



I. MESSAGE TO INVESTORS

<p>About DPM:</p> <ul style="list-style-type: none"> • Stock code: DPM (HoSE) • Bloomberg code: DPM VN • Listed date: 05 November 2007 • Number of listed shares: 391,400,000 • Outstanding shares: 391,334,260 • Foreign ownership limit: 49% • Foreign owned ratio: 20.01% (31 December 2022) • Dividend by cash in 2022: 7,000 VND/share. 	<p>Key shareholders (24 November 2022):</p> <ul style="list-style-type: none"> • PetroVietnam: 59.59% • Agrimex Nghe An: 5.91% • CTBC Vietnam Equity Fund: 4.10% • Norges Bank: 1.93% • DC Developing Market Strategies Public Limited Company: 1.54% • Tiahong AM: 1.17% • Fubon FTSE Vietnam ETF: 1.10%
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PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo - Stock code: DPM) today announced preliminary results for the full year 2022. PVFCCo achieved an outstanding growth, with revenues and profits reaching highest peak in its history, which is largely thanks to higher pricing and efficient execution.

The global market conditions remained strong through the first 9 months of 2022, mainly due to tight supply situation relating to Russia-Ukraine war and China's export restrictions. However, fertilizer prices gradually declined through the last quarter, resulting in lower demand in key markets and higher inventory levels. Meanwhile, the domestic market in 2022 suffered negative impacts from unpredictable fluctuations in input material prices, agricultural price uncertainties, Covid 19 pandemic impact and tightening monetary policies.

In such environment, PVFCCo has demonstrated its ability to fully leverage the benefits of higher prices to achieve record results in operating and financial performance, consolidate the Corporation's leadership and deliver further resources for accelerating new investments, digitalization, R&D programs and reinforcing sales and trading network.

Total sales output of fertilizers and chemicals in 2022 was estimated at 1.27 million tons, same as previous year. Sales remained stable level amid the market demand suffering adverse impact of disrupted supply chains and skyrocketing prices. This reflected the initiative in forecasting

activities and commercial agility that enables the company to boost export output, accommodating the domestic market's falling demand. Sales output of key products such as Phu My Urea and NH₃ exceeded the set targets and has helped accommodate skyrocketed input costs, thereby strongly boosting the growth in revenues and profits.

In 2022, the average selling prices of key products (Urea and NH₃) soared by 46% and 70% YoY respectively, higher than the increase of gas price of 24% yoy. Strong improvement in selling price, especially export prices (much higher than domestic selling price) contributed to substantial margin growth compared to the previous year.

As for production, PVFCCo focused its resources on ensuring safe and stable operation of Phu My Fertilizer Plant, maintaining cost leadership through production and other operating efficiencies. In 2022, Phu My Fertilizer Plant achieved a record high of production output in 19 years of operation, reaching 917,000 tons, representing 111% of annual plan, up 15% YoY. PVFCCo has therefore operated the plant at 15% higher than the designed capacity in 2022. Accordingly, commercial NH₃ output totaled to 74,400 tons, up 8% YoY. Meanwhile, production and sales output of NPK Phu My dropped slightly compared to 2021 due to the disruption in supply chains and skyrocketed input material costs. In 2022, Phu My NPK Plant's production output was estimated at 155,500 tons, down 5% YoY.

As for consumption, the Corporation gave special priority to forecasting activities in an effort to actively propose appropriate business solutions in shifting exports in high-demand markets to boost overall business performance. Total sales output of PVFCCo's fertilizers in 2022 recorded a stable growth, reaching approx. 1.13 million tons, down 1% yoy. Particularly, sales output of Phu My Urea was estimated at 791,000 tons, completing 99% of annual plan, up 6% YoY. Sales output of Phu My NPK was estimated at 129,000 tons, achieving 78% of annual plan, down 15% YoY. In 2022, PVFCCo exported 192,000 tons of urea, 3x higher YoY.

As for chemical sector, in 2022, sales output of chemicals kept rising by 10% YoY, reaching 136,000 tons, exceeding the annual plan by 5%. Particularly, sales output of NH₃ increased by 2% yoy, reaching nearly 71,400 tons. PVFCCo's chemical sector recorded strong growth largely driven by soared selling prices in 2022, contributing VND 1,833 billion in revenue, representing 11% of total revenue, and generating VND 1,007 billion in PBT, accounting for 15% of total PBT.

2022 estimated financial results:

- Total revenue arrived to VND 19,013 billion, completing 110% of annual plan, up 45% YoY.
- Gross profit totaled to VND 7,881 billion, up 65% YoY. Gross profit margin increased to 42.3%, mainly thanks to selling prices much higher than input material costs.
- EBITDA reached VND 7,223 billion, EBITDA margin increased to 39% as compared with 34% of the previous year, mainly supported by favorable prices and cost savings.
- EBIT 2022 reached VND 6,709 billion, EBIT margin reached 36%.
- Profit before tax 2022 reached VND 6,646 billion, up 75% YoY.
- Profit after tax 2022 reached VND 5,606 billion, up 77% YoY.
- Cash and cash equivalents (December 31, 2022): VND 1,884 billion.

- Capital expenditure: VND 144 billion, completing 26% of annual plan, up 43% YoY. Capex in 2022 was lower than plan due to unfinished EPC contracts of NH3-NPK projects and procurement progress still behind the schedule.

2023 outlook:

In 2023, the global political and economic environment is forecast to remain complicated and keep inflicting challenges to PVFCCo's business activities. The severity of impact depends on the potential settlement of Russia - Ukraine political conflict as well as sanctions against Russia from the West and US. In addition, surging inflation and high interest rates are anticipated to drag the global economy into a recession.

For PVFCCo, the leadership sets the key targets in 2023 as follows: Ensuring safe and stable operation of fertilizer and chemical plants, maintaining product quality assurance; Stepping up control of production and selling costs to improve operation efficiency; Continuing to expand market shares, especially for Phu My NPK product line; Strengthening sustainable distribution system in the country and constantly seeking to expand foreign markets; Implementing vigorous R&D activities for new potential projects in fertilizer and chemical fields according to the newly updated development strategy.

Key targets in 2023:

Production:

- Phu My Urea: 785k tons
- Phu My NPK: 200k tons
- Phu My Kebo: 10k tons
- NH3 for commercial sales: 65.5k tons
- UFC85: 12.5k tons

Sales:

- Phu My Urea: 800k tons
- Phu My NPK: 200k tons
- Phu My Kebo: 10k tons
- Imported fertilizers: 310k tons
- UFC85: 8.5k tons
- NH3: 70k tons
- CO2: 45k tons
- Other chemicals: 668 tons

Financials:

- Revenue: VND 17,372 billion.
- Profit before tax: VND 2,670 billion.
- Profit after tax: VND 2,250 billion.

II. II BUSINESS PERFORMANCE OF 2H 2022 AND ESTIMATES OF 2022

1. Production:

Phu My urea: 457,300 tons in 2H2022, up 34% YoY. Total production output of 2022 is estimated at 917,000 tons, achieving 111% of annual plan, up 15% YoY.

Phu My NPK: 53,000 tons in 2H2022, down 32% YoY. Total production output of 2022 is estimated at 155,500 tons, achieving 94% of annual plan, down 5% YoY.

UFC85: Estimated at 6,803 tons in 2H2022, up 22% YoY. Total production output of 2022 is estimated at 13,200 tons, achieving 103% of annual plan, up 10% YoY.

Commercial NH3: Estimated at 40,300 tons in 2H2022, up 32% YoY. Total production output of 2022 is estimated at 74,400 tons, achieving 106% of annual plan, up 8% YoY.

2. Sales:

2.1 Sales of fertilizers

PVFCCo's business operations in 2022 have substantially suffered from market fluctuations, negative impact of Covid-19 pandemic and tightened monetary policies, resulting in countless challenges to sales activities. However, with vigorous efforts and flexibility in market forecast and business management, PVFCCo took advantage of rising prices to boost urea exports, significantly contributing to sales output and business efficiency in general. Total urea export in 2022 was estimated at 192,000 tons, up 278% compared to the annual plan and three times the export output in 2021.

Estimated sales performance of fertilizers and chemicals in 2H2022 and estimates for 2022 as follows:

Phu My Urea: 340,293 tons in 2H2022, down 10% yoy. Total sales volume in 2022 is estimated at 791,157 tons, completing 99% of annual plan, up 6% yoy. The average selling price of Phu My Urea in 2022 rose by 46% YoY.

Phu My NPK: 50,497 tons in 2H2022, down 19% yoy. Total sales volume of 2022 is estimated at 128,924 tons, achieving 78% of annual plan, down 15% YoY.

Trading of imported fertilizers: 105,087 tons in 2H2022, down 26% yoy. Total sales volume in 2022 is estimated at 209,163 tons, achieving 80% of annual plan, down 13% YoY.

2.2 Sales of chemicals:

Total sales volume of chemicals in 2022 was estimated at 136,172 tons, achieving 105% of annual plan, up 10% YoY.

Revenue of chemicals was estimated at VND 1,833 billion, representing 138% of annual plan, up 63% YoY.

Specifically as follows:

NH3: 35,829 tons in 2H2022, up 10% YoY. Total sales output in 2022 is estimated at 71,488 tons, achieving 102% of annual plan, up 2% YoY.

UFC 85: 4,914 tons in 2H2022, up 6% YoY. Total sales output in 2022 is estimated at 9,544 tons, completing 112% of annual plan, up 2% YoY.

CO2: 30,518 tons in 2H2022, up 10% YoY. Total sales in 2022 is estimated at 54,006 tons, achieving 108% of annual plan, up 24% YoY.

Petrochemicals: 591 tons in 2H2022, up 46% YoY. Total sales output in 2022 is estimated at 1,134 tons, achieving 170% of annual plan, up 51% YoY.

3. 2022's estimated financial highlights:

No.	Item	2021	2022	Increase/Decrease (%)
I	PROFITABILITY RATIOS			
1	Return on Assets (ROA) (Profit after tax/Total Assets)	25.15%	35.41%	41%
2	Return on Equity (ROE) (Profit after tax/ Equity)	33.45%	45.3%	35%
3	Profit before tax/Revenue	28.96%	34.96%	21%
II	LIQUIDITY RATIOS			
1	Overall liquidity ratio (Total liabilities/Total Assets)	0.23	0.21	-9%
2	Quick ratio (Current assets - Inventories)/Current liabilities	3.13	3.21	2%
3	Current ratio (Current assets/Current liabilities)	4.42	4.51	2%
4	Liabilities-to-equity ratio (Liabilities/equity)	0.30	0.26	-12%

YoY growth of ROE and ROA was driven by profit after tax which rose by 77% YoY (increased by VND 2,435 billion).

Total assets: as at 31/12/2022 was estimated at VND 17,748 billion, up 28% from the beginning of the year.

Current liabilities: as at 31/12/2022 was estimated at VND 3,023 billion, up 40% from the beginning of the year.

Non-current liabilities: as at 31/12/2022 was estimated at VND 688 billion, of which long-term loan to finance the NH3 – NPK Complex was VND 505 billion.

Equity: as at 31/12/2022 was estimated at VND 14,039 billion, up 31% from the beginning of the year.

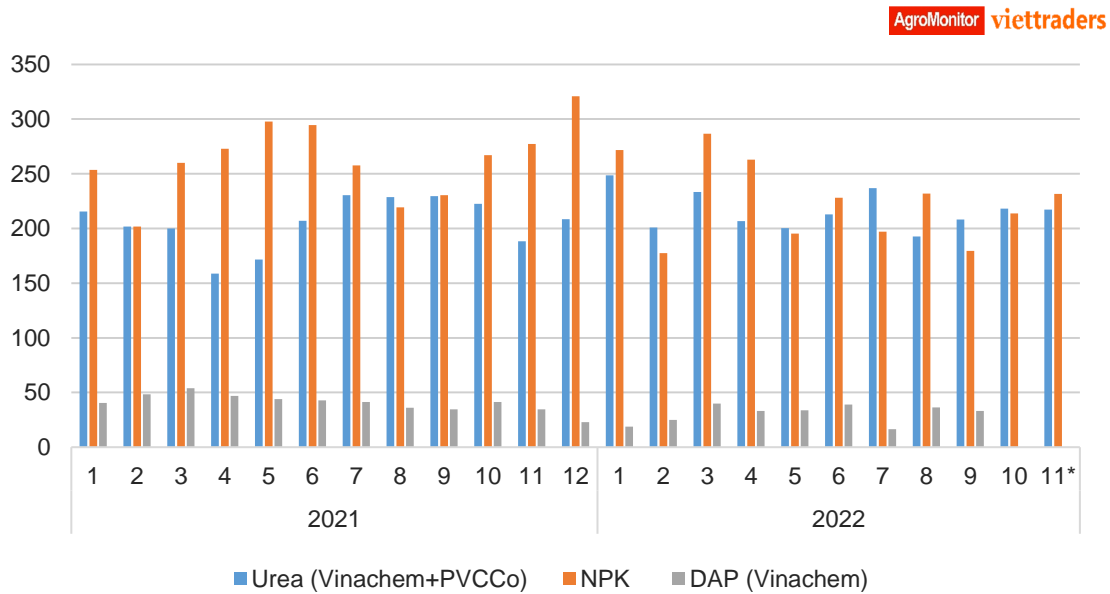
III. MARKET INSIGHTS

1. Domestic fertilizer market:

Domestic fertilizer production

Vietnam's urea production output in 2022 was estimated at 2.5 million tons, up 1% YoY. Particularly, PVFCCo's urea output reached the record high at 917,000 tons. NPK production output from domestic plants was estimated at 2.6 million tons, down 18.3% as compared with 3.2 million tons of 2021.

Chart 1: Vietnam's monthly production output of Ure, DAP and NPK in 2021-2022, thousand tons

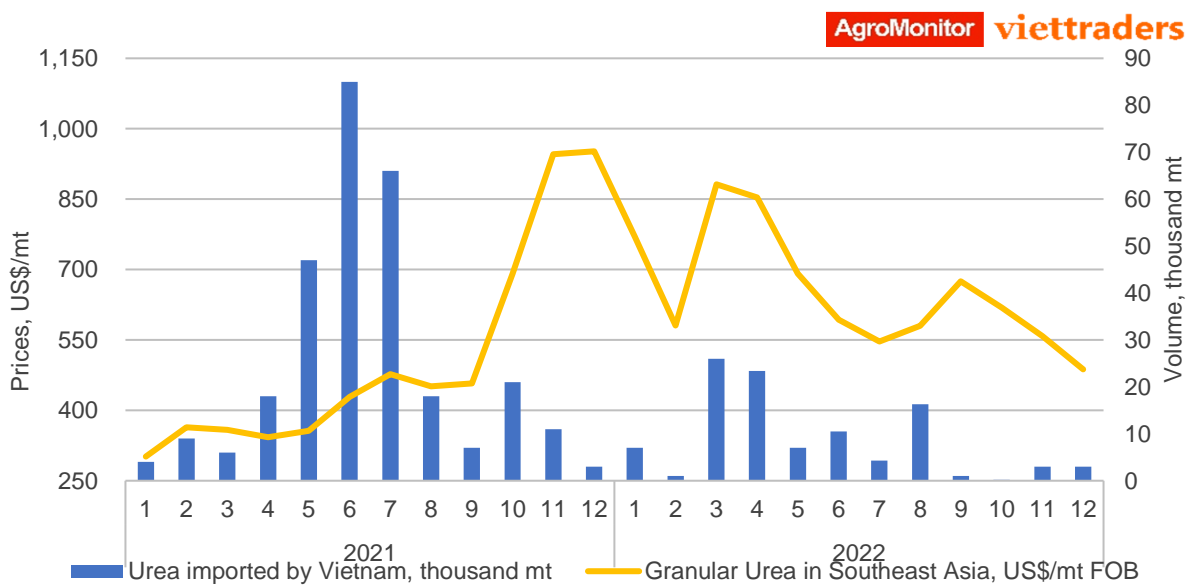


Urea imports

Total fertilizer imports in 2022 was estimated at 3.4 million tons, valued at over US\$ 1.6 billion, down approx. 27% in quantity (more than 1.2 million tons) and up 9% YoY in value (US\$128 million).

Total urea imports in 2022 was estimated at 103,000 tons, valued at over US\$67 million, down 64% YoY in quantity and 56% YoY in value.

Chart 2: Correlation between urea imports (thousand tons) and prices of granular urea in South East Asia from 2021-2022

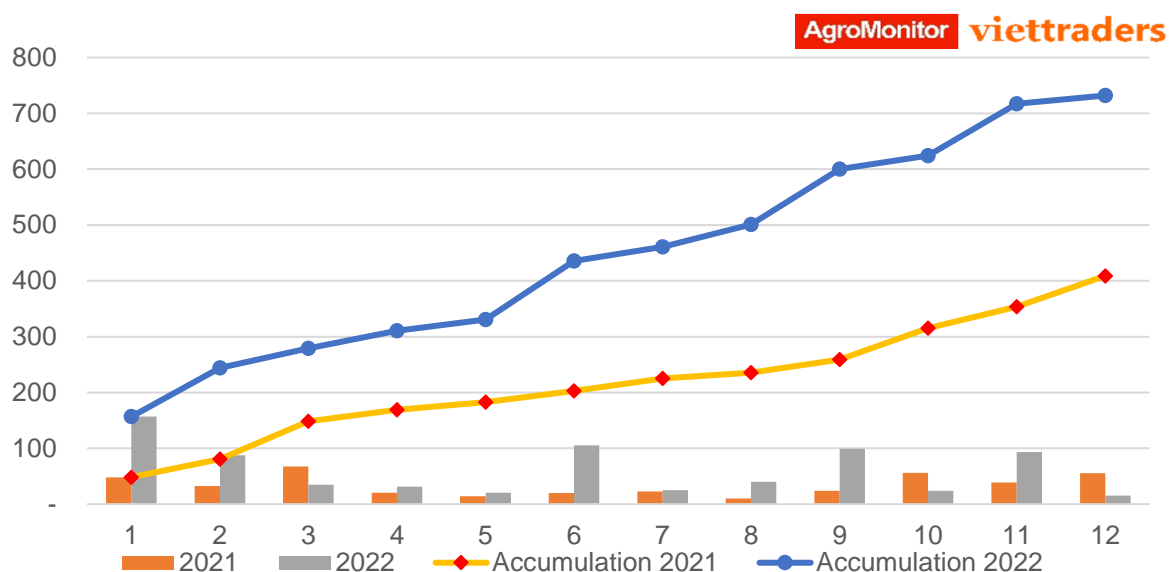


Fertilizer exports

Vietnam's fertilizer exports in 2022 was estimated at 1.5 million tons, valued at US\$899 million, up 27% in quantity (309,800 tons) and up 90% YoY in value (US\$425 million).

The country's urea exports in 2022 was estimated at 799,000 tons, valued at US\$547 million, up approx. 60% YoY in quantity and 129% YoY in value.

Chart 3: Vietnam's urea exports from January 2021 - December 2022



Supply and demand in 2H2022 and trend forecast

Urea price remained its downward trend from late July to late August and bounced back strongly in early September thanks to positive global price trend and reports on a huge export volume delivered in September. In Q4 2022, urea supply in the country was abundant as the plants in the South cut down on new export contracts to focus their resources on the Winter-Spring rice crop in the Mekong Delta. However, the urea trading was not hectic and its price fluctuated in a narrow range due to the reduction of stockpiles by dealers as a result of late starting of the Winter-Spring rice crop.

Production output of urea in Q4 2022 was maintained at 215,000 tons. Ca Mau, Phu My and Ha Bac fertilizer plants were expected to maintain stable capacity.

Vietnam's urea demand in December 2022 continued to increase compared to November as the Mekong Delta entered the peak time of first and second fertilization stages of the Winter-Spring rice crop. In other areas, the demands are limited to fruit trees and crops.

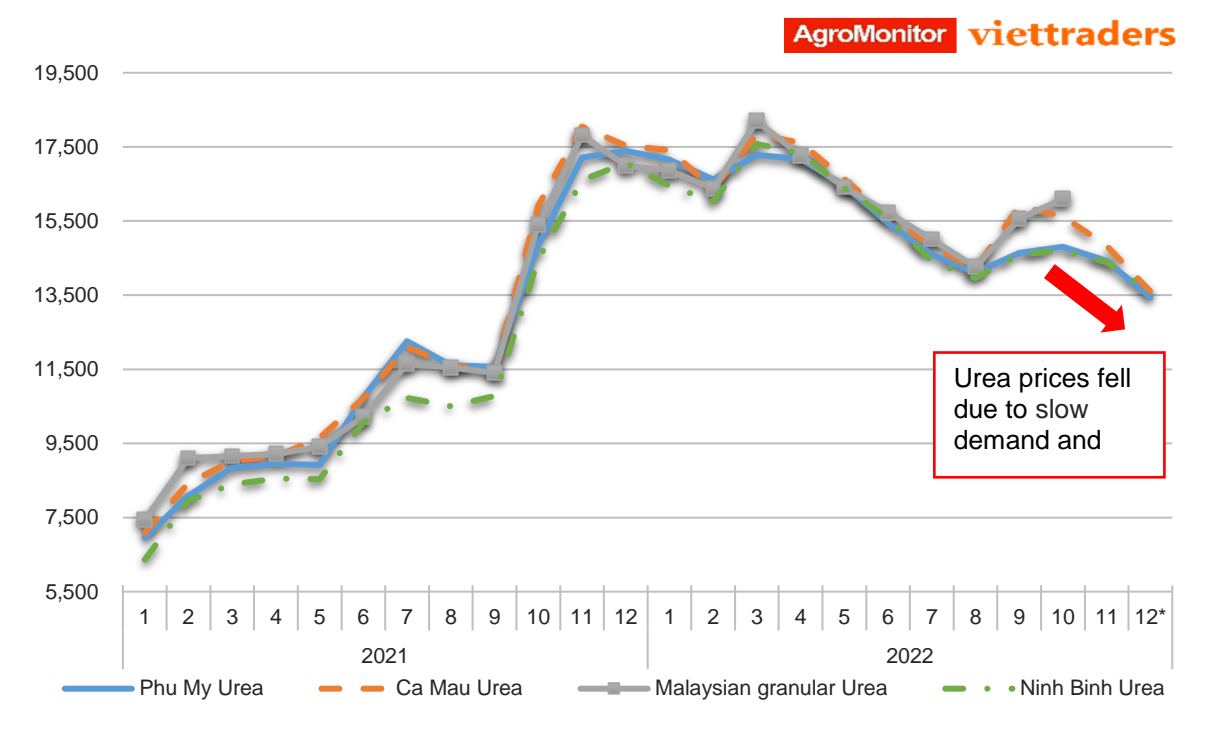
NPK production plants also kept increasing capacity to meet peak demand in the 2022-2023 Winter-Spring crop and demand for industrial crops in the dry season in South-Eastern and Central Highlands region.

Vietnam's urea exports were expected to slow down as the global urea prices dropped constantly from September to December making it difficult for the plants to initiate negotiations for export. In early December, it was rumored that the Ninh Binh and Ha Bac

plants were negotiating export contracts for 10,000 - 20,000 tons/shipment. However, no deal was reached due to low bargain prices from buyers.

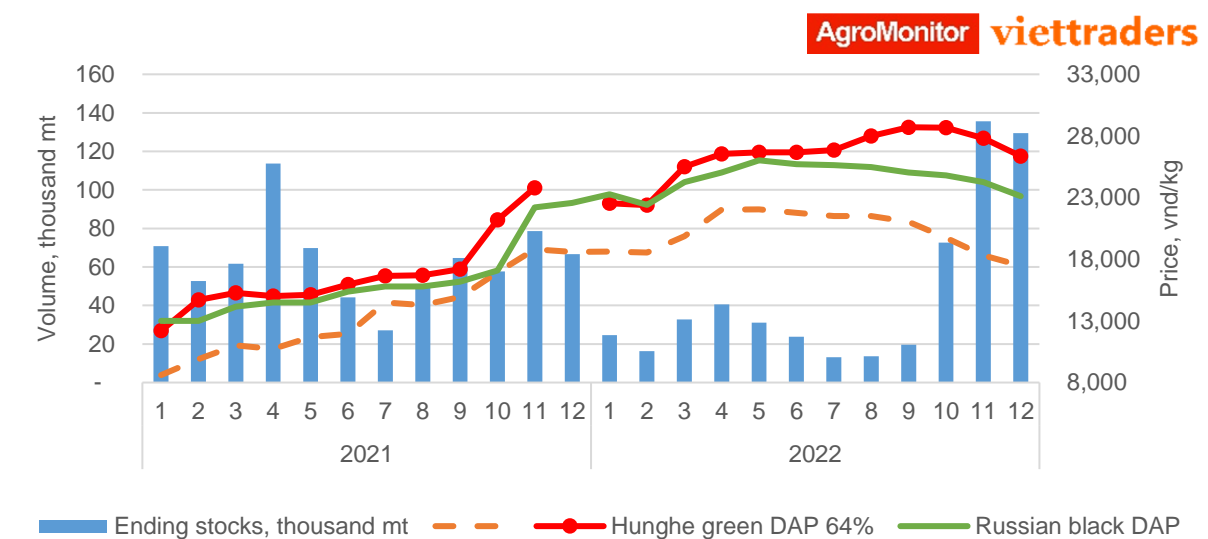
It was said that that India would restart its bidding for urea in the second half of December, raising expectations for domestic plants to have new export orders to deliver in January 2023, relieving the pressure of oversupply in the domestic market.

Chart 4: Urea price in Vietnam 2021-2022, VND/kg



DAP market

Chart 5: Correlation between DAP inventories and domestic prices (VND/kg) from January 2021 - December 2022



In Q4 2022, the domestic demand remained limited as dealers and merchants postponed making their purchases due to late starting of Winter-Spring rice crop. At the same time, exports showed a modest increase while imports remained at high level. The inventories kept escalating, reaching 136,000 tons - the highest level in three years - in early November, dragging down prices, forcing domestic manufacturers to scale down production to prevent piling up inventories. Accordingly, in November, the country's production output of DAP was estimated at 13,000 tons - the lowest level since July 2020. Imports also dropped to 31,000 tons (down by 46,000 tons compared to October). In the meantime, both the slow increase in domestic demands and modest exports put pressure on DAP prices.

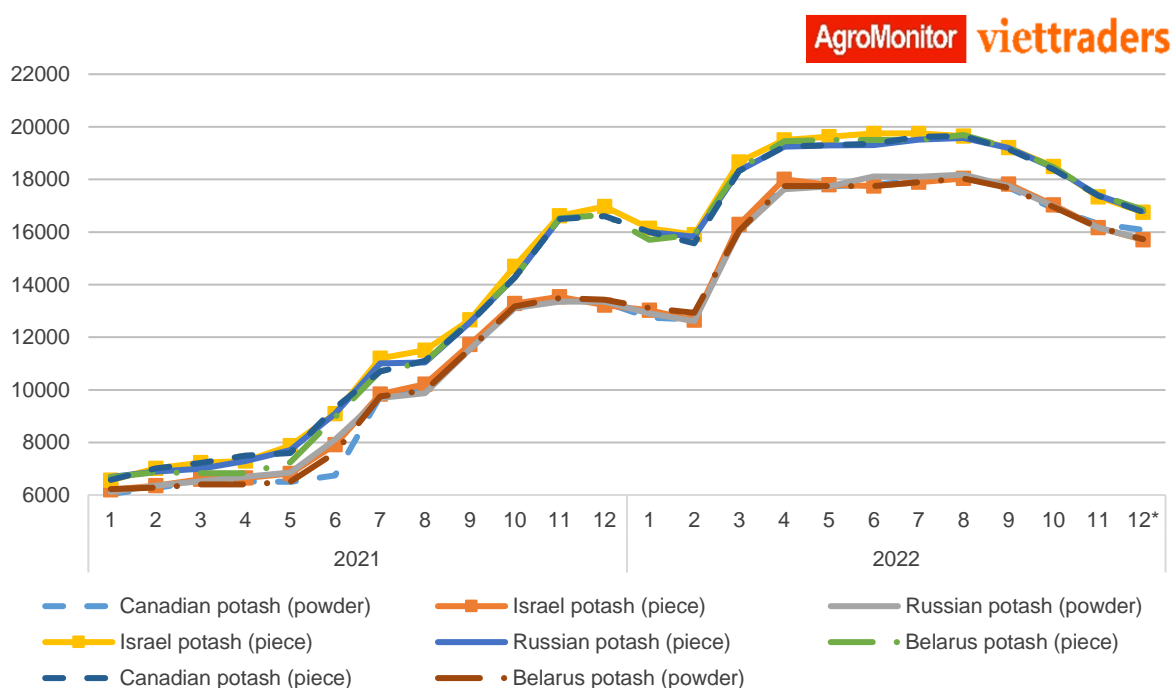
In Q4 2022, the DAP prices kept its downward trend largely driven by abundant imports from September - October and demands remaining at low level in most of the areas. In early December, offer prices of DAP continued to decrease by VND300-650/kg compared to late November. Trading was quiet as the dealers stockpiled modest inventories due to high prices and low domestic demands amid an increased supply from imports.

Potassium market

In Q4 2022, impacted by the downward trend of import prices of Laotian potassium, Vietnam potassium price continued to face pressure of slump price. Accordingly, offer prices of domestic potassium tended to fall, mainly in the second half of November amid a strong increase in supplies from a number of large potassium shipments arriving in southern ports.

In early December, offer prices of potassium remained downward trend, down by VND50-60/kg compared to November in the first week. Particularly, in Saigon, offer prices of granular potassium and powder potassium dropped to VND16,500-16,700/kg and 15,500-15,600/kg respectively. The potassium prices declined amid high domestic inventories and low domestic demand.

Chart 6: Potassium prices on Saigon on monthly basis 2021-2022, VND/kg

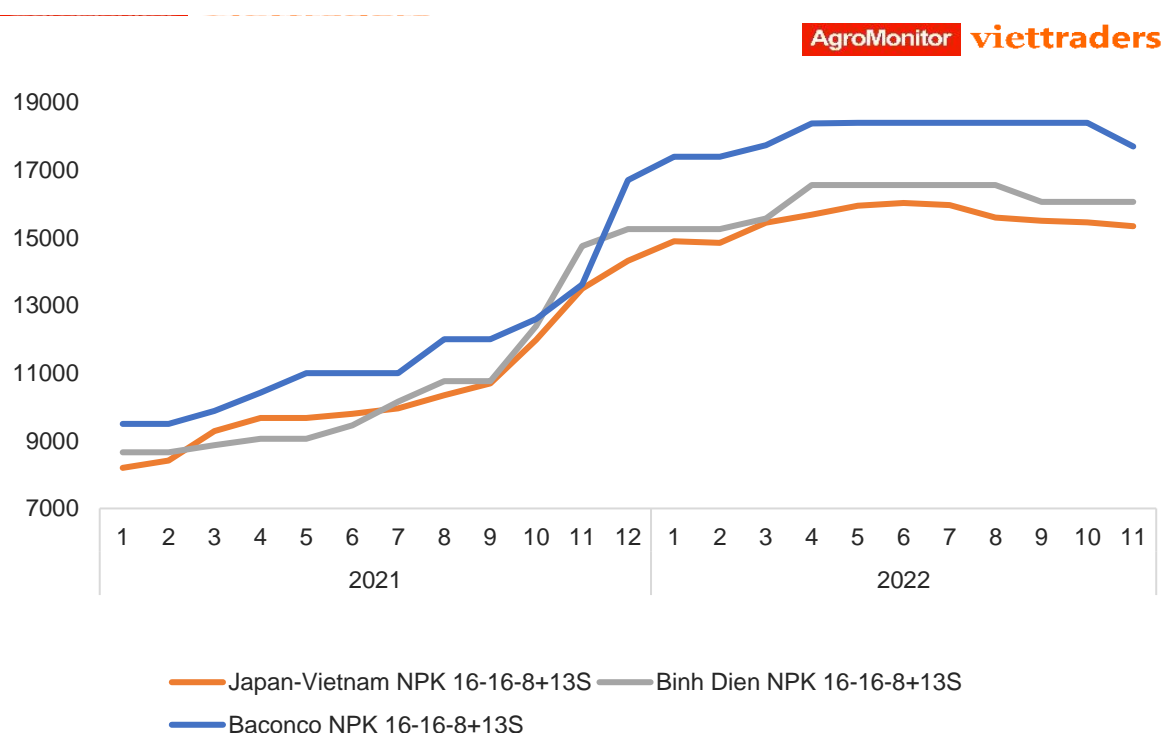


Source: AgroMonitor (updated to December 9, 2022)

NPK market

In Q4 2022, trading of NPK was quiet due to limited demands. However, the manufacturers continued sales programs to stimulate demands in the Winter-Spring crop. In November, in the South-Eastern & Central Highlands region, some NPK plants announced new prices with downward trend. Offer prices of imports also continued to fall by VND 50-150/kg month-on-month (Chinese NPK) impacted by a drop in import prices and USD/VND exchange rate. In November, NPK imports reached 29,700 tons, up 21% (5,100 tons) month-on-month, the highest volume from May 2022. Offer prices of NPK in the domestic market tended to fall due to impact of slump global prices and import prices.

Chart 7: Price of domestic NPK in Saigon on monthly basis 2021-2022, VND/kg



2. International fertilizer market:

World urea market

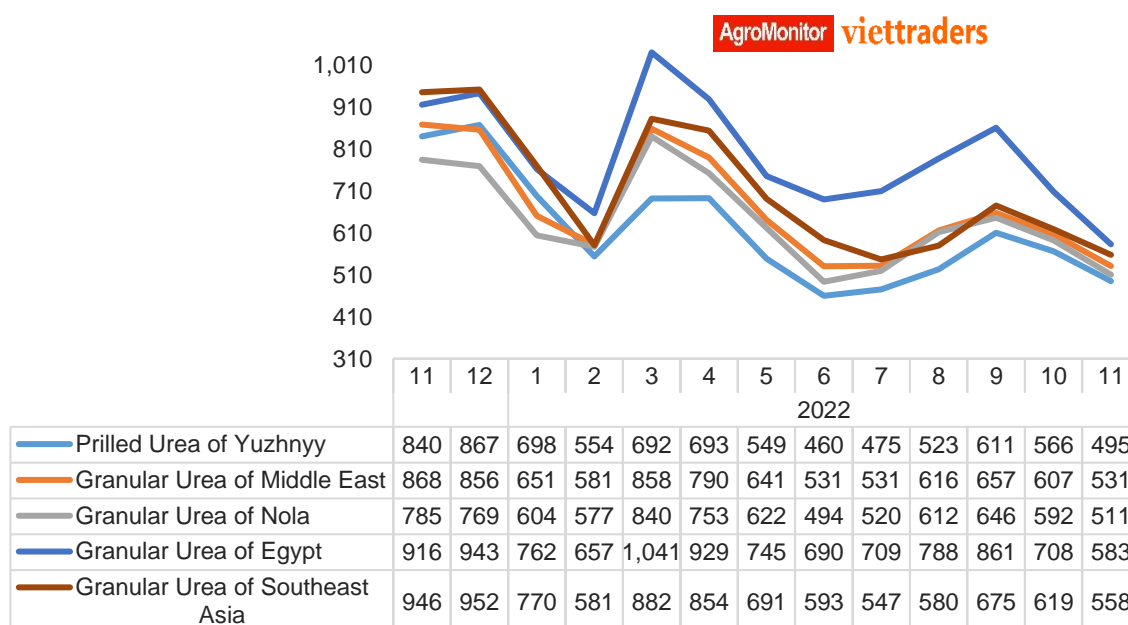
Urea supply was tightened as a result of energy crisis in Europe from September, forcing many factories to suspend production. In addition, the impact of Chinese and Turkish policies and Russia's measures on export restrictions further contributed to the sluggishness of the world urea supply. Demands skyrocketed in the 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 December, the urea supply weakened in Egypt while the urea demand in Ethiopian, Indian and European markets remained stable. The urea prices kept rising slightly in the US. Due to oversupply, the prices declined in Brazil but were 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 prices again in the world market.

The highlight of the global urea market in November was the urea bid closed on November 14 in India at the offer price of US\$76/ton lower than the lowest offer price in the bidding closed on October 17. In other markets, trading of urea was limited due to weak demands. The urea prices fell by US\$61-125/ton and US\$82/ton in Egypt, ASEAN and United States respectively. In December, the global urea prices might continue to weaken due to limited demands but were expected to become more stable when purchasing power from US and European markets increased. In addition, the prices might be supported by the news that India planned to open urea bidding in December 2022.

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Chart 8: World urea price (monthly average) in 2021-2022, US\$/ton FOB

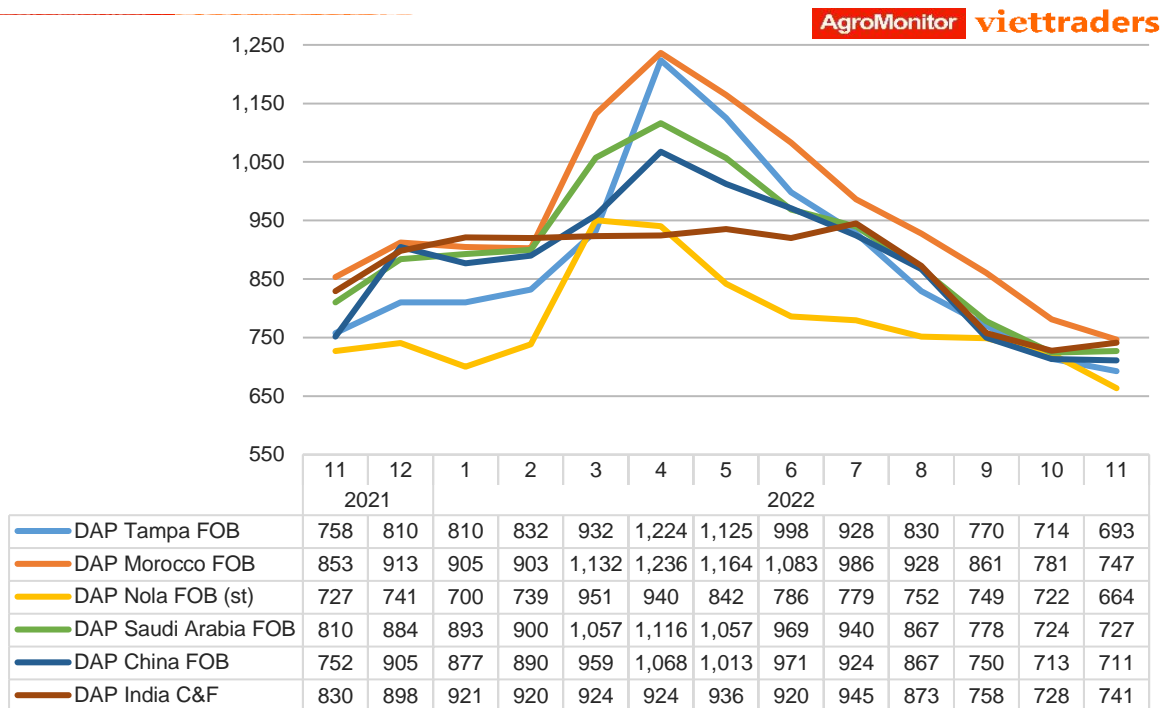


World DAP market

The global phosphate market recorded a slump in DAP prices by US\$2-35/ton and US\$58/ton in Morocco and United States respectively due to weak demands and low liquidity. Particularly in India, the prices surged by US\$14/ton as recorded in many spot transactions of more than 700,000 tons in total volume. In the short term, spot transactions in India may keep prices stable in the East region. However, the prices for delivery in January 2023 in India may be lower than the current level due to decreasing demands, which may lead to a decline in phosphate prices in other markets.

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Chart 9: DAP price (monthly average) in certain regions in 2021-2022, US\$/ton FOB



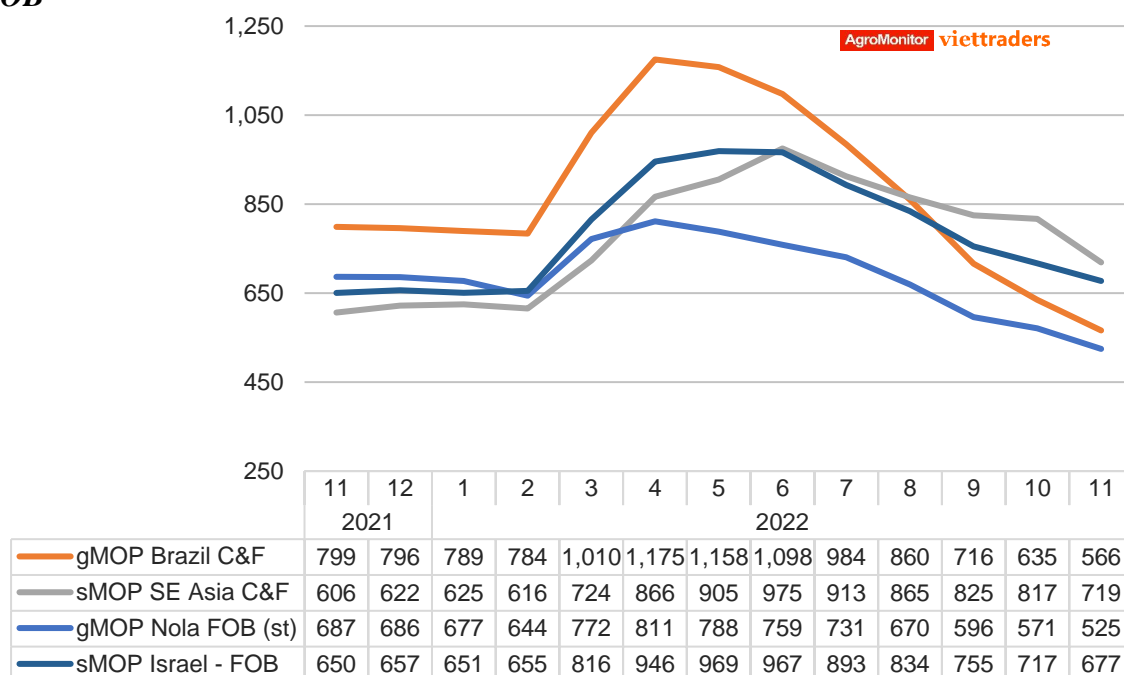
World potassium market

In the last months of 2022, the suppliers would focus mainly on Asian markets. Plantations in Southeast Asia would bid for MOP while contract negotiations would begin in India and China. The biddings and contracts would help establish a common standard and maintain stable prices in the region. In the West, buyers are still delaying their purchases at the moment. Hence, demands may rise again at the beginning of the crop.

The potassium prices continued to fall in all the areas amid low liquidity. The South East Asia recorded the least drop in potassium prices (by US\$8/ton) and was the only region with MOP price higher yoy. In other markets, the prices significantly fell, such as by US\$81/ton and US\$25/ton in Brazil and United States respectively. In Q4 2022, the pressure of declining price remained in all markets and the prices were forecast to keep its downward trend. However, the pace would slow down as demands rose at the end of the year. Brazil still had some demands for the Safrinha crop. Europe would need replenishments for the spring crop and Southeast Asia would begin to discuss about potassium volume for Q1 2023 before the end of 2022.

In the coming time, potassium prices might continue to decline, preventing buyers from returning to the spot market. However, the demands showed signs of a potential increase in Q1 2023 in Europe and Thailand as many buyers cancelled granular MOP shipments to be delivered in Q4 2022, resulting in almost depleted inventories.

Chart 10: Potassium price (monthly average) in certain regions in 2021-2022, US\$/ton FOB

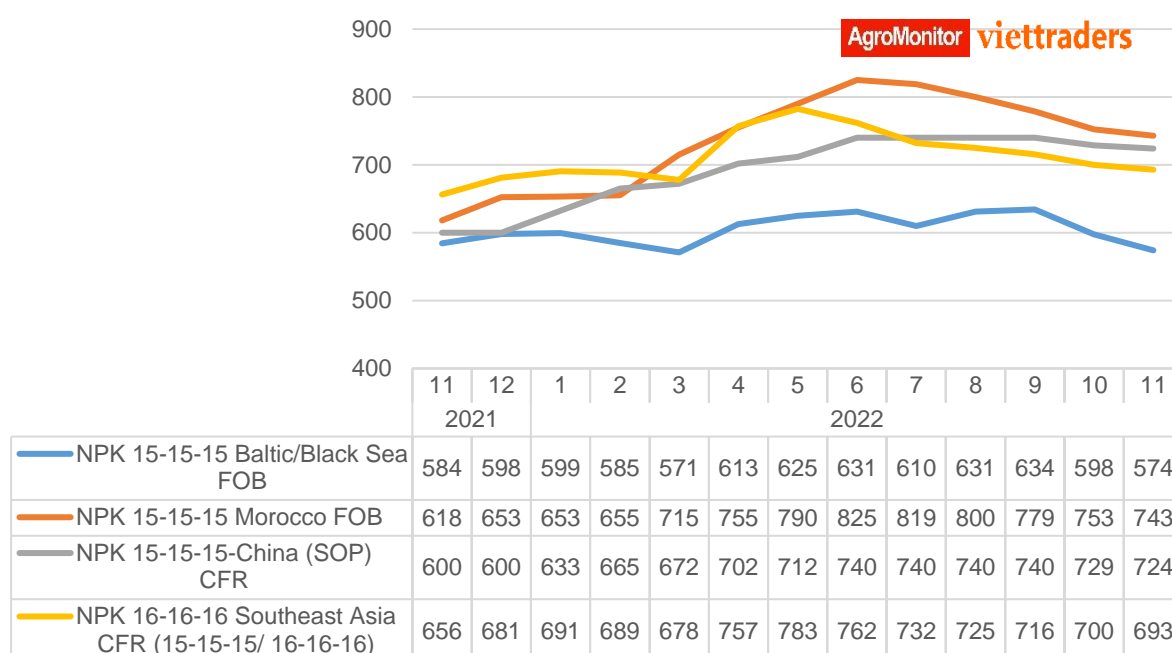


World NPK market

In September, the world NPK market witnessed a strong surge in demands in African region with many organized biddings, including the bidding to purchase nearly 1.3 million tons of NPK in Ethiopia. In other regions, the demands slowed down as they were almost satisfied in August.

In Q4 2022, NPK demand reflected division across regions. Accordingly, the demands tended to rise in India when the buyers came back to buy a total of approx. 85,000 tons after Indian government announced a reduction of NPK subsidy for Rabi crop. In other regions, trading was limited as the buyers were deterred by reservations for downward trend of NPK prices. In the short term, the declining prices coupled with weak demand for single-element fertilizers such as nitrogen, phosphate and potassium might continue to drag down the global NPK prices. In the short term, the declining prices coupled with weak demand for single-element fertilizers such as nitrogen, phosphate and potassium might continue to drag down the global NPK prices.

Chart 11: NPK prices (monthly average) in certain regions in 2021- 2022 (US\$/ton FOB)



IV. NEWS IN BRIEF

1. Investor relations:

PVFCCo is Honored with Governance and Corporate Social Responsibility Awards

PVFCCo was honored in Top 15 Listed Enterprises with Best Financial Governance in 2022

On November 17, 2022 at the Economic Forum 2023 organized by the Business Forum Magazine, PVFCCo was honored to receive the Certificate of Top 15 “Listed Enterprises with Best Financial Governance in 2022”.

The award was part of “2022 corporate capacity assessment program” initiated by the Business Forum Magazine in cooperation with the Institute of Business Studies and Development (INBUS), Association of Accountants and Auditors (VAA), Vietnam Association of Corporate Directors (VACD).

The award was based on the survey and assessment of 21 key criteria such as revenue, profit, working capital turnover, quick ratio, inventory turnover, interest coverage ratio...According to the organizer, the enterprises named in the list are those that overcome difficulties to develop strongly under profound impacts of the Covid-19 pandemic on all aspects of economic life.

PVFCCo Keeps Being Promoted in the VNR500 ranking

Also in November, Vietnam Report Joint Stock Company (Vietnam Report) confirmed that PVFCCo continued to be promoted in the VNR500 ranking - Top 500 Largest Enterprises in Vietnam in 2022. Accordingly, PVFCCo ranked 114th in the Top 500 Largest Enterprises in Vietnam. This is the annual ranking program aimed at honoring large-scale enterprises for remarkable achievements in business performance and significant contributions to the national economy.

PVFCCo is Named “Top 50 Best Listed Companies” in 2022

On August 4, 2022, PVFCCo was honored to be included in Top 50 Best Listed Companies in 2022. This event is part of the annual 10th Business Forum program held by Forbes Vietnam Magazine. This is the sixth time that PVFCCo has earned the prestigious title for the listed companies maintaining their leading position in the industry, achieving outstanding business results and strong growth in 2021 and the period 2016-2020.

In 1H2022, PVFCCo continued to maintain its positive growth momentum with approx. VND 10,000 billion in revenue and over VND 4,000 billion (parent company) in profits before tax. The semi-annual business results also reflect the product diversification and the increasingly important contribution of chemical sector to PVFCCo. With the total annual production output reaching over 600,000 tons of chemicals, of which ammonia (NH₃) is the largest at 540,000 tons, PVFCCo is not only able to take a proactive approach in sourcing raw materials for urea and NPK production but also meets 90% of the NH₃ demand in the southern market.

PVFCCo is Honored as “Enterprise for the Community” for a second straight time

On November 30, 2022, PVFCCo continued to be named as a “community-oriented enterprise” in the “Saigon Times CSR 2022” ceremony held by Saigon Times Group.

This is an annual award honoring enterprises for practical and effective implementation of corporate social responsibility (CSR) programs in addition to outstanding achievements in business performance. Over the years, PVFCCo has been recognized as an enterprise that not only devotes attention and resources to CSR activities, but also considers community activities as a cultural feature and one of its core values. PVFCCo has spent thousands of billions of dong to date on approx. 100,000 community service items such as: Great Solidarity Houses, sponsored works in public health, education, natural disaster and epidemic relief and control - especially during the peak period of Covid-19 pandemic.

PVFCCo Plants 300,000 Trees During 2022-2025

In the next 3 years, PVFCCo is expected to plant trees in three areas in three regions (North, Central and South) in an effort to help improve landscape and ecological environment, eliminating negative impacts of climate change. The program is also part of PVFCCo's brand development plan, aimed at strengthening connections with localities, contributing to enriching cultural identity, building a friendly PVFCCo image, upholding social responsibility of PVFCCo employees.

Accordingly, PVFCCo will choose species of plants suitable to the purpose, landscape and ecological conditions of each locality. Each employee will plant and take care of at least 10 trees for four years (2022-2025) according to the goal “each workplace contributes a green patch”. Through the tree planting, quantifying the reduction of CO₂ emissions serves as a basis for anticipating trends for environmental tax/fee exemption and reduction, fighting against emissions and climate change.

Reportedly, these are activities in support of the 3 million tree planting policy initiated by PetroVietnam, contributing to protecting ecological environment and curbing negative impacts of climate change. This is also an action in response to the Prime Minister’s call for planting one billion trees during five years 2021-2025 “For a green Vietnam”, Vietnamese

Government's commitments to net-zero carbon emission by 2050 at the 26th annual climate summit (COP26).

EGM news

At the Extraordinary General Meeting of Shareholders on December 27, 2022, PVFCCo's shareholders voted with high consensus on the proposal to increase the rate of 2022 cash dividend from 50% to 70% of par value. Shareholders also adopted the statement of the Board of Directors on amending and supplementing the principles of calculating and approving the final settlement of transport charges for the gas trading contract of the period 2014 - 2018 between PVFCCo and PV Gas.

2. Business News:

PVFCCo Launches New Specialized Product Line for Urban Agriculture

In November 2022, PVFCCo launched the Phu My specialized product line for urban agriculture (ornamental plants, fruit trees and vegetables...) called "Phu My Garden", including 5 specialized product sets for different crops, meeting the criteria "Convenience - Safety - Taste".

The product sets includes: Specialized products for leafy vegetables (Phu My Urea + Kebo; Phu My NPK + Biowish 16-16-8+13S+TE); Set of specialized products for vegetables and fruits (Phu My NPK 20-5-5+TE; Phu My NPK 20-20-15+TE); Set of specialized products for fruit trees (Phu My NPK 20-5-5+TE; Phu My NPK 20-20-15+TE); Set of specialized products for flowers - ornamental plants (Phu My NPK 20-5-5+TE; Phu My NPK 20-20-15+TE.); Organic fertilizer products for various crops...

The fertilizer product set "Phu My Garden" is packaged in different sizes to offer users with a variety of options in terms of capacity (200g, 500g, 1kg), plus specific instructions printed on the package. The products are widely distributed at urban agriculture stores, supermarkets, on e-commerce platforms and other online sales channels. This product line is a step forward in the implementation of PVFCCo's product diversification strategy.

Phu My Fertilizer is Honored as National Brand for Fifth Straight Time

On November 2, PVFCCo's Phu My fertilizer product set continued to be recognized as the National Brand in 2022 at the Vietnam National Branding Program Announcement Ceremony in 2022. This is the fifth straight time PVFCCo has won this title since its first participation in 2014, affirming its position as a leader in agriculture sector, among the most valuable brands in Vietnam.

The National Branding Program is the Government's special long-term trade promotion program aimed at building and developing strong brands in the country. This year's contest involved the participation of more than 1,000 enterprises nationwide, of which 172 enterprises have 325 products recognized as National Brands in 2022.

PVFCCo Signs a Co-operation Agreement with Hanoi University of Science and Technology

On October 15, 2022, in Hanoi, PVFCCo signed a cooperation agreement with Hanoi University of Science and Technology, and at the same time, set up the signboard to inaugurate

the R&D lab for specialized fertilizers and the Chemical Technology Laboratory sponsored by PVFCCo.

Accordingly, the two parties will cooperate in the field of training, recruitment and human resources; Scientific research, technology transfer and digital transformation between PVFCCo and Hanoi University of Science and Technology. PVFCCo can help the University in training activities, facilities improvement, experience exchanges, and facilitating its students to practice at PVFCCo's plants. On the other end, Hanoi University of Science and Technology will conduct research on new products, technology transfers and science exchanges in support of PVFCCo's long-term development.

3. Fertilizer, chemical and agricultural highlights:

Russia continues to apply fertilizer export quotas to the end of December 31, 2022

According to the Ministry of Industry and Trade of Russian Federation, the Russian subcommittee on tariff, non-tariff regulations and customer trade protection measures has decided to increase export quotas on some nitrogenous fertilizers.

Reportedly, the quotas until the end of 2022 would rise by 400,000 tons of urea, 200,000 tons of ammonium nitrate and 150,000 tons of UAN.

Besides, Russia also planned to extend export quotas from January 1, 2023 to May 31, 2023 with nitrogen-based fertilizers and compound fertilizers reaching 7 million tons and 4.9 million tons respectively. Specifically, quota on ammonium nitrate reaches 1.16 million tons, urea 4.6 million tons, UAN 1.25 million tons, NPK 2.7 million tons, MAP 1.74 million tons and Sulphoammophos 0.48 million tons.

On December, 2021, the Russian government imposed export taxes on nitrogen-based fertilizers and compound fertilizers in an effort to rein the increase in food prices. The current quotas are valid until December 31, 2022.

Russian confirms imposition of export taxes in 2023

On December 2022, the Russian government announced the imposition of export taxes from the beginning to the end of 2023. Accordingly, the rate 23.5% will apply to the difference between the reference price US\$450/ton and customs-declared export price - normally equivalent to the export prices for marine shipments.

This tax rate will apply to the sales of nitrogen-based products such as urea, AN, UAN, SA as well as phosphate, NPK and potassium products. Taxes will not apply to ammonia, sulfur or acid sulfuric.

Exports to the markets in the Eurasian Economic Union including Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan will be exempt from tax.

Ministry of Industry and Trade (MoIT) did not extend application of safeguard measures against DAP, MAP imports

MoIT decided not to extend the application of safeguard measures against DAP, MAP imports according to the Decision No. 1845/QD-BCT. Therefore, as of September 7, 2022, the safeguard measures would expire with tax rate returning to VND 0/ton.

According to MoIT, the imports subject to the safeguard measures include compound or mixed inorganic fertilizers with the following 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.

Fertilizers that have one of the components with the following contents would be excluded from application of safeguard measures: Nitrogen (N) < 7% ; Phosphate (P.05) < 30% and Potassium (K,O) >3%.

Pursuant to Point b, Clause 3, Article 71 of the Law on Foreign Trade Management and Clause 3, Article 69 of Decree No. 10/2018/ND-CP dated January 15, 2018 detailing a number of articles of the Law on Foreign Trade Management concerning trade safeguard measures, MoIT decided not to extend the application of safeguard measures against DAP, MAP imports.

News on chemical market

In 2022, the global and regional market for NH₃ (key chemical product of PVFCCo) was plagued with complicated development. Specifically, the NH₃ price strongly fluctuated as a result of Russia-Ukraine conflict, energy crisis, gas prices in Europe reaching a high record in March 2022 then gradually declining until June 2022, going up and down until September 2022 before slumping from October 2022 to December 2022.

NH₃ prices are forecast to rise slightly again in January - March, 2023 (Sources: CRU Fertilizer Week – Price Forecasts - November, 2022). In the domestic market, NH₃ prices were adjusted in line with the general trend of the international market because sale contracts were based on the formula of selling price with reference to global prices and the 2022 average selling price of NH₃ was estimated at VND22,018,593/ton (excluding VAT).

For other products such as UFC85 & CO₂, although the market was narrow, the production output remained stable and fully satisfied the demands of domestic fertilizer plants and commercial CO₂ plants in 2022. Besides, petrochemicals were also selling well in 2022, not only completing the annual plan of 2022 but also exceeding the volume in 2021 (up 20% in output and up 7% in revenue yoy).

Source: PVFCCo

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