



**PETROVIETNAM FERTILIZER
AND CHEMICALS CORPORATION**

Stock Code: DPM



**FOR BOUNTIFUL
HARVESTS**

ANNUAL
REPORT
2022





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Chapter 1

GENERAL INFORMATION

A STEADY POSITION

The impressive achievements in production and business activities that PVFCCo has established over the past 20 years have affirmed its role and position in the field of fertilizers and petroleum chemicals in Vietnam, positively contributing to the development of the country's agriculture and economy.



A MESSAGE FROM MANAGEMENT

Dear valued shareholders, business partners and employees,

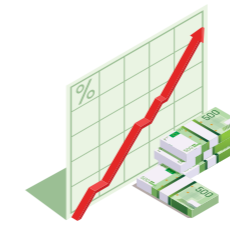
This annual report reaches you as PVFCCo celebrates its 20th anniversary (March 28, 2003 - March 28, 2023), an important milestone in the development journey of our enterprise!

On behalf of the Leadership, I sincerely thank the outstanding efforts and dedication of the staff, the support and camaraderie of the shareholders, customers, partners, institutions, department etc. over the past year and during the two decades of growth to enter a new stage of development. I believe that each of us must feel very honored and proud to be a member of PVFCCo's great family, a reliable partner who has accompanied and witnessed the maturity and growth of our Corporation in this development journey over the past 20 years.

Different generations of PVFCCo have worked together to create many valuable achievements. Since Phu My Fertilizer Plant officially started commercial production in September 2004, PVFCCo has produced and supplied over 14 million tons of high-quality Urea to the market, making an important contribution to stabilizing the fertilizer market and contributing

to the development of Vietnam's agriculture. The Corporation's operational efficiency has always been maintained at a high level, with an average net profit/revenue ratio of about 20%, thereby continuously increasing value and benefits for the shareholders, partners, and society.

Looking back, we can't help but be proud of the similarities over the span of 2 decades: On the 10th anniversary of its establishment, in 2012, the Corporation reached its historical records up to that time. Phu My reached 856,000 tons of Urea; the total revenue reached VND 13,906 billion; the total pre-tax profit reached VND 3,542 billion. Up to now, in 2022, the Corporation's production and business activities have again set new more impressive records. The total revenue reached over VND 19,000 billion and pre-tax profit reached VND 6,606 billion, up 45% and 74%, respectively, over the last year. The output that Phu My Fertilizer produced this year also reached the highest level of 917,000 tons, equivalent to 115% of the designed capacity, and 191,000 tons of Urea has been exported to international markets.



REVENUE IN 2022

19,013
VND billion

▲ 45% compared to 2021



PROFIT BEFORE TAX

6,606
VND billion

▲ 74% compared to 2021



The amount of Phu My Urea sold in 2022 reached 791,000 tons, up 6% compared to that of 2021. Of this amount, the export volume reached 191,000 tons, 3 times higher than that of 2021.

PVFCCo managed to increase its domestic market share by maintaining high sales figures despite a significant decline in local demand.

It is estimated that the market shares of high-quality Phu My Urea and NPK in 2022 were 46% and 19%, 8.3% and 1%, respectively, higher than those of 2021.

During the year, the Corporation also launched a new fertilizer product set called "Phu My Garden" exclusively produced for urban customers.

A MESSAGE FROM MANAGEMENT (continued)

The achievements in 2022 will be remembered in the Corporation's history because these achievements were gained in an operating environment that continued to witness many uncertainties and unpredictable fluctuations. The Russia-Ukraine conflict has pushed up energy and agricultural prices and threatened a global agricultural supply chain crisis; inflation in the US and European countries increased to the highest level in many decades; the strong value increase of the US dollar put pressure on the local currency, deeply affecting the daily lives of people; the world's fertilizer market continued to struggle with many fluctuations, from raw material sources, supply and demand, prices, etc., which had a strong impact on domestic market movements. In 2022, the demand for fertilizers in Vietnam was estimated to drop by 20-30% as farmers postponed purchases due to affordability issues.

In that situation, PVFCCo has focused its resources on safety and stability of the production process at Phu My Fertilizer Plant; continue to control and reduce costs, especially focusing on forecasting in order to proactively come up with appropriate production and business management solutions to maximize advantages and make good use of opportunities in order to increase overall operational efficiency. Accordingly, although the domestic sales volume decreased, it was compensated when the export volume and prices increased, thereby supporting strong growth with both revenue and profit reaching record highs.

In addition to achieving impressive business results, in 2022 the Corporation also implemented many solutions to quickly adapt itself to fluctuations and changes in the current business environment. Specifically, the Corporation has completed the transformation of working process based on digital offices so as to optimize and speed up the work process both inside and outside the system. Along with implementing the digital transformation project,

the Corporation has also continued to restructure the system to adapt to the new context and resource needs for the development investment strategy in the next cycle.

Additionally, with the mission of accompanying the customer to build a sustainable foundation for Vietnam's agriculture, in 2022 PVFCCo has increased resources to promote social responsibility activities, with special priority given to projects on supporting farmers and underprivileged households, and children heavily affected by the Covid-19 pandemic... Especially, during the Tet holiday in the Year of the Cat, the Corporation continued to implement the program "Spring of love - Tet of sharing", giving away nearly 30,000 Tet gifts worth nearly VND 20 billion in 200 wards and communes in 50 provinces and cities across Vietnam.

In 2023, difficulties caused by international and national politics and economy will continue to affect the Corporation's operations. The degree of influence will depend on the prospects of resolving the political crisis between Russia and Ukraine as well as the US's and Western countries' policy on sanctions against Russia, which is expected to continue to affect the global energy market. Besides, rising inflation and interest rates are also factors that can push the global economy into recession.

For the fertilizer industry, although domestic demand is forecasted to recover and grow again compared to that of 2022, the consumption capacity will still be lower than it was in 2021. Nevertheless, with its leading position in the market and solidly consolidated operating system, I fully believe that the Corporation will continue to promote its competitive advantage, fulfill the set targets, and increase the benefits for the shareholders, partners and PVFCCo's staff. PVFCCo's Leadership has set specific goals for each operation segment, in which priority is given to consolidating

and optimizing human, technological, and financial resources, specifically as follows:

- ◆ Regarding production and trading: PVFCCo ensures the safe and stable operation of the plant and production progress, product quality, and successfully carries out the overall maintenance of Phu My Fertilizer Plant. At the same time, PVFCCo continues to seek long-term stable gas sources for Urea production along with strengthening cost management in order to ensure production and trading efficiency according to the objectives in the development strategy. For trading activities, PVFCCo continues to increase market share, expand consumption markets, and strengthen and innovate marketing activities to strengthen PVFCCo's image and brand reputation.
- ◆ Regarding capital sources: PVFCCo continues to improve the efficiency of using existing assets and resources and develops a plan to increase the charter capital to submit to relevant authorities for consideration and approval in accordance with the provisions of the law. At the same time, PVFCCo continues to promote divestments in subsidiaries and associated companies as planned.
- ◆ Regarding investment and development of new products: PVFCCo effectively operates the newly established Center of Research and Application, promoting research and development of new products, making full use of the existing technological resources and systems.
- ◆ Regarding human resource development, information technology application: PVFCCo continues to carry out activities to create corporate culture, taking care of PVFCCo's employees' material life, health, spiritual life and working conditions and ensuring steady income for employees. PVFCCo continues to fulfill digital transformation in order

to strongly apply information technology and improve operational efficiency and work process throughout the Corporation's structure.

- ◆ In addition, PVFCCo continues to review and perfect its medium and long-term development strategy along with transforming and perfecting its operating model in order to adapt itself to the new conditions and to follow closely to the business governance models of large listed enterprises.

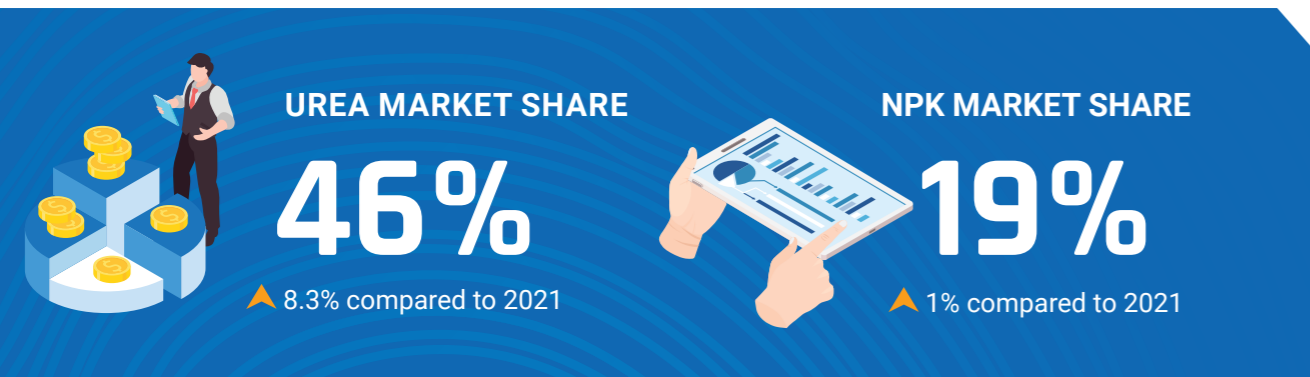
With the goals, tasks and action plans that have been supported and shared by PVFCCo's staff, along with solidarity and consensus, we fully believe that the Corporation will continue to grow in 2023, successfully complete the tasks assigned and expected by its shareholders.

On behalf of PVFCCo's staff, I would like to say thank you for the trust and support of the shareholders, partners, and colleagues. With the results and achievements that we have achieved in 2022 and accumulated in the past 2 decades, we are completely optimistic about the future and the growth of PVFCCo's business scale. PVFCCo's staff is confident to conquer challenges together, consolidate its leading position in the market, increase value for the shareholders and partners, and continue to firmly walk on the new development path in the journey of Bountiful Harvests.

**On behalf of the Management,
Chairman of the Board of Directors**



Hoang Trong Dung



HONORS AND TITLES IN 2022



Phu My Fertilizer brand continued to maintain its position in the list of High-quality Vietnamese goods (19 consecutive years).



Top 50 best listed companies in 2022 (ranked by Forbes Vietnam).



Top 15 listed companies with good financial management capacity in 2022 (Corporate performance assessment program 2022, implemented by Business Forum Magazine in collaboration with The Institute of Business Studies and Development, Vietnam Federation of Accountants and Auditors, and Vietnam Association Corporate Directors).



Phu My Fertilizer product set continued to be recognized as a National Brand in 2022 (5th consecutive time).



PVFCCo improved its position in the VNR500 Ranking - Top 500 Largest Enterprises in Vietnam in 2022 (ranked 114th among 500 largest enterprises in Vietnam).



PVFCCo was honored in the Top 40 enterprises implementing practical and effective social responsibility programs (ranked by Saigon Times CSR [Corporate Social Responsibility] 2022 program of Saigon Economic Times).

OUTSTANDING RESULTS FOR THE PERIOD 2018-2022

Outstanding results in the last 5 years from 2018 to 2022

	Unit	2018	2019	2020	2021	2022
Total revenue	VND billion	9,439	7,831	8,038	13,117	19,013
Gross profit	VND billion	2,041	1,402	1,730	4,786	7,838
EBITDA	VND billion	1,450	1,124	1,477	4,393	7,183
Earnings per share	VND/share	1,551	836	1,535	7,749	13,897
Total assets	VND billion	11,134	11,440	11,300	13,918	17,699
Owner's equity	VND billion	8,255	8,161	8,247	10,713	14,017

Some outstanding results in 2022

Revenue structure (fertilizers & chemicals) and growth rate

REVENUE FROM FERTILIZERS
16,753 VND billion
 ▲ 44% compared to 2021

REVENUE FROM CHEMICALS
1,833 VND billion
 ▲ 63% compared to 2021

Contribution to shareholders, employees, society

DIVIDEND RATIO IN 2022
70% par value of shares (7,000 VND/share)

NET REVENUE FROM EXPORT
3,348 VND billion
 ▲ 277% compared to 2021 (888 VND billion)

PROFIT AFTER TAX
5,585 VND billion
 ▲ 76% compared to 2021

OBLIGATIONS TO STATE BUDGETS (payable)
1,521 VND billion
 ▲ 91% compared to 2021

TOTAL DISBURSEMENT FOR INVESTMENT AND PROCUREMENT
118 VND billion

COST SAVINGS
229 VND billion
 Reached 450% of the 2022 plan

DISBURSEMENT FOR SOCIAL SECURITY ACTIVITIES
91 VND billion

OUTSTANDING RESULTS FOR THE PERIOD 2018-2022 (continued)

PARTY AND YOUTH UNION ACTIVITIES

Farmer supporting programs

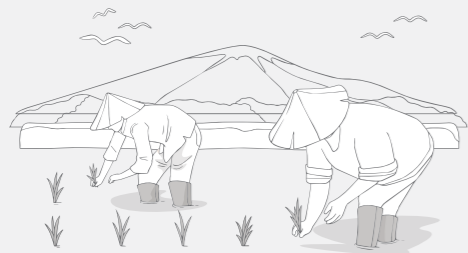


PVFCCo coordinated with the provincial Departments of Agriculture and Rural Development to implement demonstration models of economical and efficient use of fertilizers.



Programs for cooperating, exchanging with agents, customers, and suppliers.

Programs for community connection and support: Giving Tet gifts to poor households and children affected by the Covid-19 pandemic.



Through the "Doctor of agronomy" program, PVFCCo cooperated with leading agricultural experts to advise farmers on issues related to production and consumption of their products.





Chapter 2

CORPORATION INTRODUCTION

SEIZING OPPORTUNITIES

In the context of an economy in which there is always a mixture of advantages and challenges, with the clear vision and strategic planning of PVFCCo's Leadership, the Company has made good use of every opportunity for market development and achieved impressive results in production and trading and, at the same time, created a breakthrough growth momentum for the subsequent years.



THE 20-YEAR JOURNEY

20
years
2003-2023

THE JOURNEY OF SUSTAINABLE, EFFICIENT AND HUMANITY DEVELOPMENT



2023 marks PVFCCo's 20-year journey of establishment and development, being proud of its role as a pioneer in the field of downstream, actively contributing to the sustainable development of Vietnam's agriculture.



Over the past 20 years, PVFCCo's staff has worked together to overcome difficulties and challenges, constantly developing and completing the mission of becoming a leading enterprise in the fertilizer and chemical industry, making an important contribution to food security of Vietnam.



The brands Phu My urea and Phu My Fertilizer - For bountiful harvests - proudly affirm their position as national brands, leading agricultural product brands, etc. Since becoming a public company in 2007, the Corporation is always in the group of listed companies operating effectively, leading in terms of profitability; DPM shares are honored to be ranked in the group of golden stocks in Vietnam (2009), a reputable securities brand, Top 50 profitable enterprises etc.

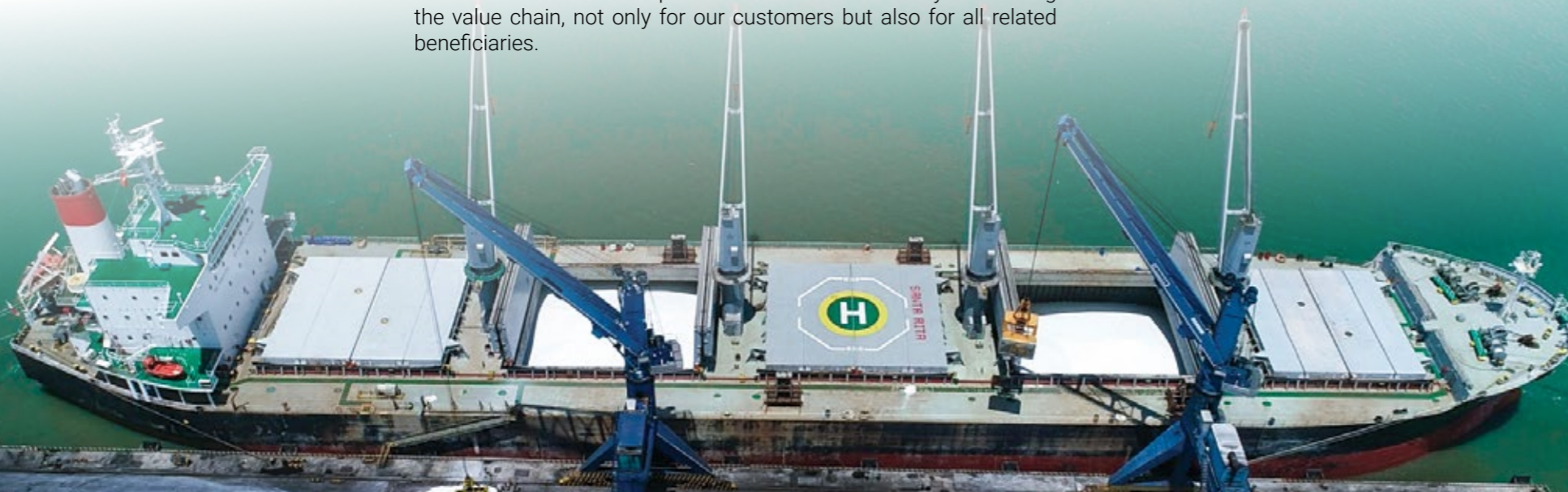
So far, besides the urea fertilizer factory, PVFCCo has expanded its operation and scope by building more factories to produce new fertilizer and chemical products while continuously increasing the value chain, not only for our customers but also for all related beneficiaries.



PetroVietnam Fertilizer and Chemicals Corporation (formerly known as PetroVietnam Fertilizer and Chemicals Company) - PVFCCo, a member of the Vietnam National Oil and Gas Group, was established under Decision No. 02/2003/QĐ-VPCP dated March 28, 2003 by the Minister and Chairman of the Government Office. On September 21, 2004, PetroVietnam Fertilizer and Chemicals Company received Phu My Fertilizer Plant from Technip - Samsung contractor complex and officially went into operation with the function of organizing, managing and operating Phu My Fertilizer Plant and trading fertilizer and chemical products.

The Phu My Fertilizer Plant Project, owned and operated by PVFCCo, was the first project of the petrochemical industry in Vietnam and is considered a symbol of effective elevation of internal resources and making an important contribution to the implementation of industrialization and modernization in order to bring the achievements of modern industry to many farmers while embodying the Party's line of unifying workers and farmers and the policies of the Party and the State. From its start until now, the project has saved billions of US dollars in fertilizer imports to Vietnam.

In addition to forming and consolidating the infrastructure for the oil and gas industry, the invaluable experience in the process of construction and management of this business venture has been the foundation for PVFCCo to continue to expand its operations into new investment enterprises, making an important contribution to the oil and gas industry by forming and developing an extremely important human resource to prepare for the next petrochemical projects in the oil and gas industry.



THE 20-YEAR JOURNEY (continued)

On the occasion of its 20th birthday (March 28, 2003 - March 28, 2023), the 2022 Annual Report reviews memorable milestones in PVFCCo's development achievements over the past 20 years:

In 1996

With the long term vision of the Vietnamese Government, Vietnam Oil and Gas Corporation researched and implemented gas processing projects, including a large scale urea plant using associated gas as input material to produce high-quality fertilizers, aiming to make full use of and improve the value of natural resources, to apply modern technological achievements in agriculture, to save on foreign currency transactions by importing fertilizers, to ensure food security, and to contribute to Vietnam's agricultural development.

On December 27, 2000

the Government issued a decision to assign the Vietnam Oil and Gas Corporation, now the Vietnam Oil and Gas Group, to set up a beneficial project to invest in the construction of a nitrogenous fertilizer factory using associated gas from Cuu Long Basin - the first gas-based Urea Plant in Vietnam. The factory's location is located in Phu My 1 industrial zone, Ba Ria - Vung Tau province.

12 March 2003

Started the construction of Phu My Fertilizer Plant.

28 March 2003

PetroVietnam Fertilizer and Chemicals Company (PVFCCo) was founded.

04 June 2004

Phu My fertilizer plant was successfully tested and welcomed the first batch of urea products.

21 September 2004

PVFCCo took over full responsibilities of Phu My Fertilizer Plant, capacity 450 thousand tons of NH₃ and 740 thousand tons of urea/year.

31 August 2007

PVFCCo was transformed into a Joint Stock Company.

05 November 2007

DPM was listed and traded on HOSE.

15 May 2008

PVFCCo was turned into PetroVietnam Fertilizer and Chemicals Corporation.

14 September 2010

A Carbon Dioxide Recovery (CDR) System was inaugurated, increasing the capacity of Phu My Fertilizer Plant to 800,000 tons per year.

16 July 2011

PVFCCo Tower's Head office was inaugurated at 43 Mac Dinh Chi, District 1, Ho Chi Minh City.

28 March 2013

PVFCCo celebrated 10 years of its founding and received the First - Class Labor Order.

In 2014

Officially operating petrochemical factory, capacity 4,000 tons/year.

23 December 2014

Phu My urea of PVFCCo was recognized as the National Brand 2014 by the Government of Vietnam.

December 12, 2015

Inaugurated the UFC85/formalin additive factory, with a capacity of 15,000 tons of UFC85/year, equivalent to 25,000 tons of formalin/year.

Quarter 3/2015

Started the construction of NH₃ Revamp Project and Phu My NPK Plant.

06 May 2018

NH₃ Revamp - Phu My NPK Complex was put into operation.

28 March 2023

PVFCCo celebrated 20 years of establishment.

THE 20-YEAR JOURNEY (continued)

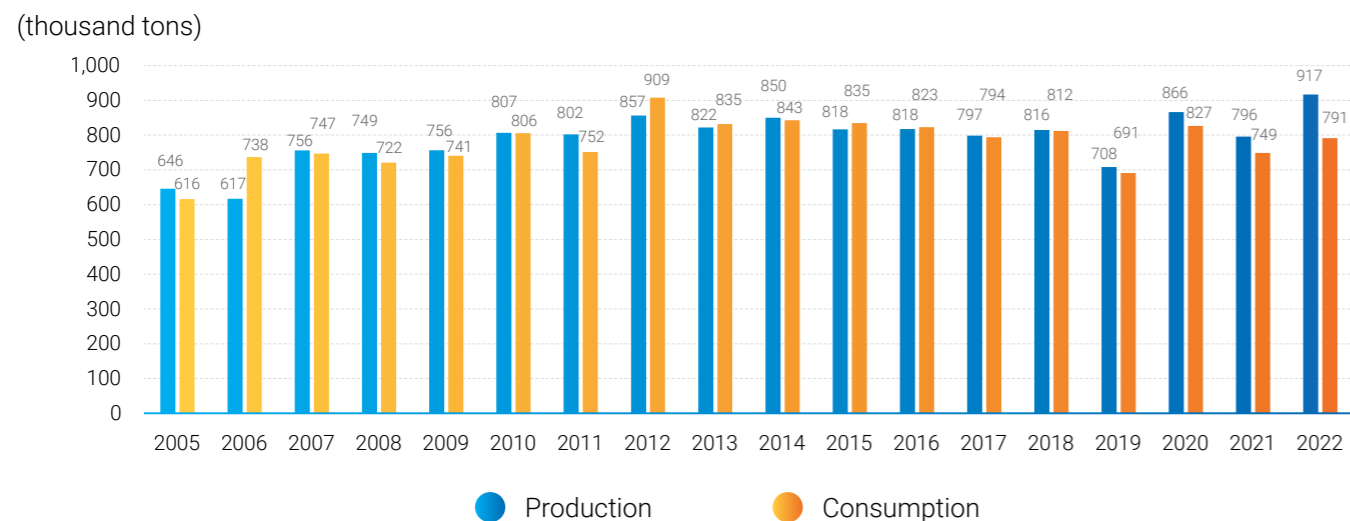


In the 2005-2022 period, PVFCCo produced and supplied more than 14 million tons of Phu My urea, over 500,000 tons of Phu My NPK and other chemical products to the market; the total revenue in the period 2005-2022 reached nearly VND 159,000 billion; profit after tax reached more than VND 31,000 billion, equivalent to a 20% profit margin.

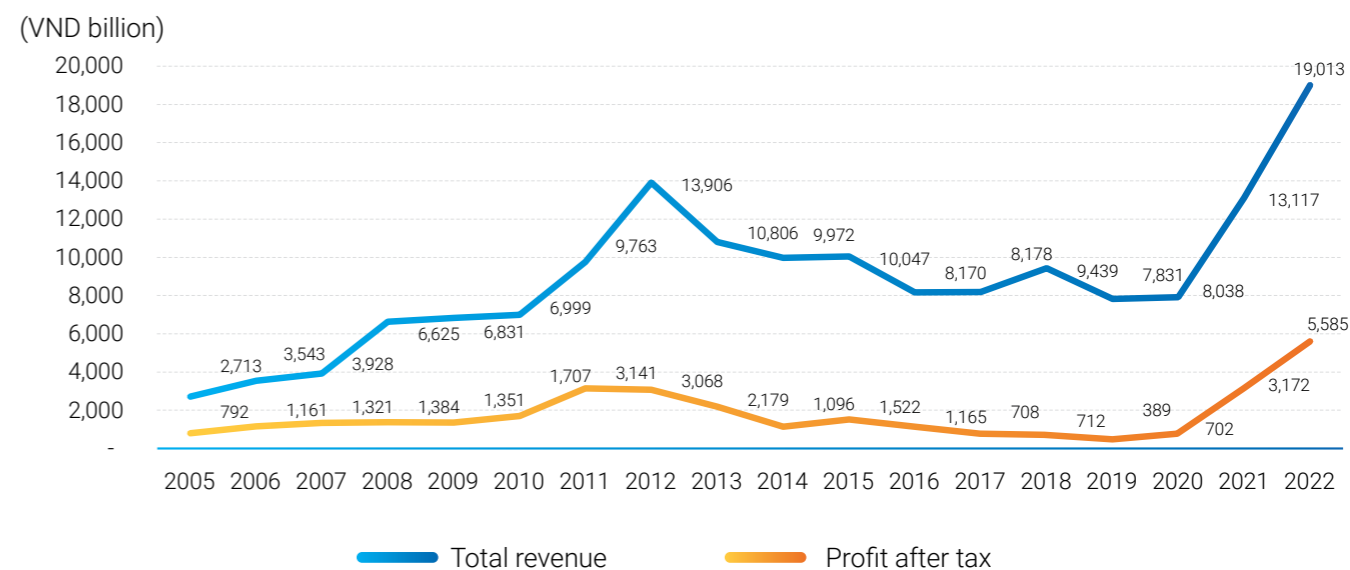
During the period 2005-2022, PVFCCo contributed VND 8,062 billion to the state budget, disbursed nearly VND 1,200 billion into social security and community support programs.



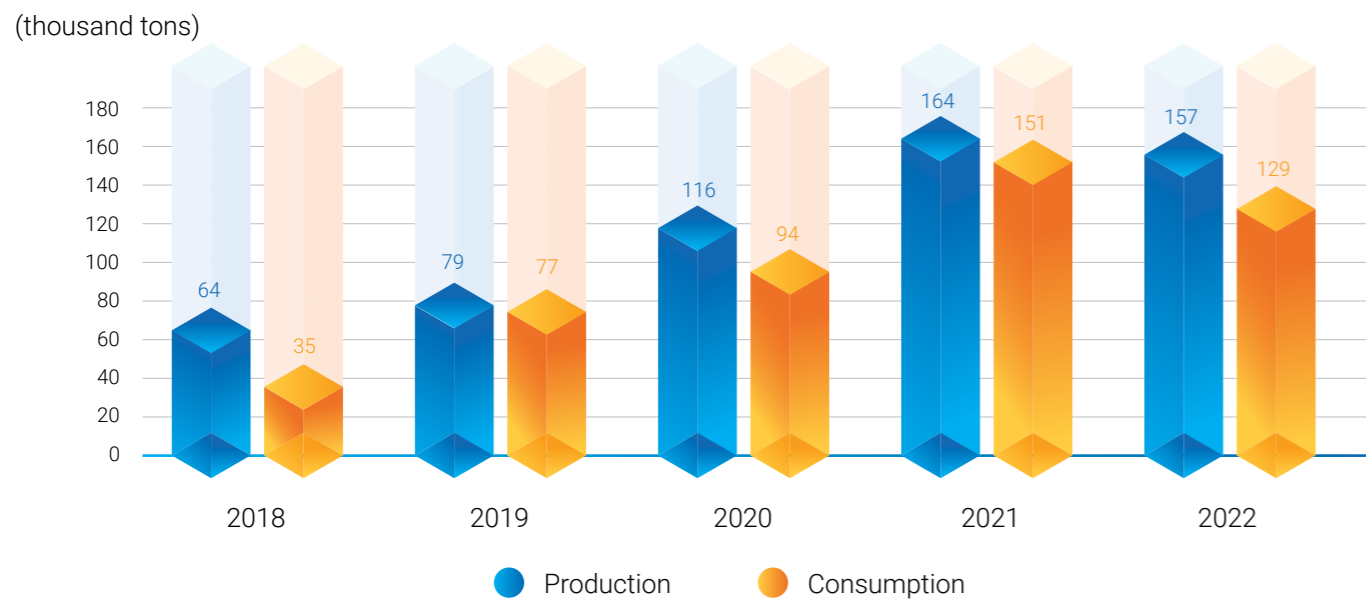
Production and sales output of Phu My Urea during 2005 - 2022 period



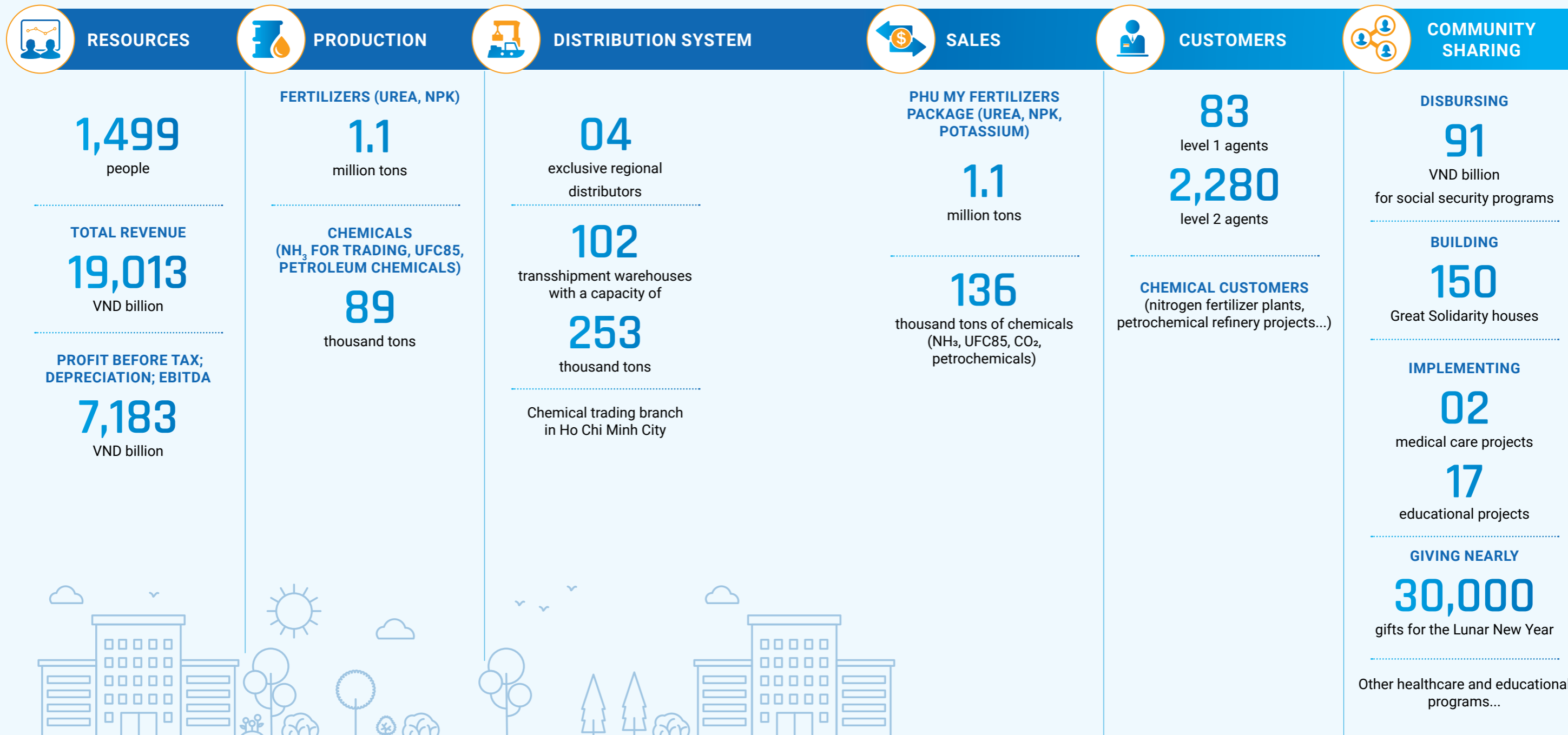
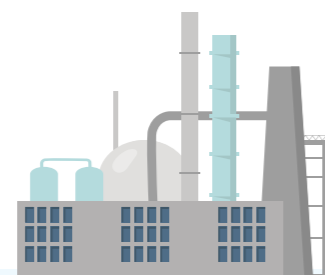
Revenue and PAT during 2005 - 2022 period



Production and sales volume of Phu My NPK during 2018 - 2022 period

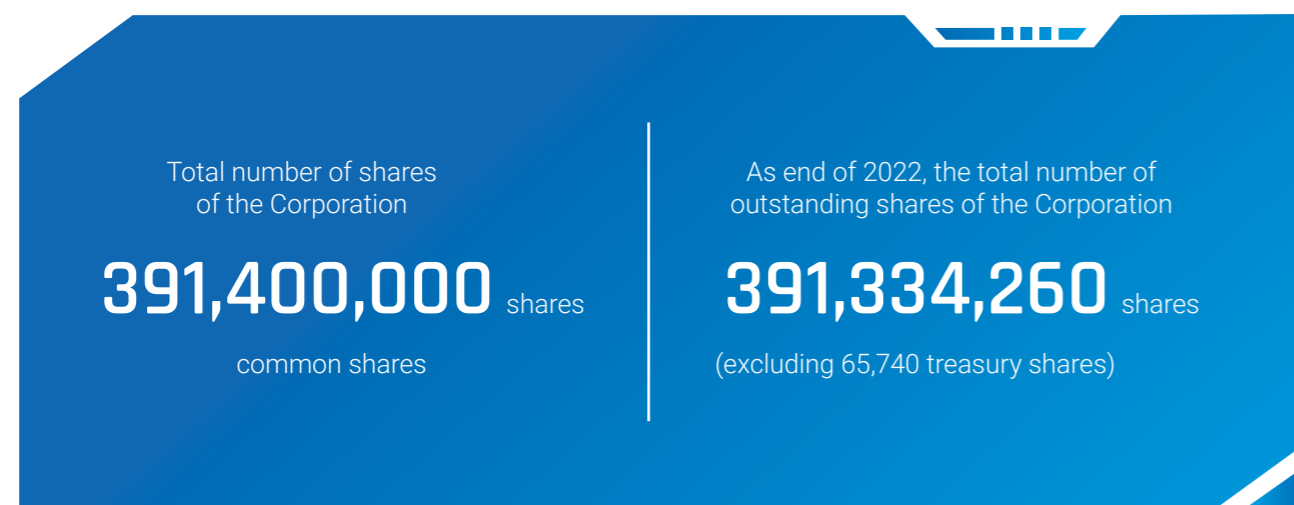


PVFCCO'S VALUE CHAIN



SHARES AND SHAREHOLDERS STRUCTURE

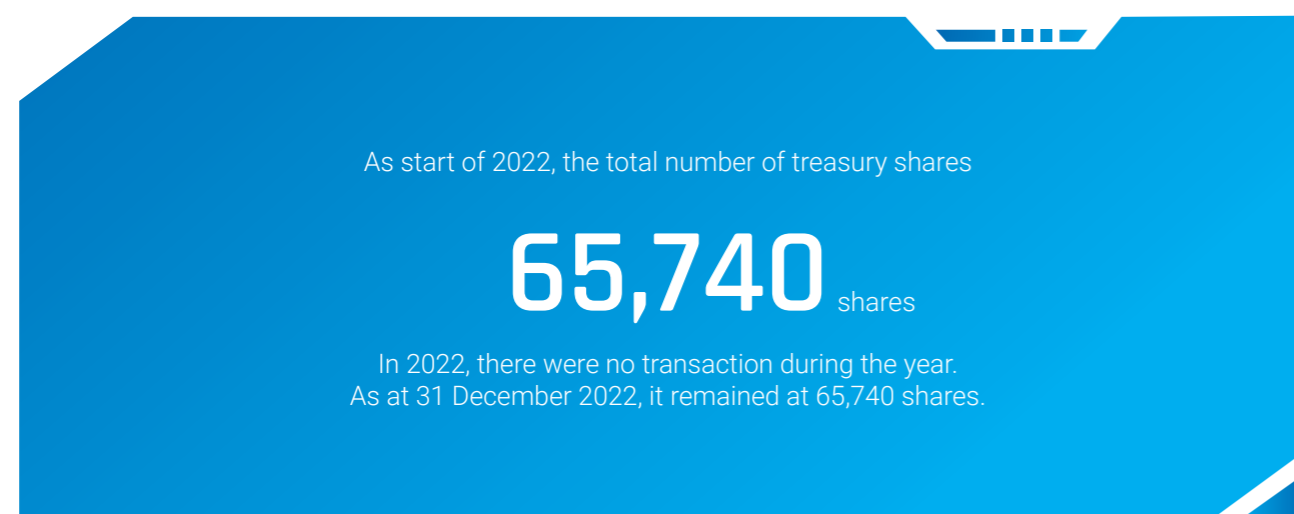
SHARES



CHANGE IN OWNER'S EQUITY

In 2022, the Corporation had no change in owner's equity.

TREASURY SHARES



SHAREHOLDERS STRUCTURE

Based on the shareholder listing in the Vietnam Securities Depository, as at 17 February 2023, there was a total of **391,334,260** shares owned by **13,384** shareholders.

Domestic shareholders

Detailed information on domestic shareholder structure

Shareholders	Quantity	Number of shares	Proportion of outstanding shares
Legal entities	82	272,507,725	69.63%
Individuals	12,872	45,145,140	11.54%
Total	12,864	317,652,865	81.17%

Detailed information on major domestic shareholders

Shareholders' name and address	Main business lines	Number of shares held	Proportion of outstanding shares
Vietnam Oil and Gas Group Address: 18 Lang Ha Street, Ba Dinh District, Hanoi.	Discover, develop, process, store and transport oil, gas and other related services locally in Vietnam as well as internationally. Supply material and equipment for oil and gas industry. Distribute and trade oil, gas and petrochemical products;	233,204,253	59.59%
State-Owned Corporation Website: www.pvn.vn	Invest in production and trading of electricity, biofuel and renewable energy; Ancillary businesses pertaining to oil, gas and energy industries.		

Foreign shareholders

Detailed information on foreign shareholder structure

Shareholders	Quantity	Number of shares	Proportion of outstanding shares
Legal entities	78	472,506,887	18.53%
Individuals	442	1,174,508	0.30%
Total	520	73,681,395	18.83%

Detailed information on major foreign shareholders: None

BUSINESS MODEL OF THE CORPORATION

GOVERNANCE

PVFCO followed the corporate governance model which includes a General Meeting of Shareholders, Board of Directors, Board of Supervisors, Board of Management, as prescribed at point a, clause 1, article 137 of the Law on Enterprises 2020.



RELATED COMPANIES

In 2022, the Corporation has four subsidiaries and five associates.

Companies with over 50% shareholding

No.	Company name	Business segments	Charter capital (VND million)	Owned by PVFCO
1	North PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCO - North, stock code: PMB) Address: 4 th Floor, 167 Trung Kinh Street, Cau Giay District, Hanoi	Fertilizer and chemicals production and trading	120,000	75%
2	Central PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCO - Central, stock code: PCE) Address: Lot A2, Nhon Binh Industrial Cluster, Quy Nhon City, Binh Dinh Province	Fertilizer and chemicals production and trading	100,000	75%
3	South-East PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCO - SE, stock code: PSE) Address: 27 Dinh Bo Linh Street, Binh Thanh District, Ho Chi Minh City	Fertilizer and chemicals production and trading	125,000	75%
4	South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company (PVFCO - SW, stock code: PSW) Address: 151/18 Tran Hoang Na Street, Ninh Kieu District, Can Tho City	Fertilizer and chemicals production and trading	170,000	75%

Companies with less than 50% shareholding

No.	Company name	Business segments	Charter capital (VND million)	Owned by PVFCO
1	Dam Phu My Packaging Joint Stock Company (PVFCO - Packaging, stock code: PMP) Address: Phu My 1 Industrial Zone, Phu My Town, Ba Ria - Vung Tau Province	Packaging manufacturing and trading	42,000	43.35%
2	PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (VNPOLY) Address: Lot CN5.5A, Dinh Vu Industrial Park, Dong Hai 2 Ward, Hai An District, Hai Phong City	Textile fiber production and trading	2,165,110	25.99%
3	PetroVietnam Information Technology, Telecom and Automation Joint Stock Company (PAIC) Address: 4 th Floor, 167 Trung Kinh Street, Cau Giay District, Hanoi	Information technology, telecoms and automation, clean energy	42,352	8.5%
4	PetroVietnam Urban Development Joint Stock Company (PVC Mekong) Address: Lot D - Petroleum Urban Area, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau province	Consulting, construction, construction materials production, real estate trading	280,869	35.63%
5	Ut Xi Aquatic Products Processing Corporation Address: Provincial Road 8, Tai Van Commune, Tran De District, Soc Trang Province	Aquaculture, Seafood processing and trading	354,000	6.78%



Business lines

PVFCO's core business is the production and trading of fertilizer and chemicals. Currently, the key products are prilled urea, NPK, MOP, SA, DAP fertilizers targeted at the agriculture sector, liquid Ammonia and UFC85/Formaldehyde, CO₂, chemicals used in oil and gas production.

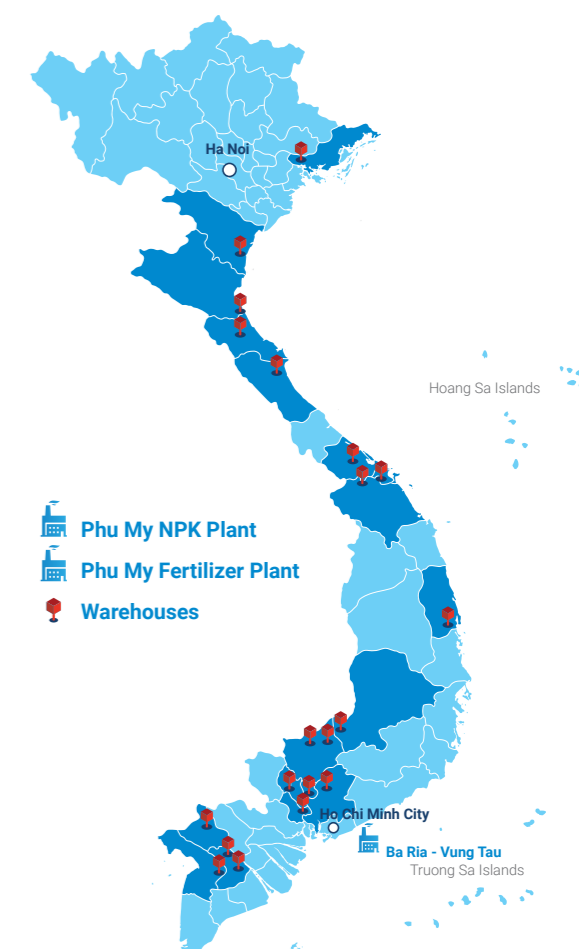


Main locations

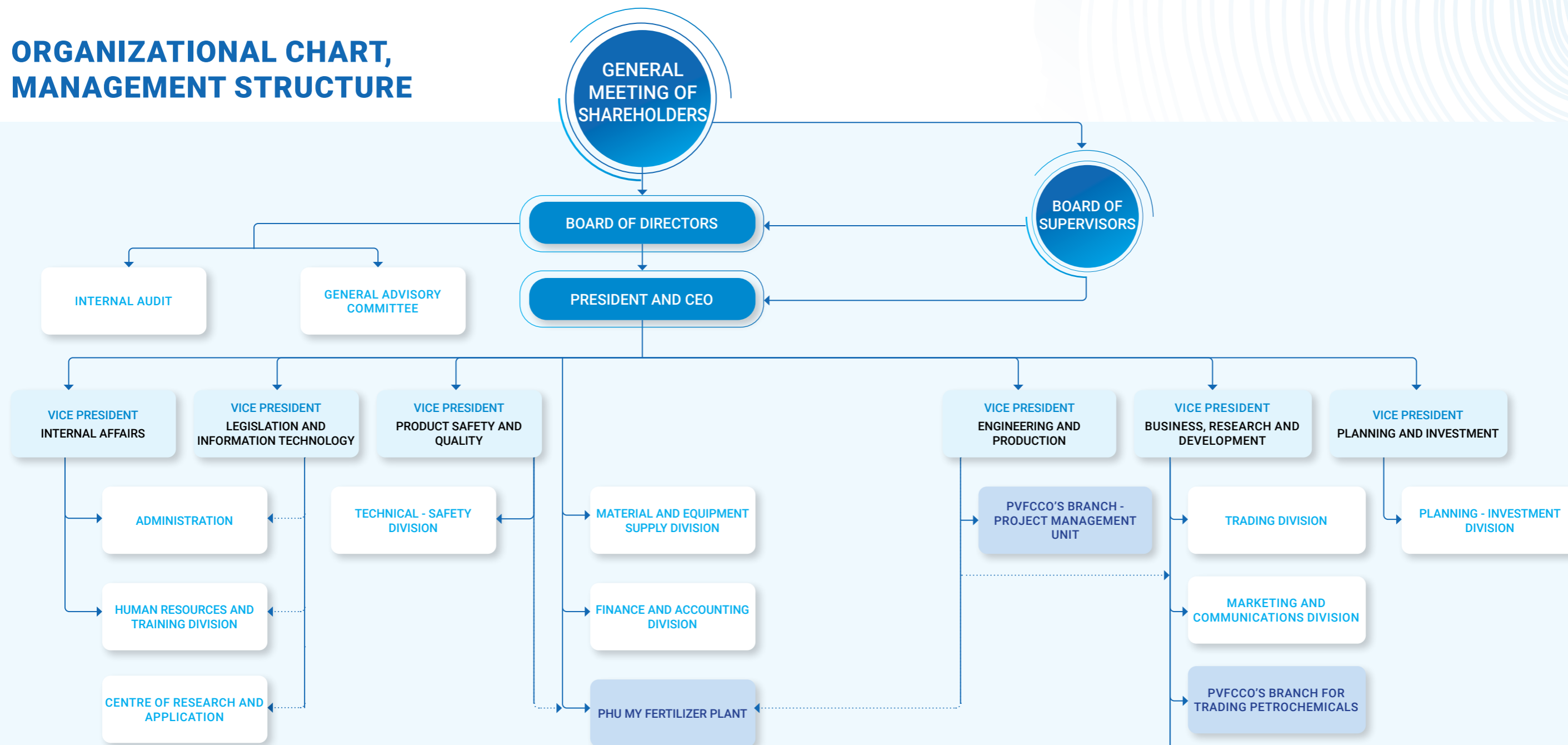
PVFCO's main production is at Phu My Fertilizer Plant located in Phu My 1 Industrial Park, Phu My Town, Ba Ria - Vung Tau Province.

The distributors are situated in the agricultural heartland and industrial plants in Vietnam. They form a closely-knitted distribution network of subsidiaries and their regional headquarters are located in the North, Central and Highlands, Southeast and Southwest. In addition to the domestic market, the Corporation also exports fertilizer products to many countries, predominantly in Asia.

The key customers and markets for chemicals are in the South, mainly in the oil & gas industry and industrial production sectors.



ORGANIZATIONAL CHART, MANAGEMENT STRUCTURE



General meeting of shareholders
Board of Directors
Board of Management
Board of Supervisors

Divisions:

- ◆ General Advisory Committee
- ◆ Internal Audit
- ◆ Planning - Investment Division
- ◆ Human Resources & Training Division
- ◆ Trading Division
- ◆ Marketing and Communications Division
- ◆ Finance & Accounting Division
- ◆ Technical - Safety Division
- ◆ Material and Equipment Supply Division
- ◆ Administration

Dependent accounting units:

- ◆ Phu My Fertilizer Plant
- ◆ PVFCCo's Branch for Trading Petrochemicals
- ◆ Project Management Unit
- ◆ Research and Development Center

Independent accounting units:

- ◆ North Petrovietnam Fertilizer and Chemicals Joint Stock Company
- ◆ Central Petrovietnam Fertilizer and Chemicals Joint Stock Company
- ◆ South-East Petrovietnam Fertilizer and Chemicals Joint Stock Company
- ◆ South-West Petrovietnam Fertilizer and Chemicals Joint Stock Company

BOARD OF DIRECTORS



MR. HOANG TRONG DUNG

Chairman of the BOD
 Year of Birth: 1973
 Qualifications: Technology engineer, Master of Economics



MR. LE CU TAN

Member of the BOD cum President and CEO
 Year of Birth: 1967
 Qualifications: Marine Engineer, Bachelor of Business Administration, Master of Automation Engineering



MR. DUONG TRI HOI

Member of the BOD
 Year of Birth: 1978
 Qualifications: Industrial Electricity Engineer, Bachelor of Economics in Investment Planning



MR. LOUIS T NGUYEN

Independent member of the BOD
 Year of Birth: 1963
 Qualifications: Bachelor of Accounting and Finance



MR. TRINH VAN KIEM

Member of the BOD
 Year of Birth: 1973
 Qualifications: Bachelor of Business Administration

BOARD OF SUPERVISORS



MR. HUYNH KIM NHAN

Chief Supervisor
 Year of Birth: 1976
 Qualifications: Bachelor of Corporate Finance, Master of Business Administration



MR. LUONG PHUONG

Member of the BOS
 Year of Birth: 1973
 Qualifications: Bachelor of Finance and Credit



MR. LE VINH VAN

Member of the BOS
 Year of Birth: 1969
 Qualifications: Bachelor of Economics in Finance and Accounting

BOARD OF MANAGEMENT



MR. LE CU TAN

Member of the BOD cum President and CEO
 Year of Birth: 1967
 Qualifications: Marine Engineer, Bachelor of Business Administration, Master of Automation Engineering



MR. LE VAN QUOC VIET

Vice President
 Year of Birth: 1962
 Qualifications: Bachelor of Economics in Planning



MS. LE THI THU HUONG

Vice President
 Year of Birth: 1975
 Qualifications: Master of Business Administration



MS. TRAN THI PHUONG THAO

Vice President
 Year of Birth: 1970
 Qualifications: Bachelor of Economics in International Trade



MR. CAO TRUNG KIEN

Vice President
 Year of Birth: 1976
 Qualifications: Bachelor of Economics



MR. DAO VAN NGOC

Vice President
 Year of Birth: 1977
 Qualifications: Master of Business Administration, Refinery and Petrochemical Engineer



MR. TA QUANG HUY

Vice President
 Year of Birth: 1978
 Qualifications: Chemical Engineer



MR. VO NGOC PHUONG

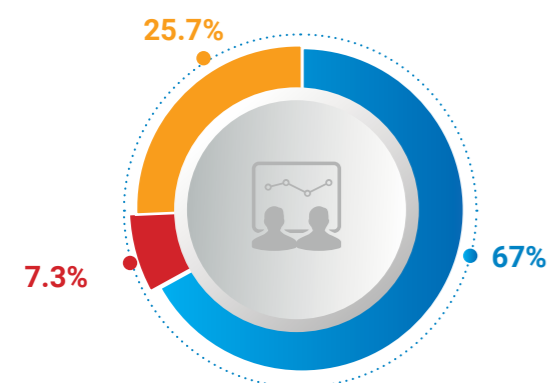
Chief Accountant
 Year of Birth: 1978
 Qualifications: Bachelor of Finance (Money and Credit)

CHANGES IN THE BOD, BOS AND BOM

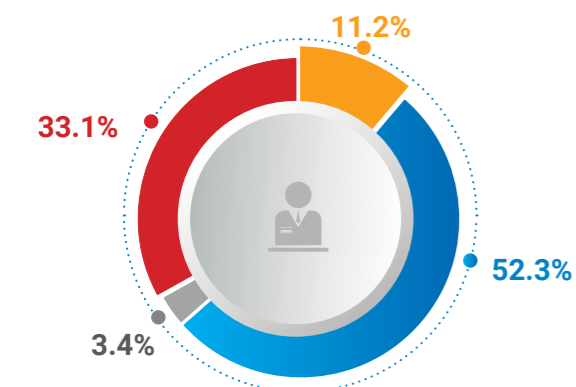
In 2022, the Corporation had no personnel changes in The BOD, BOS and BOM.

HUMAN RESOURCES MANAGEMENT

The Corporation's entire workforce, as of 31 December 2022 (including the parent firm and its subsidiaries) is 1,499 individuals, 356 of whom are female, a decrease of 9 people over 2021.



Classification by qualification	Quantity (employees)	Percentage (%)
University, College and Postgraduate	1,004	67
Vocational	110	7.3
Technical and Others	385	25.7
Total	1,499	100



Classification by expertise	Quantity (employees)	Percentage (%)
Leadership and Management	168	11.2
Technical and Professional	783	52.3
Supporting staff	52	3.4
Workers	496	33.1
Total	1,499	100

LABOR POLICY

Human resources policy



The Corporation has established, promulgated, and implemented a wage scale and table with the goal of paying salaries comparable with the market, in compliance with applicable law and the current state of production and business. As a result, the Corporation has completed and implemented a 3P system for evaluating job performance (KPIs) and compensating employees based on the findings of capacity assessments and individual work performance.



The Corporation administers Social Insurance, Health Insurance, Unemployment Insurance, and Occupational Accident and Disease Insurance for its employees in complete compliance with the rules of the Social Insurance Law and other Government regulations. In addition to this, the Corporation offers the following insurance programs: Health Care Insurance for employees, Voluntary pension insurance, Accident insurance for employees who travel overseas on business, and Life Insurance for employees, depending on the Corporation's production and business performance.



Additionally, the Corporation has issued an employment policy that maintains and enforces welfare policies for all employees, as well as a number of preferred policies for competent and loyal employees at the management level and above, which include Salary, bonus, training, study, rest, housing, and other welfare arrangements.

Training and development policy



Training and development of human resources always play a very important role in production, business, and sustainable development, and the Corporation has accordingly paid attention to and developed mechanisms, policies, and regulations for scientific training which encourages staff and employees to improve their professional qualifications, including external training services and internal training.



Chapter 3

CORPORATE PERFORMANCE REPORT 2022

TRANSFORMING EFFORTS

Determining that continuous innovation is the key to maintaining its leading position, PVFCCo has been promoting its digital transformation strategy, optimizing operating methods and improving operational management capacity. At the same time, PVFCCo has also considered investing in creating new high-quality products, in line with modern agricultural trends, collaborating with farmers to contribute in the creation of bountiful harvests.



2022'S FERTILIZER-CHEMICAL MARKET OVERVIEW AND 2023'S FORECAST

2022'S WORLD SUPPLY AND DEMAND OF UREA

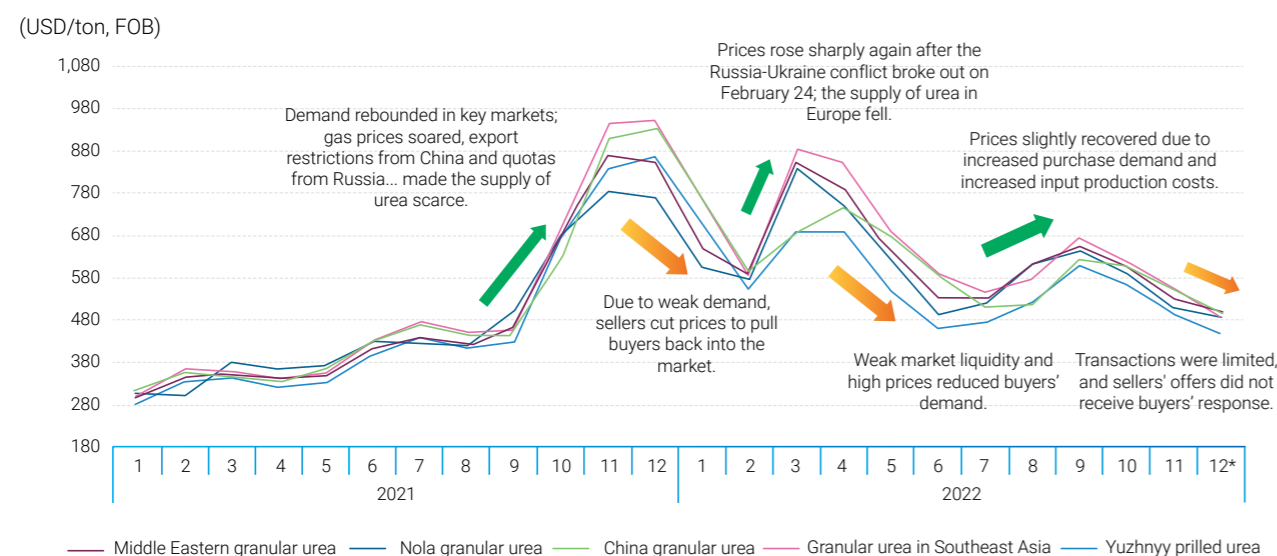
In 2022, global Urea supply was expected to reach 182-183 million tons, up 2% from 2021. The output increase was mainly from such markets as Nigeria, Brunei, India and Brazil and it offset the output decline in Europe and Asia. Accordingly, right from February, Dangote Fertilizer's second urea plant in Lekki (Nigeria) with a capacity of 3 million tons/year (the second largest in the world) was put into operation, and the urea plant of Brunei Fertilizer Industries (BFI) with a capacity of 1.4 million tons/year in Brunei also commenced its commercial production. In contrast, urea output tends to decrease by 50% in Europe due to the impact of the Russia-Ukraine conflict since late February 2022, forcing many factories to close or suspend production due to lack of input materials. In Asia, the incident at Pupuk Indonesia's Kaltim 5 plant along with China's continued restriction on urea exports until the end of 2022 resulted in a reduction in export output.

The International Fertilizer Association (IFA) expects that in 2023, the world urea production capacity may be adjusted down in Russia, Ukraine and Belarus (based on the possibility that the export capacity of these countries may be affected by international sanctions and logistics-related problems in Ukraine). Supply in Western and Central Europe may also be adjusted based on disrupted natural gas supplies from Russia.

WORLD UREA PRICE IN 2022

The price of urea in 2022 increased by 23-42% compared to the price in 2021. The price increased sharply in the first quarter and was considered the highest price since 1995 until now due to the impact of the Russia-Ukraine conflict, which shaped the supply shortage in Europe. However, prices turned around and fell in the second quarter. In the third quarter, prices increased due to a sharp increase in natural gas prices, which reduced urea supply in Europe. In the fourth quarter, the price decreased again when sellers' offers did not secure any buyers' feedback.

Monthly average price of granular urea in some regions in the period of 2021-2022

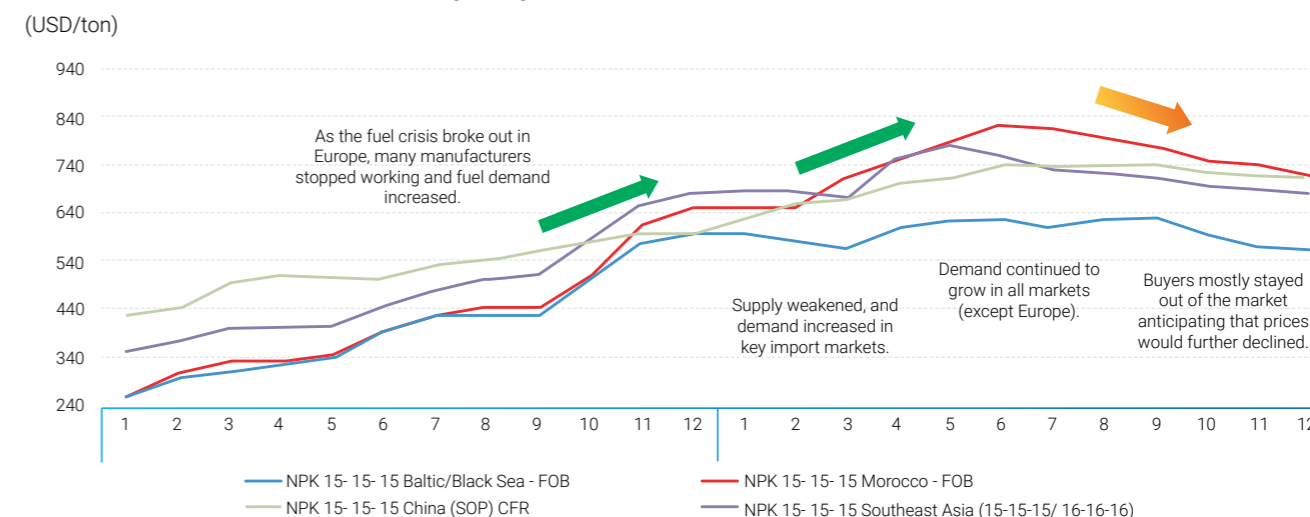


Source: AgroMonitor (December*: as of December 13)

NPK MARKET

Similar to urea, the world supply of NPK in 2022 was weak, and NPK prices increased strongly by 35-77% compared to prices in 2021 in most markets.

Average monthly NPK price developments in some regions from January 2021-2022.

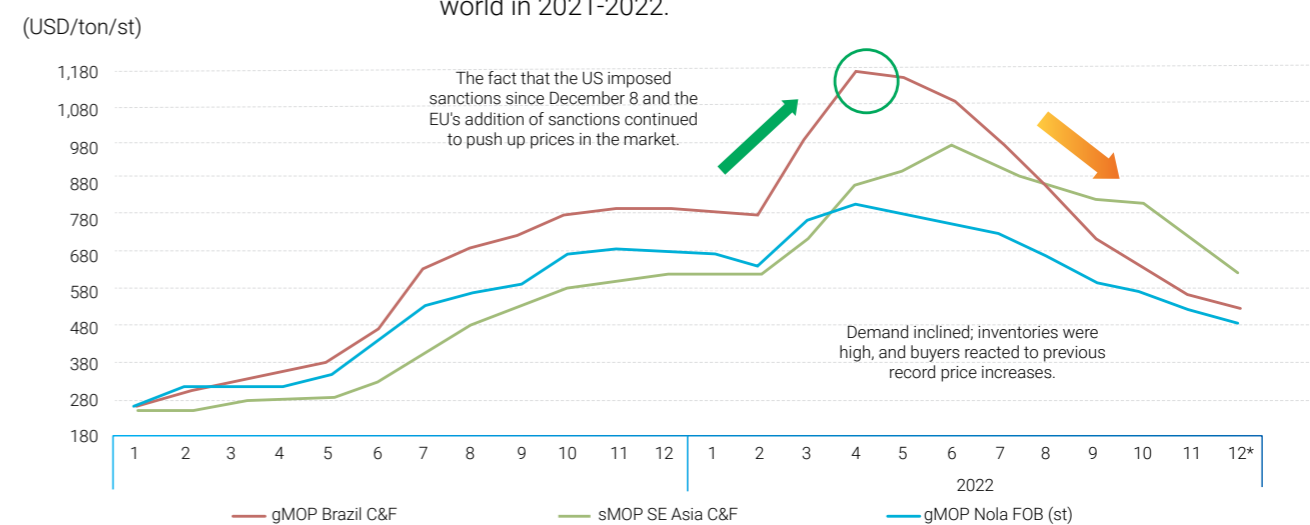


Source: AgroMonitor (December*: as of December 13)

MOP MARKET

The world MOP prices in 2022 increased by 62-94% compared to that of 2021. Prices increased mainly in the first quarter and the first half of the second quarter, then gradually weakened towards the end of the fourth quarter.

The average monthly MOP price developments in some markets around the world in 2021-2022.



Source: AgroMonitor (December: as of December 13)

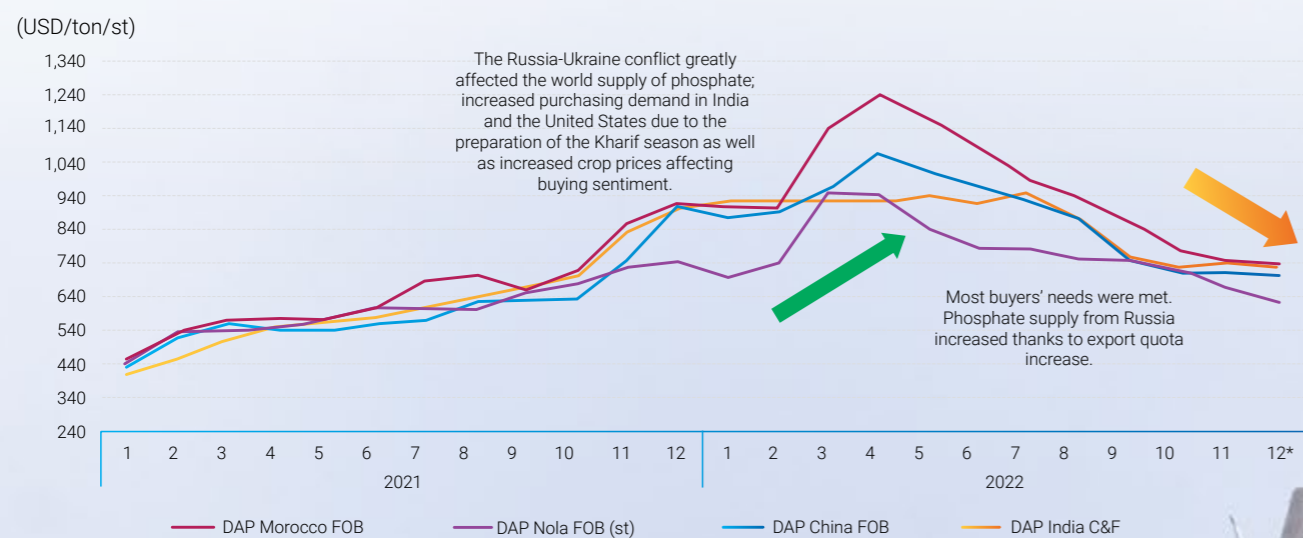
2022'S FERTILIZER-CHEMICAL MARKET OVERVIEW AND 2023'S FORECAST (continued)



In 2022, world production of phosphoric acid was estimated to reach 89 million tons, up 7% compared to that of 2021. The increase in production was supported by the recovery of production in the US and Brazil and better-than-expected output in Russia this year. Phosphate production was estimated to increase by 4% in 2022 to 52 million tons of P2O5. However, the commercial transaction of DAP/ MAP in 2022 was estimated to decrease 5% compared to that of 2021 to nearly 32 million tons due to the influence of reduced purchasing power and slowness due to low solvency.

DAP price increased sharply in the first 4 months of 2022, then weakened and continuously decreased from May and lasted until the first half of December. People's purchasing demand decreased compared to that of the same period in 2021 due to high prices affecting their ability to pay.

Average monthly DAP price developments in some regions in 2021-2022



Source: AgroMonitor (December*: as of December 13)

DEVELOPMENTS OF THE DOMESTIC FERTILIZER MARKET IN 2022

Urea supply and demand in Vietnam market 2022

The Vietnam urea market in 2022 was mainly supported by exports when it increased sharply compared to 2021 and was a bright spot supporting a number of other supply and demand indicators. Exports in 2022 increased by about 322,000 tons (78% higher) to 733,000 tons, accounting for 30% of domestic production (while 2020-2021 only accounted for 17-19% of production). The sharp increase in exports largely offset the decline of about 420,000 tons in domestic consumption for crops and used as raw materials for fertilizer production. At the same time, it also supported the country's urea production

to increase slightly compared to 2021, despite the escalation of production costs (ammonia, natural gas, etc.).

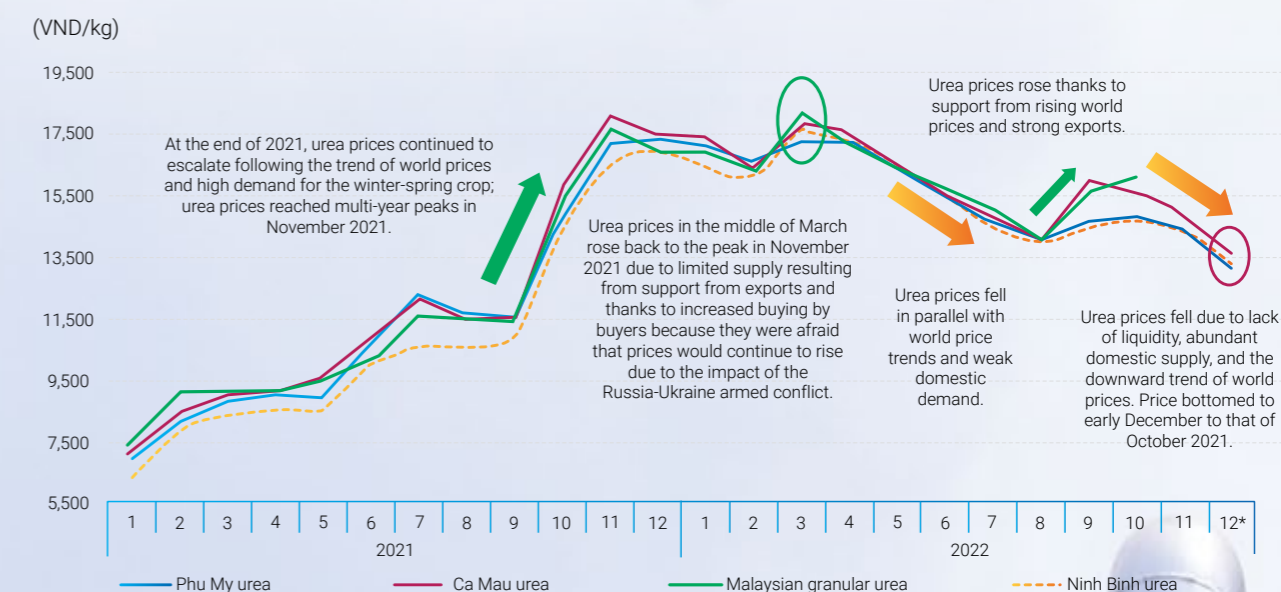
Urea inventories at the beginning of 2022 were at 346,000 tons, but right at the end of January, inventories decreased to 251,000 tons and stayed below 300,000 tons until the beginning of August. However, from the end of August to the beginning of October, inventories increased to over 300,000 tons; and from the end of October to December, inventories jumped to about 400,000 tons.

Urea price in the Vietnamese market in 2022

Urea prices traded in Vietnam's domestic market in 2022 increased in the first quarter. However, from April to the end of August, urea prices kept a continuous downward trend; from early September, they increased again thanks to the support from world prices and increased exports. The price uptrend lasted about 2 months; then prices continued the downtrend due

to lack of liquidity and abundant domestic supply although exports were still sustained. Urea prices in 2022 bottomed around early December. In general, urea prices in Vietnam in 2022 were much higher than they were in the same period in 2021 (except for the last 2 months of the year), with an average increase of VND 3,000-6,000/kg (21-45% higher).

The average monthly urea price developments traded in District 7, Ho Chi Minh City, in 2021-2022



Source: AgroMonitor



2022'S FERTILIZER-CHEMICAL MARKET OVERVIEW AND 2023'S FORECAST (continued)

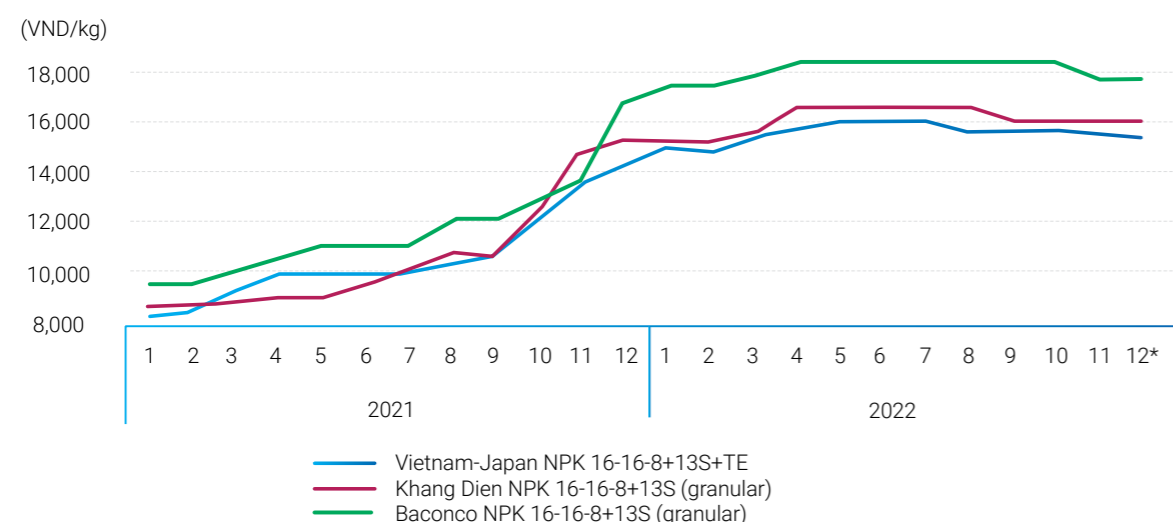


NPK MARKET

The NPK market in Vietnam in 2022 was similar to those of straight fertilizers; the sharp increase in price reduced the total demand and reduced the output of factories compared to that of 2021. It was estimated that NPK production in 2022 reached 2.6 million tons, down 18% compared to that of 2021. Commercial enterprises also reduced NPK imports to 353,000 tons, (down 19%). On the demand side, consumption in 2022 decreased by 590,000 tons (down 17.9%) to 2.7 million tons; exports also decreased to 292,000 tons (in 2021 it was 360,000 tons). Because of low consumption and the factory's reduced output, NPK inventory at the end of 2022 decreased to about 284,000 tons, down 15% compared to that of the beginning of the year. This was a relatively low level of inventory.

In 2022, the price of NPK products at factories continuously increased in the first 5 months of the year when the prices of most straight fertilizers reached their peak of the whole year. However, in the second half of 2022, NPK price was almost flat although straight fertilizer price cooled down because NPK factories still had inventories of raw materials purchased at high prices, so production costs were still high.

Average monthly NPK price developments traded in District 7, Ho Chi Minh City in 2021-2022



Source: AgroMonitor

In 2022, the price of MOP in Vietnam was higher than that of 2021 (up 25-92% in Ho Chi Minh City) due to the impact of high import prices while the supply of MOP in Vietnam entirely depended on imports. The decrease of MOP supply and the escalating price in the world and in the country weakened domestic demand compared to that of 2021 (down 49%); NPK factories also reduced their capacity and the amount of MOP purchased to make production materials (down 27%). However, to reduce pressure on domestic prices while world supply was scarce, importers stepped up re-export activities to 3rd countries (up 57% compared to that of 2021).

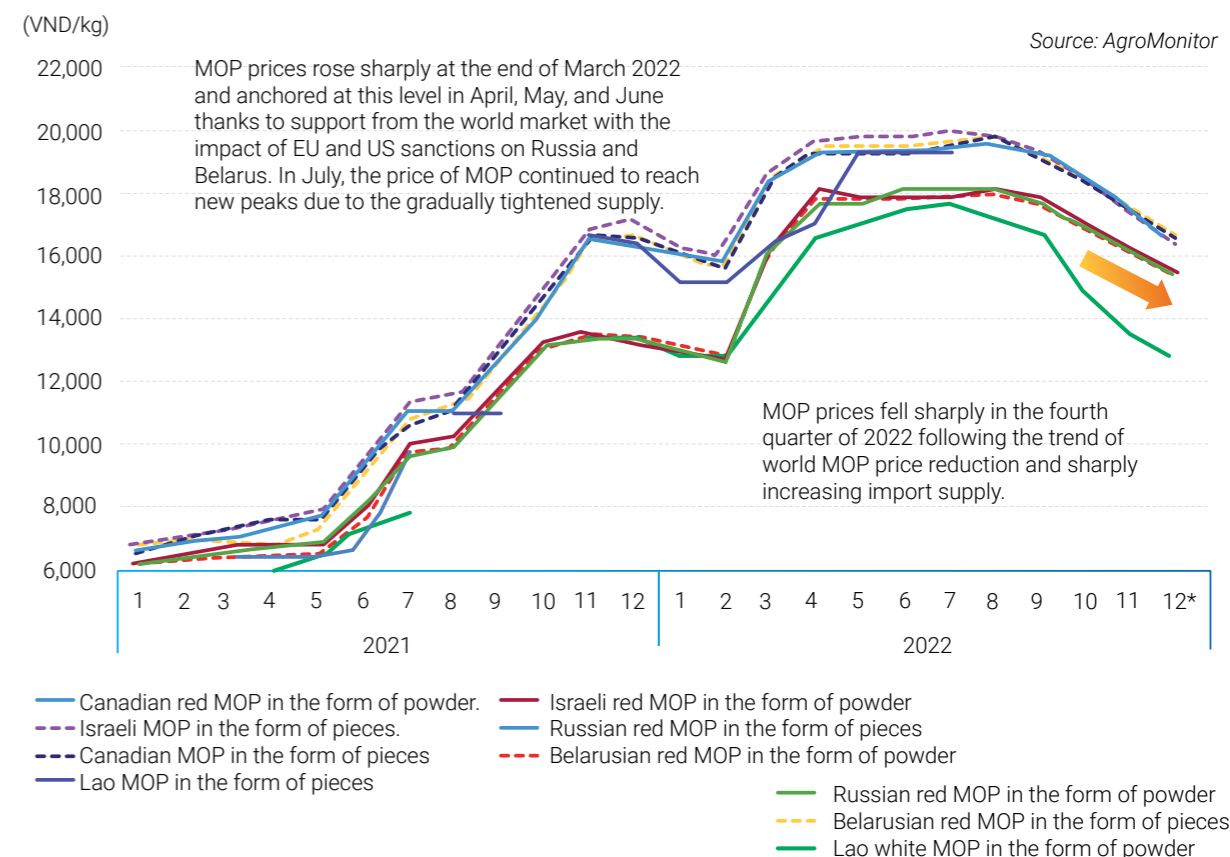
At the same time, importers also sharply reduced their imports compared to 2021's imports, so inventories at the end of 2022 were reduced to 140,000 tons (down 180,000 tons compared to the amount imported at the beginning of the year).

MOP prices traded in Vietnam generally kept an upward trend over the first half of 2022; MOP prices set a new high in March and April 2022, then paused, and gradually decreased in September 2022. On average, in 2022, the price of MOP in the form of powder and pieces in Ho Chi Minh City increased by VND 3000-8000/kg (up 25-92%) compared to that of 2021.



MOP MARKET

Average monthly price of MOP traded in District 7 Saigon (TXS) in 2021-2022.

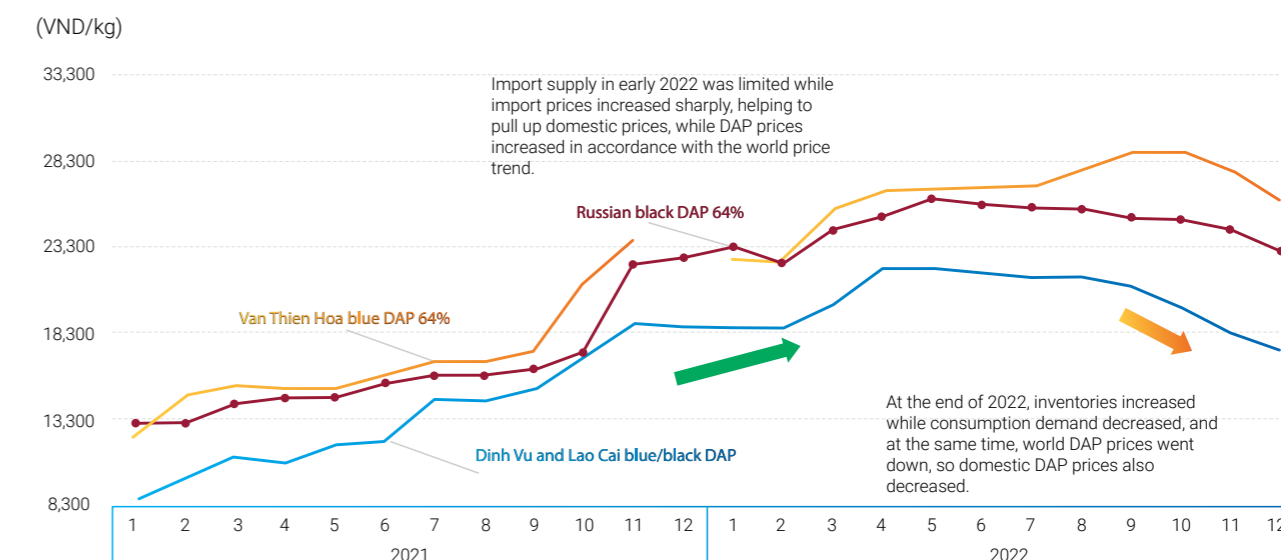


DAP MARKET

DAP prices traded in the Vietnam market place in 2022 generally kept an upward trend, especially for Chinese DAP and Korean DAP, due to limited import volume. Meanwhile, domestic DAP grew more slowly and fell sharply from the end of the third quarter and throughout the fourth quarter.

For imported goods, in 2022, in Ho Chi Minh City, the price of Korean black DAP increased by 64%, continuously setting new price peaks in October. For domestic goods, in 2022, in Saigon, Dinh Vu/Lao Cai blue DAP prices peaked in April and fell to the lowest price in December and average prices in 2022 were 51-56% higher than those in 2021.

Average monthly DAP pricing details traded in District 7, Ho Chi Minh City, in 2021-2022.



Source: AgroMonitor

2022'S FERTILIZER-CHEMICAL MARKET OVERVIEW AND 2023'S FORECAST (continued)

Policies related to the fertilizer market in 2022

In 2022, for the fertilizer tax policy, Vietnam has made the following specific changes:

The import and export tax rate for Vietnam's fertilizers in 2022-2023 has not yet been adjusted compared that of 2021. However, the Ministry of Finance is collecting opinions and is expected to submit to the Government for regulations on unifying an export tax rate of 5% for fertilizers regardless of the mineral resource ratio (NPK alone is not subject to tax).

From February 7, 2022 to September 6, 2022, the safeguard tax rate for Vietnam's DAP/MAP has been reduced to VND 1,007,778/ton, down from VND 1,209,219/ton previously. However, from September 7, 2022, because the Ministry of Industry and Trade decided not to extend the safeguard tax on DAP and MAP, the safeguard tax was reduced to 0 VND/ton.

There has been no official information on the imposition of VAT on fertilizers.

Prospects for 2023

For urea, it is expected that fertilizer demand will recover in 2023 compared to that of 2022. The market mainly expects user demand to increase to compensate after a year of drastic reduction in all nutrients for plants; the possibility that the domestic market urea price will decrease due to the decrease in world urea price in 2023 will help people continue to increase investment in fertilizers to increase production productivity. However, it is likely that Vietnam's fertilizer demand will remain lower than that of 2021. Specifically, AgroMonitor estimates that Vietnam's fertilizer demand will increase by 10-18% compared to that of 2022 but will be about 8-13% lower than that of 2021. It is predicted that there is strong increase in DAP (28-46%), urea (12-16%), and MOP (15-26%); lower increase of other fertilizers is expected (7-14% for NPK, 7-11% for SA, etc.).

For NPK, AgroMonitor forecasts that in 2023, production and consumption will move in the same direction; recovery will be slow in the first half of the year and may be more positive in the last months of the year if the straight fertilizer pricing declines significantly. Regarding imports, in the beginning of 2023, it is forecast that there will be a return of Russian goods after imports being halted from July 2022 (importers have signed contracts to buy since the end of the year); However, the rumored price has not decreased significantly compared to that of the orders from mid-2022 and the amount of NPK imported from Russia is still subject to NPK export quota in the first half of 2023. NPK from China is rumored to increase owing to the possibility that China will gradually loosen its export policies in 2023.

MOP supply in Vietnam depends on imports, so in 2023 it will continue to be affected by world supply

and prices. ICI experts forecast that in 2023 the world supply of MOP may not be guaranteed because the sanctions against Belarus and Russia are still in place etc. Therefore, the MOP price may remain high. However, after consumption demand in Vietnam and the world both fell sharply in 2022, the market expects demand to recover in 2023 although it is difficult to return to 2021's levels. AgroMonitor forecasts MOP consumption in Vietnam in 2023 will increase 24-35% compared to that of 2022 to 230,000-250,000 tons, but still reduced by 110,000-130,000 tons compared to 2021's figures. Import volume is also forecasted to increase to 800,000-900,000 tons, an increase of 250,000-350,000 tons compared to 2022's import volume but there will still be a decrease of 300,000-400,000 tons compared to 2021's figures.

For DAP, in 2023 the import amount is expected to increase compared to 2022's; however, the increase may be more obvious in the second half of 2023. AgroMonitor predicts that DAP imports in 2023 will increase to 350,000-400,000 tons, an increase of over 20% from 292,000 tons in 2022, and will return to the level of 2021, when China began to tighten its export activities due to the escalating DAP price because of the energy crisis. Domestic consumption of DAP (for crops and NPK production) in 2023 will increase to 570,000-650,000 tons, up from 445,000 tons in 2022, but still down from 770,000 tons in 2021. For domestic production, according to the production plan of DAP factories in 2023, output will increase again after a sharp decline in 2022. However, factories will monitor supply and demand and price trends to flexibly adjust production according to the actual direction. It is forecasted that the output in 2023 will reach 400,000-420,000 tons, an increase of 337,000 tons compared to that of 2022.

BOARD OF MANAGEMENT REPORT

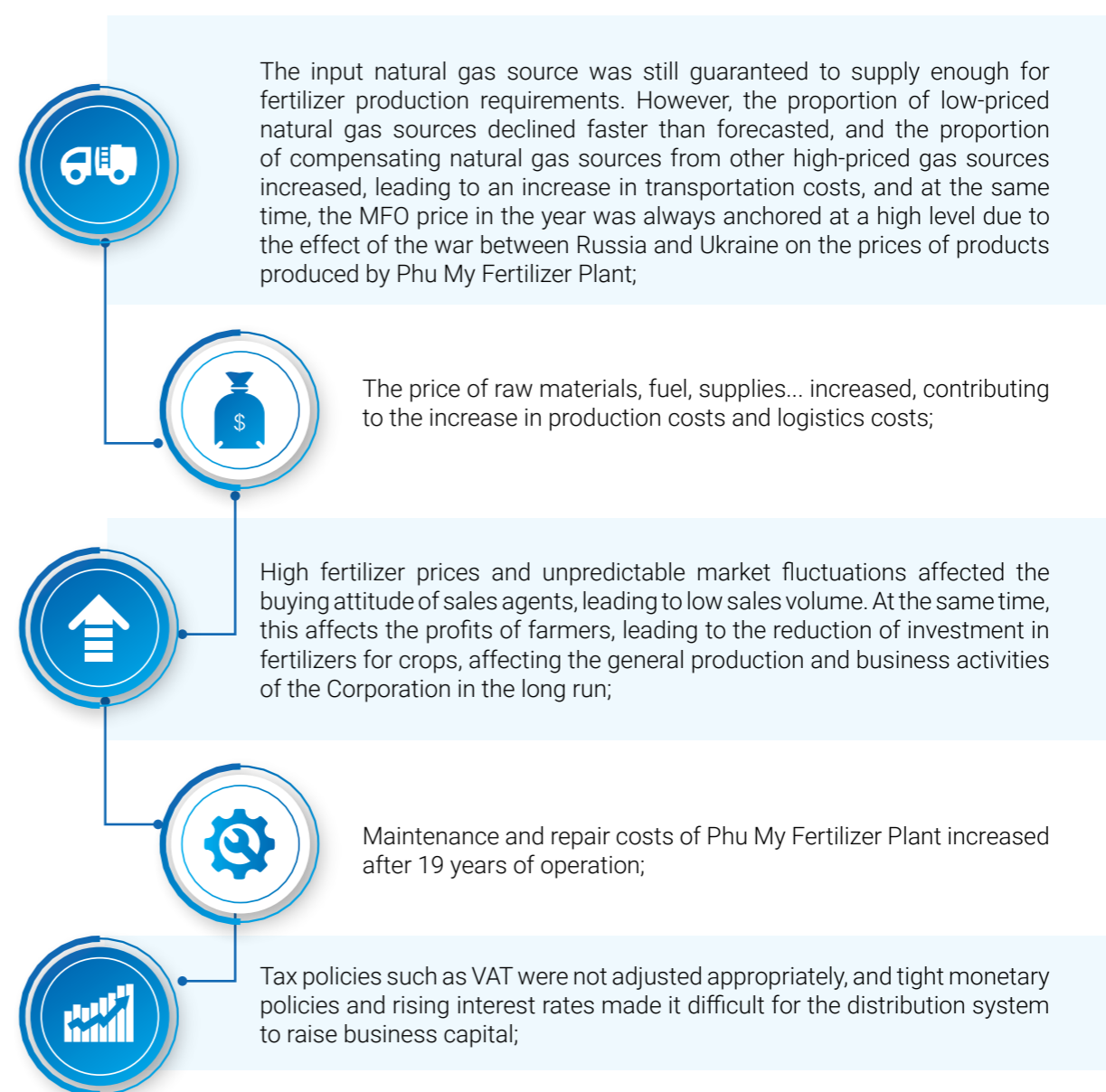
OUTSTANDING FACTORS AFFECTING PRODUCTION AND BUSINESS ACTIVITIES IN 2022

The Corporation's business operations in 2022 took place with inherent advantages and difficulties as well as those arising during the year.

As far as favorable factors involved, objectively speaking, in the fertilizer market in 2022, the price of most fertilizer products continued to increase, especially the price of urea, a key product of

the Corporation, was the highest increase ever. Subjectively, the reputation of the Phu My fertilizer brand and PVFCCo's distribution system have positively promoted wide coverage of consumption areas; Production activities of Phu My Fertilizer Plant remained stable at high capacity thanks to sufficient natural gas input and a healthy financial condition to meet production and business activities.

However, in 2022 PVFCCo faced many difficulties:



BOARD OF MANAGEMENT REPORT (continued)

In the actual situation and conditions of production and business activities in 2022 as reviewed and evaluated above, on the basis of the tasks and targets of the annual plan approved by the General Meeting of Shareholders, PVFCCo's Board of Management organized the implementation of timely, synchronous and flexible solutions, helping the Corporation achieve business results in 2022 for each specific field as follows:



Production

With the experience accumulated in periodic maintenance, PVFCCo continued to actively and promptly resolve issues that arose, as well as efficiently carrying out preventative maintenance for production equipment in 2022, which was a crucial factor in minimizing machine shutdowns. The review, adjustment, and application of the requirements were clearly effective, as total energy consumption of production progress in 2022 was lower than targets, and overall fuel, energy savings in the production sector reached VND 235 billion. In particular, there were numerous measures to increase the quality and output of NPK.

Phu My Fertilizer Plant achieved a record production output of 917,000 tons of urea. The NH₃ Revamp - Phu My NPK Complex was operated and taken advantage of effectively. In 2022, the project complex continued to contribute VND 3,537 billion in revenue, equivalent to 19% of the total revenue and VND 983 billion in profit, equivalent to 15% of the Corporation's total profit.

Sales, marketing and product research

In the face of fierce competition, the Phu My urea brand maintained its solid position and market share in the domestic market, while taking advantage of rising prices in the international market, through its progress towards the goal of developing foreign markets. In 2022, the Corporation exported 191 thousand tons of Phu My urea. Furthermore, it has established a market presence with the quality of Phu My NPK, MOP, and DAP, and continues to expand chemical production and business activities. The Corporation was flexible in implementing changes and improvements in transportation, distribution, sales, and inventory policies, among others, to improve the business effect and expand the customer segment, as well as policies on input material inventory to respond to fluctuations in the raw materials market and disruptions in the supply chain.

Capital construction investment and procurement projects

Total disbursement for investment and procurement projects is over VND 118 billion.

Organization, human resources, human resource development and restructuring

The Remuneration Policy Improvement project and KPI project have provided motivation for employees to promote creativity and improvement in their work and assisted the Corporation in retaining highly skilled personnel.

Safety-Health & Environment Policies

Complying with the new requirements on the prevention of the Covid 19 pandemic, the Corporation reviewed and updated the epidemic prevention and control plans according to the recommendations of professional authorities; prepare physical facilities, human resources and means to be ready to respond accordingly to local epidemic forecasting scenarios; Security, safety, fire prevention, and rescue were always appreciated and strengthened by the business units, especially during holidays, Tet, etc. As a result, in 2022 the Corporation did not have any accidents happen affecting labor safety, production and business activities.

Limitations and solutions, details as follows:

Production

After many years of operation, despite regular maintenance, engineering and technical issues have surfaced in fixed equipment at Phu My Fertilizer Plant, which risks the stability of the whole Plant's operation being affected.

Capital Contribution to Associated Companies

The planned divestments and withdrawal of capital from associated companies, such as VNPOLY, PVC Mekong, and Ut Xi Aquatic Products Processing Corporation were delayed, etc., the operations of these companies continued to deteriorate.



Some unmet targets

Sales of fertilizers reached 91% (of which Phu My urea reached 99%, NPK reached 78%, Kebo fertilizer reached 26% and other fertilizers reached 80%), mainly due to: (i) Fertilizer prices fluctuated unpredictably worldwide; (ii) Domestically, the price of agricultural fertilizers increased, and the prices of agricultural products were very unstable; (iii) there were negative effects from the covid-19 epidemic and the political crisis in the countries importing Vietnam's agricultural products; (iv) Tight monetary policies and rising interest rates made it difficult to mobilize capital for business. These impacts made fertilizer marketing very difficult, sales volume in regions were low, and the purchasing power was very weak.

Disbursement ratio of capital construction investment reached 22% of the planned target due to the disbursement progress of the final milestones of NH₃ Revamp - Phu My NPK Complex being unsatisfactory. At the same time, the procurement implementation was not as planned due to the impact of the Covid-19 epidemic and the escalating wars in the world.

BOARD OF MANAGEMENT REPORT (continued)

FINANCIAL ANALYSIS

Assets and Capital



TOTAL ASSETS AS OF 31/12/2022 **17,699** VND billion
 ▲ 27% compared to the beginning balance (17,699/13,918 VND billion)



CASH AND CASH EQUIVALENTS **2,084** VND billion
 ▼ 17% compared to the beginning balance (2,084/2,524 VND billion)
 due to the regulation of the Corporation to switch to savings of VND of 6,880 billion with a term of over 6 months



Liabilities

- ◆ PVFCCo's liabilities as of 31/12/2022 were VND 3,681 billion, an increase of 15% compared to the beginning of the year (VND 3,681/3,205 billion).
- ◆ Total liability to total assets ratio and total liability to equity ratio decreased compared to those of 2021, but the current ratio and quick ratio in 2022 remained higher than 1. This demonstrates a good capacity to pay debts, and the Corporation is not under any pressure on due debt, ensuring good production and business activities.
- ◆ Given the closing balance of Cash and Cash equivalents of VND 2,084 billion, there is sufficient funding for manufacturing, trading and investment projects as planned.



Profitability

Profitability ratios of PVFCCo such as ROE, ROA increased sharply compared to those of 2021 (35% and 40%, respectively).

Outstanding results in production and business:

PRODUCTION OUTPUT

917
thousand tons

ENERGY SAVINGS IN PRODUCTION

235
VND billion

157
thousand tons

SALES REVENUE OF THE NH₃-NPK COMPLEX

3,537
VND billion

74.4
thousand tons

THE NH₃-NPK COMPLEX CONTRIBUTED

983
VND billion
in profit before tax

Production activities: The Phu My Fertilizer Plant has finished its production plan 36 days ahead of schedule, resulting in an annual output of 917 thousand tons of Phu My urea, 11% more than planned - this was the year in which the production output reached a record since the factory came into operation. The production of NH₃ for consumption reached 74 thousand tons - 6% more than planned.

Business activities: Effectively trading about 1.1 million tons of fertilizer (791 thousand tons of Phu My urea; 129 thousand tons of Phu My NPK, 209 thousand tons of other fertilizer) and 136 thousand tons of chemicals.

Revenue reached a record level of VND 19,013 billion, representing 110% of the plan and up 45% YoY.



Profit before taxes reached VND 6,606 billion, achieving 160 % of the plan for the year and an increase of 74% compared to 2021. Profit arrived the yearly target 6 month ahead at a record level since the Corporation started operations. The record high profit level, in addition to the high selling price of the main products, was due to the Corporation's closely monitoring and forecasting of the direction of the domestic and world markets, closely following the epidemic situation to take the initiative in different scenarios and appropriate business management solutions, especially focusing on cost management to cut and reduce costs; focusing on production management to optimize production costs, while improving product quality and reducing consumption of raw materials and energy; managing risks in order to operate with some business flexibly in sensitive market times etc. so as to increase profit and reduce the impact of unfavorable factors (increasing prices, rising interest rates, reducing fertilizer demand).

BOARD OF MANAGEMENT REPORT (continued)

Summary on business performance 2022

No.	Item	Unit	Actual 2021	Plan 2022	Actual 2022	Ratio compared with 2021 (%)	Plan completion rate (%)
A	B	C	1	2	3	4=3/1	5=3/2
I Production output							
1.1	Phu My urea	thousand tons	797	828	917.062	115%	111%
1.2	UFC 85	thousand tons	12.0	12.8	13.231	110%	103%
1.3	NPK	thousand tons	162	165	155.471	96%	94%
1.4	Phu My urea + KeBo	thousand tons	5	10	4.5	98%	45%
1.5	NH ₃ (for trading)	thousand tons	69	70	74.412	108%	106%
II Sales volume							
2.1	Phu My urea	thousand tons	749	800	791.157	106%	99%
2.2	NPK	thousand tons	151	165	129	85%	78%
2.3	Phu My urea + KeBo	thousand tons	3.2	10	2.6	83%	26%
2.4	Other fertilizers	thousand tons	241	260	209.163	87%	80%
2.5	UFC 85	thousand tons	9.4	8.5	9.544	102%	112%
2.6	NH ₃ (for trading)	thousand tons	70	70	71.488	102%	102%
2.7	CO ₂	thousand tons	44	50	54.006	124%	108%
2.8	Chemicals	thousand tons	0.8	0.6	1.031	137%	154%
III Consolidated financial indicators							
3.1	Total revenue	VND billion	13,117	17,239	19,013	145%	110%
3.2	Profit before tax	VND billion	3,799	4,130	6,606	174%	160%

No.	Item	Unit	Actual 2021	Plan 2022	Actual 2022	Ratio compared with 2021 (%)	Plan completion rate (%)
3.3	Profit after tax	VND billion	3,172	3,473	5,585	176%	161%
3.4	Budget payable (paid)	VND billion	466		1,614	346%	
IV Parent company's financial indicators							
4.1	Owner's equity	VND billion	10,503	9,011	13,779	131%	153%
4.2	In which: Charter capital	VND billion	3,914	3,914	3,914	100%	100%
4.3	Total revenue	VND billion	11,951	16,343	16,924	142%	104%
4.4	Profit before tax	VND billion	3,612	4,128	6,507	180%	158%
4.5	Profit after tax	VND billion	3,030	3,489	5,511	182%	158%
4.6	Ratio of Profit after tax/Charter capital	%	77%	89%	141%	182%	159%
4.7	Budget payable	VND billion	423		1,551	367%	
4.8	Investment						
4.8.1	Investment disbursement	VND billion	110	548	118	107%	22%
	Capex	VND billion	89	245	75	84%	30%
	Equipment procurement	VND billion	22	303	43	200%	14%
	Capital investment	VND billion					
4.8.2	Capital investment source	VND billion	110	548	118	107%	22%
	Owner's equity	VND billion	62	548	118	192%	22%
	Loans and others	VND billion	49			0%	

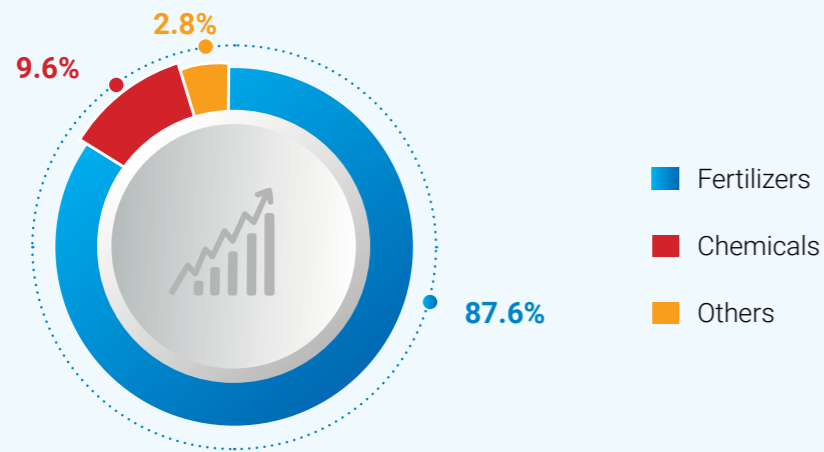
BOARD OF MANAGEMENT REPORT (continued)



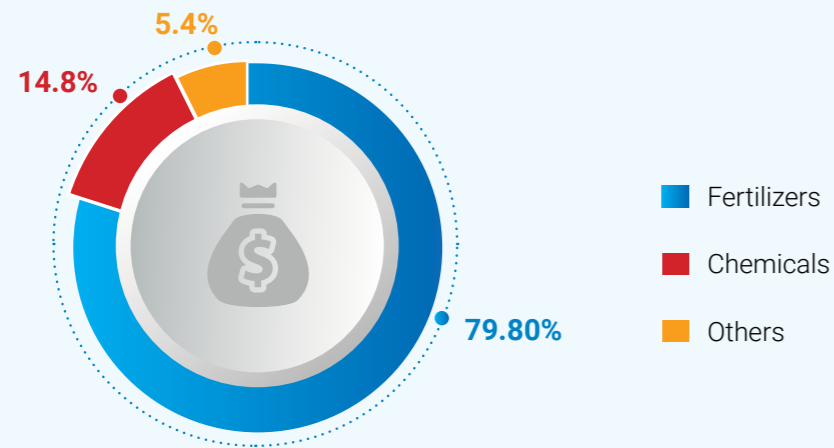
PRODUCTION AND BUSINESS STATISTICS FOR THE CORPORATION'S LEADING PRODUCTS OVER 2012-2022 PERIOD

Production and sales targets

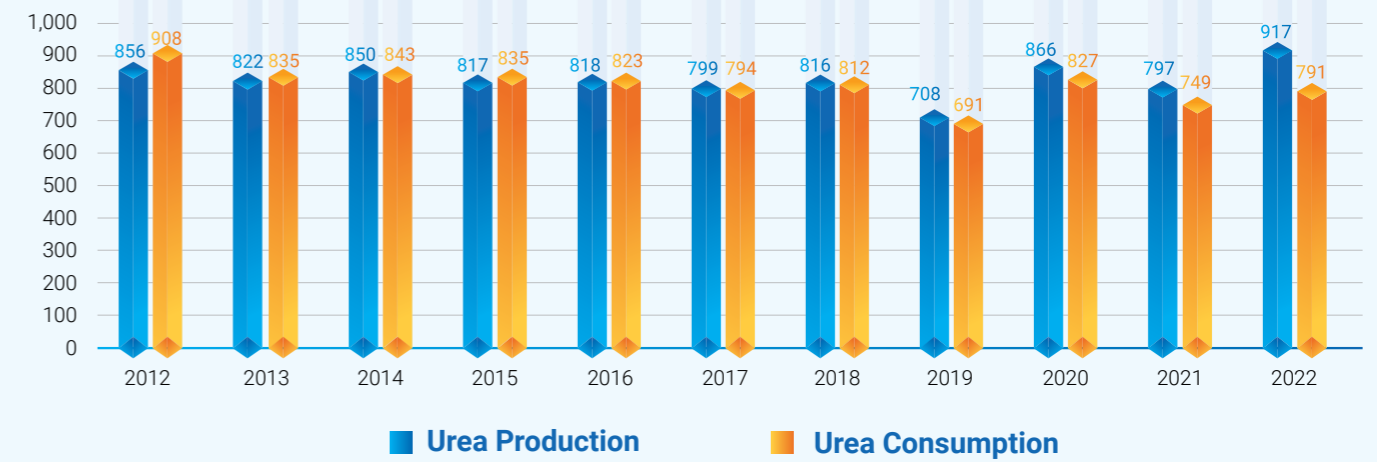
Revenue structure in 2022



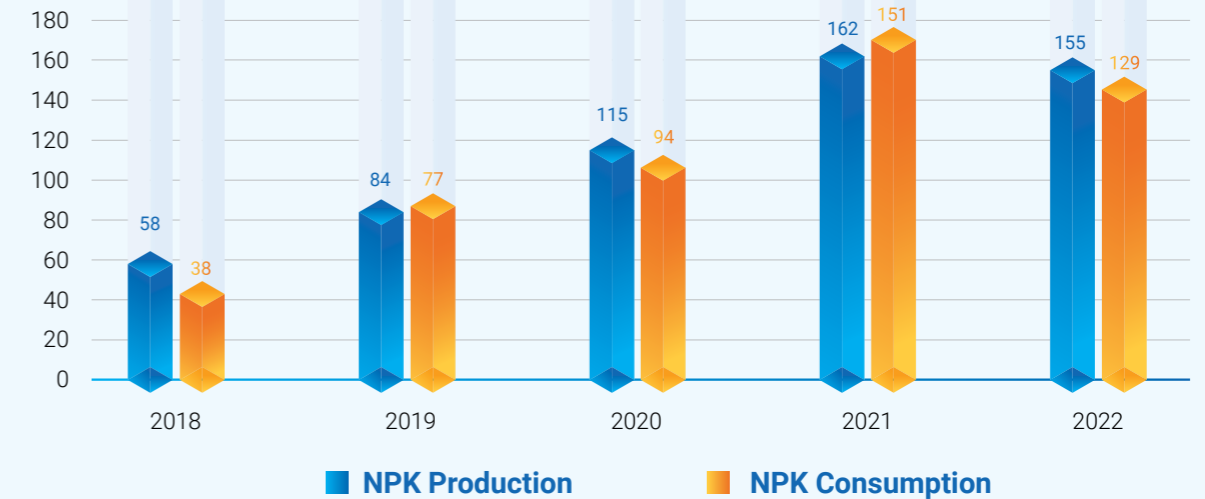
Profit structure in 2022



(thousand tons)

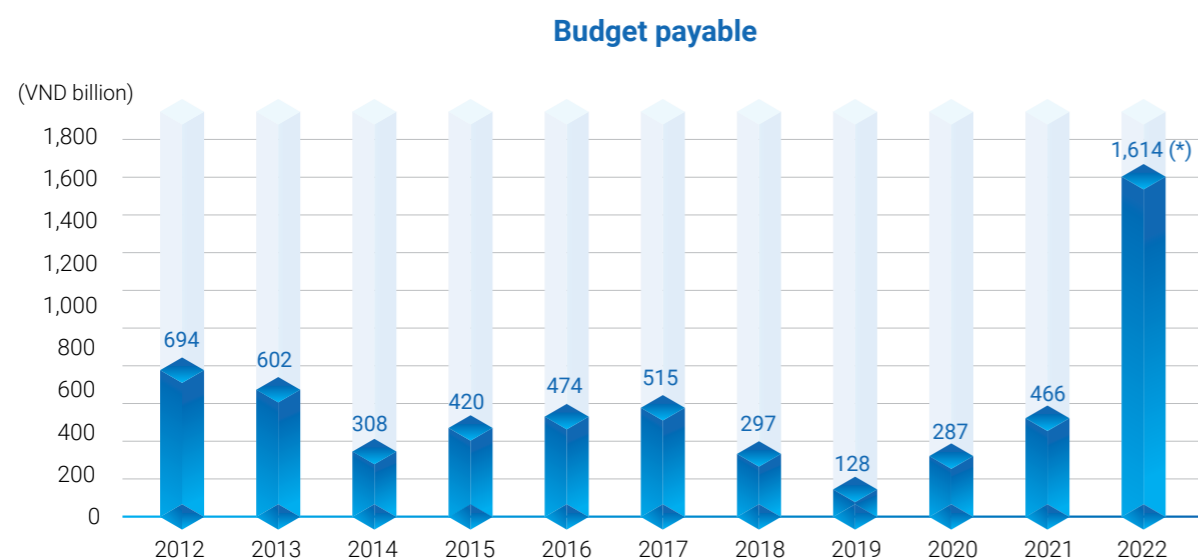


(thousand tons)

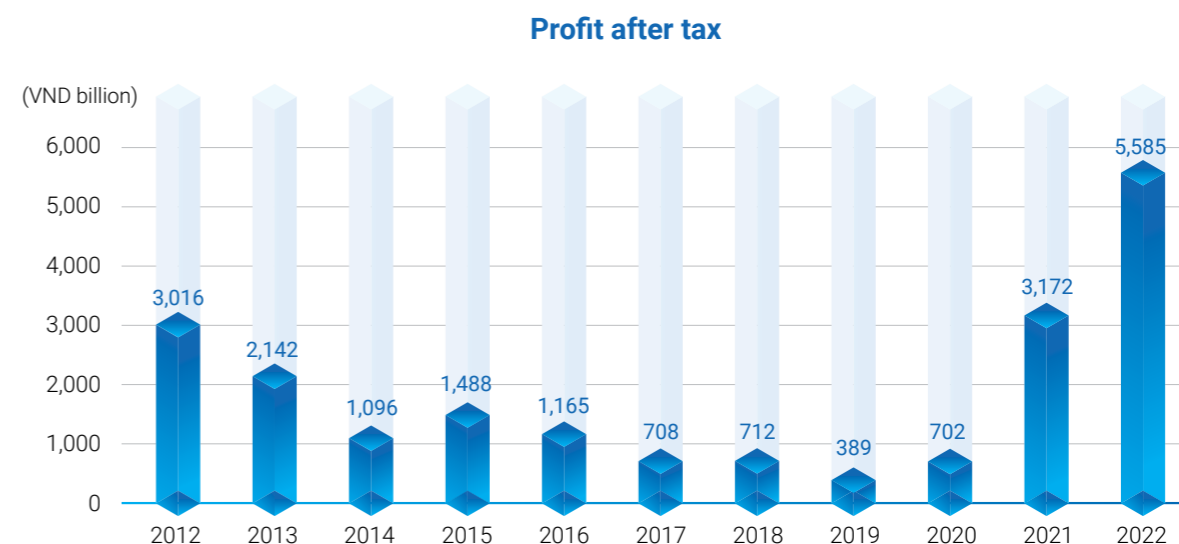


BOARD OF MANAGEMENT REPORT (continued)

Consolidated financial indicators over 2012-2022 period



(*) Actual amount paid in 2022



Investment in and implementation of projects

Major investments:

According to the 2022 plan, total capital for investment in construction and procurement was VND 548 billion. In 2022, PVFCCo disbursed over VND 118 billion, achieving 22% of the plan according to the actual progress.

Return on capital (Summary report on the performance of subsidiaries and capital contributors):

No.	Item	Equity to total charter capital ratio	Total invested capital (VND billion)	Charter capital (VND billion)	Profit after tax (PAT) (VND billion)	PAT to charter capital ratio	2022 dividend (VND billion)
I	Investment in subsidiaries		386.25	515.00	80.06		55.73
1	PVFCCo North	75.00%	90.00	120.00	17.85	14.9%	15.30
2	PVFCCo Central	75.00%	75.00	100.00	29.70	29.7%	18.75
3	PVFCCo SE	75.00%	93.75	125.00	21.31	17.1%	
4	PVFCCo SW	75.00%	127.50	170.00	11.20	6.6%	21.65
II	Investment in joint venture companies		680.90	2,487.80	-814.94		2.00
1	VNPOLY	25.99%	562.70	2,165.11	-819.21	-37.8%	
2	PVC Mekong	35.63%	100.00	280.69	-2.86	-1.0%	
3	PVFCCo Packaging	43.34%	18.20	42.00	7.14	17.0%	2.00
III	Other long-term investments		20.50	396.35	-89.29		0.22
1	PAIC	8.50%	3.60	42.35	3.61	8.5%	0.22
2	Ut Xi Aquatic Products Processing Corporation	6.78%	16.90	354.00	-92.91	-26.2%	
	TOTAL		1,087.65	3,399.15	-824.17		57.94

BOARD OF MANAGEMENT REPORT (continued)

THE CORPORATION'S FINANCIAL PERFORMANCE:

Assets and capital

Unit: VND billion

Item	31/12/2021	31/12/2022	% Increase (Decrease)
TOTAL ASSETS	13,918	17,699	27%
Current assets	9,520	13,579	43%
Non-current asset	4,398	4,120	-6%
TOTAL RESOURCES	13,918	17,699	27%
LIABILITIES	3,205	3,681	15%
OWNER'S EQUITY	10,713	14,017	31%
◆ Charter capital	3,914	3,914	
TOTAL REVENUE	13,117	19,013	45%
TOTAL COST	9,320	12,410	33%
INTEREST	69,3	64,8	-6%
EBIT	3,866	6,668	73%
PROFIT BEFORE TAX	3,799	6,606	74%
PROFIT AFTER TAX	3,172	5,585	76%
◆ Profit after tax of minority shareholders	55	20	
◆ Profit after tax of parent company	3,117	5,565	

Financial indicators

Item	2021	2022
Liquidity ratios		
Current ratio	4.42	4.53
Quick ratio	3.13	3.24
Solvency ratios		
Total debt/total assets	23%	21%
Total debt/total equity	30%	26%
Operational capacity ratios		
Inventory turnover	3.77	3.25
Net revenue/total assets	1.01	1.18
Profitability ratios		
Net profit after tax/Net revenue	24.80%	29.98%
ROE	33.45%	45.17%
ROA	25.15%	35.33%
EPS	7,749	13,897

BOARD OF DIRECTORS REPORT

ASSESSMENTS OF THE BOARD OF DIRECTORS ON PVFCCO'S OPERATIONS



Corporate Governance review by the BOD

In accordance with the Enterprise Law 2020, PVFCCo applied a corporate governance model that includes a General Meeting of Shareholders, a Board of Supervisors, and a Board of Management. Corporate governance complied with and met the requirements of Decree No. 155/2021/ND-CP, dated 31/12/2020, issued by the Government. All internal operations, supervision, and auditing were covered by the corporate governance practices. The financial statements were prepared in accordance with the law, reflecting accurately and honestly the production and business activities of the Corporation, and they were audited by renowned external auditors approved by the Ministry of Finance. Members of the BOD, BOS, and BOM are capable and qualified, and their services are free of conflicts of interest. They have performed their roles and duties effectively, contributing to help the Corporation to fulfill its annual production and business plan. The Corporation is constantly working to improve its governance management, heading towards successfully applying upstanding practices such as: improving the BOD's governance efficiency, improving the supervision of the BOS, implementing supportive solutions in management and administration of production and business: ERP, ISO, KPI management and performance evaluation systems, etc.

BOARD OF DIRECTORS REPORT (continued)



Overview

In 2022, Vietnam's economy achieved impressive growth after the COVID-19 pandemic in the context of a slow recovery by the world economy and the influences of the Russia-Ukraine conflict.

The fertilizer sector was generally affected by the pandemic last year, following the impact of the supply chain that was not yet escaped from the state of disruption and stagnation due to the world political situation; the agriculture industry, which was experiencing many difficulties of its own, directly affected the overall demand for fertilizer consumption. Other difficulties persisted in 2021, as non-deductible input VAT which continued to account for a sizable portion of production costs. However, the world fertilizer market was affected by the pandemic and the war in Ukraine, which limited the supply of imported fertilizer, which in turn has raised the selling price and boosted profit margins for domestic fertilizer manufacturers. Simultaneously, the efforts to overcome pandemic-related disadvantages, manage costs, and capitalize on opportunities by PVFCCo's leaders and employees, timely attention, leadership, direction, and support from authorities, Vietnam Oil and Gas Group, and companionship and sharing from valued shareholders, the Corporation has met the Corporation's primary obligations under the 2022 production plan with the highest profit in history.

The discussions from the two Annual General Meetings of Shareholders are summarized as Advantages and Limitations. The Corporation successfully achieved and exceeded its annual planned targets in production, and operations and financial performance.

Along with guaranteeing the optimal production and sales efficiency of the Corporation's flagship products, Phu My urea and Phu My NPK, the Corporation concentrated on cost and asset management in 2022, as well as boosting the operations of self-employed fertilizer distributors. The Corporation aggressively promoted the sale of its specialty Phu My fertilizer products (DAP, SA, Phu My MOP), which contributed to the overall success outcomes while maximizing the distribution system's efficiency. The distribution subsidiaries took the initiative to steadily increase their business's competitiveness in fertilizers and oil and gas chemicals. The Corporation exported about 191 thousand tons of urea.

The Phu My Fertilizer Plant exceeded the urea production plan with a new record output of 917 thousand tons.

The Corporation has adopted an honesty and transparency policy. As an award-winning organization, the management adhered to these principles as a foundation and standard for best practices. In 2022, the Corporation maintained an effective integrated management system in accordance with ISO 9001 - 2008, OHSAS 18001 - 2007, and ISO 14001 - 2004; systems such as ERP, STOP, 5S, Six Sigma, CBM, RCA, FMEA, RBI, and RCM, and so on. The Corporation also developed a set of measures to determine the effectiveness of its key performance indicators and salary innovation projects (3P). The intention of this initiative is to foster a professional, fair, and efficient work environment. Internal auditing was deployed with a fresh strategy to complete and upgrade risk management in PVFCCo's manufacturing and commercial operations.

With the aforementioned performance, the Corporation achieved a pre-tax profit of VND 6,606 billion, significantly exceeding the profit target set by the General Meeting of Shareholders.



Results

Assessment on environmental and social responsibilities:

The Corporation is committed to upholding the highest standards of environmental and social responsibility in all of its manufacturing, commercial, and investment activities. The Corporation's primary activities are in the sector of fertilizer and chemical production, both of which are environmentally responsible and have a high potential for negative impact on the environment. Compliance with applicable safety and environmental laws is therefore a major emphasis during production. In product distribution, the Corporation is constantly developing programs and initiatives to educate

farmers about the effective and economical use of fertilizers while reducing environmental impact.

The Corporation remains focused on its duties and obligations to society. It has consistently and actively contributed to social security work and cared for its employees throughout the years.

The results of the implementation of environmental and social responsibilities in 2022 are presented in detail in the Sustainable Development Report.



Assessment of the Board of Directors on the Board of Management's operations

A general assessment of the Board of Management on business operation management:

- ◆ The members of the Board of Management are all qualified, capable, and qualified, professionally trained, knowledgeable in their assigned fields, and have extensive experience managing and administering significant projects/enterprises.
- ◆ The President & CEO has delegated specific roles to the Vice Presidents and conducted weekly briefings to assess weekly work results and assign the work plan for the following term.
- ◆ The Board of Management conducted the unit's business activities in accordance with the General Meeting of Shareholders' resolutions, under the direction of the Board of Directors, and in strict compliance with the enterprise's charter and legal provisions.
- ◆ The Board of Management maintained a comprehensive awareness of the Corporation's advantages and disadvantages, which enabled it to adapt operating production and business activities while also issuing internal documents in accordance with its authority to effectively control the Corporation's production and business activities; effectively performing the role of risk control beginning with the Board of Management and middle managers.

BOARD OF DIRECTORS REPORT (continued)

The Board of Directors' plans and orientations for 2023

With the fertilizer market projection, gas prices will continue to be challenging in 2023, as they were in 2022. However, with the help of the fertilizer market, the Corporation has achieved remarkable profit results in 2022. The Board of Directors has established a business plan for 2023, with the cooperation of State shareholders specifically as follows:



Production targets

No.	Item	Unit	Plan 2023
I	Production output		
1.1	Phu My urea	thousand tons	785.0
1.2	Phu My NPK	thousand tons	200.0
1.3	Phu My urea + KeBo	thousand tons	10.0
1.4	UFC 85/Formaldehyde	thousand tons	12.5
1.5	NH ₃ (for trading)	thousand tons	65.5
II	Sales volume		
2.1	Phu My urea	thousand tons	800.0
2.2	Phu My NPK	thousand tons	200.0
2.3	Phu My urea + KeBo	thousand tons	10.0
2.4	UFC 85/Formaldehyde	thousand tons	8.5
2.5	NH ₃	thousand tons	70.0
2.6	Other fertilizers	thousand tons	309.5
2.7	CO ₂	thousand tons	45.0
2.8	Other chemicals	thousand tons	0.668

The Corporation's financial plan (consolidated)

No.	Item	Unit	Plan 2023
1	Total revenue	VND billion	17,372
2	Profit before tax	VND billion	2,670
3	Profit after tax	VND billion	2,250
4	Budget payable	VND billion	637

Parent company's plan

Financial plan

No.	Item	Unit	Plan 2023
1	Owner's equity	VND billion	10,149
2	Total revenue	VND billion	15,103
3	Profit before tax	VND billion	2,606
4	Profit after tax	VND billion	2,207
5	Ratio of Profit after Tax/Average Owner's equity	%	21.7
6	Ratio of Dividend/Charter capital (**)	%	40.0
7	Total debt/total Owner's equity	time	0.22
8	Budget payable	VND billion	613

Capital investment plan

No.	Item	Unit	Plan 2023
I	Total capital investment	VND billion	492.0
1	Capex	VND billion	209.3
2	Procurement projects	VND billion	282.7
3	Capital contribution to member companies	VND billion	-
II	Capital investment source	VND billion	492.0
1	Owner's equity	VND billion	492.0
2	Loans and others	VND billion	0
III	Capital expenditure	VND billion	492.0
1	Owner's equity	VND billion	492.0
2	Loans and others	VND billion	0



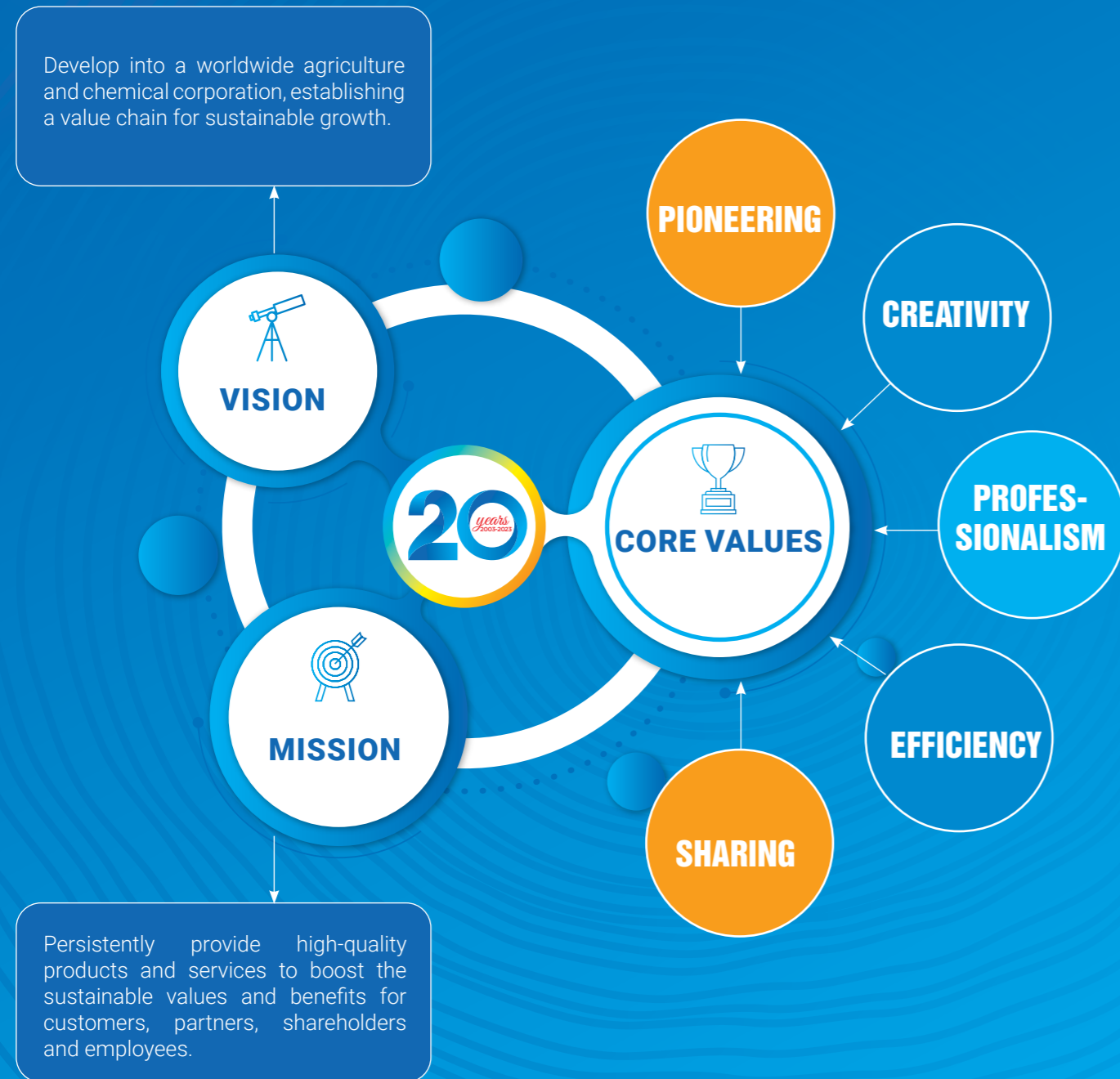
Chapter 4

THE MEDIUM AND LONG-TERM DEVELOPMENT STRATEGY

FLEXIBLE ADAPTATION

Constant efforts, flexible thinking and proactive adaptation by PVFCCo's leaders and employees are the strength by which PVFCCo can achieve impressive growth, bringing great benefits to shareholders and partners. At the same time, these also create bold development steps for PVFCCo in the new age.

VISION, MISSION, CORE VALUES



STRATEGIC OBJECTIVES - VISION TO 2045

DEVELOPMENT GOALS BY 2035



Overall objectives

To consolidate its position as Vietnam's leading fertilizer manufacturer while expanding its footprint in the manufacture and trade of other chemicals and petrochemical products, elevating PVFCCo to the leading chemical company in Vietnam.

Staged objectives

2021-2025	Play a leading and market shaping role in the field of fertilizers on the domestic trade, in accordance with the Government's agricultural and rural development strategy for 2021-2025. Initially expanding operations, manufacturing chemicals, and focusing on opportunities to improve the petrochemical industry.
2026-2030	Expand production scale for both fertilizers and chemicals through investment, by maximizing the use of PVFCCo's infrastructure and resources, including the existing Phu My Fertilizer Plant and Vietnam Oil and Gas Group's Petrochemical projects.
2031-2035	Operate efficiently and maximize the returns from projects, become a globally recognized leader in the domestic fertilizers and chemicals industry.

OUR VISION UNTIL 2045

- ◆ PVFCCo will have become a leading fertilizer and chemical manufacturer, not just in Vietnam but also in the region.
- ◆ PVFCCo will have caught up with international standards and good practices concerning the application of modern production technology, will meet high standards for both product quality and environmental protection; is a proven adopter of global standards in corporate governance and customer service and will have successfully implemented its digital transformation for more effective management and enhanced customer experience;
- ◆ PVFCCo will have firmly established in the international market itself as a reputable brand, who is deeply involved in the product chain for green and clean agriculture, meets the criteria for sustainable development, actively participates in environmental protection and efforts to adapt to climate change; contributes to the development of modern agricultural production.
- ◆ PVFCCo will show our strong commitment to caring for the livelihoods of our employees and sharing what we earn with the community, through the implementation of social responsibility programs.

SPECIFIC OBJECTIVES

2021-2025

- ◆ **Urea:** Maximizing production output while using the principle of optimal efficiency and sustainability; developing smart, multi-component urea products; supplementing solutions to increase efficiency of fertilizer use and soil enhancement etc.; exploiting brand advantages and improving the efficiency of our distribution system;
- ◆ **NPK:** Focusing on perfecting and developing a range of high-quality NPK products, specialized for a variety of crop groups and geographical regions; increasing efficiency of fertilizer use and soil enhancement etc.; exploiting brand advantages to reach closer to end use consumers;
- ◆ **Organic fertilizers:** Building and commercializing a range of organic fertilizer products according to plant varieties for increasing plant immunity, increasing fertilizer use efficiency and soil enhancement etc.; improving the production capacity of organic fertilizers with the goal of exploiting the advantageous areas in terms of raw materials for production on an industrial scale while applying modern technology; exploiting the advantages of the brand and distribution system to increase market share.

2026-2030

- ◆ Develop new urea-based products that standing out in the market and increase the competitiveness of the brand;
- ◆ Continue to grow market share in the NPK fertilizer space, increase output for premium NPK products;
- ◆ Formally enter the organic fertilizers market and claim the position of ground breakers in developing organic fertilizers;
- ◆ Continue to distribute MOP, DAP and SA products with the aim of providing comprehensive solutions for our customers.

2031-2035

- ◆ Maintain/increase market share in fertilizer products, with a particular focus on the market for NPK and organic fertilizers.
- ◆ Keep pace with global fertilizer technological developments, lead the market in the development and delivery of smart fertilizers.

2022-2025

Improving the efficiency of production and sales of existing chemical products while taking advantage of available resources and aiding in the expansion of a new product range; strengthening human resources to access new markets and building investors' confidence in PVFCCo's ability to expand business into new fields such as petrochemicals; expanding the chemical production chain and expanding investment in the production of potential chemicals such as H₂O₂, Melamine, DEF, Soda Ash etc.; completing the business model in the chemical segment with two main pillars: a distribution channel network and a business cooperation model.

2026-2030

Mark our entry into the petrochemical business with a broad range of products (leverage collaboration with the petrochemical complex to provides NG/LNG & Condensate/Naphtha; collaborate with oil refineries for the production of large olefins from Ethane crackers & Naphtha crackers).

2031-2035

Become a large-scale chemical and petrochemical producer, with chemical sales contributing the largest portion to PVFCCo's revenue and profit.

MAJOR OUTPUT AND FINANCIAL OBJECTIVES FOR THE PERIOD 2021-2025

PRODUCTION

Fertilizers (thousand tons)				Chemicals (thousand tons)		
PHU MY UREA	PHU MY NPK	PHU MY UREA + KEBO	ORGANIC FERTILIZERS	NH ₃ (FOR TRADING)	UFC85/FORMALIN	DEF
3,980-4,060	1,020-1,040	55-60	40-41	345-360	60-70	36-38

SALES VOLUME

Fertilizers (thousand tons)					Chemicals (thousand tons)			
PHU MY UREA	PHU MY NPK	PHU MY UREA + KEBO	OTHER FERTILIZERS	ORGANIC FERTILIZERS	UFC85/FORMALIN	NH ₃	CO ₂	DEF
3,950-4,050	1,130-1,155	55-60	72-74	1,320-1,550	45-47	350-360	240-245	36-38

CONSOLIDATED FINANCIAL INDICATORS

TOTAL REVENUE	PROFIT BEFORE TAX	PROFIT AFTER TAX	BUDGET PAYABLE
84.9-86.6	12.7-13.0	10.7-10.9	2.5-2.6
VND trillion	VND trillion	VND trillion	VND trillion

Total capital investment: VND **8,381** billion
(In which, owner's equity: VND 4,301 billion, loans and others: VND 4,081 billion)

POSSIBLE FERTILIZER AND CHEMICAL PROJECTS EXPECTED TO BE IMPLEMENTED IN THE PERIOD OF 2022-2030

No.	Product	Project	Estimated capacity (thousand tons)	Estimated investment value (VND billion)	Time to invest	Estimated construction time (years)
1		Phu My NPK Plant - Phase 1	250	950	2025	2
2	Fertilizer	Organic fertilizers plant - Phase 1	50	60	2024	1.5
3		Organic fertilizers plant - Phase 2	50	60	2027	1.5
4		Organic fertilizers plant - Phase 3	100	120	2029	1.5
5		H ₂ O ₂ plant	40	296*	2024	2
6		Ash Soda plant	200	2,300	2024	2
7		DEF plant	40	58	2023	under 1 year
8	Chemical	Melamine plant	40	3,322	2024	2
9		H ₂ SO ₄ plant	200	2,355	2026	4
10		Caprolactam plant	50	1,707	2026	2
11		PVC plant	200	1,313*	2026	2
12		Caustic Soda plant	75	23*	2026	1

(* The investment level corresponding to the capital contribution ratio of PVFCCo is worth 51% of the total investment value of the project.



Chapter 5

CORPORATE GOVERNANCE

MAINTAINING TRUST

During the past 20 years, PVFCCo has always maintained the trust of customers and partners on the basis of ensuring production and business efficiency. In particular, in 2022 PVFCCo made a spectacular breakthrough, continuously setting records when exceeding production and business targets. This is a solid premise for PVFCCo to confidently conquer higher goals in the coming age.

MEMBER LIST OF THE BOD, BOM AND BOS IN 2022

No.	Full name	Position	Number of DPM shares	
			Representative	Individual ownership
Board of Directors				
1	Hoang Trong Dung	Chairman of the BOD, Full-Time, Non-Executive, not concurrently holding any position in other organizations (position held since 27/04/2021)	92,300,253	-
2	Le Cu Tan	Member of the BOD cum President and CEO, not concurrently holding any position in other organizations	62,624,000	170,500
3	Duong Tri Hoi	Member of the BOD, Full-Time, Non-Executive, not concurrently holding any position in other organizations	39,140,000	-
4	Trinh Van Khiem	Member of the BOD, Full-Time, Non-Executive, not concurrently holding any position in other organizations	39,140,000	-
5	Louis T Nguyen	Independent Member of the BOD, Non-Executive, CEO of SAM (Saigon Asset Management)	-	-
Board of Management				
1	Le Cu Tan	President and CEO	62,624,000	170,500
2	Le Van Quoc Viet	Vice President	-	-
3	Le Thi Thu Huong	Vice President	-	-
4	Tran Thi Phuong Thao	Vice President	-	33,700
5	Cao Trung Kien	Vice President	-	-
6	Dao Van Ngoc	Vice President	-	-
7	Ta Quang Huy	Vice President	-	-
Board of Supervisors				
1	Huynh Kim Nhan	Chief Supervisor (Full-Time)	-	-
2	Le Vinh Van	Member of the BOS (Full-Time)	-	-
3	Luong Phuong	Member of the BOS	-	-
Chief accountant				
1	Vo Ngoc Phuong	Chief accountant	-	-

BOARD OF DIRECTORS REPORT

BOARD OF DIRECTORS

The Board of Directors (BOD) for 2022 was elected by the General Meeting of Shareholders (GMS) with 5 members as clearly indicated above. There were no Sub-committees established. The activities within BOD's authority were specifically assigned to full-time members in charge of each field for inspection and verification so that the BOD could make decisions while supervising, directing, and urging the Corporation to implement the provided resolutions and decisions depending on assigned fields.

ACTIVITIES OF THE BOD IN 2022

As the highest management body, the BOD represents the interests of shareholders. In 2022, the current BOD had 05 incumbent members (01 independent member) who actively and strictly fulfilled their roles and responsibilities in compliance with good corporate governance standards. The BOD conducts organized full-time activities, makes collective decisions, and assigns tasks to its members based on their respective fields of expertise.

In 2022, the BOD held 4 periodical meetings, in which they solicited written opinions from their members 80 times. Resulting from these requests, 47 resolutions, key decisions and many directional documents on critical matters were approved as follows:

Strategic plan

◆ Approved and monitored the implementation of the 2023 production and business plan.

◆ The BOD developed and reviewed the Corporation development strategy.



Organization - human resources

◆ Continued to oversee of the reorganization of the parent company's and subsidiaries' management system, as well as the overall restructuring.

◆ The number of employees was approved.

◆ Staff planning of the Corporation in the period of 2022-2025 and rotation and appointment of staff at 2 subsidiaries.

◆ Establishing several divisions in the Corporation - Research & Development Center, Digital Transformation Project Board, while planning to reorganize Internal Audit Committee and Office of the Board of Directors.

Corporate governance, risk management and internal audit

◆ Approving and implementing internal audit plans; monitoring activities of branch companies; directing the review and completion of the internal document system and the risk management system.

BOARD OF DIRECTORS REPORT (continued)

ACTIVITIES OF THE BOD IN 2022 (continued)

Investment and implementation of projects

- Directed the implementation and handling of issues related to the completion of the final phase of the NH₃ Revamp - Phu My NPK Complex.

Issued and amended regulations

- Submitting to the General Meeting of Shareholders for approval of the Regulations and Bylaws of the Corporation, issuing the Regulations on Financial Management, the Regulation on the organization of the General Meeting of Shareholders and collecting shareholders' opinions in the form of online surveys, the Regulations on Drafting, Publishing and Managing internal normative documents.

Restructuring

- The overall restructuring of the Corporation and its subsidiaries was implemented.

Investor relations

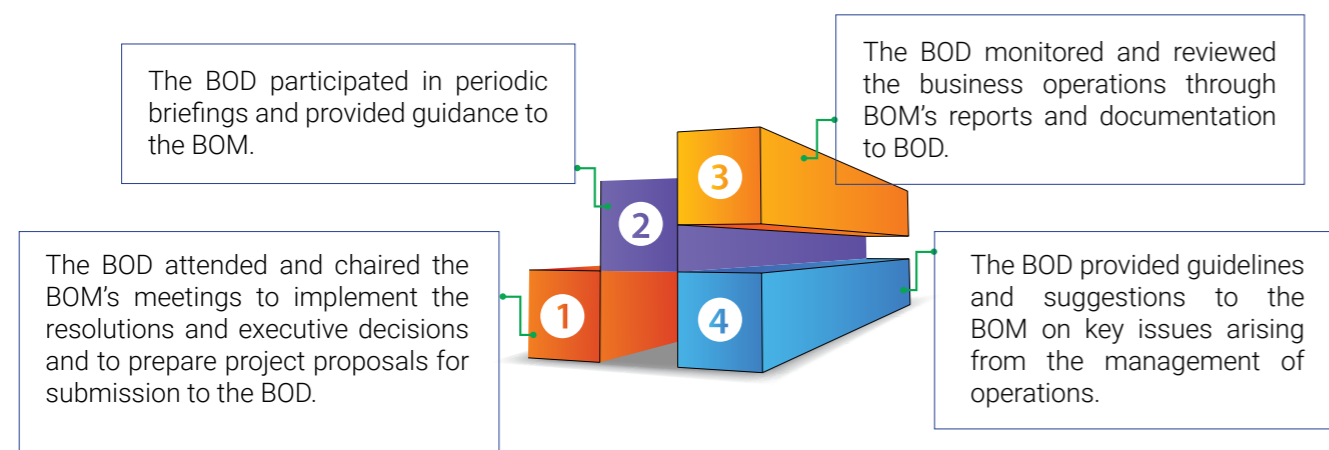
- Successfully held the Annual General Meeting of Shareholders (in June 2022) and the Extraordinary General Meeting of Shareholders (in December 2022). The event was directed the IR team in order to actively implement online contact and information exchange activities to ensure continuous and full disclosure of information on performance to shareholders and investors.

Selection of an independent auditor

- The BOD coordinated with the BOS to select an external audit firm for the financial statements audit as authorized by the General Meeting of Shareholders.

Apart from the periodic and extraordinary sessions, the BOD held regular weekly and monthly work briefings to inspect and evaluate its performance and oversee the BOM's compliance with BOD's resolutions and decisions in the production and business activities of the Corporation.

The members of the BOD directed, monitored and ensured the performance of the BOM, through the following activities:



LIST OF RESOLUTIONS AND EXECUTIVE DECISIONS OF THE BOARD OF DIRECTORS APPROVED AND PROMULGATED IN 2022

No.	Resolution/ executive decision no.	Date	Contents
1	16/NQ-PBHC	1/12/2022	Resolution on the approval of the policy and rate of deduction for the Science and Technology Development Fund of the Corporation in 2021
2	25/NQ-PBHC	17/1/2022	Resolution on the advance payment of dividends for the 1 st phase in 2021
3	27/NQ-PBHC	19/1/2022	Resolution on the approval of the 2022 business plan of North PetroVietnam Fertilizer and Chemicals Joint Stock Company
4	28/NQ-PBHC	19/1/2022	Resolution on the approval of the 2022 business plan of Central PetroVietnam Fertilizer and Chemicals Joint Stock Company
5	29/NQ-PBHC	19/1/2022	Resolution on the approval of the 2022 business plan of South East PetroVietnam Fertilizer and Chemicals Joint Stock Company
6	30/NQ-PBHC	19/1/2022	Resolution on the approval of the 2022 business plan of South West PetroVietnam Fertilizer and Chemicals Joint Stock Company
7	35/NQ-PBHC	21/1/2022	Resolution on the approval of prudent spending and anti-wastefulness program for the period 2021 - 2025 of PVFCCo
8	44/QĐ-PBHC	28/1/2022	Executive decision on the approval and issuance of the Financial Management Regulation of PVFCCo
9	59/NQ-PBHC	28/2/2022	Resolution on the approval of the 2022 operation plan of the Internal Audit Division of PVFCCo
10	60/NQ-PBHC	28/2/2022	Resolution on the approval of amendment No. 02 - Gas purchase and sales contract with PV Gas in 2020
11	61/NQ-PBHC	28/2/2022	Resolution on the approval of the 2022 monitoring program of the BOD for the Corporation's subsidiaries
12	69/NQ-PBHC	9/3/2022	Resolution on the approval of PVFCCo's 2022 Science and Technology plan
13	83/NQ-PBHC	21/3/2022	Resolution on the approval of the plan for the 2022 Annual General Meeting of Shareholders at PVFCCo
14	89/NQ-PBHC	29/3/2022	Resolution on the approval of the final settlement of the overall maintenance cost for Phu My Fertilizer Plant in 2021
15	96/NQ-PBHC	5/4/2022	Resolution on the approval of PVFCCo's 2021 salary payroll settlement
16	112/QĐ-PBHC	18/4/2022	Executive decision on the establishment of a Steering Committee for digital transformation at PVFCCo
17	113/QĐ-PBHC	18/4/2022	Executive decision on the issuance of regulation for the General Meeting of Shareholders organization and online collecting shareholders' opinions of PVFCCo
18	121/NQ-PBHC	27/4/2022	Resolution on the approval of prudent spending and anti-wastefulness program in 2022
19	126/NQ-PBHC	5/5/2022	Resolution on the approval of the parent company's working capital plan for Phu My branded fertilizer products in 2022
20	130/NQ-PBHC	9/5/2022	Resolution on the approval of decentralization of decision for the Norms No. 2, 6 and adjusting the Norms No. 1, 7, 6

BOARD OF DIRECTORS REPORT (continued)

LIST OF RESOLUTIONS AND EXECUTIVE DECISIONS OF THE BOARD OF DIRECTORS APPROVED AND PROMULGATED IN 2022 (continued)

Resolution/ No. executive decision no.	Date	Contents
21 162/QĐ-PBHC	27/5/2022	Executive decision on the approval of the planning list of officers' position under the Corporation's management in the period of 2022-2025
22 190/NQ-PBHC	21/6/2022	Resolution on the approval of the policy of arranging full-time staff to hold the position of Chairman of the Board of Directors at subsidiaries of the Corporation
23 191/NQ-PBHC	22/6/2022	Resolution on the approval of the program and documentation for the 2022 Annual General Meeting of Shareholders of PVFCCo
24 197/NQ-PBHC	25/6/2022	Resolution on the approval of the personnel plan at subsidiaries of the Corporation
25 203/NQ-PBHC	5/7/2022	Resolution on the approval of the adjustment to the 2022 business plan of PVFCCo
26 205/NQ-PBHC	8/7/2022	Resolution on the approval of the supplier selection result and contract conclusion to hire an audit firm for the review of the 2022 financial statements
27 206/QĐ-PBHC	8/7/2022	Decision on the establishment of a vote counting team to review and supplement the 2022 plan and develop a plan for the next office term for Party officials and managers managed by the Group.
28 216/NQ-PBHC	15/7/2022	Resolution on the approval of the personnel plan at subsidiaries of the Corporation
29 215/NQ-PBHC	15/7/2022	Resolution on approval of the list of deposit investment credit institutions in 2022
30 231/NQ-PBHC	27/7/2022	Resolution on the approval of the social security plan in 2022-2023
31 235/NQ-PBHC	2/8/2022	Resolution on the approval of PVFCCo's Action Plan for Tasks in 2022
32 260/QĐ-PBHC	22/8/2022	Executive decision promulgating Regulation on Organization and Operation of PetroVietnam Fertilizer and Chemicals Corporation - Joint Stock Company, PVFCCo's Branch for Trading Petrochemicals
33 268/NQ-PBHC	30/8/2022	Resolution on the approval of the adjustment of PVFCCo's 2022 salary plan
34 292/QĐ-PBHC	15/9/2022	Executive decision to mobilize and appoint Ms. Nguyen Thi Hong Dung, Chairman of the Board of Directors of PVFCCo North to assume the position of Assistant Chairman of the Board of Directors of the Corporation from September 15, 2022
35 294/NQ-PBHC	15/9/2022	Resolution authorizing the representative to manage the contributed capital of PVFCCo Central
36 293/NQ-PBHC	15/9/2022	Resolution authorizing the representative to manage the contributed capital of PVFCCo North
37 453/NQ-PBHC	4/11/2022	Resolution on the approval of the plan for the 2022 Annual General Meeting of Shareholders at PVFCCo

Resolution/ No. executive decision no.	Date	Contents
38 473/QĐ-PBHC	17/11/2022	Executive decision approving and promulgating Regulation on drafting, promulgating and managing internal normative documents of PetroVietnam Fertilizer and Chemicals Corporation
39 489/NQ-PBHC	30/11/2022	Resolution on the approval of the establishment plan of the Digital Transformation Project Board
40 498/NQ-PBHC	6/12/2022	Resolution on the approval of the agenda and documents of the Extraordinary General Meeting of Shareholders of PVFCCo in 2022
41 503/NQ-PBHC	9/12/2022	Resolution on the approval of the Draft Annex to amend and supplement the contract on transfer of the right to use trademark between the Corporation and the Vietnam Oil and Gas Group
42 504/NQ-PBHC	9/12/2022	Resolution on the approval of the implementation plan to establish the Corporation's branch - Research & Development Center
43 518/NQ-PBHC	16/12/2022	Resolution on the approval of the addition of staff to the Corporation's Office
44 519/NQ-PBHC	16/12/2022	Resolution on the approval of the plan to consolidate the organizational structure, functions, tasks, and staffing of the assisting boards of the Board of Directors
45 527/NQ-PBHC	22/12/2022	Resolution on the approval of the report of the Board of Directors at the Extraordinary General Meeting of Shareholders of PVFCCo in 2022
46 55/NQ-ĐHĐCĐ	27/12/2022	Resolution of the Extraordinary General Meeting of Shareholders in 2022
47 534/NQ-PBHC	28/12/2022	Resolution on the approval of gas purchase and sales contract with PV Gas in 2023



BOARD OF DIRECTORS REPORT (continued)

TRAINING TO IMPROVE BOD'S CORPORATE GOVERNANCE KNOWLEDGE

At the time of their election or appointment, all members of the Board of Directors have expertise and training in Corporate Governance.

To meet job requirements, members of the BOD actively learn, train, update, and increase their understanding of corporate governance.

Implementation of corporate governance regulations

PVFCO complied with all the legal governance regulations of a listed company:

- ◆ To assure an appropriate proportion of non-executive members to independent members of the Board of Directors.
- ◆ To hold Annual General Meeting of Shareholders in full compliance with provisions of laws on business and regulations of management for publicly listed companies. To organize meetings and pass the resolutions of the BOD according to the Charter of the Corporation and the law on enterprises.
- ◆ To discharge all periodic and extraordinary information disclosure obligations for publicly listed companies in a timely and transparent manner.
- ◆ To prepare annual report and reports for submission to the General Meeting of Shareholders with full content and information on financial and production management, administration and supervision of the Corporation.
- ◆ To strictly comply with regulations on corporate governance and information disclosure in the stock market.
- ◆ The Board of Directors has formulated and promulgated the Regulations on Internal governance, Operational regulation of the BOD, and Regulations on the evaluation of the level of accomplishment of tasks.

On improving corporate governance capacity in accordance with regional and international governance standards: To conduct/participate in training courses for members of the BOM/BOS/BOD.

Implementation of the Resolutions of the General Meeting of Shareholders and mandated tasks:

According to the Resolution of the 2022 Annual General Meeting of Shareholders, the General Meeting of Shareholders approved the amendments and supplements to the Corporation's Charter and assigned the Board of Directors to amend and supplement the internal regulations on corporate governances and Regulation on the operation of the Board of Directors in accordance with the Charter (amended). The Board of Directors carried out the review to complete these two regulations in the project on reviewing and completing the overall system of internal documents of the Corporation.

According to the Resolutions of the 2021 Annual General Meeting of Shareholders, the General Meeting of Shareholders authorizes the BOD to seek out and actively decide on the purchase of raw gas supply for the production of Phu My Fertilizer Plant under the authority of the General Meeting of Shareholders, in accordance with the needs of the Corporation's business and production activities and directions of the competent authorities. As a first step, the BOD approved the extension of the gas purchase and sales contract for 2020 to the end of 2022 and then focused on efforts to implement gas supply contract for upcoming years.

REPORT ON THE ACTIVITIES OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

NON-EXECUTIVE AND INDEPENDENT MEMBERS OF THE BOD'S ACTIVITIES

Mr. Louis T Nguyen is the independent member of the BOD. He participated actively in all the official duties and assignments. He also monitored and provided guidance to BOM in discharging the operations since their participation.

COMMENTS FROM THE INDEPENDENT MEMBER OF THE BOD ON THE GOVERNANCE/MANAGEMENT OF PVFCO IN 2022

The Board of Directors and the Board of Management implemented their roles and duties in accordance with the laws on corporate governance, the Corporation charter and the executive decisions of the General Meeting of Shareholders and the BOD. The BOD and BOM's members performed their duties and fully complied with the responsibilities and authorities assigned, as stipulated to protect the interests of all shareholders. The results were reflected in the production and business plans and targets that PVFCO completed and exceeded in 2022.

In the Corporation, as did other shareholders, the State shareholders had an expectation that the value of the Corporation would increase. In addition to complying with regulations on corporate governance, administrators who are capital representatives were responsible for the management and preservation of the States capital. The Corporation relied heavily on the costs of production materials in the context of declining low-cost gas supply, and the Board of Management made every endeavor to present, propose and protect the State commitments and policies which were most beneficial to it in the field in both the short and long term. The BOD complied with corporate governance standards for listed companies, ensuring that both members and independent members of the BOD enforced their powers and responsibilities.

To approach and adhere to as closely as possible to the advanced corporate governance standards,



the BOD was aware of and promoted the review and improvement of activities in the direction of enhancing the effectiveness of the management and supervision system while building up a strong and appropriate hierarchy to reduce its participation in executive activities. In 2022, the Corporation actively coordinated with professional consulting units to implement a restructuring program which would streamline the system while updating and perfecting the medium and long-term development strategy according to the orientation approved by the AGM.

The independent member of the BOD holds responsibility for investor relations, considering that a significant portion of the ownership of the Corporation is with foreign investors. With the company's operating outcomes being improved in 2022, investor demand for information access has skyrocketed, especially related to the content proposed at the extraordinary General Meeting of Shareholders.

The independent member of the BOD has actively connected with the Management and functional divisions to continue communication to investors about the values and advantages of the Corporation and the efforts of the BOM, BOD to improve governance and ensure the interests of shareholders, as well as bringing contributions and ideas from investors to the Board of Directors on guidelines, development strategies, or directions on finding strategic investors.

Based on the newly updated medium and long-term development strategy, Independent members have been assisting the Board of Directors in finding opportunities and potential partners in the production, distribution, marketing and sales of chemicals and sustainable fertilizer products.

Among other companies which have changed from being wholly state-owned enterprises, the Corporation has demonstrated solid governance foundations.

BOARD OF SUPERVISORS REPORT

INCOME STATEMENT OF PVFCCO AND REPORT ON PERFORMANCE OF THE BOD AND THE PRESIDENT AND CEO

The BOS appraised the Income statement of the BOD, the Income statement submitted by the President and CEO to the General Meeting of Shareholders and assessed that, in 2022, the Corporation had completed far beyond the business plan approved by the General Meeting of Shareholders. These statements were a true, complete and honest reflection of the real performance of the Corporation.

Corporation's production results

PRODUCTION OUTPUT

PHU MY UREA

917 thousand tons
achieving 111% of the plan
▲ 15% compared to 2021

PHU MY NPK

157 thousand tons
achieving 94% of the plan

CONSOLIDATED REVENUE

19,013 VND billion
achieving 110% of the plan
▲ 45% compared to 2021

SALES VOLUME

PHU MY UREA

791 thousand tons
achieving 99% of the plan
▲ 6% compared to 2021

PHU MY NPK

129 thousand tons
achieving 78% of the plan
▼ 15% compared to 2021

PROFIT BEFORE TAX

6,606 VND billion
achieving 160% of the plan
▲ 74% compared to 2021

Implementation of investment projects

The NH₃ Revamp - Phu My NPK Complex was completed and went into operation and is now in process of deploying the Final Acceptance Certificate (FAC), Final settlement of EPC contract, other relevant contracts and project capital settlements. Completing the BCC contract negotiation with PVChem regarding the building of the project for a hydrogen peroxide (H₂O₂) factory. The Corporation has selected a contractor and started the EC bidding package for the project on a warehouse with a capacity of 20,000 tons of finished products at Phu My Fertilizer Plant.

Regarding restructuring and completion of the governance and administration

Continued to accelerate the implementation of overall restructure of PVFCCo's organizational and operational model, phase of 2020-2025, merged 13 functional divisions of the Parent company into 8 divisions, signed the contract of consulting and planning the Corporation's development strategy vision to 2035.



OPERATIONAL AND FINANCIAL SUPERVISORY ACTIVITIES

Production and business activities, as well as financial activities, were accurately and reasonably reflected in the financial statements; data and statistics were recorded, classified and presented in line with Vietnamese accounting standards and current regulations, and have been reviewed and audited by Deloitte Vietnam.

Consolidated revenue targets expanded tremendously; selling and administrative expenses were controlled; consolidated pre-tax profit was higher than expected and exceeded the business plan; payment to the State budget reached VND 1,521 billion, an increase of 91% compared to 2021's amount. The Corporation's financial statements honestly and reasonably reflected its situation of production, business and financial activities; the recording, classification and presentation were in accordance with accounting standards; the use of capital, investment and procurement were done in accordance with current accounting regulations.

SELF-ASSESSMENT REPORT ON THE ACTIVITIES OF THE BOARD OF SUPERVISORS AND ITS MEMBERS

The BOS completed regular and periodical inspection and supervision, cooperated in organization and examination and made reports on production and business activities in 2022. The members of the BOS made efforts and proactively acted independently; proposed solutions to issues they were assigned and successfully completed assigned tasks; complied with the provisions of the Enterprise Law, the company's Charter and operation regulations of the BOS.

REMUNERATION, OPERATING EXPENSES AND OTHER BENEFITS OF THE BOS AND MEMBERS

- ◆ Salary, bonus and remuneration of members were setup and complied with the Decree No. 53/2016/ND-CP and the Resolution approved by the 2020 Annual General Meeting of Shareholders.
- ◆ The operating expenses of the BOS and each of its members worth VND 546.49 million, including stationery costs, equipment, phone charges, internet charges, business trip expenses and expenses for receiving guests and meetings, were accounted as business expenses in accordance with the laws on corporate income tax and recorded as a separate section in the Corporation's 2022 financial statements.

BOARD OF SUPERVISORS REPORT (continued)



SUMMARY OF THE MEETINGS OF THE BOS, CONCLUSIONS AND RECOMMENDATIONS, RESULTS OF SUPERVISION OF THE CORPORATION'S OPERATION AND FINANCIAL SITUATION

The BOS organized 4 regular meetings, assigned tasks to members, approved the plans for inspection and supervision of units, appraised the quarterly/semi-annual/annual financial statements, approved the supervision reports, responded to shareholders' opinions, approved the report on salary appraisal and report on summary of task performance of the BOS's individuals and collectives.



ASSESSMENT REPORT ON TRANSACTION BETWEEN PVFCCO, SUBSIDIARIES AND OTHER COMPANIES WITH MORE THAN 50% CHARTER CAPITAL CONTROL RIGHTS HELD BY PVFCCO, MEMBERS OF THE BOD, THE PRESIDENT AND CEO OR ITS RELATED PERSONS

As of 31 December 2022, the total contributed capital to subsidiaries was unchanged, the capital contribution ratio of 75%/charter capital is VND 386.25 billion. These Companies are agents and distributors, making purchases and sales transactions in accordance with regulations and the Company's charter, ensuring the interests of shareholders.



TRANSACTIONS BETWEEN THE CORPORATION AND COMPANIES IN WHICH THE BOD MEMBER IS / WAS A FOUNDING MEMBER OR BUSINESS MANAGER (SUBSIDIARY) WITHIN THE 3 YEARS PRECEDING THE TRANSACTION: None



MONITORING RESULTS OF THE BOD, PRESIDENT AND CEO AND OTHER MANAGERS

The Corporation held the Annual General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders to resolve business and production issues in 2022, authorize the final settlement of gas prices for the 2014-2018 period, and increase the dividend payout ratio. The members of the BOD are in charge of their own fields, directing items within their power on behalf of the BOD to make decisions, supervise, direct and urge the Corporation to implement the BOD's resolutions and executive decisions according to the assigned field, completely organize regular meetings. In governance, the BOD works with a sense of responsibility and transparency. The decisions, in collaboration with the BOM to direct and implement the resolution of the General Meeting of Shareholders, swiftly exceeded the production and business plan targets in 2022.



ASSESSMENT ON COOPERATION BETWEEN THE BOS AND THE BOD, PRESIDENT AND CEO AND SHAREHOLDERS

The BOS received close coordination from the Corporation's BOD and BOM in carrying out management and administration. There was participation in and contribution of ideas to meetings, as well as directing the functional divisions to implement and respond in writing to recommendations and opinions of the BOS and BOM.

INVESTOR RELATIONS REPORT



OBJECTIVES

Strengthening information disclosures and transparency activities, ensuring fair treatment for all shareholders and protecting their interests, thereby improving the quality of corporate governance and implementation of quality control according to standards for sustainable development, creating a premise to expand the network of cooperation with large and professional organizations while building the shareholders' trust.

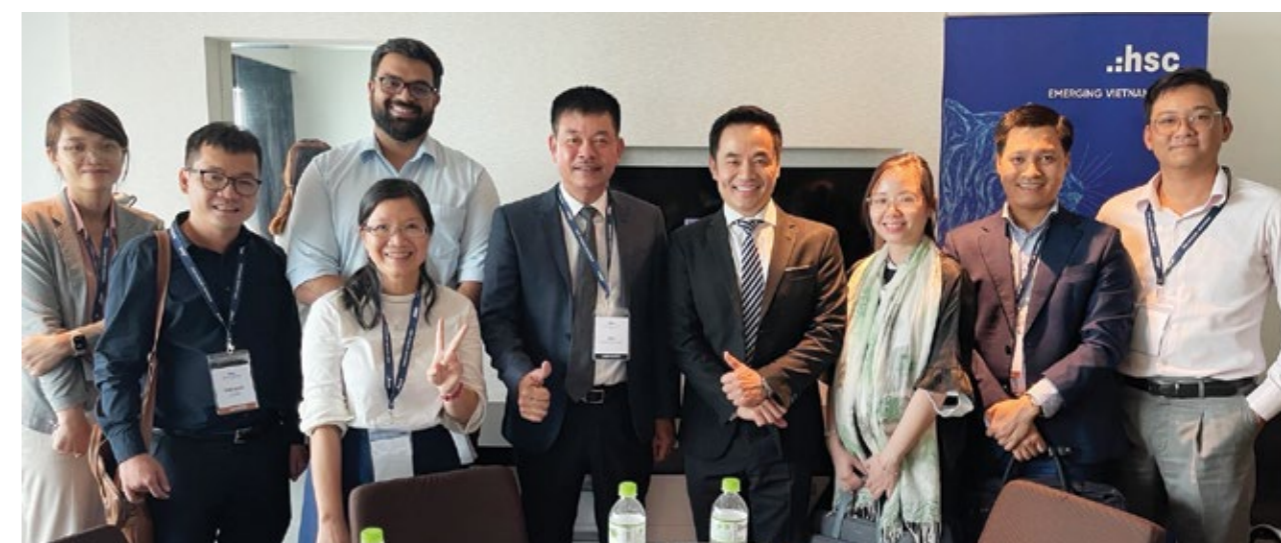
The Corporation was committed to consistently implementing principles in investor relations activities, ensuring compliance with regulations on information disclosure for listed companies, based on transparency and access to information in a fair manner to all shareholders and stakeholders.

- ◆ The Corporation has a focal point of implementing investor relations activities, smoothly connecting information from specialized departments within the company to ensure that the information disclosed to the outside was consistent and shared, approved, directed and supervised from the highest level of leadership in the Corporation.
- ◆ PVFCCo ensured that all shareholders and investors had fair and favorable access to information through various forms of communication (direct, indirect, intermediary organizations etc.) to ensure that information was conveyed promptly, accurately and transparently. Shareholders and investors could contact through information channels connected to the Investor Relations (IR) team such as website www.dpm.vn; PVFCCo's IR focal point; through the focal points in charge of the industry at brokerage organizations in the market etc.

In 2022, the IR team implemented activities with the following primary goals

- ◆ Transparent, accurate and timely disclosure of information: In 2022, the stock market and fertilizer industry in the world and in the country witnessed many complicated fluctuations, greatly affecting the general operation of the Corporation (both positive and negative), PVFCCo's IR team actively participated in networking activities, met with domestic and foreign shareholders and investors to promptly update information and respond to inquiries of shareholders and investors in the market. Specifically, in 2022, the Corporation conducted more than 30 meetings with shareholders periodically and on request; attended 5 forums and conferences to meet domestic and foreign investors etc. In addition, quarterly, the IR department held online meetings with representatives of domestic and foreign investment funds and analysts from major brokerage organizations in the market place to update information on business results and respond to investors about issues of their interest.
- ◆ Efforts to protect shareholders' rights and ensure fair treatment for all shareholders - owners of the company, from small shareholders to groups of foreign shareholders: Doing this through full, transparent and fair disclosure of information to ensure that all shareholders had full access to information to be able to make accurate decisions during sessions at the General Meeting of Shareholders; ensuring that all shareholders had the opportunity to express their opinions, make suggestions and recommendations and receive satisfactory information and answers; supporting and assisting the Board of Directors in performing the task of carefully protecting shareholders' interests in accordance with the principles and provisions in the Corporation's Charter and Vietnamese laws etc.
- ◆ Carrying out periodic and extraordinary information disclosure, specialized media publications for shareholders and investors (Investor newsletter and annual report, quarterly reports summarizing the results of daily activities through meetings with investors etc.).
- ◆ Successfully organizing effective General Meetings of Shareholders: In 2022, PVFCCo successfully conducted 2 General Meetings of Shareholders (annual and extraordinary) in June and December to approve important contents in the general operations of the Corporation.

- ◆ The IR team actively implemented coordination and connection to ensure timely provision of information to shareholders before, during and after meetings in accordance with regulations and support procedures related to the full implementation of shareholders' rights at meetings. Minutes of the meetings were compiled accurately and fully in compliance with the timely disclosure of information as regulated etc.
- ◆ There was close connection to ensure the participation of functional departments; leadership at various levels (members of the Board of Directors and Board of Management) was present and ready to promptly answer shareholders' questions at meetings with shareholders and investors; and all shareholders had equal access to information. The Board of Directors assigned responsibilities of focal point to a member of the Board of Directors (independent) to coordinate and support the network with minority shareholders (other than PVN).
- ◆ Implementing a stable dividend policy and paying dividends fairly and consistently based on actual performance during the year.
- ◆ Monitoring, tracking and reporting transactions with related parties, while avoiding conflicts of interest.
- ◆ Risk management and sustainable development: The Corporation disclosed details in the Risk Management Report and Sustainability Report in the Annual Report (Chapter 5).



With adverse and favorable developments intertwined in 2022 and efforts to achieve outstanding results, PVFCCo's staff and leaders were proud of their efforts to overcome difficulties and make good use of potential opportunities in the market in order to bring the highest profits and benefits to shareholders, with operating results that exceeded the key targets defined by shareholders. The impressive growth and performance was clearly reflected in stock valuation in the context of Vietnam's stock market volatility, going through levels from "high" to "low". From the historic peak of 1,528.57 points on January 6, 2022, the market plummeted to the lowest closing level of 2022 of 911.9 points on November 15, 2022, an equivalent to a decrease of 40.34%. This was the biggest drop in the world.

In that context, according to market data, DPM's share price in 2022 was adjusted down slightly by 4.4% with average liquidity remaining at a positive level of over 4 million shares/day. Foreign ownership ratio nearly doubled, to 20% by the end of 2022 from about 9% at the beginning of the year.

In 2023, following the foundation and orientations on Investor Relations activities, under the direction and support of the Corporation's Board of Directors, the IR segment will continue to be consolidated and deployed in order to connect with the strategic goals of the company with the goal of constantly improving the quality of corporate governance; transparency in information disclosure in all fields; ensuring compliance with regulations and principles of fair treatment of shareholders; heading to stable, sustainable development and constantly adding value to Vietnamese society, shareholders, partners and employees.

REPORT ON IDENTIFICATION AND RISK MANAGEMENT



In 2022, with the motto "Managing volatility risks, promoting internal resources, increasing creativity, improving techniques for sustainable development", PetroVietnam Fertilizer and Chemicals Corporation not only standing outstanding achievements in production and business activities, set new records in terms of output, revenue, profit, etc. in its history, preparing for the 20th anniversary of its establishment and development.



Right from the first months of 2022, the world economy was in trouble when the war between Russia and Ukraine pushed up oil prices because of economic sanctions against Russia, while China had not opened its economy yet. These obstacles limited the supply of raw materials, increasing input costs and increasing freight costs. In addition, continuing to fight against the Covid-19 epidemic, the VAT policy was not adjusted accordingly; rising inflation caused economic recession; lending interest rates of banks continued to increase; production costs for agriculture, especially high fertilizer prices, directly affected farmers' profits, leading to reduction of investment in fertilizers for crops, affecting in the long run the general production and business activities of the Corporation. At the same time, Phu My Fertilizer Plant, after 19 years of operation, had many hidden risks from machinery and equipment expenditures.

In 2022, PVFCCo has identified key risk groups and implemented effective risk management solutions to limit those risks to ensure the safety of production, business and investment activities and has achieved the following:

- ◆ The Phu My Fertilizer Plant was operated safely and efficiently in the context of equipment degradation, highly fluctuating raw material costs and increasingly fierce competition in the consumption market.
- ◆ PVFCCo continued its diversification into new products while still developing its traditional products to expand market share and affirm its leading position in fertilizer production and trading in the domestic market and increase exports.
- ◆ PVFCCo researched and implemented new investment projects, tested and launched new products, deployed and traded fertilizer and chemical products manufactured by PVFCCo, in order to fulfill its long-term strategic objectives.

To realize the above-mentioned goals for the sustainable development and best protection of shareholders' interests while fulfilling social responsibilities in 2022, PVFCCo successfully managed the following key risk groups.

MARKET RISK

In order to sustain the top position in the domestic fertilizer sector, PVFCCo has comprehensively reviewed and controlled the following risks:



Oversupply risk

In the face of increasingly fierce competition in the world and domestic fertilizer market in recent years after Vietnam joined a series of Free Trade Agreements and protectionist barriers, it has strongly affected PVFCCo's business activities. Facing this challenge, PVFCCo has focused on consolidating and adjusting the domestic distribution system, enhancing customer care in order to develop genuinely in order to create a sustainable relationship between the parent company and the member companies and an agent system covering all regions of Vietnam, dispatching goods to key consumption areas to dominate the agriculture market, while maintaining a competitive advantage over competitors in the same industry, and maintaining the brand name. This is a strategic and long-term plan to help the Corporation develop a stable, solid and long-term sales system.



Input material prices risk

Price of the main source of raw materials - gas - increased sharply in 2022, as a result of the war between Russia and Ukraine with economic sanctions, the constantly changing situation in the world affected the oil sources for countries from the first months of 2022. As the Covid-19 pandemic was gradually controlled, the demand for oil consumption for economic development strengthened. This volatility has affected the PVFCCo's production costs. The global oil price has fluctuated considerably over the recent years. The unpredictability of oil prices has directly and greatly impacted the Corporation's production and business plans.

PVFCCo's profitability is highly dependent on variations in the cost of raw materials used in the manufacture of its fertilizer. The Corporation has managed the price risk of natural gas through short-term arbitrage and actions. Based on pricing scenarios, the Corporation proactively implemented flexible planning and budgeting. This provided the Corporation with control over unforeseen changes as business conditions varied. At the same time, PVFCCo negotiated with suppliers to achieve the suitable price path for production.

REPORT ON IDENTIFICATION AND RISK MANAGEMENT (continued)



Commodity price risk

Since entering into a series of Free Trade Agreements, changes in global fertilizer prices have also immediately impacted domestic prices as the local products are direct competing with imported fertilizers and unregistered parallel imports from neighboring countries.

Under this pressure, PVFCCo, as a manufacturer and trader of fertilizer, has balanced the risks and opportunities to decide to sell its products at a competitive price compared to the market price in order to maintain market share and competitive advantages.

Liquidity risk

Liquidity risk is caused by the inability of buyers to pay for their purchases by the due date. Bad debts significantly affected the planned use of capital as well as production and business results.

In 2022, the world economy headed for recession, inflation occurred while the domestic economy tightened credit and raised interest rates. Noting this, PVFCCo has developed sales and credit guidelines that conformed to the needs of the local market. These guidelines are systematically implemented, controlled and administered from top down starting with the Corporation and extending to its subsidiaries. Credit

terms are specific to each customer for every product group. The terms of credit are given after a financial assessment of the buyer, based on credit ratings and customer repayment ability. At PVFCCo, the working capital plans and inventory control are approved, monitored and reported in a timely and adequate manner. In 2022, with this proper understanding and effective management, PVFCCo did not have any non-performing accounts.

Product development risk

In order to respond to the market demand for high quality fertilizers, and regulations on environmental protection which introduce increasingly diverse and rigorous demands, the Corporation has continued to promote its research and development activities to innovate and improve products, creating more high-quality products to meet product requirements for farmers as well as leading the market.

Particularly, Phu My NPK, which is manufactured with the most advanced chemical production technology, PVFCCo has launched a new set of products that have been positively accepted by the market with growing consumption.

Implementing the flexible and synchronous solutions to respond to the influences of market risk, in a timely and effective manner, ensuring the risk management plan in 2022:

- ◆ In order to support sales, PVFCCo has focused on distribution management and developed communication and branding strategies. These efforts have supported our competitive advantage and maintained profitability and the positioning of Phu My fertilizer in the domestic market.
- ◆ PVFCCo has developed communication channels with member companies and agents for capturing reliable just-in-time information to help manage changing markets affecting the industry.
- ◆ PVFCCo held conferences and seminars on business operations, branding, market information, contributing an important part in promoting the products and images of PVFCCo, seeking cooperation opportunities in the domestic and foreign markets, contributing to improve the business plans and strategies.
- ◆ PVFCCo completed the brand portfolio of its products for Phu My by importing high quality fertilizers to supply the needs of the market.
- ◆ The important policies were updated and revised in the light of new business developments: Regulation on fertilizer business management; Regulations on construction and development of PVFCCo's fertilizer distribution system; Processes of communications and creative design; Processes of trade promotion and fertilizer sales support; Implementation of customer care programs, etc. The policy changes helped to enhance corporate governance in PVFCCo as it faces new market challenges.
- ◆ Much importance has been placed on this restructuring. PVFCCo has capitalized on its strengths and utilized resources in the most efficient way, improving its competitive advantage for the days ahead.

In addition to market-based risk response solutions, PVFCCo has prepared a long-term market growth strategy:

- ◆ To retain its No.1 position in production, fertilizer trade and chemical production with a primary focus on petrochemicals.
- ◆ To retain the market share of Phu My urea and Phu My NPK through: Leveraging the distribution network, best-in-class technical support, customer centric after-sales policy, growing distribution networks in selected potential countries.
- ◆ PVFCCo is at the forefront of Research & Development (R&D) such as: Investment in fertilizer production, selected choice of urea on the acceleration roller (pilot scale), diversification of the product range for Phu My urea, a new NPK formula, new fertilizer products, enhanced application organizational model, improved agricultural business model, value chain alignment with the PVFCCo business standards. In addition, PVFCCo is continuing researching & diversifying chemical products of UFC 85/Formaldehyde Plant.
- ◆ PVFCCo implemented policies to preserve its image and brand in the investor community.
- ◆ The Corporation reinforced managing resolutions integrated with cutting-edge information technology system to achieve strategic goals, boost automatic rather over manual control, optimizing technology to manage risks effectively.

REPORT ON IDENTIFICATION AND RISK MANAGEMENT (continued)

RISKS IN THE PRODUCTION ACTIVITIES OF PVFCCO



In 2022, PVFCCo has continuously operated the Plant safely and achieved impressive records. However, the plant has been continuously operated for 19 years, thus, there potential risks remain. Therefore, risk management activities in the following years would focus on:

- ◆ Managing product quality;
- ◆ Managing and resolving production problems;
- ◆ Coordinating with NH₃ Revamp - Phu My NPK Complex Management Unit to finalize capital settlements;
- ◆ Enhancing application in technological advancement and initiative promotion.

In recent years, the Phu My Fertilizer Plant has continued to operate safely and effectively. With an operating life of more than 19 years and maintenance performed every two years, there is a risk of technical issues halting the machinery, increasing the operating and maintenance cost and affecting common goals of PVFCCo.

The NH₃ Revamp - Phu My NPK Complex has been accepted and commercialized. The upcoming period will be devoted to resolving potential issues and concluding the NH₃ Revamp - Phu My NPK Complex.



PVFCCo has been recognizing and resolving issues using the following method in 2022, and will continue to do so in upcoming years:

- ◆ To maintain the operating methods which produces the maximum output of urea products of Phu My Fertilizer and NPK Plant, as well as stably operating the UFC85/Formaldehyde plant to improve the hardness of urea granules, enhance the product quality of PVFCCo, customers and urea plants.
- ◆ To adjust and enact economic and technical norms including; consumption norms of chemicals, material and energy; consumption norms of oil, grease and lubricants; norms of minimum spare materials; norms of materials and spare parts for periodic maintenance to optimize production costs.
- ◆ To concentrate on updating, developing, and promulgating technical procedures that are realistic in nature in order to quickly address abnormal manufacturing issues.
- ◆ To seriously conduct periodic maintenance, preventive maintenance, purchase backup materials for important and high-risk equipment in the plant, especially for important static equipment. In addition, to maintain annual participation in workshops on maintenance and repair of the oil processing plants of Vietnam Oil and Gas Group where we can learn, share experiences, establish orientations, and provide management strategy for maintenance and repair according to the trends of aging machinery.
- ◆ To optimize the application of existing software systems such as: CMMS system - Computerized Maintenance Management System: the activities of maintenance and repair of the plant have been completed through the CMMS system: from requesting tasks to creating execution plans, exporting materials for maintenance, keeping records of maintenance results and inventory control; Oracle Process Manufacturing, specifically:
 - » To manage the execution of equipment maintenance/repair; To keep records of the total background of machinery and equipment.
 - » Simultaneously, to update the service profile to the equipment list of the new project (NH₃ Revamp - Phu My NPK Complex) and CMMS system.
 - » To control inventory, update minimum material list according to the norm into CMMS system; To make a comparison between maintenance material norms and the allocated materials in reality. To automatically export the list of materials and accessories in accordance with maintenance requirements.
 - » To execute MTA (Maintenance Task Analysis) and utilize MTA functions to analyze PMO (Preventive Maintenance Optimization).
- ◆ In addition, to exploit and apply AIMS-Asset Integrity Management System and to execute RBI (Risk Base Inspection) to manage maintenance, assess equipment status, collect data for analysis and determination of equipment failure causes. Simultaneously, examining CUI (Corrosion under Insulation).
- ◆ To organize and manage the investigation and inspection of machinery and equipment which have requirements regarding safety in the plant. Ensuring that equipment is inspected prior to use.
- ◆ Continue to implement and enforce the system for standardizing PVFCCo material codes in accordance with the norm of Shell Mesc.



REPORT ON IDENTIFICATION AND RISK MANAGEMENT ((continued))



Continuing the success in production management in 2022 and upcoming years, PVFCCo would maintain and effectively execute the key investment strategy in the system of managing production of the plant, focusing on the leverage to optimize production and operation costs:

- ◆ To apply management standards for safety and the environment, such as ISO 14001-2004 and OSHAS 18001-2007, effectively. To recognize and assess risks; to propose additional safety measures to mitigate risks; to inform employees and contractors.
- ◆ To focus on training the current labor force to operate the Phu My NPK Plant so that it can meet long-term production requirements of the Corporation.
- ◆ To review current sets of economic and technical norms at Phu My Fertilizer Plant, building up the norm for the Phu My NPK plant and integrating those with current sets of norms to create a common norm for Corporation's Plants.
- ◆ To enhance the role regarding improvement and initiative, as well as rationalize production, maintenance mode approaches preventively to prevent sudden equipment failure.
- ◆ Continue to study maintenance strategy to optimize and be appropriate with the reality of Phu My Fertilizer Plant, maintain planning periodic maintenance (mid-term, short-term and long-term), pay attention to important static equipment which has operated for more than 15 years to prevent incidents and ensure that Phu My Fertilizer Plant continuously operates safely, stably and effectively.
- ◆ To review and update the risk-and-environment identifying table of the Plant in accordance with the process.
- ◆ To update the project on enhancing the operation, maintenance and capacity of Phu My Fertilizer Plant and newly commercial operated Plants of PVFCCo.



RISKS IN PROJECT'S INVESTMENT PROGRESS

In 2022, The NH₃ Revamp - Phu My NPK Complex has completed the preparation of the audit report for settlement.

In addition, PVFCCo is also focusing on creating new investment projects to invest in various products while taking all advantage of available resources.

RISKS REGARDING EXCHANGE RATE

In recent years, the foreign exchange rate has been fluctuating with an upward trend. Exchange rate fluctuations can affect the performance of business activities as well as the performance of PVFCCo's investment projects which use foreign currency. Recognizing the importance of managing exchange-rate risks, PVFCCo frequently updated the macro-economic situation, domestic and global financial status, seriously monitored exchange rate fluctuations to build up and execute appropriate and flexible import and business plans and enhance the efficiency of capital use. In addition to this, PVFCCo also seriously considered its financial management, analyzing and assessing the effect of exchange rate differences on executed projects.

FINANCIAL RISKS AND THE GOAL OF REFORMING INVESTMENT ACTIVITIES CONTRIBUTING CAPITAL TO ASSOCIATES

In 2022, PVFCCo has continued to gradually find solutions to divest investments in joint ventures and associates. Although PVFCCo's objective was to divest capital in these enterprises, it proved extremely difficult to reform long-term capital investment activity when the associate is not operating effectively. To support such members to gradually improve their performance, PVFCCo reinforced supervising associates managing activities through capital representatives while executing activities to support members in managing and directing enterprises.

REPORT ON IDENTIFICATION AND RISK MANAGEMENT (continued)

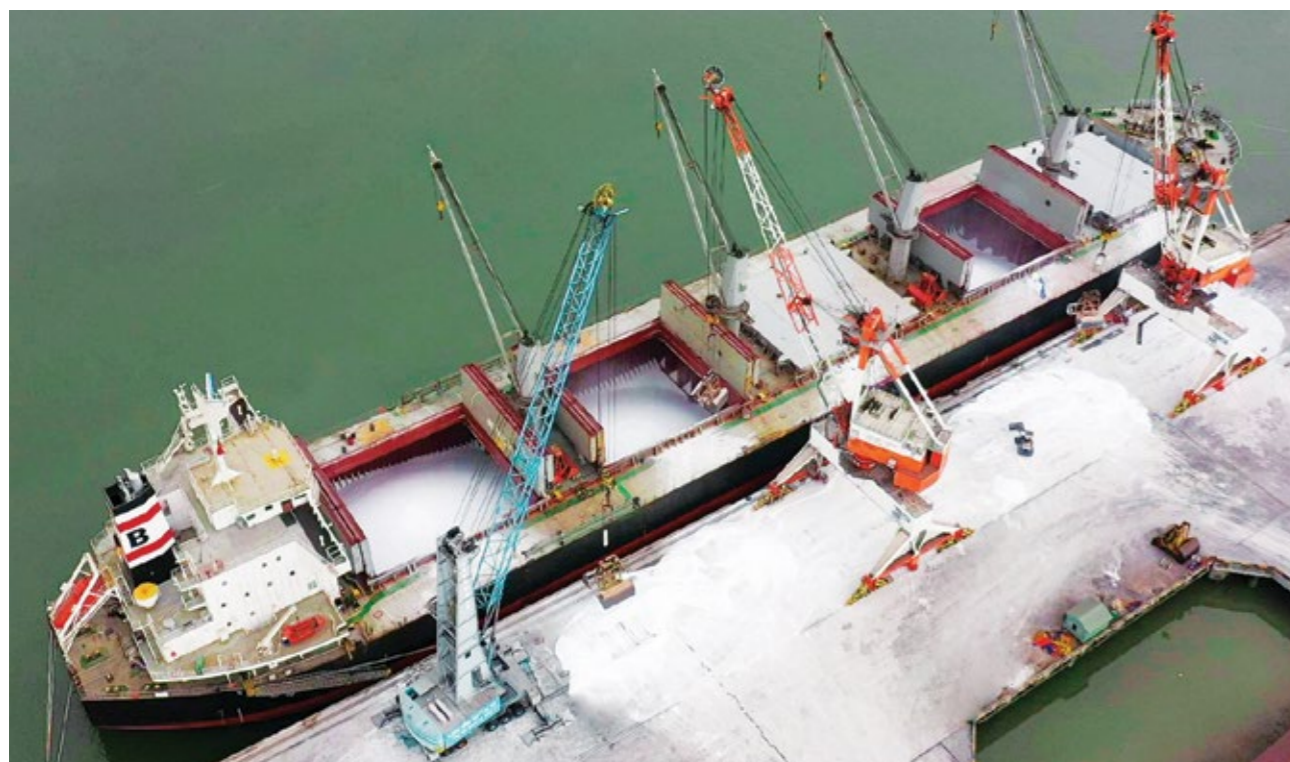
RISKS REGARDING ENVIRONMENT AND REGULATIONS

In recent years, climate change has impacted the majority of regions in our country, in which some have suffered from the detrimental effects of tropical storms, flash floods and long-lasting heavy rain, others have suffered from long-lasting drought, and were affected by soil salinity, and so on. Climate change also negatively influenced agricultural production and plants. In the future, climate change is expected to become even more unpredictable, indirectly affecting the business and production activities of fertilizer companies in general, and PVFCCo in particular.

Vietnam has to open its fertilizer market in the integration progress, and many foreign enterprises are expected to invest in fertilizer production and business which can partly alter urea. Foreign enterprises with experience and great business management will become our strong counterparts in Vietnam.

Inauthentic and low-quality fertilizers that are not strictly managed would lead to disadvantages for prestigious business and production enterprises as PVFCCo.

The tax policies of Vietnam are currently in a consolidation period, which means that there are frequent changes and supplements directly related to the fertilizer industry. Therefore, risks regarding tax policy application, changes to taxes on fertilizers will have great effects on PVFCCo's operation. Fertilizer products transferred from having a 5% VAT applied to being VAT non-applied has led to the fact that the entire input VAT for fertilizer production and business would not be deducted and be accounted into expenses, which significantly impacts profits. Besides this, executing the EPC contract on the NPK fertilizer production project while there are changes in tax policies can affect the investment efficiency of the project.



With the objective of developing PVFCCo sustainably, risks management is always among of major concern to PVFCCo. Therefore, PVFCCo continuously develops, implements and systematically updates risks management solutions with corporate management using advanced methods. This fulfills the role and enhances the ability of internal audit which is a crucial function in both risk and corporate management, consultation for the BOD and BOS in administration, management and prompt supervision for corporate's activities. In 2022, the internal audit division continued to perform the following tasks.

- ▶ Conducting periodic audits with internal experts in different fields to totally examine production and business activities at branches and subsidiaries with audit program being built based on risk groups at PVFCCo.
- ▶ Conducting thematic audits based on anticipated, recognized, and assessed operational risks can have a direct impact on PVFCCo's business efficiency.
- ▶ In addition, the Internal Audit Division (IAD) cooperated with the training consultation organization to establish a management report system at PVFCCo according to advanced method, enhancing the ability and skills of audit. Accordingly, PVFCCo's IAD has continued to execute its plan by collaborating with international consulting

organization to perfect its internal managing system, perfect the corporate management framework for the upcoming period and review and update the risks list, build compliance matrix and optimize the execution process.

- ▶ Through annual internal audits, the Internal Audit Division (IAD) of PVFCCo continuously amends significant control issues and assesses the control efficiency in order to maintain an internal control system operating effectively. In addition, internal audits' results are discussed in periodic meetings of the BOD to strengthen management at PVFCCo.
- ▶ Consulting for the BOD in limiting and preventing risks through reporting, examining and appraising reports submitted by BOM under the handling competence and decision of the BOD.

Not only does PVFCCo focus on target-oriented risks management but it also pays attention to other resources to continuously implement synchronous solutions to improve the efficiency of corporate management in general.

- ▶ Integrating risks management into management processes, especially focusing on business anticipation and planning; the general resources management system of the enterprise is continuously enhanced, while having successfully operated Enterprise Resources Planning (ERP) in the first period, operated ERP in the second period with Hyperion Planning Management (HPM), Oracle Processing Manufacturing (OPM) was enhanced after being operated, and next would be the third period with Business Intelligence module BI, to maximize automatic control and direct control on the system, which contributes to improve managing competence at PVFCCo.
- ▶ Completing and continuing to amend, and optimizing operation of the reformation project related to the salary policy, which creates a breakthrough in salary distribution to enhance productivity and work efficiency, specifically: amending employee policy; amending and supplementing the Corporation's regulation on salary, bonus and welfare fund; Developing the competence framework for positions and the Key

Performance Indicators (KPIs), which helps the Management evaluate PVFCCo's accomplishment of divisional and overall targets.

- ▶ Recognizing the importance of digital transformation, in 2022 PVFCCo quickly applied digital office solutions and digitalized documents to all of divisions and regional companies, managed online activities through technological applications, and applied digitalized apps in operating to reduce manual work and optimize costs.
- ▶ In addition, PVFCCo gradually hired consultants to train officials in digital transformation in order to change managers' operational mindsets. Digital transformation enables businesses to save money on operational costs and invest in long-term growth plans. Managing through technological applications allows sellers to easily assess customers and improves the buyer's experience. This would increase PVFCCo's competitiveness in providing products and services that meet the needs of its customers.

In the view of "sustainable, effective and humane development" as well as constantly promoting governance in accordance with advanced practices, the Management of PVFCCo was determined to complete and effectively operate Enterprise Risk Management System (ERMS), oriented to strategic direction to enhance corporate management capacity, and maintain its leading position and brand in the fertilizer and chemicals industry among investors.

PORT ON TRANSACTIONS, REMUNERATION AND OTHER BENEFITS OF THE BOD, BOM AND BOS

SALARIES, BONUSES, REMUNERATION AND BENEFITS OF THE BOD, BOM AND BOS

PVFCCo implemented an executive remuneration scheme for members of the BOD, BOS and BOM in accordance with the law and PVFCCo's Compensation and Benefits Policy. This is aligned with its annual salary review and budget and the provision of fair reward for the competence and performance of each member.

Part-time members of BOD or BOS are entitled to remuneration according to job role and responsibility.

Details of salaries, remuneration and bonuses in 2022

(Unit: VND million)

No.	Full name	Position	Salary and bonus fund		
			Salary fund	Bonus fund	Total income
I. Board of Directors			6,938	832	7,815
1	Hoang Trong Dung	Chairman of the BOD	1,732	216	1,948
2	Le Cu Tan	Member of the BOD cum President and CEO	1,848	231	2,079
3	Duong Tri Hoi	Member of the BOD	1,595	199	1,795
4	Trinh Van Khiem	Member of the BOD	1,477	185	1,662
5	Louis T Nguyen	Independent member of the BOD	331	-	331
II. Vice president and Chief accountant			10,642	1,330	11,972
1	Le Van Quoc Viet	Vice president	1,595	199	1,795
2	Le Thi Thu Huong	Vice president	1,595	199	1,795
3	Dao Van Ngoc	Vice president	1,468	184	1,652
4	Tran Thi Phuong Thao	Vice president	1,595	199	1,795
5	Cao Trung Kien	Vice president	1,520	190	1,709
6	Ta Quang Huy	Vice president	1,420	178	1,598
7	Vo Ngoc Phuong	Chief accountant	1,447	181	1,628
III. Board of Supervisors			3,199	363	3,562
1	Huynh Kim Nhan	Chief supervisor	1,595	199	1,795
2	Le Vinh Van	Member of the BOS	1,313	164	1,477
3	Luong Phuong	Member of the BOS	291	-	291
Total			20,824	2,525	23,349

Trading of internal shareholders' and related persons' shares

- ◆ On March 4th 2022, the related shareholders in a group of shareholders of Nghe An Agricultural Materials Joint Stock Corporation announced they sold shares, decreasing their ownership rate to 5.998%.
- ◆ On March 25th 2022, Chief Accountant Vo Ngoc Phuong reported the sale of 24,700 shares, decreasing his ownership rate to 0%.
- ◆ On May 6th 2022, Deputy General Director reported the sale of 1,000 shares, decreasing the number of shares owned to 33,700 shares.
- ◆ On June 10th 2022, the related shareholders in a group of foreign shareholders i.e., Amersham Industries Ltd, CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Grinling International Ltd, KB Vietnam Focus Balanced Fund, Vietnam Enterprise Investment Ltd, and Wareham Group Ltd announced the purchase of 1,400,000 shares, increasing their share of ownership rate to 5.0852%.
- ◆ On June 22nd 2022, the related shareholders in a group of foreign shareholders i.e., Amersham Industries Ltd, CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Grinling International Ltd, KB Vietnam Focus Balanced Fund, Samsung Vietnam Securities Master Investment Trust, Vietnam Enterprise Investment Ltd, and Wareham Group Ltd announced shares purchased, increasing their share of ownership rate to 6.1604%.
- ◆ On September 29th 2022, the related shareholders in a group of foreign shareholders i.e., Amersham Industries Ltd, CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Banks, Grinling International Ltd, KB Vietnam Focus Balanced Fund, Samsung Vietnam Securities Master Investment Trust, Vietnam Enterprise Investment Ltd, and Wareham Group Ltd announced shares sold, decreasing their share of ownership rate to 5.9472%.
- ◆ On October 7th 2022, the related shareholders in a group of foreign shareholders i.e., CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Banks, Grinling International Ltd, KB Vietnam Focus Balanced Fund, Samsung Vietnam Securities Master Investment Trust, and Vietnam Enterprise Investment Ltd announced shares purchased, increasing their share of ownership rate to 6.2424%.
- ◆ On November 15th 2022: the related shareholders in a group of foreign shareholders i.e., CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Banks, KB Vietnam Focus Balanced Fund, and Samsung Vietnam Securities Master Investment Trust announced shares purchased, increasing their share of ownership rate to 7.0544%.
- ◆ On December 5th 2022: the related shareholders in a group of foreign shareholders i.e., CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Banks, KB Vietnam Focus Balanced Fund, Samsung Vietnam Securities Master Investment Trust announced shares purchased, increasing their share of ownership rate to 8.1035%.
- ◆ On December 30th 2022: the related shareholders in a group of foreign shareholders i.e., CTBC Vietnam Equity Fund, DC Developing Markets Strategies PLC, Norges Banks, KB Vietnam Focus Balanced Fund, and Samsung Vietnam Securities Master Investment Trust announced shares purchased, increasing their share of ownership rate to 9.2023%.

Contract or transaction with internal shareholders

In 2022, there were no transactions between the Corporation and the members of the Board of Directors, Board of Supervisors, Board of Management and managers.

Contracts or transactions with related organizations and individuals

- ◆ Gas sales contract with PetroVietnam Gas Joint Stock Corporation (PV Gas).
- ◆ Trademark transfer contract with Vietnam Oil and Gas Group (PVN).
- ◆ Purchase and sales contract between the Corporation and 4 affiliated subsidiaries.
- ◆ Contracts and transactions between the Corporation and other related parties (as disclosed in Corporate Governance Report in 2022).



Chapter 6

SUSTAINABLE DEVELOPMENT REPORT

SHARING VALUES

Through 20 years of development, PVFCCo has always maintained and promoted the core value system "Professionalism - Efficiency, Dynamism - Creativity, Professionalism - Sharing, Aspiration - Outreach", through creating high quality products and services, actively contributing to the development of society, promoting the spirit of community building and environmental protection, thereby helping PVFCCo develop soundly and sustainably.



PRESIDENT AND CEO'S MESSAGE

PVFCCo's President and CEO undertakes the highest responsibility for the corporation's environmental policies/issues.



With the mission of accompanying together to build a sustainable foundation for Vietnam's agriculture, the growth goal in PVFCCo's development strategy will be aligned with the goal of accompanying the sustainable development of the agricultural and rural development. That goal will ensure that the achievements in the development of PVFCCo will be shared by supporting the local community as well as exchanging knowledge and experiences to help farmers save costs, enhancing cultivation efficiency, improving incomes and living standards.

PVFCCo has entered 2022 with considerable changes in the global political landscape. The world witnessed significant fluctuations in major economies together with a lot of loss and grief, followed by negative consequences affecting the people around the world. The Russia - Ukraine conflict made energy and agricultural product prices skyrocket, threatening the global supply chain; inflation in the US climbed to its highest level in 40 years. Interest rates also increased and the U.S. dollar appreciated, putting pressure on domestic currency while stock market moved down. Covid-19 pandemic, despite being controlled when almost people have been vaccinated, was still a long-term challenge for public health system.

Given that situation, PVFCCo has deployed appropriate response solutions, especially focusing on forecasting

to effectively adapt to market fluctuations, grasping opportunities to break through, affirming its position as a leading enterprise in the industry, achieving impressive business performance with highest-ever profit, strongly increasing benefits for shareholders.

However, we are also aware and believe that, to maintain long-term profitability, by not only ensuring shareholder benefit but also ensuring stakeholder inclusiveness. Given that awareness, in 2022 PVFCCo set up task groups associated with sustainable development goals, connecting with the groups that benefit from employees, suppliers, customers, people and other vulnerable persons caused by adverse market fluctuations in recent years. Some typical targets/activities and achievements of PVFCCo in 2022 are as follows:



Ensuring safe, stable, efficient and economical operation of the system; continuing to perfect the lean governance on the principle of strict compliance with regulations on environment and sustainable development as prescribed by law:

In 2022, PVFCCo has fully promoted our advantages, opportunities and resources to improve production capacity and operational efficiency in all areas. Accordingly, all factories have been operating in a safe

and stable manner, ensuring product quality. During the year, there have been no incidents related to safety, health and environment that may cause mishaps to people and production.



Maintaining a close connection in our system and implementing strategies and policies to cope with long-term pandemic, giving priority to digital transformation, accelerating application of information technology and ERP system:

Continuing to review and update pandemic prevention plans as recommended by Vietnamese agencies. At the same time, the Corporation set up a specialized department/special working group to prepare facilities, human resources and means to be readily respond to the pandemic circumstances.

Collectively deploying digital technology in business activities; deploying digital offices and increasing exploitation of information technology in order to improve the effectiveness of the Corporation's governance. In 2022, the Corporation has established a functional department to take responsibilities for the digital transformation.



Completing and implementing the 5-year development strategy from 2021 to 2025, adapting in the long term for the next period while focusing on seeking a stable source of manufacturing materials to maintain productivity, consolidating the Corporation's position as a leading enterprise in local market, expanding into overseas markets:

Based on the development direction to 2035 and the strategic vision to 2045 approved by the Annual General Meeting of Shareholders, PVFCCo has completed 5-year development plan and long-term development strategy.

Accordingly, the Corporation's general long-term development goal is to maintain its position as the No.1 fertilizer manufacturer in Vietnam and expand to producing and selling basic chemicals and petrochemical products with the goal of positioning PVFCCo as a pioneering chemical and green energy producer in Vietnam.



Building a professional team, while promoting the spirit of solidarity to overcome difficulties, willingness to sacrifice and dedicate with the policies in ensuring good physical and mental health, working conditions, and income for employees:

Apart from medium-term and long-term development strategy, PVFCCo continues to accelerate overall restructuring plans in terms of our operating model along with executing/perfecting employee policies,

skills training, taking care and improving living standards with many supporting activities and cultural exchanges, creating a playground to improve spiritual and physical life for employees.



Sharing success - community responsibility: Typical community support and social security programs in 2022...

During the past years, social security activities have become a tradition and cultural beauty in PVFCCo's great family. Inheriting that tradition, Trade Unions, Youth Unions, Veteran Associations, etc. have coordinated, connected and implemented many social security programs and projects to give direct support to the families entitled to enjoy numerous benefits from State policies and the families with difficult circumstances in countless localities across Vietnam.

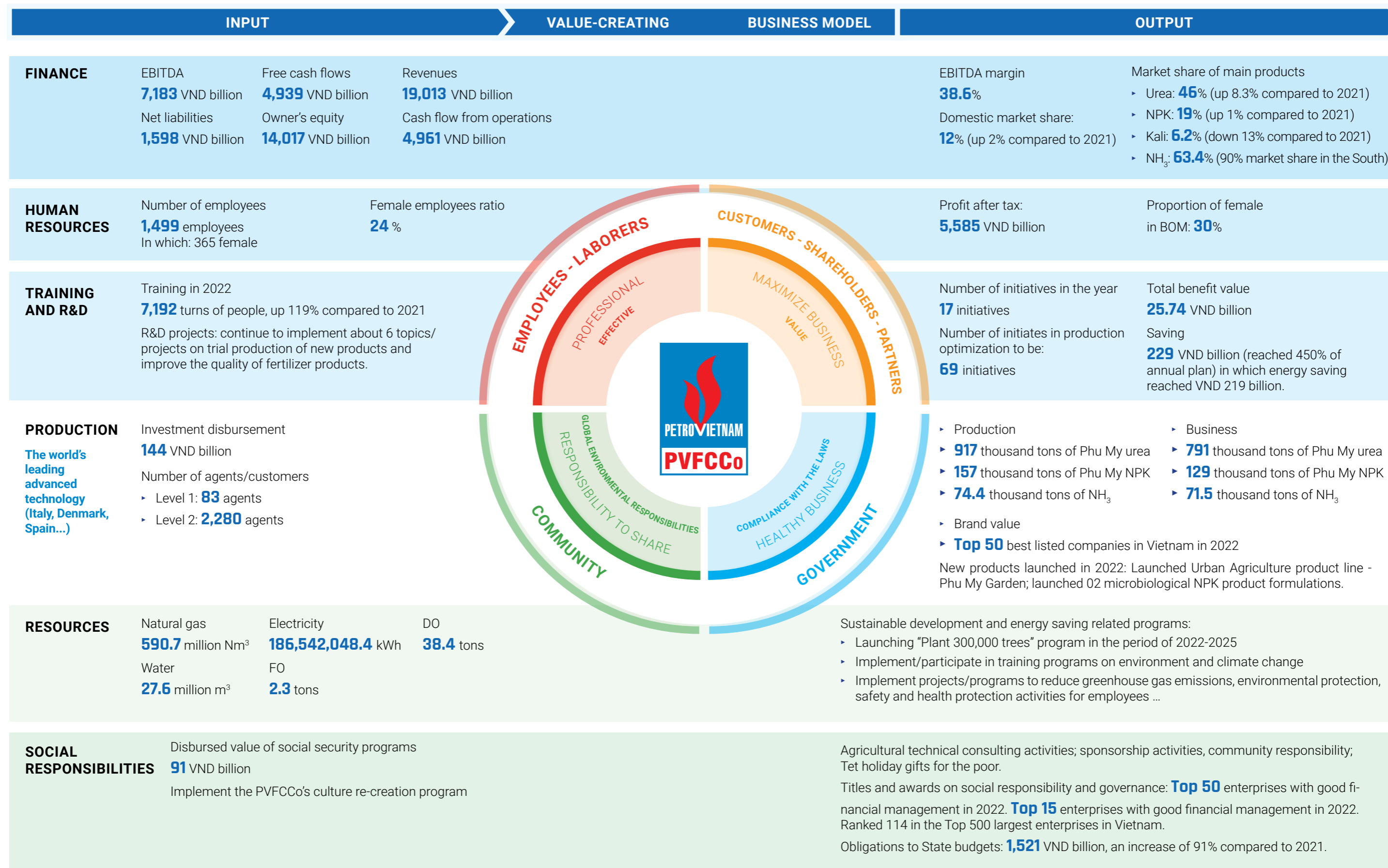
That goal will ensure that the achievements in the development of PVFCCo will be shared by supporting the local community as well as exchanging knowledge and experiences to help farmers save costs, enhancing cultivation efficiency, improving incomes and living standards.

The Corporation is well aware of challenges, disadvantages and negative impacts on sustainable development in both short-term and long term. With the mission of accompanying together to build a sustainable foundation for Vietnam's agriculture, the growth goal in PVFCCo's development strategy will be aligned with the goal of accompanying the sustainable development of the agricultural and rural development.

With the outstanding achievements that the Corporation has achieved in the past year, on behalf of the Board of Management, I would like to express my recognition of the spirit of dedication, cooperation and continuous efforts of PVFCCo's collective towards the common goals. During the past year, we have witnessed many struggles and unpredictable changes. However, the most important thing is that we have been ready to change and adapt with a spirit of optimism and persistence. With that will and spirit, I believe that we will be able to do better and go further to create sustainable values for shareholders and the community.

**President and CEO
LE CU TAN**

VALUE CREATION MODEL OF PVFCCO

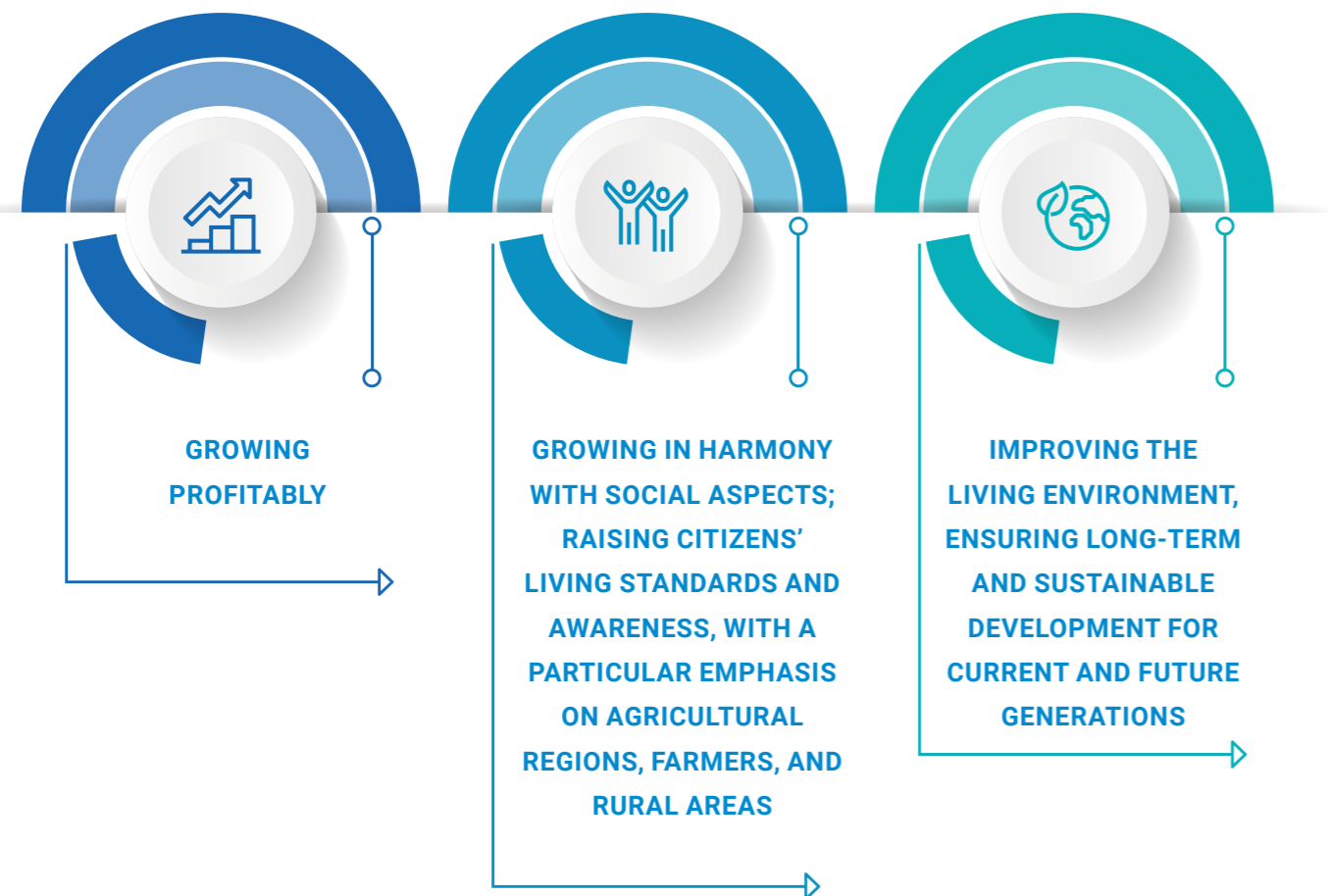


SUSTAINABLE DEVELOPMENT REPORT



In the past 20 years of developing, the business orientation “developing the enterprise integrated with environmental protection and social responsibility” has been preserved and developed by generations of employees as an asset and a cultural beauty of the enterprise.

The Corporation is a producer and distributor of fertilizer and chemicals. It is inextricably linked to agriculture, farmers, and rural Vietnam (the region accounts for 70 percent of the total population of Vietnam). In its development strategy, the Corporation considers sustainable development as its orientation, principle and core value. In the past 20 years of developing, the business orientation “developing the enterprise integrated with environmental protection and social responsibility” has been preserved and developed by generations of employees as an asset and a cultural beauty of the enterprise. The Corporation consistently pursues a balanced priority among goals and optimizes the execution thereof.



The Corporation has been acting in the interest of sustainable development, participating in society's activities in order to successfully implement Vietnam's strategic orientation toward sustainable development in particular, and the world's counterpart in general. The Corporation has recently implemented the following principles and activities:

EMPLOYEES

PVFCCo has built a culture of “Professionalism - Efficiency; Dynamics - Creativity; Aspiration - Outreach; and Responsibility - Sharing”, through a positive and professional work environment, fair employee policy and a friendly workplace. In particular, the achievements of PVFCCo are as follows:

- ◆ PVFCCo has invested in a manufacturing plant system and an office building, which are well-designed, properly ventilated, well-lit and air-conditioned. The Corporation has achieved energy efficiency and provided good working conditions for its workers.
- ◆ PVFCCo introduced key performance indicators (KPI) and improved their reward system. The Corporation also set up a framework to ensure a fair and professional working environment. At the same time, PVFCCo improved its human resource policies to ensure its employees have the amicable working conditions and career advancement opportunities.

TRAINING AND DEVELOPING HUMAN RESOURCES

7,192 turns of people
6 VND billion total training cost

- ◆ In 2022, the Corporation delivered training to 7,192 people, implementing 124% of the plan for 2022, reaching 119% from 2021, with total training cost of VND 6 billion, completing 62% of the plan for 2022, increasing 184% from 2021. The Corporation has continued to pay great attention to training activities to maintain and improve labor force quality.

- ◆ Building Corporate Culture: Accelerating Steering and Implementation Committee activities for PVFCCo culture; releasing an action plan for the last 6 months of 2022 on the basis of the Resolution of the Corporation's Communist Party on PVFCCo's cultural reproduction. Hiring consultants/experts for implementing PVFCCo's cultural reproduction; organizing 2022 PVFCCo culture seminars/workshops; organizing Team building with the topic “Conveying enthusiasm - Determining to succeed”.
- ◆ Assuring stable employment and income for the labor force. Fully implementing employee policies in accordance with national, Corporation, and labor agreements. Salary payments are made in accordance with the Corporation's regulations.



SUSTAINABLE DEVELOPMENT REPORT (continued)

CUSTOMERS

The Corporation provided customers with high-quality products, effective solutions and services as mentioned below:



- ◆ Ensuring high quality products is a top priority. All Phu My fertilizer products, other fertilizers and chemicals are complied with registered standards.
- ◆ To help farmers optimize the ratio of fertilizer usage and crop yield, PVFCCo partners with local authorities and scientists to organize cultivation technique workshops at experimental gardens and sample fields to train farmers.
- ◆ PVFCCo maintains its warehouse and logistics management systems well nationwide, so that their products are delivered to farmers on time at reasonable prices.

- ◆ PVFCCo maintains a product quality management system in accordance with the international standard ISO 9001:2015 to ensure that the product's quality remains consistent with its claims.

SHAREHOLDERS

In order to create products and services to maximize shareholder value, PVFCCo has carried out the following activities in 2022:

- ◆ PVFCCo implemented and completed targets and plans in production and business in 2022, especially the targets of revenue and profit before tax. Total revenue and profit before tax reached more than VND 19,000 billion and VND 6,606 billion, an increase of 45% and 74% respectively compared to 2021, continuing to set a new record in revenue and profit since the establishment of the Corporation.
- ◆ To ensure optimal use and control of its resources, PVFCCo has invested in IT such as business support software, document management software and other innovative approaches. The Corporation also invested and built its own resources planning application software such as ERP, STOP, 5S, APC, System 1, RBI, KPI, etc.
- ◆ The Corporation's Management is constantly concerned with and actively manages activities aimed at improving and rationalizing production and business. In 2022, 17 initiatives were approved, resulting in a profit of VND 26 billion; and 69 initiatives to rationalize production were approved, yet not be quantified profits.
- ◆ The activities relating to science and technology, research, and development continued to be cared for by the Corporation. Given the difficulties caused by the Covid-19 pandemic in the first half of 2022, the authors have made efforts to complete and deploy 7 topics and 10 items about other science and technology, prepare 4 reports on investment opportunities for potential projects to develop new products, test and successfully launch 1 new fertilizer product line in Vietnam (2 products with microorganism NPK Phu My) and especially develop and introduce a product line specialized for urban agriculture - Phu My Garden.
- ◆ The Corporation effectively reformed administrative procedures, conserved resources, and avoided waste in order to reduce management and product costs. The total savings in 2022 were estimated at VND 229 billion, or 450% of the year's budget, with approximately VND 219 billion in energy savings.

PROFIT BEFORE TAX

6,606 VND billion
an increase of 74% compared to 2021

TOTAL SAVINGS IN 2022

229 VND billion
reached 450% of the plan

GOVERNMENT

PVFCCo has ensured that its business activities complied with the laws. PVFCCo has achieved the following results:

PVFCCo contributed to the state budget: VND 1,521 billion, which reached 206% of the 2021 plan, an increase of 91% compared to 2021.

PVFCCO CONTRIBUTED TO THE STATE BUDGET

1,521 VND billion
▲ 91% compared to 2021

BUSINESS PARTNERS

In working with strategic business partners, the principles and values applied were: Healthy competition, collaboration and advancing customer best interests.



COMMUNITY AND SOCIETY

The Corporation is committed to carrying out its responsibilities to the community and society.

- ▶ Besides effective development and environmental protection, the Corporation was served both the employees and society.
- ▶ In 2022, the Corporation invested nearly VND 91 billion in numerous projects/programs (details in pages 112-113).

ENVIRONMENTAL AND GLOBAL ISSUES

Sustainable development along with environmental preservation and social responsibility is always the Corporation's motto.

During the last year, the Corporation has continued to keep its commitment to environmental protection, by actively participating in the action programs promoted by the Government within the "National environmental protection strategy to 2030, vision to 2050" and "National strategy on climate change to 2050" to implement Vietnam's commitments at the 26th Session of the Conference of Parties joining in the UN Framework Convention on Climate Change (COP26).

In particular, PVFCCo has implemented and achieved the following results:

- ◆ Implementing the research on clean energy transformation to reduce greenhouse gas emissions and environmental pollution.
- ◆ Measuring greenhouse gases, emissions and actions to reduce greenhouse gas emissions during fertilizer production.
- ◆ Maintaining preparation, communication and compliance with Policies, Regulations, and Processes in production and business. Continuing the existing programs and researching new programs on technology safety management and equipment maintenance program according to the standards of advanced countries in order to maintain the stability and the safe operation of equipment and machinery, minimizing energy consumption and CO₂ emissions.
- ◆ Applying and effectively maintaining the system for managing quality-health safety-environment-energy according to the international standard ISO 9001:2015, ISO 45001:2018, ISO 14001: 2015 and ISO 50001:2011.
- ◆ In research and development activities, the Corporation always gives priority to application of the most advanced technology, reducing energy consumption and minimizing emissions and greenhouse gases.
- ◆ In 2022, the Corporation coordinated sustainable development objectives and duties as mentioned in its business and production and achieved positive outcomes.

REPORT ON SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION



In 2022, the HSE implementation suffered from the general difficulties in the Corporation's business and production, resulting from the world fluctuations, the Covid-19 pandemic which was still present in the 1st quarter of 2022, hidden natural disasters, potential climate changes, the age of Phu My Fertilizer Plant after 19 years of operation with high risks from the old machines and equipment, etc.

However, the Corporation has taken the advantages in 2022 to overcome all difficulties and complete the plan and the targets as set out. Accordingly, the 2022 plan for HSE activities has been completed with the results as follows:

Maintenance and improvement of the Health, Safety, and Environment (HSE) management system according to international standards

- ◆ In 2022, the Corporation maintained and applied effectively HSE management system in line with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. In January 2022, the Corporation DNV received certificates for 3 systems and conducted 1st assessment by DNV.
- ◆ Accelerating HSE management system of the Corporation and its member units. Building regulation on HSE responsibilities in full time and part time. Enhancing HSE team under Trade Union, effectively supporting the HSE at workplace.
- ◆ The Corporation and its member units has built and deployed HSE objectives on the basis of HSE policy, in compliance with the actual business situation of each member units. HSE performance is quarterly assessed to evaluate completion level and timely give solutions to the uncompleted items.



Safety - Security, fire control, emergency response

Safety - Security, fire control and emergency response activities in 2022 have been completed as per the plan assigned by the Corporation's management team.

- ◆ In 2022, there will be no serious industrial accidents, fires, or explosions that endanger people or property.
- ◆ All entities, plants, ports and warehouses have strictly complied with the Corporation's requirements and the legal regulations.
- ◆ Completing Quantitative Risk Assessment Report 2022 for Phu My Fertilizer Plant, which was approved by the Ministry of Industry and Trade.
- ◆ Completing PSM Technology Safety Management System for Phu My Fertilizer Plant and applying maintenance management system for other equipment such as System 1, RBI, etc.
- ◆ Organizing maintenance workshops related to the increase in equipment failures due to inappropriate inspection and control of equipment.
- ◆ Organizing preliminary review of regulations on coordination between Ba Ria - Vung Tau's Police and PVFCCo to ensure Safety - Security and fire control.
- ◆ PVFCCo implemented repairs to the system of FPF at the building on 43 Mac Dinh Chi street and the building on 27 Dinh Bo Linh street as approved.
- ◆ Periodically inspecting Safety - Security and fire control at Phu My Fertilizer Plant and its affiliates. At the same time, inspecting for OSHA violations before the holidays.
- ◆ Producing statistics, reporting and investigating accidents and incidents in 2022 at all units. All incidents at Phu My Fertilizer Plant have been investigated and analyzed for the root cause to find any preventive measures.
- ◆ In 2022, Phu My Fertilizer Plant and its member units have tested 1,817 pieces of equipment with strict safety requirements in accordance with the law. In addition, safety - fire control equipment at Phu My Fertilizer Plant has been inspected and maintained, including: fire protection equipment, respiratory safety equipment, portable gas meter, fire truck, and ambulance.
- ◆ Organizing 17 disaster rehearsals regarding fire control and emergency response at Phu My Fertilizer Plant and the Corporation's warehouses, including a Rehearsal of Rescue and Fire Fighting Plan with many forces at Phu My Fertilizer Plant, attended by Fire and Rescue Police Department of Ba Ria - Vung Tau Province.
- ◆ All units in the Corporation strengthen security, safety and fire prevention during the national public holidays such as New Year, Lunar New Year, Reunification Day and Independence Day, and report to PVN as required.
- ◆ Making reports on occupational accidents and occupational safety and health in 2022 to the Department of Labor, War Invalids and Social Affairs and the Department of Health.
- ◆ Reporting rescue and fire control activities in 2022 to the local Fire and Rescue Police in accordance with regulations.
- ◆ Spreading safety information to employees was well maintained in the daily bulletin boards of the Corporation.
- ◆ PVFCCo estimated that the cost of fire prevention and suppression, as well as emergency response activities (including insurance against fire and explosion risks, rehearsals, trainings, propagandizing, purchasing and maintaining FPF equipment...) would be approximately VND 17 billion in 2022.

REPORT ON SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION (continued)

Health Care - Disease prevention

The Covid-19 pandemic was complicated in the first quarter of 2022 and was then controlled effectively; therefore, the Corporation's business and production as well as the employee healthcare have recovered. Healthcare and pandemic prevention activities during the past year have achieved the following outcomes:

- ◆ In 2022, the Corporation has carried out periodical health checks for all employees in accordance with regulations.
- ◆ As the financial support for employees in case of medical treatment and hospitalization, PVI Care, the employee insurance program, continued to be implemented and supplemented.
- ◆ In addition, Phu My Fertilizer Plant has done screening of occupational diseases for employees to detect early and arrange for suitable outcomes. The number of employees with occupational deafness in 2022 is 24 people (compared to 25 people in 2021).
- ◆ Maintaining the Corporation's Steering Committee for Pandemic Prevention to promptly direct the pandemic prevention and quickly handle possible pandemic breakouts.
- ◆ Implementing seasonal flu vaccination for all the Corporation's employees.
- ◆ Regularly updating and implementing pandemic prevention measures (Covid-19 pandemic, monkeypox and other diseases) in accordance with the regulations, recommendations and instructions of the Vietnamese Government, the Ministry of Health, and other State agencies.
- ◆ Closely coordinating with localities, health agencies, and CDC to exchange information and promptly handle disease-related issues.
- ◆ All employees are aware of raising the spirit of proactive pandemic prevention, constantly updating and seriously implementing pandemic prevention measures under the guidance of the Ministry of Health.
- ◆ Purchasing equipment, chemicals and supplies for pandemic prevention such as face masks, hand sanitizer, etc.
- ◆ The cost for healthcare and pandemic prevention in 2022 is estimated at about VND 20 billion (including periodic health check, occupational disease examination, procurement of medical supplies, propagandizing, training, etc.).



Environmental protection and waste control

- ◆ In 2022, there was no violating the law and environmental pollution incident.
- ◆ All Business Units have fully implemented tasks to comply with the law on environmental protection such as announcing 2021 periodic environmental monitoring plan to the Departments of Natural Resources & Environment, carrying out periodic environmental monitoring as required in the Environmental Assessment Report and managing waste in accordance with the legal regulations.
- ◆ Renovating and repairing wastewater treatment system, including ETP at NPK Workshop and wastewater treatment system of the Building at no.27 Dinh Bo Linh Street.
- ◆ Implementing emissions inventory, greenhouse gas emission reduction and climate change mitigation such as emission inventory for production and business activities in 2022, making report on the performance of action plan on climate change mitigation and adaptation on PVN's Database, propagandizing PVN Handbook for Climate Change Communication, supporting Vietnam Petroleum Institute (VPI) in surveying and collecting documents related to greenhouse gas emission in production and business. In addition, the Corporation also implements energy efficiency (as described in Section 5 below).
- ◆ Working with the environmental inspection teams and inspectors in 2022: reporting and providing documents to the Inspection Team under the Government Inspectorate as requested by the General Department of Environment, working with the Delegation Team under the Environmental Police Department covering surveying, collecting information and documents on emission in the field of fertilizer production.

- ◆ Assessing the impact of legal documents on environmental protection, including Decree No. 08/2022/ND-CP, Circular No. 02/2022/TT-BTNMT, Decree 06/2022/ND-CP, Circular No. 01/2022/TT-BTNMT, and Decree No. 45/2022/ND-CP to instruct the units.
- ◆ Giving opinions on the development of legal documents regarding the environment: providing information about the survey on the implementation of regulations on tax and environmental protection fees, giving opinions on the draft of the project of making payment for forest environmental services in Ba Ria - Vung Tau Province, Giving opinions on the list of technologies, equipment and products to the environmental sector under industry and trade, providing information to serve quantitative risk assessment quantitative risk assessment of the effects of climate change on PVN's oil and gas projects.
- ◆ Training and participating in environmental instruction courses such as internal training on recycling fertilizer packaging, training on environmental monitoring done by the Southern Center for Environmental Monitoring, attending the workshop "Building and guiding measurement, reporting, and verification (MRV) to assess greenhouse gas emissions of Vietnam Oil and Gas Group in the period 2018-2030", attending the symposium "Re-valuing enterprises from environmental perspective: contribution of enterprises towards zero emission roadmap" organized by VCCI, etc.
- ◆ Coordinating with the departments in environmental works such as acceptance of environment-related reports in 2021 at the Corporation's fertilizer warehouses, the environment-related requirements applicable to the chemical business branch as for removing Petrochemical Mixing Workshop to NH₃ campus in Phu My Fertilizer Plant.
- ◆ Participating in World Wetlands Day, World Environment Day, Environment Month and Vietnam Sea and Island Week, and Ocean Day in 2022.
- ◆ Installing online monitoring equipment at Phu My Fertilizer Plant:
 - ▶ Online monitoring system for river water used for cooling has been accepted by DONRE and the system has transmitted data to DONRE in accordance with all regulations.
 - ▶ Granulating tower: continuing to follow up the feedback of MONRE on the proposal not to install online emission monitoring because no solution is found and increase monitoring frequency to once a month from 2020.
 - ▶ Online monitoring system of emissions at the chimney 20SK2201 at the old UFC85 Workshop (03 parameters: emission volume, total dust, and temperature): The system works normally.
 - ▶ Online monitoring system of emissions at the chimney 20SK2201 at UFC85 Workshop (07 parameters: SO₂, NO_x, O₂, CH₃OH, HCHO, Pressure, and CO): in progress of bidding package for installation.
 - ▶ Online monitoring system of emissions at the chimney 70SK2001 - NPK Workshop has been completed and transmitted data to DONRE from June 3rd 2022 as regulated.
 - ▶ 2022 environment-related figures are as follows:
 - » Fuel consumption:

No.	Fuels	Unit	Amount
1	Gas	Million m ³	590.7
2	FO	Ton	2.3
3	DO	Ton	38.4
4	Water	m ³	27,605,943.8
5	Power	kWh	186,542,048.4

Consumption water includes domestic water and groundwater serving production, river water for cooling machinery and equipment.

Waste figures

No.	Type of waste	Unit	Emissions	Amount of treatment	Level of treatment (meet national technical regulation)
1	Wastewater (*)	m ³	152,737	152,737	Good
2	Cooling water	m ³	29,132,940	29,132,940	Good
3	Air emission	m ³ /Quarter	12,080,565,600	12,080,565,600	Good
4	Domestic solid	Kg	113,352	113,352	Good
5	Industrial solid waste	Kg	1,171,833	1,171,833	Good
6	Hazardous waste	Kg	77,720	77,720	Good

(*) Wastewater includes: Domestic wastewater and production wastewater.

Estimated cost for environmental activities in 2022: Approximately **9** VND billion.

REPORT ON SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION (continued)

Implementing energy saving and climate change mitigation

- ◆ Continue to implement projects/programs to reduce greenhouse gas emission in accordance with the list in Appendix 1 of Vietnam Oil Corporation's action plan to mitigate and adapt to climate change from 2018 to 2030.
- ◆ Consolidating the Steering Committee for Energy Management and its supporting team to save energy at the Corporation.
- ◆ Enhancing and replacing human resources in the Plant's energy management network.
- ◆ Publishing the Corporation's goals and action plans for efficient energy use in 2022 according to Decision no.114/QD-PBHC dated 19 April 2022.
- ◆ Paying all fees in 2022 to Vietnam Energy Association.
- ◆ Reporting plan to implement the 2023 tasks under the national program on economical and efficient use of energy in the period of 2019-2030.
- ◆ Hiring energy auditing consulting service at Phu My Fertilizer Plant in 2022.
- ◆ Attending the seminar on mechanisms, policies, and solutions for sustainable energy development in Vietnam which was organized in Hanoi on June 17th 2022.
- ◆ Updating legal documents in the energy sector.
- ◆ Conduct energy audit at Phu My Fertilizer Plant in 2022.
- ◆ Preparing records to participate in the award "Energy Efficiency in Industry in 2022" organized by Vietnam Association of Science and Technology for economical and efficient use of energy.
- ◆ Preparing records to participate in the program "Enterprise for sustainable development of Vietnam's energy" in 2022, organized by Vietnam Energy Association.
- ◆ In 2022, the Corporation as well as its member units have set goals for cost saving. The performance results have been monitored, reviewed and assessed KPI completion.
- ◆ At Phu My Fertilizer Plant, the goals are set for economical and efficient use of energy. The report on economical and efficient use of energy in 2022 and the policy for 2023 have been prepared and submitted to the Department of Industry and Trade of Ba Ria - Vung Tau Province.



Training, coaching and propagating HSE

- ◆ In 2022, the Corporation has organized many training courses on HSE and professional skills for employees to improve their job performance and management capacity:
 - » Training on OSH, Fire Control and Chemical Safety: group safety training in accordance with the law, radiation safety in industry, coaching fire control and rescue, giving technical guidance on Basel Convention and other guidance on monitoring the management of mercury-containing wastes, etc.
 - » Training and joining in environmental training courses such as: providing internal training on implementing responsibility for recycling packaging of fertilizer products, organizing specialized training course on environmental monitoring with Southern Environmental Monitoring Center, attending the Workshop "Building and guiding to measure, report and verify (MRV) to assess greenhouse gas emissions of Vietnam Oil and Gas Group in the period 2018-2030", attending the Symposium "Re-valuing enterprises from environmental perspective: Contributions of enterprises towards zero emission roadmap" organized by VCCI, etc.
- ◆ Promoting during the week of occupational safety and health, World Environment Day, Earth Hour, National Fire Prevention and Fighting Day, etc., only on live and online newsletters.
- ◆ STOP and 5S Programs are still applied and periodically evaluated at Phu My Fertilizer Plant to raise awareness of employees in OSH.
- ◆ Continuing to evaluate and reward employees according to the regulation by the quarter HSE rewards to encourage employees to actively participate in HSE at workplace.



REPORT ON SAFETY, HEALTH AND ENVIRONMENTAL PROTECTION (continued)

Main tasks of the safety, health and environment work in 2023



Safety, fire control, emergency response

- ▶ The most important task related to safety and fire control in 2023 is to ensure safety for overall maintenance at Phu My Fertilizer Plant.
 - ▶ Ensuring not to incur any fire and explosion incidents that may cause damage to people and assets of the Corporation. Ensuring not to incur any serious occupational accidents at all works of the Corporation.
 - ▶ All Units created procedures and implemented disaster rehearsals about emergency responses and chemical incident responses in 2023 to ensure preparedness in emergency cases.
 - ▶ Consolidating fire prevention and fighting teams, making plan on regular and irregular fire and safety inspections in accordance with the law and the Corporation to ensure a stable human and material resource in case of an emergency.
 - ▶ Phu My Fertilizer Plant continues to effectively applying equipment inspection and maintenance programs,
- continuing to improve and putting PSM technology safety management system into operation.
- ▶ All Units regularly check storm and flood response to ensure safety for people and avoid damage to goods in stores.
 - ▶ All Units regularly check storm and flood response to ensure safety for people and avoid damage to goods in stores.
 - ▶ Maintaining training courses on safety and fire control in accordance with the law as well as the advanced professional courses to meet the work requirements and ensure safety for production and business.
 - ▶ Continuing to maintain STOP and 5S programs at Phu My Fertilizer Plant, building 5S at the Corporation's office (after repair), deploying educational supplies and activities, raising awareness in safety and fire control during the week of Occupational Safety and Health, Fire Prevention, etc.

Environmental acts

- ▶ Ensuring no environmental incident and full compliance with legal regulations on environmental protection.
- ▶ Continuing to implement the projects under the action plan for climate change mitigation and adaptation of PVN database.
- ▶ Deploying emission inventory, supporting PVN in developing projects on emission control and reduction of greenhouse gas emissions.
- ▶ Supporting the development of environmental requirements in the Corporation's projects.
- ▶ The Business Units fully make plan and conduct environmental monitoring for the warehouses/works and report to local governments as regulated.
- ▶ Monitoring wastewater and emissions, classifying and storing solid waste and hazardous waste in accordance with regulations. Signing contract of solid waste transfer with a legal treatment unit.
- ▶ The Units review hazardous waste storage to ensure that the storage area is in compliance with regulations (technical requirements for warehouses, labeling containers, etc.). Phu My Fertilizer Plant has built a new hazardous waste storage to replace the current temporary storage (NH₃ extraction station).
- ▶ The Units make plans for periodic inspection of environmental management in accordance with the regulations of the law, the Corporation and the Business Units.

Health - Pandemic Prevention

- ▶ Maintaining the Covid-19 pandemic preparedness in accordance with the legal regulations.
- ▶ Updating the situation of new diseases (monkeypox, influenza B, etc.) to have appropriate response and prevention plans.
- ▶ Annually monitoring working environments and having occupational disease examination as a basis for improving working conditions, preventing occupational accidents and diseases for employees in the entire Corporation.



CORPORATE SOCIAL RESPONSIBILITY REPORT



Implementing Social Security activities is the culture of PVFCCo. Given the situation that the country's economy in general and the agriculture in particular are facing to many difficulties and challenges which result from the pro-longed impact of Covid-19 pandemic, climate changes, natural disasters and economic - political fluctuations around the world, PVFCCo has continued promoting the spirit of sharing responsibilities with the community through meaningful and practical social security programs.

In 2022, PVFCCo has implemented numerous social security activities, valued up to over VND 91 billion, including building 150 great solidarity houses; deploying 2 healthcare projects/programs, 17 educational programs, gratitude programs, etc.; and giving scholarships to poor students and so on.

In early October 2022, Storm number.4, the strongest in the last 20 years, has caused damage to people and property in the North Central provinces. Faced with that situation, PVFCCo has cooperated with the Red Cross Society in Nghe An Province to give emergency relief to the families with property damage and unfortunate families who have loss of loved ones to overcome financial difficulties, trying to return to normal life and restore production after natural disasters.

PVFCCo has distributed approximately 30,000 Tet holiday gifts, worth almost VND 20 billion, to individuals facing challenging circumstances in 50 provinces and cities throughout Vietnam. This initiative, which was launched during the Lunar New Year, has contributed to providing a meaningful Tet celebration and a fresh start to the underprivileged.



Chapter 7

FINANCIAL STATEMENTS

REACHING NEW HEIGHTS

PVFCCo, with its two decades of growth, robust internal resources, and unwavering fortitude, believes that it can continue to attain even greater accomplishments in the next phase of development. With a well-defined development strategy and concrete solutions in place, PVFCCo is committed to upholding food security and promoting socio-economic development, thereby making a significant contribution to the nation's progress.



**PETROVIETNAM FERTILIZER
AND CHEMICALS CORPORATION - JSC**
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**
For the year ended 31 december 2022

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The Executive Board of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2022.

STATEMENT OF THE EXECUTIVE BOARD

THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

The members of the Board of Directors and the Executive Board of the Corporation during the year and to the date of this report are as follows:

Board of Directors	
Mr. Hoang Trong Dung	Chairman
Mr. Le Cu Tan	Member
Mr. Louis T.Nguyen	Member
Mr. Duong Tri Hoi	Member
Mr. Trinh Van Khiem	Member
Executive Board	
Mr. Le Cu Tan	Chief Executive Officer
Ms. Tran Thi Phuong Thao	Executive Officer
Mr. Le Van Quoc Viet	Executive Officer
Ms. Le Thi Thu Huong	Executive Officer
Mr. Cao Trung Kien	Executive Officer
Mr. Dao Van Ngoc	Executive Officer
Mr. Ta Quang Huy	Executive Officer
Board of Supervisors	
Mr. Huynh Kim Nhan	Head of Board of Supervisors
Mr. Le Vinh Van	Member
Mr. Luong Phuong	Member

THE EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Executive Board is required to:

- » select suitable accounting policies and then apply them consistently;
- » make judgments and estimates that are reasonable and prudent;
- » state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- » design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

STATEMENT OF THE EXECUTIVE BOARD (Continued)

The Executive Board of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Corporation and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Executive Board is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Executive Board confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been approved by the Board of Directors on 28 February 2023.

For and on behalf of the Executive Board,



Le Cu Tan
Chief Executive Officer

28 February 2023
Ho Chi Minh City, S.R. Vietnam

INDEPENDENT AUDITORS' REPORT

No: 0492/VN1A-HN-BC

**TO: THE SHAREHOLDERS
THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD
PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

We have audited the accompanying consolidated financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 28 February 2023, as set out from page 120 to page 158, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of income, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Tran Xuan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0723-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

28 February 2023
Hanoi, S.R. Vietnam



Luong Tuan Dat
Auditor
Audit Practising Registration Certificate
No. 4370-2023-001-1

CONSOLIDATED BALANCE SHEET

As at 31 December 2022

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		13,578,923,480,222	9,519,579,701,251
I. Cash and cash equivalents	110	4	2,083,841,053,069	2,524,115,312,966
1. Cash	111		307,981,912,328	567,149,383,517
2. Cash equivalents	112		1,775,859,140,741	1,956,965,929,449
II. Short-term financial investments	120		6,880,000,000,000	3,455,000,000,000
1. Held-to-maturity investments	123	5	6,880,000,000,000	3,455,000,000,000
III. Short-term receivables	130		458,327,989,385	488,926,629,172
1. Short-term trade receivables	131	6	234,657,477,739	262,942,321,240
2. Short-term advances to suppliers	132	7	90,137,615,251	137,517,046,753
3. Other short-term receivables	136	8	366,959,646,684	321,676,658,968
4. Provision for short-term doubtful debts	137	9	(233,426,873,759)	(233,476,873,759)
5. Deficits in assets awaiting solution	139		123,470	267,475,970
IV. Inventories	140	10	3,871,453,604,350	2,775,533,988,246
1. Inventories	141		4,010,984,671,397	2,778,813,854,584
2. Provision for devaluation of inventories	149		(139,531,067,047)	(3,279,866,338)
V. Other short-term assets	150		285,300,833,418	276,003,770,867
1. Short-term prepayments	151	11	20,104,181,210	15,329,149,739
2. Value added tax deductibles	152		256,414,054,424	257,422,886,104
3. Taxes and other receivables from the State budget	153	15	8,782,597,784	3,251,735,024
B. NON-CURRENT ASSETS	200		4,119,872,255,554	4,398,350,543,150
I. Long-term receivables	210		1,154,100,000	849,874,000
1. Other long-term receivables	216	8	1,154,100,000	849,874,000
II. Fixed assets	220		3,254,819,127,727	3,716,965,004,749
1. Tangible fixed assets	221	12	2,434,307,412,659	2,883,489,798,863
- Cost	222		11,487,943,997,171	11,546,905,383,342
- Accumulated depreciation	223		(9,053,636,584,512)	(8,663,415,584,479)
2. Intangible assets	227	13	820,511,715,068	833,475,205,886
- Cost	228		1,156,764,897,293	1,155,791,328,193
- Accumulated amortisation	229		(336,253,182,225)	(322,316,122,307)
III. Investment property	230	14	200,140,392,532	209,845,313,863
- Cost	231		317,953,542,202	317,953,542,202
- Accumulated depreciation	232		(117,813,149,670)	(108,108,228,339)
IV. Long-term assets in progress	240		218,938,454,705	174,082,187,941
1. Construction in progress	242	16	218,938,454,705	174,082,187,941
V. Long-term financial investments	250		41,768,055,625	44,656,956,639
1. Investments in joint-ventures, associates	252	17	29,279,430,994	28,619,663,470
2. Equity investments in other entities	253	5	20,502,000,000	20,502,000,000
3. Provision for impairment of long-term financial investments	254	5	(8,013,375,369)	(4,464,706,831)
VI. Other long-term assets	260		403,052,124,965	251,951,205,958
1. Long-term prepayments	261	11	41,988,497,354	25,697,331,132
2. Deferred tax assets	262		187,897,314,223	79,187,651,840
3. Long-term reserved spare parts	263	10	150,228,832,256	124,128,741,854
4. Other long-term assets	268		22,937,481,132	22,937,481,132
TOTAL ASSETS (270=100+200)	270		17,698,795,735,776	13,917,930,244,401

CONSOLIDATED BALANCE SHEET

As at 31 December 2022 (Continued)

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		3,681,356,971,208	3,204,770,523,758
I. Current liabilities	310		2,995,517,551,891	2,151,651,816,461
1. Short-term trade payables	311	18	869,008,139,154	771,382,083,149
2. Short-term advances from customers	312	19	71,911,963,956	124,292,938,370
3. Taxes and amounts payable to the State budget	313	15	296,882,468,676	389,655,826,646
4. Payables to employees	314		219,267,116,813	173,860,882,277
5. Short-term accrued expenses	315	20	802,572,736,521	337,883,833,828
6. Short-term unearned revenue	318		18,181,819	18,181,819
7. Other current payables	319	21	69,965,282,982	74,252,202,749
8. Short-term loans and obligations under finance leases	320	22	202,043,481,704	200,133,810,219
9. Short-term provisions	321	23	375,437,729,910	20,327,222,568
10. Bonus and welfare funds	322		88,410,450,356	59,844,834,836
II. Long-term liabilities	330		685,839,419,317	1,053,118,707,297
1. Other long-term payables	337	21	3,385,964,000	8,526,946,700
2. Long-term loans and obligations under finance leases	338	24	505,108,697,415	700,468,329,150
3. Deferred tax liabilities	341		132,540,000,000	132,540,000,000
4. Long-term provisions	342	23	-	165,486,270,110
5. Scientific and technological development fund	343		44,804,757,902	46,097,161,337
D. EQUITY	400		14,017,438,764,568	10,713,159,720,643
I. Owners' equity	410	25	14,017,438,764,568	10,713,159,720,643
1. Owners' contributed capital	411		3,914,000,000,000	3,914,000,000,000
- Ordinary shares carrying voting rights	411a		3,914,000,000,000	3,914,000,000,000
2. Share premium	412		21,179,913,858	21,179,913,858
3. Treasury shares	415		(2,296,824,120)	(2,296,824,120)
4. Investment and development fund	418		3,497,039,984,859	3,497,039,984,859
5. Retained earnings	421		6,401,099,929,390	3,085,566,955,137
- Retained earnings accumulated to the prior year end	421a		962,657,286,718	53,257,339,727
- Retained earnings of the current year	421b		5,438,442,642,672	3,032,309,615,410
6. Non-controlling interests	429		186,415,760,581	197,669,690,909
TOTAL RESOURCES (440=300+400)	440		17,698,795,735,776	13,917,930,244,401

The image shows three handwritten signatures in blue ink over a red circular stamp. The stamp contains the text: "M.S.D.N. 0303165480 - C.T.C.P. TÓNG CÔNG TY PHÂN BÓN VÀ HÓA CHẤT DẦU KHÍ CÔNG TY CỔ PHẦN QUẬN 1 - TP. HỒ CHÍ MINH".

Tran Xuan Thao
PreparerVo Ngoc Phuong
Chief AccountantLe Cu Tan
Chief Executive Officer

28 February 2023

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2022

FORM B 02-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		18,744,713,575,383	12,881,680,840,632
2. Deductions	02		117,534,031,118	95,539,647,280
3. Net revenue from goods sold and services rendered (10=01-02)	10	28	18,627,179,544,265	12,786,141,193,352
4. Cost of sales	11	28	10,788,959,662,813	8,000,602,438,317
5. Gross profit from goods sold and services rendered (20=10-11)	20	28	7,838,219,881,452	4,785,538,755,035
6. Financial income	21	30	365,063,532,585	175,513,945,627
7. Financial expenses	22	31	85,257,284,733	74,648,067,031
- In which: Interest expense	23		64,787,709,845	69,266,472,919
8. Share of net profit from joint-ventures, associates	24		2,662,097,523	2,503,197,142
9. Selling expenses	25	32	977,707,327,576	817,762,955,253
10. General and administration expenses	26	32	556,278,720,793	424,973,596,372
11. Operating profit (30=20+(21-22)+24-(25+26))	30		6,586,702,178,458	3,646,171,279,148
12. Other income	31		21,118,924,268	155,255,174,993
13. Other expenses	32		2,239,166,716	1,955,231,521
14. Profit from other activities (40=31-32)	40		18,879,757,552	153,299,943,472
15. Accounting profit before tax (50=30+40)	50		6,605,581,936,010	3,799,471,222,620
16. Current corporate income tax expense	51	33	1,129,400,312,150	605,412,217,929
17. Deferred corporate tax (income)/expense	52	33	(108,709,662,383)	22,542,704,132
18. Net profit after corporate income tax (60=50-51-52)	60		5,584,891,286,243	3,171,516,300,559
In which:				
18.1 Profit after tax attributable to Parent Company	61		5,564,877,377,993	3,117,133,794,101
18.2 Profit after tax attributable to non-controlling shareholders	62		20,013,908,250	54,382,506,458
19. Basic earnings per share	70	34	13,897	7,324

Tran Xuan Thao
PreparerVo Ngoc Phuong
Chief AccountantLe Cu Tan
Chief Executive Officer

28 February 2023

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2022

FORM B 03-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	6,605,581,936,010	3,799,471,222,620
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	514,801,559,639	536,986,110,692
Provisions	03	329,374,106,479	36,040,728,360
Foreign exchange loss/(gain) arising from translating foreign currency items	04	4,492,199,435	(4,822,786,402)
Gain from investing activities	05	(330,771,138,384)	(168,460,157,280)
Interest expense	06	64,787,709,845	69,266,472,919
Other adjustments	07	-	20,000,000,000
3. Operating profit before movements in working capital	08	7,188,266,373,024	4,288,481,590,909
Increase, decrease in receivables	09	80,003,832,513	(149,969,462,576)
Increase, decrease in inventories	10	(1,258,270,907,215)	(1,278,636,166,868)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	516,135,552,056	189,583,186,815
Increase, decrease in prepaid expenses	12	(21,066,197,693)	16,446,824,039
Interest paid	14	(64,435,955,328)	(73,836,553,165)
Corporate income tax paid	15	(1,209,088,866,037)	(302,161,819,901)
Other cash outflows	17	(270,280,230,233)	(173,836,027,596)
Net cash generated by operating activities	20	4,961,263,601,087	2,516,071,571,657
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(77,483,959,653)	(221,937,019,045)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	2,494,306,734	298,617,437
3. Cash outflow for lending, buying debt instruments of other entities	23	(11,790,000,000,000)	(5,640,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	8,365,000,000,000	4,370,000,000,000
5. Interest earned, dividends and profits received	27	273,435,614,320	172,717,516,126
Net cash used in investing activities	30	(3,226,554,038,599)	(1,318,920,885,482)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,059,193,105,000	724,557,695,286
2. Repayment of borrowings	34	(1,258,761,624,358)	(869,427,255,390)
3. Dividends and profits paid	36	(1,977,035,742,700)	(557,564,743,740)
Net cash used in financing activities	40	(2,176,604,262,058)	(702,434,303,844)
Net (decrease)/increase in cash (50=20+30+40)	50	(441,894,699,570)	494,716,382,331
Cash and cash equivalents at the beginning of the year	60	2,524,115,312,966	2,029,198,585,342
Effects of changes in foreign exchange rates	61	1,620,439,673	200,345,293
Cash and cash equivalents at the end of the year (70=50+60+61)	70	2,083,841,053,069	2,524,115,312,966

Tran Xuan Thao
PreparerVo Ngoc Phuong
Chief AccountantLe Cu Tan
Chief Executive Officer

28 February 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN
Issued under Circular No. 202/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Corporation"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 14th amendment dated 16 January 2019 issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Corporation officially transformed its operation into parent-subsidiary model in accordance with Resolution No. 01/NQ-DHDCD passed at the Shareholders' General Meeting. Accordingly, the Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC was established from functional departments of PetroVietnam Fertilizer and Chemicals Joint Stock Company, project management units and Phu My Fertilizer Plant.

As at 31 December 2022, the Corporation's charter capital was VND 3,914,000,000,000, equivalent to 391,400,000 ordinary shares, each share has par value of VND 10,000. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 05 November 2007 with the stock symbol "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group (the "Group" or "PVN") who holds 59.58% of its charter capital as at 31 December 2022.

Operating industries and principal activities

The business activities of the Corporation include:

- » Production and trade of fertilizer, liquid ammonia, industrial gas, other chemicals;
- » Provision of technical services relating to production and trade of fertilizer and other related chemicals (excluding heavily toxic chemicals);
- » Architectural activities and related technical consultancy;
- » Production, transmission and distribution of electricity;
- » Trade of real estates, land use rights held as owner, user or lessor;
- » Wholesale of agricultural and forestry products (excluding wood, bamboo) and living animals;
- » Goods transport services by road and by inbound waterway, processing of oil and gas-related products and minerals;
- » Vocational training;
- » Supporting services for waterway transportation; loading and unloading goods at seaports and inland terminals;
- » Acting as vessel agent and shipping agency and providing warehousing services.

The principal activities of the Corporation are production and trade of fertilizers used in agriculture.

Normal production and business cycle

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less.

FORM B 09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

The Corporation's structure

As at 31 December 2022, the Corporation's dependent units are as follows:

No	Name	Address
1	Phu My Fertilizer Plant	Phu My 1 Industrial Park, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province, Vietnam
2	Ho Chi Minh City Branch	No. 27, Dinh Bo Linh, Ward 24, Binh Thanh District, Ho Chi Minh City, Vietnam
3	Cambodia Branch (i)	Phnom Penh, Cambodia
4	Fertilizer and Petrochemical Project Management Unit	Phu My 1 Industrial Zone, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province, Vietnam

- (i) According to Decision of the Board of Directors No. 313/QD-PBHC dated 26 June 2014, the Corporation's Board of Directors approved the plan to liquidate the Corporation's branch in Cambodia. As at the date of these consolidated financial statements, the Corporation is in process of liquidating its branch in Cambodia.

Details of subsidiaries and associates of the Corporation as at 31 December 2022 is as follows:

Subsidiary/associate	Location	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Subsidiaries				
1. Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75.00	75.00	Trading of fertilizer and chemicals
2. SouthWest PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75.00	75.00	Trading of fertilizer and chemicals
3. SouthEast PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75.00	75.00	Trading of fertilizer and chemicals
4. Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi	75.00	75.00	Trading of fertilizer and chemicals
Associates				
1. Dam Phu My Packaging Joint Stock Company	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages
2. PetroVietnam Urban Development JSC	Can Tho City	35.63	35.63	Construction and installation of civil and industrial works and services provision
3. PetroVietnam Petrochemical and Textile Fiber JSC	Hai Phong City	25.99	25.99	Production and sale of polyester fibers

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the Corporation's audited consolidated financial statements for the year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

The Corporation's Branch in Cambodia uses United States Dollar (USD) as currency unit in accounting. The Corporation has translated all remaining balances of its branch in Cambodia for the year ended 31 December 2022 into VND under Vietnamese Accounting Standards, accounting regime for enterprises and related legal regulations.

The accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Corporation in the preparation of these consolidated financial statements, are as follows:

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting requires the Executive Board to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Executive Board's best knowledge, actual results may differ from those estimates.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December 2022. This control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

All significant inter-company transactions and balances between the Corporation and its subsidiaries and among subsidiaries are eliminated on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

FORM B 09-DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments (less than 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits at banks held to maturity to earn periodic interest.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for impairment of investments (if any).

Provision for impairment of investment of held-to-maturity investments is made in accordance with prevailing accounting regulations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

(Continued)

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control or significant influence.

Equity investments in other entities are carried at cost less provision for impairment of such investments.

Provisions for impairment of investments in other entities are made in accordance with prevailing accounting regulations.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are recorded under the perpetual method. Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Issue cost is calculated using the weighted average method, except for issue cost of materials that is calculated using the FIFO method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the consolidated balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives, as follows:

	Years
Buildings, structures	3 - 25
Machinery, equipment	3 - 15
Motor vehicles	5 - 10
Office equipment	3 - 9
Others	3 - 15

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

(Continued)

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Corporation as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Corporation as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivables as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Intangible assets and amortization

Land use rights

Intangible assets represent land use rights which are stated at cost less accumulated amortization. Land use rights are amortised using the straight-line method over the duration of the right to use the land, indefinite-term land use rights are not amortized.

	Years
Indefinite land use rights	No amortization
Definite land use rights	32 - 50

Copyrights

The copyrights are initially recognized at purchase price and amortised using the straight-line basis over their estimated useful lives.

Computer software and other intangible assets

Computer software and other intangible assets are initially recognized at purchase price and amortised using the straight-line basis from 3 to 6 years.

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals. Investment properties held to earn rentals are stated at cost less accumulated depreciation. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

These investment properties are depreciated using the straight-line method over their estimated useful lives.

	Years
Land use right	50
Buildings, structures	7 - 25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

(Continued)**Construction in progress**

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, interest expense and other related costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including tank rental cost, land and office rentals, tools and supplies allocated, expenses for hardware and software support services and other types of prepayments.

Tank rental cost and land and office rentals represent tank, land and office rentals that have been paid in advance and allocated into consolidated income statement based on the straight-line basis over the rental term.

The costs of tools and supplies allocated comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Corporation and are charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

Expenses for hardware and software support services are recognized based on contract purchase price and amortized to the consolidated income statement on a straight-line basis over a specified period in hardware and software support service contracts.

Other types of prepayments comprise of expenses for supporting services and other prepaid expenses which are expected to provide future economic benefits to the Corporation. These prepaid expenses are charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

Payable provisions

Payable provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation.

Phu My Fertilizer Plant accrued the estimated repair cost to annual expense for fixed assets which have annual overhaul. If actual amount is higher than accrued amount, the difference is included in reasonable cost. If actual amount is lower than the accrued amount, the difference is recorded as a decrease in expense during the year.

Scientific and technological development fund

Scientific and technological development fund is made from 2014 in order to finance science and technology activities of the Corporation. This fund was formed on the basis of the Corporation's demand for research and development and technology innovation and is recognized in the consolidated income statement according to Joint Circular No.12/2016/TTLT-BKHHCN-BTC issued by Minister of Science and Technology on 28 June 2016, amended and supplemented by Circular No.05/2022/TT-BKHHCN issued by Minister of Science and Technology on 31 May 2022 and Circular No. 67/2022/TT-BTC issued by the Ministry of Finance on 07 November 2022. Accordingly, the Corporation bases on the capital demand for scientific and technological activities to appropriate a maximum of 10% of the taxable profit for this fund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

(Continued)**Revenue recognition***Revenue from sale of goods*

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the consolidated balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from leasing investment properties

Revenue from leasing investment properties is recognized in profit or loss on the straight-line basis over the lease term.

Financial income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 31 December 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying rate announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 31 December 2022. The above mentioned rate differs from that stated in Circular No. 200/2014/TT-BTC issued on 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200"). However, such difference has no material influence on the Corporation's consolidated financial statements for the year ended 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

(Continued)

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

4. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	2,515,509,016	2,852,493,739
Bank demand deposits	305,466,403,312	564,296,889,778
Cash equivalents (i)	1,775,859,140,741	1,956,965,929,449
	2,083,841,053,069	2,524,115,312,966

- (i) As at 31 December 2022, cash equivalents represent time deposits with original terms from 01 to 03 months at commercial banks with interest rates ranging from 3.0% to 6.0% per annum (as at 31 December 2021: interest rates ranging from 3.0% to 3.7% per annum).

As at 31 December 2022, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official Letter No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. Interest income from these deposits has been paid by Ocean Commercial One Member Limited Liability Bank from 01 October 2015 to present. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost	VND Carrying amount	Cost	VND Carrying amount
a. Held-to-maturity investments				
Term deposits (i)	6,880,000,000,000	6,880,000,000,000	3,455,000,000,000	3,455,000,000,000
	6,880,000,000,000	6,880,000,000,000	3,455,000,000,000	3,455,000,000,000

(i) Held-to-maturity investments as at 31 December 2022 represent time deposits with original terms of more than 3 months and remaining terms of less than 12 months from the consolidated balance sheet date at commercial banks with interest rates ranging from 3.9% to 9.5% per annum (as at 31 December 2021: interest rates ranging from 3.5% to 5.0% per annum).

	Closing balance		Opening balance	
	Cost	VND Fair value	Cost	VND Fair value
b. Investments in other entities				
Petroleum Information Technology Telecom and Automation JSC	3,600,000,000	(ii)	-	(ii)
Ut Xi Aquatic Products Processing JSC	16,902,000,000	(8,013,375,369)	(4,464,706,831)	(ii)
	20,502,000,000	(8,013,375,369)	(4,464,706,831)	(ii)

(ii) For the investments in other entities, these companies have not had their shares listed on a stock exchange yet and the Corporation was unable to determine their fair values as at the consolidated balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value on these financial investments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
a. Short-term trade receivables		
Minh Dung Trading and Service One Member Limited Company	59,139,170,671	-
Tuan Vu Fertilizer Commercial Services Company Limited	24,957,337,700	-
F.A Joint Stock Company	14,426,449,918	34,003,455,213
Nam Du Gia Lai Company Limited	1,682,913,000	52,698,813,348
Liven Agrichem Pte. Ltd.	-	36,377,540,000
Others	98,936,775,533	119,917,692,371
	199,142,646,822	242,997,500,932
b. Receivables from related parties (Details stated in Note 36)	35,514,830,917	19,944,820,308
	35,514,830,917	19,944,820,308
Total	234,657,477,739	262,942,321,240

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
a. Short-term advances to suppliers		
Ngoc Lan Production Trade Company Limited	9,153,800,000	9,153,800,000
Tuong Nguyen Import-Export Trading Service Company Limited	-	44,000,000,000
Hung Thanh Agricultural Materials Company Limited	-	27,216,000,000
Others	68,556,688,063	19,686,350,752
	77,710,488,063	100,056,150,752
b. Advances to related parties (Details stated in Note 36)	12,427,127,188	37,460,896,001
	12,427,127,188	37,460,896,001
Total	90,137,615,251	137,517,046,753

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Other short-term receivables		
PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (i)	114,209,081,543	114,209,081,543
PetroVietnam Trade Union Finance Investment Corporation (PVFI) (ii)	110,093,267,289	110,143,267,289
Accrued interest income from term deposits	83,932,273,536	23,928,462,200
Other short-term receivables	58,725,024,316	73,395,847,936
	366,959,646,684	321,676,658,968
b. Other long-term receivables		
Long-term deposits	1,154,100,000	849,874,000
	1,154,100,000	849,874,000
In which:		
Other receivables from related parties (Details stated in Note 36)	224,818,294,037	225,802,905,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(i) The balance of the other short-term receivable from PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY") as at 31 December 2022 represents a payment under the reciprocal guarantee commitment for medium-term and long-term loans of VNPOLY and other supports to VNPOLY. Payment obligations arose from the fact that the Corporation signed two reciprocal guarantee commitments with PVN relating to the guarantee obligations of PVN for medium-term and long-term loans of VNPOLY.

According to the Memorandum among PVN, VNPOLY and the Corporation, PVN shall be responsible for collecting the principal of and interest on the guarantees having paid by parties on behalf of VNPOLY. Within 07 days from when PVN receives debt payments from VNPOLY (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in VNPOLY to the Corporation. The interest rate is determined at the rate equal to demand deposit interest rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam. The interest calculation period starts from when the Corporation pays the reciprocal guarantee amount to PVN.

As at 31 December 2022, the Executive Board assessed the recoverability of this receivable at low level as the accumulated losses of VNPOLY had exceeded its equity, and VNPOLY is unable to meet its financial obligations as and when they fall due.

((ii)) The balance of the other short-term receivables from PetroVietnam Trade Union Finance Investment Corporation ("PVFI") as at 31 December 2022 represents an investment trust and interest with the amount of VND 101,597,868,000 and VND 8,495,399,289 respectively. The Executive Board assessed the recoverability of this receivable at low level due to the difficult situation of PVFI.

9. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
				VND Overdue time
PetroVietnam Trade Union Finance Investment Corporation	110,093,267,289	-	110,143,267,289	-
Ngoc Lan Production Trade Company Limited	9,153,800,000	-	9,153,800,000	-
PetroVietnam Petrochemical and Textile Fiber JSC	115,725,753,648	1,545,947,178	115,725,753,648	1,545,947,178
- <i>Receivables relating to reciprocal guarantee commitments</i>	<i>107,786,937,303</i>	<i>-</i>	<i>107,786,937,303</i>	<i>-</i>
- <i>Other receivables</i>	<i>7,938,816,345</i>	<i>1,545,947,178</i>	<i>7,938,816,345</i>	<i>1,545,947,178</i>
	234,972,820,937	1,545,947,178	235,022,820,937	1,545,947,178

The recoverable amount is determined at cost less the provisions for doubtful debts made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
a. Inventory				
Goods in transit	267,561,155,169	-	137,303,973,626	-
Raw materials	735,311,999,640	(290,262,998)	557,871,471,999	(480,008,618)
Tools and supplies	4,986,330,742	-	8,671,907,245	-
Work in progress	273,274,432,238	-	215,990,588,117	-
Finished goods	2,003,744,144,579	(69,018,424,938)	821,955,029,260	(2,799,857,720)
Merchandise	726,106,609,029	(70,222,379,111)	1,037,020,884,337	-
	4,010,984,671,397	(139,531,067,047)	2,778,813,854,584	(3,279,866,338)
b. Long-term reserved spare parts	150,228,832,256	-	124,128,741,854	-

In the year, the Corporation made the provision for devaluation of inventories with the amount of VND 136,251,200,709 (2021 reversed the provision for devaluation of inventories with the amount of VND 23,025,209,822).

11. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
Cost of hardware and software support services	9,211,220,787	8,764,839,132
Tools and supplies	1,743,971,610	1,774,165,242
Tank rental costs	3,500,000,000	-
Others	5,648,988,813	4,790,145,365
	20,104,181,210	15,329,149,739
b. Non-current		
Tools and supplies	18,505,218,044	12,053,362,959
Land and office rentals	5,612,342,663	3,547,395,469
Others	17,870,936,647	10,096,572,704
	41,988,497,354	25,697,331,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST						
Opening balance	2,336,763,530,193	8,173,270,858,052	92,733,958,000	322,119,534,899	622,017,502,198	11,546,905,383,342
Additions	801,676,827	17,548,196,727	5,089,976,502	17,382,543,268	3,639,715,825	44,462,109,149
Transfer to Tools and supplies	-	-	-	(95,216,756,255)	-	(95,216,756,255)
Disposals	-	(1,637,856,157)	(4,850,709,365)	(1,606,091,043)	(112,082,500)	(8,206,739,065)
Closing balance	2,337,565,207,020	8,189,181,198,622	92,973,225,137	242,679,230,869	625,545,135,523	11,487,943,997,171
ACCUMULATED DEPRECIATION						
Opening balance	1,527,094,652,174	6,404,658,494,858	79,902,594,330	281,582,778,056	370,177,065,061	8,663,415,584,479
Charge for the year	110,150,356,790	256,170,849,316	3,716,335,389	27,065,428,231	93,717,608,664	490,820,578,390
Transfer to Tools and supplies	-	-	-	(92,392,839,292)	-	(92,392,839,292)
Disposals	-	(1,637,856,157)	(4,850,709,365)	(1,606,091,043)	(112,082,500)	(8,206,739,065)
Closing balance	1,637,245,008,964	6,659,191,488,017	78,768,220,354	214,649,275,952	463,782,591,225	9,053,636,584,512
NET BOOK VALUE						
Opening balance	809,668,878,019	1,768,612,363,194	12,831,363,670	40,536,756,843	251,840,437,137	2,883,489,798,863
Closing balance	700,320,198,056	1,529,989,710,605	14,205,004,783	28,029,954,917	161,762,544,298	2,434,307,412,659

As stated in Note 24, the Corporation has pledged all the factories, machinery and equipment under the project on productivity enhancement of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant by applying chemical technology, which have the carrying value as at 31 December 2022 of VND 1,828,121,206,774 (31 December 2021: VND 2,079,267,047,450) to secure bank loans.

The cost of the Corporation's tangible fixed assets as at 31 December 2022 includes VND 6,723,529,088,073 (31 December 2021: VND 6,377,667,352,749) of tangible fixed assets which have been fully depreciated but are still in use.

13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Copyrights VND	Computer software VND	Others VND	Total VND
COST					
Opening balance	863,853,207,162	159,315,893,074	116,870,874,803	15,751,353,154	1,155,791,328,193
Additions	-	-	1,312,569,100	-	1,312,569,100
Decreases	-	-	(339,000,000)	-	(339,000,000)
Closing balance	863,853,207,162	159,315,893,074	117,844,443,903	15,751,353,154	1,156,764,897,293
ACCUMULATED AMORTISATION					
Opening balance	49,729,285,228	159,315,893,074	101,392,770,429	11,878,173,576	322,316,122,307
Charge for the year	4,847,325,217	15,647,866	8,932,723,075	480,363,760	14,276,059,918
Decreases	-	-	(339,000,000)	-	(339,000,000)
Closing balance	54,576,610,445	159,331,540,940	109,986,493,504	12,358,537,336	336,253,182,225
NET BOOK VALUE					
Opening balance	814,123,921,934	-	15,478,104,374	3,873,179,578	833,475,205,886
Closing balance	809,276,596,717	(15,647,866)	7,857,950,399	3,392,815,818	820,511,715,068

The cost of the Corporation's intangible assets as at 31 December 2022 includes VND 266,581,371,663 (31 December 2021: VND 238,161,541,728) of intangible assets which have been fully amortized but are still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

14. INCREASES, DECREASES IN INVESTMENT PROPERTIES

	Land use rights VND	Buildings and structures VND	Total VND
COST			
Opening balance	99,499,152,000	218,454,390,202	317,953,542,202
Closing balance	99,499,152,000	218,454,390,202	317,953,542,202
ACCUMULATED DEPRECIATION			
Opening balance	11,669,709,453	96,438,518,886	108,108,228,339
Charge for the year	1,005,683,040	8,699,238,291	9,704,921,331
Closing balance	12,675,392,493	105,137,757,177	117,813,149,670
NET BOOK VALUE			
Opening balance	87,829,442,547	122,015,871,316	209,845,313,863
Closing balance	86,823,759,507	113,316,633,025	200,140,392,532

List of investment properties

	Closing balance		Opening balance	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
		VND		VND
		Net Book Value		Net Book Value
Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City	90,358,442,144	22,512,336,643	90,358,442,144	20,905,536,273
Cuu Long Supermarket and Office Building in Ca Mau Province	157,460,134,120	67,009,210,926	157,460,134,120	61,716,488,602
PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City	70,134,965,938	28,291,602,101	70,134,965,938	25,486,203,464
	317,953,542,202	117,813,149,670	317,953,542,202	108,108,228,339
		200,140,392,532		209,845,313,863

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

Fair value of investment properties

According to VAS No. 05 - Investment Properties, fair value of investment properties at the consolidated balance sheet date is required to be disclosed. However, the Corporation has not determined the fair value as at 31 December 2022; therefore, no information about the fair value of investment properties is stated at the Notes to the consolidated financial statements. In order to determine the fair value, the Corporation would require an independent consultancy company to perform the valuation. At present, the Corporation has not found a suitable consultancy company yet.

15. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance VND	Receivable/Payable during the year VND	Received/Paid during the year VND	Closing balance VND
a. Receivables				
Corporate income tax	3,152,818,774	-	5,515,380,535	8,668,199,309
Import-export duties	-	-	15,482,225	15,482,225
Other taxes	98,916,250	-	-	98,916,250
	3,251,735,024	-	5,530,862,760	8,782,597,784
b. Payables				
Value added tax	9,451,788,991	143,906,656,465	148,513,620,016	4,844,825,440
- VAT on domestic goods	9,451,788,991	107,690,446,879	112,297,410,430	4,844,825,440
- VAT on imports	-	36,216,209,586	36,216,209,586	-
Import-export duties	17,640,572,200	149,390,403,269	167,030,975,469	-
Corporate income tax	352,291,850,635	1,129,400,312,150	1,203,573,485,502	278,118,677,283
Personal income tax	9,754,017,726	92,697,868,739	88,980,933,992	13,470,952,473
Natural resource tax	337,015,194	3,851,250,344	3,847,825,058	340,440,480
Environmental protection tax and other taxes	180,581,900	2,180,650,449	2,253,659,349	107,573,000
- Environmental protection tax	180,581,900	519,015,600	592,024,500	107,573,000
- Other taxes	-	1,661,634,849	1,661,634,849	-
	389,655,826,646	1,521,427,141,416	1,614,200,499,386	296,882,468,676

16. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
NH3 and NPK project (i)	126,888,915,355	83,279,615,900
Apartment buildings for employees	36,342,070,618	36,342,070,618
Tay Ninh warehouse	29,120,068,273	29,120,068,273
Other projects	26,587,400,459	25,340,433,150
	218,938,454,705	174,082,187,941

(i) As presented in Note 24, as at 31 December 2022, the Corporation mortgaged the entire value of construction works and machinery and equipment of the NH3 and NPK project to secure a long-term loan at the Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh City branch.

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(Continued)

17. INVESTMENTS IN ASSOCIATES

	Closing balance VND	Opening balance VND
Cost of investments in associates	680,903,000,000	680,903,000,000
Share of post-acquisition losses less net of dividends received	(651,623,569,006)	(652,283,336,530)
	29,279,430,994	28,619,663,470

18. SHORT-TERM TRADE PAYABLES

	Closing balance VND		Opening balance VND	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
a. Short-term trade payables				
Regas Trading Fze	30,576,737,400	30,576,737,400	-	-
Baconco Limited Company	-	-	75,059,625,444	75,059,625,444
Duc Giang - Lao Cai Chemicals JSC	-	-	71,326,012,800	71,326,012,800
Others	257,628,977,870	257,628,977,870	258,795,349,852	258,795,349,852
	288,205,715,270	288,205,715,270	405,180,988,096	405,180,988,096
b. Trade payables to related parties (Details stated in Note 36)	580,802,423,884	580,802,423,884	366,201,095,053	366,201,095,053
	580,802,423,884	580,802,423,884	366,201,095,053	366,201,095,053
Total	869,008,139,154	869,008,139,154	771,382,083,149	771,382,083,149

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
a. Short-term advances from customers		
Tuan Vu Fertilizer Commercial Services Company Limited	24,205,652,205	-
Huynh Chau Private Enterprise	6,618,499,680	6,618,499,680
Tan Tri Phat Service Trading Company Limited	5,030,702,300	-
Danang Agricultural Materials Joint Stock Company No. II	4,485,860,125	-
Viet My Company Limited	-	21,187,500,000
Minh Dung Trade and Services One Member Limited Liability Company	-	18,124,074,799
Kim Ngoan Trade & Services Limited Company	-	6,415,272,954
Others	31,268,417,290	71,260,322,553
	71,609,131,600	123,605,669,986
b. Advances from related parties (Details stated in Note 36)	302,832,356	687,268,384
	302,832,356	687,268,384
Total	71,911,963,956	124,292,938,370

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

20. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Gas transportation expenses	469,082,932,421	1,516,548,821
Transportation and loading expenses	7,110,365,817	25,730,721,605
Accruals for construction in progress	126,967,023,088	157,710,578,386
Accrued interest	25,736,073,137	25,870,992,080
Other accruals	173,676,342,058	127,054,992,936
	802,572,736,521	337,883,833,828
In which:		
Short-term accruals with related parties (Details stated in Note 36)	633,850,591,589	138,139,721,334

21. OTHER PAYABLES

	Closing balance VND	Opening balance VND
a. Current		
Dividend payables	32,673,967,009	26,650,909,709
Short-term deposits received	7,172,519,938	7,366,977,144
Others	30,118,796,035	40,234,315,896
	69,965,282,982	74,252,202,749
b. Non-current		
Long-term deposits received	3,385,964,000	8,526,946,700
	3,385,964,000	8,526,946,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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22. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Short-term loans	-	-	1,059,193,105,000	1,059,193,105,000	-	-
Joint Stock Commercial Bank for Industry and Trade of Vietnam - Can Tho Branch	-	-	48,000,000,000	48,000,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam- Hochiminh City Branch	-	-	250,000,000,000	250,000,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam- Can Tho City Branch	-	-	232,610,000,000	232,610,000,000	-	-
Joint Stock Commercial Bank for Investment and Development of Viet Nam - Ngoc Khanh Branch	-	-	14,850,000,000	14,850,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam- Ba Dinh Branch	-	-	175,060,000,000	175,060,000,000	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Dinh Branch	-	-	40,000,000,000	40,000,000,000	-	-
Joint Stock Commercial Bank for Investment and Development of Viet Nam - Binh Dinh Branch	-	-	197,576,000,000	197,576,000,000	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 7, Hochiminh City	-	-	101,097,105,000	101,097,105,000	-	-
Current portion of long-term loans (see Note 24)	200,133,810,219	200,133,810,219	202,043,481,704	200,133,810,219	202,043,481,704	202,043,481,704
	200,133,810,219	200,133,810,219	1,261,236,586,704	1,259,326,915,219	202,043,481,704	202,043,481,704

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

23. PROVISIONS

a. Short-term payable provisions

	Provision for maintenance costs for Gas Turbine VND	Provision for repair and maintenance costs for Phu My Fertilizer Plant VND	Total VND
Opening balance	20,327,222,568	-	20,327,222,568
Additional provision for the year	22,854,884,621	214,239,876,162	237,094,760,783
Reclassification from long-term provision to short-term provision	-	165,486,270,110	165,486,270,110
Utilisation of provisions	(42,755,951,746)	(4,714,571,805)	(47,470,523,551)
Closing balance	426,155,443	375,011,574,467	375,437,729,910

b. Long-term payable provisions

	Provision for repair and maintenance costs for Phu My Fertilizer Plant VND
Opening balance	165,486,270,110
Reclassification to short-term provision	(165,486,270,110)
Closing balance	-

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24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year			Opening balance	
	Amount	VND Amount able to be paid off	Increases	Decreases	Revaluation of foreign exchange rate	Amount	VND Amount able to be paid off
Long-term loans							
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch (i)	900,602,139,369	900,602,139,369	-	199,568,519,358	6,118,559,108	707,152,179,119	707,152,179,119
In which:	900,602,139,369	900,602,139,369	-	199,568,519,358	6,118,559,108	707,152,179,119	707,152,179,119
- Amount due for settlement within 12 months	200,133,810,219	200,133,810,219				202,043,481,704	202,043,481,704
- Amount due for settlement after 12 months	700,468,329,150	700,468,329,150				505,108,697,415	505,108,697,415

(i) The balances of loans and obligations under finance leases as at 31 December 2022 represent the long-term loan between Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh City Branch and the Corporation with the credit limit of VND 1,752,000,000,000 or USD equivalent at the exchange rate at the time of disbursement. The purpose of the loan is to finance the Corporation's projects on productivity enhancement of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant applying chemical technology. The disbursement term is until June 2021 inclusive. The maximum loan term is 108 months, the grace period is 24 months from the first disbursement date (09 February 2017) or an earlier date as determined by the lender when these projects are completed and start generating revenue. The interest rate is determined by the reference interest rate plus the margin interest rate (2.5% per annum). The interest is calculated based on the actual outstanding balance and payable every 6 months. The Corporation has pledged the entire value of factories and machinery and equipment under the projects on productivity enhancement of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant applying chemical technology to secure the loans as presented in Note 12 and Note 16.

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Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	202,043,481,704	200,133,810,219
In the second year	202,043,481,704	200,133,810,219
In the third to fifth year inclusive	303,065,215,711	500,334,518,931
	707,152,179,119	900,602,139,369
Less: Amount due for settlement within 12 months (shown under current liabilities)	202,043,481,704	200,133,810,219
Amount due for settlement after 12 months	505,108,697,415	700,468,329,150

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25. OWNERS' EQUITY

Changes in owners' equity

	Owners' contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Subtotal VND	Non-controlling interests VND	Total VND
Prior year's opening balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	654,776,859,274	8,084,699,933,871	162,799,407,017	8,247,499,340,888
Profit for the year	-	-	-	-	3,117,133,794,101	3,117,133,794,101	54,382,506,458	3,171,516,300,559
Distributions to bonus and welfare funds	-	-	-	-	(138,475,734,238)	(138,475,734,238)	(10,524,722,566)	(149,000,456,804)
Dividends paid by cash	-	-	-	-	(547,867,964,000)	(547,867,964,000)	(8,987,500,000)	(556,855,464,000)
Prior year's closing balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	3,085,566,955,137	10,515,490,029,734	197,669,690,909	10,713,159,720,643
Current year's opening balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	3,085,566,955,137	10,515,490,029,734	197,669,690,909	10,713,159,720,643
Profit for the year	-	-	-	-	5,564,877,377,993	5,564,877,377,993	20,013,908,250	5,584,891,286,243
Distributions to bonus and welfare funds (i)	-	-	-	-	(292,673,103,740)	(292,673,103,740)	(4,880,338,578)	(297,553,442,318)
Dividends paid by cash (ii)	-	-	-	-	(1,956,671,300,000)	(1,956,671,300,000)	(26,387,500,000)	(1,983,058,800,000)
Current year's closing balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	6,401,099,929,390	13,831,023,003,987	186,415,760,581	14,017,438,764,568

(i) During the year, the Corporation and its subsidiaries made additional accruals to the Bonus and welfare funds from 2021 retained earnings and accrued funds from profit in 2022 under Resolution of Annual General Meeting of Shareholders. Details are as followings:

Company	Resolution	Amount	From 2021 retained earnings	From profit after tax in 2022
PetroVietnam Fertilizer and Chemicals Corporation - JSC	Resolution No. 934/NQ-DHDCD dated 24 June 2022	278,032,088,000	164,032,088,000	114,000,000,000
Northern PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 30/NQ-DHDCD dated 28 June năm 2022	5,350,543,211	1,781,371,627	3,569,171,584
Central PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 87/NQ-DHDCD dated 27 June 2022	7,668,490,451	1,160,335,600	6,508,154,851
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 47/NQ-DHDCD dated 10 June 2022	4,262,814,532	-	4,262,814,532
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 08/NQ-DHDCD dated 15 June 2022	2,239,506,124	-	2,239,506,124
Total		297,553,442,318	166,973,795,227	130,579,647,091

(ii) During the year, the Corporation and its subsidiaries made dividend payment from profit after tax in 2021 under Resolution of Annual General Meeting of Shareholders. Details are as followings:

Company	Resolution	Description	Ex-Dividend Date	Amount
PetroVietnam Fertilizer and Chemicals Corporation - JSC	Resolution No. 25/NQ-PBHC dated 17 January 2022	The first dividend from the profit in 2021	28/01/2022	391,334,260,000
	Resolution No. 50/NQ-DHDCD dated 23 June 2022	Dividend from profit after tax in 2021	21/7/2022	1,565,337,040,000
Northern PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 30/NQ-DHDCD dated 28 June 2022	Dividend from profit after tax in 2021	17/8/2022	20,400,000,000
Central PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 87/NQ-DHDCD dated 27 June 2022	Dividend from profit after tax in 2021	12/8/2022	25,000,000,000
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Resolution No.115/NQ-ĐNB dated 26 October	Dividend from profit after tax in 2021	09/11/2022	31,250,000,000
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 09/NQ-TNB dated 23 June 2022	Dividend from profit after tax in 2021	13/7/2022	28,900,000,000
Total				2,062,221,300,000
<i>In which:</i>				
				- Dividends to Owners 1,956,671,300,000
				- Subsidiaries paid dividends to the Parent Company eliminated from the consolidated financial statements 79,162,500,000
				- Dividends to Non-controlling interests 26,387,500,000

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Shares	Closing balance	Opening balance
Number of shares issued to the public	391,400,000	391,400,000
<i>Ordinary shares</i>	<i>391,400,000</i>	<i>391,400,000</i>
Number of treasury shares	65,740	65,740
<i>Ordinary shares</i>	<i>65,740</i>	<i>65,740</i>
Number of outstanding shares in circulation	391,334,260	391,334,260
<i>Ordinary shares</i>	<i>391,334,260</i>	<i>391,334,260</i>

A common share has par value of VND 10,000 per share.

Charter capital

According to Business Registration Certificate No. 4103007696 dated 31 August 2007 and its latest amendment dated 16 January 2019 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,914,000,000,000. The charter capital was fully contributed by the shareholders as at 31 December 2022 as follows:

Contributed capital				
Shareholders	Closing balance		Opening balance	
	Number of shares	%	Number of shares	%
Vietnam Oil and Gas Group	233,204,253	59.58	233,204,253	59.58
Others	158,130,007	40.40	158,130,007	40.40
	391,334,260	99.98	391,334,260	99.98
Treasury shares	65,740	0.02	65,740	0.02
	391,400,000	100.00	391,400,000	100.00

26. OFF BALANCE SHEET ITEMS

Operating lease assets

	Closing balance VND	Opening balance VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	24,701,732,130	17,835,785,541
In the second to fifth year inclusive	90,278,317,080	48,905,330,606
After five years	473,961,164,670	354,378,668,490
	588,941,213,880	421,119,784,637

Operating lease commitment of the Corporation is land and office rentals. On 03 September 2005, the Corporation was handed over Land-subleasing contract No. 178/HD/TLD/UDEC.2001 dated 01 June 2001 signed between the Project Management Unit (PMU) of Phu My Fertilizer Plant and Ba Ria-Vung Tau Urban Development and Construction Company for the long-term lease of land and infrastructure in Phu My I Industrial Zone, Tan Thanh district, Ba Ria - Vung Tau province. The contract is valid for 17 years from 03 September 2004. According to land sub-lease contract No. 46/HD/TLD/IZICO-PVFCO signed on 23 December 2021, from 2022 onwards, the Corporation has to pay the annual fee for leasing land and using infrastructure in VND with an amount equivalent to USD 634,066 on every 15 February.

The office rentals represent the monthly amount of VND 296,235/m², VND 171,235/m² and VND 200,000/m² to rent 568 m² of office, 55 m² of WC area and 31 m² of warehouse area at the 4th Floor, Institute of Petroleum Building, respectively. The lease contract is signed for a period of 3 years from 01 July 2020.

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Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	2,764,228	46,494
Euro (EUR)	31,065	32,505

27. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Corporation's principal activities are production and trade of fertilizers used in agriculture. Accordingly, the information as presented in the consolidated balance sheet as at 31 December 2022 and the revenue, expenses as presented in the consolidated income statement for the year ended 31 December 2022 relate only to the trade of fertilizers. Revenue and cost of sales by product line and business are presented in Note 28.

The Corporation distributes fertilizer, chemicals, packages, and provides services throughout the country via its subsidiaries in each region, including the North, Central Region - Central Highlands, Southeast, Southwest and Ho Chi Minh City. During the period, the Corporation exported fertilizers with the revenue accounting for more than 18% of gross revenue from goods sold and services rendered of the Corporation. Details are as below:

	Current year VND	Prior year VND
Sales of merchandise and services		
Exported-sales	15,278,708,216,624	11,898,439,552,952
Domestic sales	3,348,471,327,641	887,701,640,400
	18,627,179,544,265	12,786,141,193,352
Cost of sales of merchandise and services		
Cost of goods exported	9,401,895,420,508	7,710,642,851,792
Cost of domestic goods	1,387,064,242,305	289,959,586,525
	10,788,959,662,813	8,000,602,438,317

28. REVENUE AND COST OF SALES

	Locally-produced products VND	Imported goods VND	Total VND
Current year			
Net revenue	16,138,188,846,810	2,488,990,697,455	18,627,179,544,265
Cost of sales	(8,385,036,284,042)	(2,403,923,378,771)	(10,788,959,662,813)
Gross profit	7,753,152,562,768	85,067,318,684	7,838,219,881,452
Prior year			
Net revenue	10,595,786,311,886	2,190,354,881,466	12,786,141,193,352
Cost of sales	(6,102,891,278,027)	(1,897,711,160,290)	(8,000,602,438,317)
Gross profit	4,492,895,033,859	292,643,721,176	4,785,538,755,035

Details of revenue from trading locally-produced products are as follows:

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	Current year VND	Prior year VND
Sales of merchandise and services		
Sales of fertilizers	14,448,178,535,222	9,575,520,809,220
Sales of chemicals	1,765,926,742,990	1,068,134,565,808
Others	41,235,711,997	45,282,776,050
	16,255,340,990,209	10,688,938,151,078
Deductions		
Sales discount	117,152,143,399	93,151,839,192
	117,152,143,399	93,151,839,192
Net revenue of merchandise and services	16,138,188,846,810	10,595,786,311,886

Details of cost of sales with regard to trade of locally-produced products are as follows:

	Current year VND	Prior year VND
Cost of fertilizers	7,628,024,817,248	5,531,111,056,410
Cost of chemicals	717,849,244,209	549,154,589,045
Others	39,162,222,585	22,625,632,572
	8,385,036,284,042	6,102,891,278,027

29. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	7,309,033,678,171	4,822,494,783,618
Labour	632,987,983,443	620,039,872,457
Depreciation and amortisation	514,801,559,639	536,986,110,692
Provision expenses	325,825,437,941	36,040,728,360
Out-sourced services	993,520,499,116	1,023,945,659,632
Other monetary expenses	992,144,414,585	746,629,271,362
	10,768,313,572,895	7,786,136,426,121

30. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	323,301,862,803	160,830,978,066
Foreign exchange gain	36,954,491,724	8,239,945,682
Dividends and profits received	4,807,178,058	5,415,161,879
Others	-	1,027,860,000
	365,063,532,585	175,513,945,627

31. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	64,787,709,845	69,266,472,919
Foreign exchange loss	16,781,720,350	4,537,158,664
Additional provision for impairment of long-term investments	3,548,668,538	216,935,448
Others	139,186,000	627,500,000
	85,257,284,733	74,648,067,031

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32. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Selling expenses		
Transportation, loading, unloading and storages	316,332,377,461	298,353,408,829
Social security, advertisement and marketing	342,182,753,906	247,114,772,684
Salary and other benefits for sale staff	94,320,467,849	99,267,738,774
Others	224,871,728,360	173,027,034,966
	977,707,327,576	817,762,955,253
General and administration expenses		
Administration staff costs	191,888,843,621	165,684,583,410
Depreciation and amortisation	56,254,030,719	67,155,587,397
Others	308,135,846,453	192,133,425,565
	556,278,720,793	424,973,596,372

33. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	1,126,476,674,717	605,412,217,929
Adjustments for corporate income tax expense in previous years to the current year	2,923,637,433	-
Total current corporate income tax expense	1,129,400,312,150	605,412,217,929

	Current year VND	Prior year VND
Deferred corporate tax expense/(income)		
Taxable temporary differences	-	473,600,394
Deductible temporary differences	(108,709,662,383)	22,069,103,738
Total deferred corporate tax expense/(income)	(108,709,662,383)	22,542,704,132

34. BASIC EARNINGS PER SHARE

	Current year	Prior year (Restated)
Profit after corporate income tax (VND)	5,564,877,377,993	3,117,133,794,101
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(126,434,735,321)</i>	<i>(251,062,547,110)</i>
Profit attributable to ordinary shareholders (VND)	5,438,442,642,672	2,866,071,246,991
Average ordinary shares in circulation for the year (shares)	391,334,260	391,334,260
Basic earnings per share (VND/share)	13,897	7,324

The bonus and welfare fund was accrued based on estimation basis, therefore, basic earnings per shares for the year ended 31 December 2022 can be changed according to the Resolution of the General Meeting of Shareholders about distribution of 2022 profit.

The basic earnings per share for the year ended at 31 December 2021 were restated due to the effect of the distribution of 2021 after-tax profit under resolutions of the Corporation's General Shareholders' Meetings (Details stated in Note 25). Accordingly, the distribution to bonus and welfare funds for the year ended 31 December 2021 were recalculated and distributed as follows:

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	Reported amount	Restated amount
Profit after corporate income tax (VND)	3,117,133,794,101	3,117,133,794,101
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(84,824,178,691)</i>	<i>(251,062,547,110)</i>
Profit attributable to ordinary shareholders (VND)	3,032,309,615,410	2,866,071,246,991
Average ordinary shares in circulation for the year (shares)	391,334,260	391,334,260
Basic earnings per share (VND/share)	7,749	7,324

35. CONTINGENT LIABILITIES

Land use fee and other costs of the 0.6ha road area which has been invested and built by the Corporation in Ca Mau province

As at 31 December 2022, the Corporation is in the process of working with the People's Committee of Ca Mau Province to determine obligations to pay land use fees and other costs that may arise related to the determination of land use purpose of the 0.6 ha road area which has been invested and built by the Corporation in Ca Mau province.

36. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances during the year:

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Dam Phu My Packaging Joint Stock Company	Associate
PetroVietnam Petrochemical and Textile Fiber JSC	Associate
PetroVietnam Urban Development Joint Stock Company	Associate
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	Company under Vietnam Oil and Gas Group
Petro Vietnam Gas Joint Stock Corporation	Company under Vietnam Oil and Gas Group
Vietsovpetro Joint Venture	Company under Vietnam Oil and Gas Group
PTSC Phu My Port Joint Stock Company	Company under Vietnam Oil and Gas Group
PVI Holdings	Company under Vietnam Oil and Gas Group
Vietnam Petroleum Institute	Company under Vietnam Oil and Gas Group
Petro Vietnam Security Service Joint Stock Company	Company under Vietnam Oil and Gas Group
Petro Vietnam Transportation Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Services Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Safety Registration Company Limited	Company under Vietnam Oil and Gas Group
PVD Trading and Technical Services Joint Stock Company	Company under Vietnam Oil and Gas Group
PetroVietnam General Services JSC Corporation	Company under Vietnam Oil and Gas Group
PTSC Thanh Hoa Port JSC	Company under Vietnam Oil and Gas Group
Petro Vietnam Trade Union Finance Investment Corporation	Company under Vietnam Oil and Gas Group
Vietnam Public Joint Stock Commercial Bank	Company under Vietnam Oil and Gas Group
Petroleum Well Logging Company Limited	Company under Vietnam Oil and Gas Group
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	Company under Vietnam Oil and Gas Group
PVD Trading and Technical Services Joint Stock Company	Company under Vietnam Oil and Gas Group
PVI Holdings	Company under Vietnam Oil and Gas Group
Petro Vietnam Chemical And Services Corporation	Company under Vietnam Oil and Gas Group
Vietnam National Union of Oil and Gas Workers	Company under Vietnam Oil and Gas Group
PetroVietnam University	Company under Vietnam Oil and Gas Group

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During the year, the Corporation entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
Sales		
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	146,079,718,071	131,028,122,949
Petro Vietnam Gas Joint Stock Corporation	19,430,285,700	8,279,396,000
Vietsovpetro Joint Venture	8,219,111,395	5,918,518,983
Petro Vietnam Transportation Corporation	1,319,760,000	7,539,656,448
PTSC Thanh Hoa Port JSC	396,000,000	781,560,450
Vietnam Public Joint Stock Commercial Bank	50,290,000	664,971,812
Petroleum Well Logging Company Limited	-	1,231,147,143
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	-	1,128,371,616
	175,495,165,166	156,571,745,401
Purchases		
Petro Vietnam Gas Joint Stock Corporation	5,465,081,146,347	3,469,114,467,696
Vietnam Oil and Gas Group	63,820,000,000	75,915,511,814
PVI Holdings	108,780,305,300	13,953,048,824
Dam Phu My Packaging Joint Stock Company	225,497,711,280	74,780,207,370
PVD Trading and Technical Services Joint Stock Company	13,432,008,532	602,484,415
PTSC Phu My Port Joint Stock Company	13,605,479,135	17,560,335,352
Petro Vietnam Security Service Joint Stock Company - Ho Chi Minh City Branch	10,814,021,062	12,260,249,561
PetroVietnam Petrochemical and Textile Fiber JSC	5,408,934,288	1,462,314,427
Petro Vietnam Chemical And Services Corporation	5,160,456,000	-
Petro Vietnam Transportation Corporation	3,251,496,415	3,309,512,235
PetroVietnam University	1,271,900,000	-
PetroVietnam Technical Services Corporation	-	8,330,024,691
Vietnam Petroleum Institute	-	312,980,705
Vietnam National Union of Oil and Gas Workers	-	17,640,000,000
PetroVietnam General Services JSC Corporation	-	1,100,000,000
PetroVietnam Technical Safety Registration Company Limited	-	45,257,000
	5,916,123,458,359	3,696,386,394,090
Loans paid		
Vietnam Public Joint Stock Commercial Bank	199,568,519,358	194,657,305,391
Loans received		
Vietnam Public Joint Stock Commercial Bank	-	49,787,745,286
Dividends paid		
Vietnam Oil and Gas Group	1,166,021,265,000	326,485,954,200
Interest expenses		
Vietnam Public Joint Stock Commercial Bank	61,123,662,622	68,232,608,348

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Significant related party balances as at the balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Short-term trade receivables		
Petro Vietnam Ca Mau Fertilizer Joint Stock Company	24,988,055,543	19,672,314,273
Petro Vietnam Gas Joint Stock Corporation	6,781,403,475	-
Vietsovpetro Joint Venture	2,100,266,064	45,893,100
Vietnam Petrochemical and Textile Fiber JSC	1,516,672,105	95,704,205
PTSC Thanh Hoa Port JSC	108,900,000	108,900,000
Petro Vietnam Transportation Corporation	19,533,730	19,533,730
Vietnam Public Joint Stock Commercial Bank	-	2,475,000
	35,514,830,917	19,944,820,308
Short-term advances to suppliers		
PVD Trading and Technical Services Joint Stock Company	5,745,564,576	710,160,000
PetroVietnam Urban Development Joint Stock Company	4,860,607,417	4,860,607,417
Vietnam Petrochemical and Textile Fiber JSC	1,328,053,482	-
Dam Phu My Packaging Joint Stock Company	385,794,198	31,783,021,069
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	107,107,515	107,107,515
	12,427,127,188	37,460,896,001
Other short-term receivables		
Vietnam Petrochemical and Textile Fiber JSC	114,209,081,543	115,630,049,443
Petro Vietnam Trade Union Finance Investment Corporation	110,093,267,289	110,143,267,289
Vietnam Public Joint Stock Commercial Bank	515,945,205	29,589,041
	224,818,294,037	225,802,905,773
Short-term trade payables		
Petro Vietnam Gas Joint Stock Corporation	468,425,781,017	330,013,157,891
PetroVietnam Technical Services Corporation	42,281,377,789	15,728,559,939
PVD Trading and Technical Services Joint Stock Company	32,969,850,656	-
Dam Phu My Packaging Joint Stock Company	28,806,646,742	10,407,772,890
PTSC Phu My Port Joint Stock Company	3,282,822,308	4,853,381,597
PetroVietnam Urban Development Joint Stock Company	2,719,205,271	2,719,205,271
Petro Vietnam Security Service Joint Stock Company	1,976,260,944	-
Petro Vietnam Transportation Corporation	171,661,680	304,105,995
PVI Holdings	125,617,477	1,400,992,856
Vietnam Petroleum Institute	43,200,000	34,993,614
Vietnam Petrochemical and Textile Fiber JSC	-	727,925,000
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	-	11,000,000
	580,802,423,884	366,201,095,053
Short-term advances from customers		
PVI Holdings	66,625,000	448,586,028
Vietnam Public Joint Stock Commercial Bank	236,207,356	238,682,356
	302,832,356	687,268,384
Short-term accruals		
Petro Vietnam Gas Joint Stock Corporation	469,082,932,421	-
Vietnam Oil and Gas Group	124,108,320,518	66,436,088,191
Vietnam Public Joint Stock Commercial Bank	25,736,073,137	25,870,992,080
PetroVietnam Technical Services Corporation	14,923,265,513	45,559,641,063
Vietnam Petrochemical and Textile Fiber JSC	-	273,000,000
	633,850,591,589	138,139,721,334
Loans and obligations under finance leases		
Vietnam Public Joint Stock Commercial Bank	707,152,179,119	900,602,139,369

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

Remunerations of Executive Board, Board of Directors and Board of Supervisors:

Renumeration of Executive Board, Board of Directors and Board of Supervisors in the year as below:

Name	Title	Current year VND	Prior year VND
Mr. Hoang Trong Dung	Chairman	1,738,033,235	799,205,455
Mr. Le Cu Tan	Member of BOD/	2,003,173,733	1,735,123,131
Mr. Duong Tri Hoi	Chief Executive Officer	1,740,705,755	1,517,014,616
Mr. Trinh Van Khiem	Member of BOD	1,582,343,345	1,076,096,910
Mr. Louis T.Nguyen	Member of BOD	192,000,000	238,705,118
Mr. Ta Quang Huy	Non-executive Member of BOD	1,447,297,476	1,003,602,682
Mr. Le Van Quoc Viet	Executive Officer	1,740,705,755	1,517,014,616
Ms. Tran Thi Phuong Thao	Executive Officer	1,740,705,755	1,517,014,616
Ms. Le Thi Thu Huong	Executive Officer	1,741,165,755	1,504,649,153
Mr. Cao Trung Kien	Executive Officer	1,632,079,997	1,376,066,356
Mr. Dao Van Ngoc	Executive Officer	1,598,276,612	1,158,620,036
Mr. Huynh Kim Nhan	Executive Officer	1,740,705,755	1,517,014,616
Mr. Le Vinh Van	Head of Board of Supervisions	1,438,465,302	1,247,905,619
Mr. Luong Phuong	Member of Board of Supervisors	128,000,000	206,877,767
Mr. Vo Ngoc Phuong	Non-executive Member of Board of Supervisors	1,576,923,395	1,369,847,515
	Chief Accountant	22,040,581,870	17,784,758,206

37. GUARANTEE COMMITMENT

Guarantee commitment obligations for medium and long-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY")

As at 31 December 2022, the Corporation has guarantee commitments with Vietnam Oil and Gas Group ("PVN") relating to the guarantee obligations for medium and long-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY") - the Corporation's associate.

38. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Unused cash and cash equivalents held by the Corporation

As at 31 December 2022, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official Letter No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)**39. SUBSEQUENT EVENTS**

On 03 February 2023, the Corporation announced that the first dividend advance payment from 2022 profit after tax was made with an amount of VND 1,565,600,000,000 (VND 4,000 per share) according to the Resolution No. 55/NQ-DHDCD dated 27 December 2022 of the General Shareholders' Meetings. The ex-dividend date and the dividend payment date are in the first quarter of 2023.



Tran Xuan Thao
Preparer

Vo Ngoc Phuong
Chief Accountant

Le Cu Tan
Chief Executive Officer

28 February 2023



The separated financial statements and the digital version of Annual Report are available at the website: www.dpm.vn



PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION

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