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Dear valued Shareholders, Business partners and Employees,

PVFCCo has completed another successful year and together we have overcome many unexpected challenges and difficulties. We continue to maintain the leading position in the fertilizer industry through innovation in structure and approach and are ready to continue our journey with even stronger determination and aspiration.

2019 was a pivotal year for the Corporation, after its proud 15-year development journey. PVFCCo has continued to expand its production activities beyond Phu My Urea, branching into NPK complex fertilizers and other auxiliary chemical products. Unpredictable market fluctuations and a disruption at the Phu My Urea Plant has had a direct effect on the production and business activities of the Corporation. 2019 can be characterized as having presented many challenging situations for PVFCCo; however, it will also prove to be a memorable year for all of us to reflect upon, and to take pride in how we have overcome our challenges, and achieved significant results in production and business activities, as we had committed to our shareholders and investors.

PVFCCo began 2019 with strength and belief from the positive results of 2018, but also awareness of the risks and challenges that have affected the development

of the Corporation. These predictions partly helped PVFCCo to take the initiative and flexibly adapt to handling and dealing with the challenges that arose in the first months of 2019, when the Phu My Fertilizer Plant (for the first time in its operation) had to halt operations for almost 3 months. The entire system of PVFCCo made every effort to complete the overall maintenance 1 week ahead of schedule, bringing the Plant's operation back to steady condition in early May, but this "arising incident" deeply affected the overall operation of the Corporation in 2019.

With sharp awareness that connectivity and transparency were key factors during such a difficult time, the Management acknowledged and responded to the situation with timely adjustments to the goals to meet the expectations of the market, our partners and employees in the context of the many difficulties and changes we faced. We received encouragement from the market when our shareholders and investors determined that "the worst is over" and as the year 2019 went by, we realized that such experiences are truly golden opportunities to learn and adapt to changes and become flexible. The Corporation appreciates every effort made by our shareholders, partners, and employees in difficult times, no matter how small, and we are proud of what has been done to accumulate valuable achievements in the past year.

The Corporation has maintained its position as one of the leading enterprises in the field of oil and gas processing. The Phu My Fertilizer Plant continued to operate stably and effectively, reaching a total output of 708 thousand tons, exceeding by 6% of the plan for 2019. The sales volume of fertilizers and chemicals reached approximately 1.1 million tons, achieving consolidated revenue of VND 7,831 billion and profit before tax of VND 467 billion. Although these results are lower than the originally predicted targets, 2019 was still a successful year for PVFCCo in the context of overcoming the difficulties arising in production while dealing with external disadvantages such as: rapid increase in gas transportation cost (40% higher than 2018), agriculture and fertilizer markets suffering from adverse effects of climate change, resulting in lower average selling price after the recovery period in Quarter 4 of 2018.

In 2019, PVFCCo has strongly implemented restructuring of the management system in order to acquire a newly streamlined and more effective management structure on the basis of promoting a solid foundation of well-trained staff, modern management systems, efficient distribution systems, and retaining our position as the leading brand in the fertilizer market. Apart from that, the Management has paid special attention to asset management activities, SG&A cost cutting to further improve the overall operating margin.

With its efforts and achievements in business operation throughout 2019, PVFCCo continued to be recognized and voted amongst the most transparent and effective largecap listed companies: One of the 150 largest enterprises of the country; one of the 50 best listed companies in 2019; Top 40 leading brands in Vietnam; Top 5 best corporate governance companies; Top 3 listed companies with the best IR practices as voted by investors, etc.

As we enter this new year, PVFCCo has clearly identified the tasks and goals that need to be achieved as well as the risks and challenges that continue to impact the Corporation on its development path in the coming period. The major targets for 2020 are: Continue to effectively operate the existing fertilizer and chemical plants (especially the NPK Complex Fertilizer Plant); make use of the support of competent authorities to achieve short-term and long-term commitments to stabilize input gas price; enhance sales and market development activities to diversify consumption sources of fertilizer and chemical products; promote the research and development of new products in a creative, innovative and effective manner; Last but not least, continue to implement professional and effective governance - management structure, improving management capability and information transparency to

adapt to the competitive environment and the context of changes in the market.

2020 marks the beginning of a new decade, and is a milestone in the journey of PVFCCo's development. The development strategies and targets to be reviewed and updated in the coming period will soon be planned, the new governance system will complete its thorough re-organization and re-definition, shaping the Corporation future development journey through the challenges and opportunities ahead.

More than ever, the Management relies upon the trust of shareholders and all employees of the Corporation to express with unity and strong design for providing excellent customer service. Our best days are still ahead of us.



We would like to express our sincere thanks for the concern, trust and partnerships of valued shareholders, investors, customers, and employees.

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

Nguyen Tien Vinh