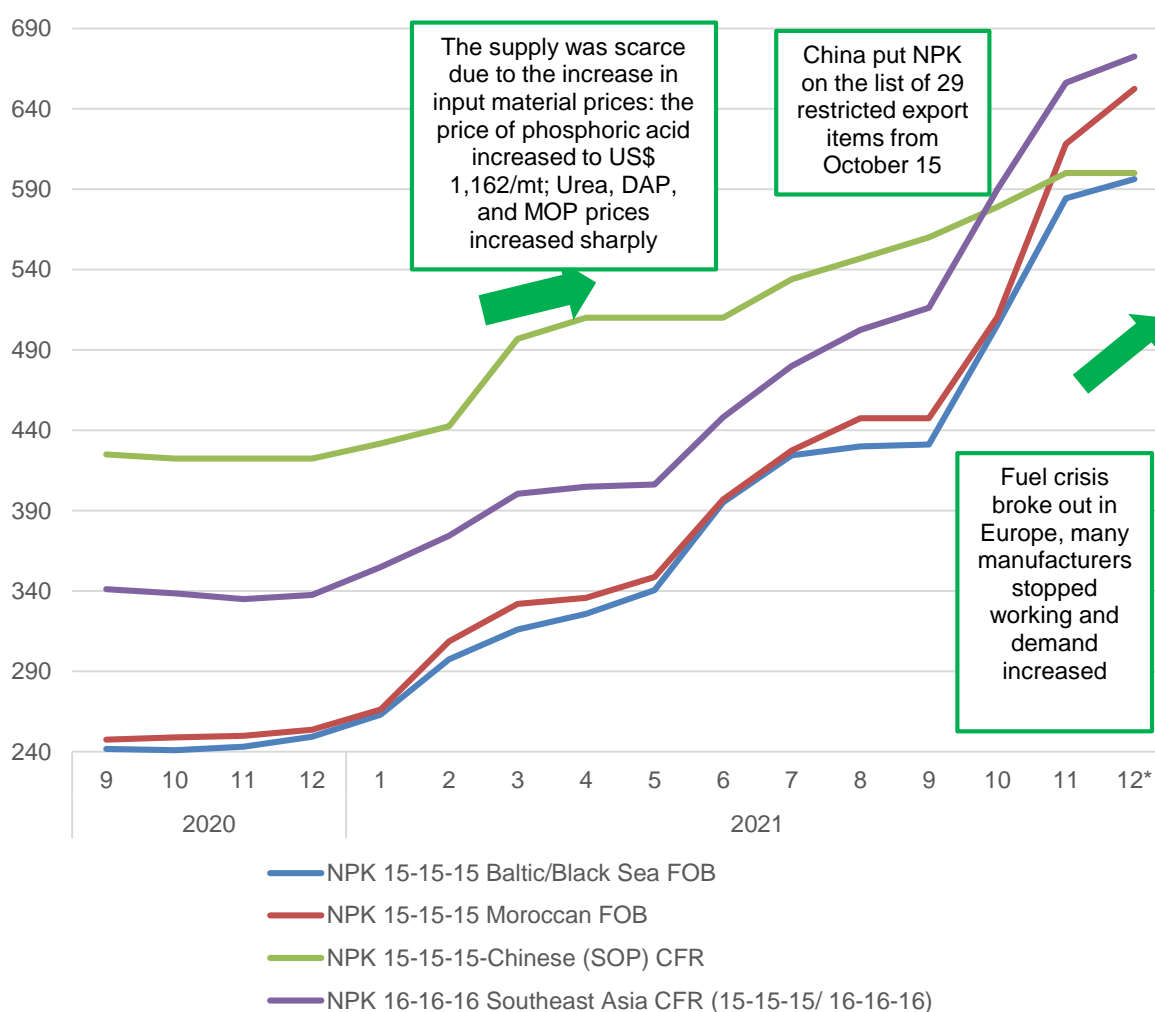


Source: AgroMonitor (Updated until December 9, 2021)

World NPK market

The world NPK supply remained low as China's measures to restrict exports were still in force and Russia reportedly imposed quotas on the export of fertilizers including NP/NPK. Manufacturers outside these markets continued to observe the market situations, and at the same time increased their offer prices. Demands in Asian region (Thailand, China...) and Ukraine remained limited as these regions were currently off-season and purchases were deterred by reservations and expectations for a clearer price trend in the coming time.

Chart 11: NPK prices (monthly average) in certain regions in 2020- 2021 (US\$/ton FOB)



Source: AgroMonitor

II. NEWS IN BRIEF

1. Investor relations:

PVFCCo Wins Many Awards for Listed Enterprise Governance

PVFCCo continued to be honored in the Top 50 Best Listed Companies and Top 500 Most Profitable Enterprises in 2021.

On November 30, 2021, Vietnam Report announced the VNR500 ranking - Vietnam's top 500 largest enterprises in Vietnam in 2021. Accordingly, PVFCCo was among the top 500 Largest Enterprises in Vietnam for the 15th consecutive year. Specifically, PVFCCo was at 122nd and 159th in the most profitable ranking and revenue ranking, respectively. With this result, DPM reaffirms its leading position in Vietnam's fertilizer production and trading category.

This was the 15th consecutive year the VNR500 ranking has been voted and published to honor Vietnam's largest enterprises with remarkable achievements in business performance.

Top Listed Companies with Best Business Performance in 2021

On December 23 in Hanoi, PVFCCo was honored to win the Award of Top Listed Companies with Best Business Performance in 2021. This is the comprehensive assessment program of corporate capacity initiated by Vietnam Chamber of Commerce and Industry (VCCI) in cooperation with the Institute of Business Studies and Development (INBUS), Association of Accountants and Auditors (VAA), Vietnam Association of Corporate Directors (VACD).

Reportedly, the program was based on survey and assessment of 21 financial criteria in all aspects of business performance and market, product and competitiveness factors of nearly 1,600 enterprises listed on 3 Vietnamese stock exchanges in 32 economic fields, with a comprehensive assessment method, ensuring accurate and objective results.

In 2021, facing the prolonged outbreak of Covid-19 pandemic, PVFCCo implemented a systematic management of resources to respond to changes, actively planned many risk control scenarios to achieve key business objectives, taking the opportunity of market movements to record a breakthrough for growth in recent years with financial indicators greatly improved as compared to previous years.

PVFCCo accredited with essential and sustainable CSR activities

In December 2021, Saigon Times Group (Publisher of leading publications on economy, finance & business) accredited PVFCCo as one of 42 Vietnamese enterprises with essential and effective Corporate Social Responsibility (CSR) activities, contributing to sustainable and prosperous social development.

In 2020 and 2021, amid the prolonged pandemic inflicting countless difficulties and challenges upon the economy and society, PVFCCo has made great efforts to implement meaningful CSR activities and programs for customers (farmers) and personnel to relieve difficulties and boost staff morale.

Phu My Urea honored in Top 100 Vietnamese Strong Brands in 2020-2021

On October 13, 2021, Phu My Urea was honored to win the Top 100 Vietnamese Strong Brand Award in 2020-2021, a prestigious award held and voted by VnEconomy (Vietnam Economic Times).

The brands honored in the program have demonstrated their adaptability, survival and growth during the Covid-19 pandemic raging around the world in 2020 - 2021 and imposing serious impact on all socio-economic aspects.

PVFCCo leader visits Partner in India:

In December 2021, Mr. Le Cu Tan - PVFCCo's President & CEO accompanied PVN's President & CEO Le Manh Hung on a working visit to Mr. Rajesh Kamath - CEO of ThyssenKrupp Group, main contractor for PVFCCo's Phu My NPK Plant Project. At the meeting, Mr. Le Cu Tan highly appreciated the cooperation efforts of related parties, including ThyssenKrupp's role in the contractor consortium which excellently completed the EPC package and put the Plant in commercial operation since August 2018. So far, only a few small issues remain to be agreed soon before the project can be finally settled in Q1/2022.

Also at the meeting, Mr. Le Manh Hung introduced PVN's main scope of operation and its development strategy in the immediate future, especially in petrochemical processing industry, diversification of fertilizers, chemicals, fibers and energy transformation. These are the fields where ThyssenKrupp has a lot of experience and potential for cooperation and development between the parties.

2. Business news:

PVFCCo launches new formula of Phu My NPK

In November 2021, PVFCCo successfully manufactured the first batch of Phu My NPK in volume of 5,000 tons for two new formulas: NPK PHU MY 18-12-8+TE and NPK 18-10-8+8S+TE. This new batch was quickly distributed to the farmers for fertilizing the Winter-Spring crop in the dry season in 2021-2022.

These two new formulas of NPK contain high proteins, nutrients, digestible and dissoluble, helping to increase absorption by plants, thereby avoiding waste, very suitable for harsh weather conditions, water shortage... The product is suitable for fertilizing industrial crops such as coffee, pepper, rubber, rice in the seedling and branching stage, and fruit trees, short-term crops, leafy vegetables...

PVFCCo cooperates in launching the program of safe, balanced and efficient fertilization

On October 21, 2021, PVFCCo and 15 leading enterprises in the fertilizer industry and Plant Protection Department (Ministry of Agriculture and Rural Development) jointly held a signing ceremony to deploy the program to use fertilizers and pesticides in a safe, balanced and efficient way in sustainable agricultural production.

According to the signed documents, from October 2021, Plant Protection Department and PVFCCo would cooperate to provide training and guidance on how to use fertilizers, identify fake and poor quality fertilizers for local farmers and fertilizer agents, and update the Government's applicable documents and regulations in the field of fertilizers. The program also included the models of demonstration on the safe and effective use of fertilizers to promote production and create a sustainable value chain in agricultural production towards a safe and sustainable agriculture, contributing to raising incomes and improving the lives of farmers.

PVFCCo donates nearly 20,000 gifts in “Loving Spring – Sharing Tet” program

From December 21, 2021 to mid-January 2022, on the occasion of the Lunar New Year 2022, PVFCCo held the "Loving Spring - Sharing Tet" program at more than 100 locations in nearly 50 provinces and cities nationwide. Accordingly, PVFCCo gave 20,000 gifts to underprivileged households (poor households, near-poor households, households under preferential policy, households of special circumstances, disadvantaged households, households severely affected by the Covid-19, children orphaned during Covid-19 pandemic) with a total value of nearly VND10 billion.

3. Fertilizer, chemical and agricultural highlights:

On September 22, Chinese Government announced official measures to restrict fertilizer export

These measures are intended to ensure and prioritize domestic fertilizer supplies for agricultural production amid the global rise in fertilizer prices and energy costs.

Accordingly, the Chinese Government has taken some actions, and most of Phosphate manufacturers in Hubei and Yunnan have been ordered by local authorities to stop exporting immediately. Reportedly, the suspension can last 8 months until June 2022. The products subject to restrictions include DAP, MAP, UREA, NPK, MOP...

On October 13, China officially issued a list of fertilizer imports/exports subject to inspection with effect from October 15, 2021. According to an official notice published on October 13, the Customs General Administration of China (CGAC) said it would start inspecting the export of fertilizers from October 15. CGAC made a list of 29 fertilizer categories for export subject to inspection, including UREA, DAP, MAP, NPK, NP/NPS, MOP, SOP, ammonium chloride, ammonium nitrate and others. SA, which China exported 8,7 million tons in 2020, was not in the list.

Chinese fertilizer export tax remains unchanged in 2022

On December 16, 2021, the Chinese Government announced its export tax rates for 2022 in which the tax rate for fertilizers still stands at 0% (unchanged in the last 3 years).

World urea supply remains low - Increasing demand versus low supply boosts urea prices in all markets.

Since China officially imposed restrictions on exports (from October 15), the supply sources from suppliers in Malaysia also dropped when the Urea plant with annual capacity of 750,000 tons and the Ammonia plant with annual capacity of 450,000 tons in Bintulu were closed for maintenance from November 1 as scheduled and expected to last 45 days.

In addition, the supply sources from Russia would be also affected when the restrictions on export of nitrogen-based fertilizers as well as DAP, MAP and compound fertilizers would be imposed from December 1, 2021 and to May 31, 2022. The Ministry of Industry and Trade of the Russian Federation is responsible for issuing export licenses for a period of six months. The licenses would be issued to suppliers before November 25. The customs authorities would report the export figures on a monthly basis to the Ministry within 39 days from the end of the reporting month.

Updated tax policies for domestic fertilizers

Ministry of Industry and Trade (MoIT) in April 3, 2020 issued Decision No. 715/QĐ-BCT on extending safeguard measures against DAP, MAP imports 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.

The extension period of safeguard measures is 30 months from March 7, 2020 to September 6, 2022 (if not otherwise further extended). Accordingly, during the period from March 7, 2020 to March 6, 2022, the safeguard tax will decrease from VND1,029,219/ton to VND1,007,778/ton.

Preferential import tax and special preferential import tax under the commercial contract in 2022 remain unchanged as compared to 2021. Preferential import tax rate on DAP imports from China and South Korea is 5% and 0% respectively.

Source: PVFCCo

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