



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



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.

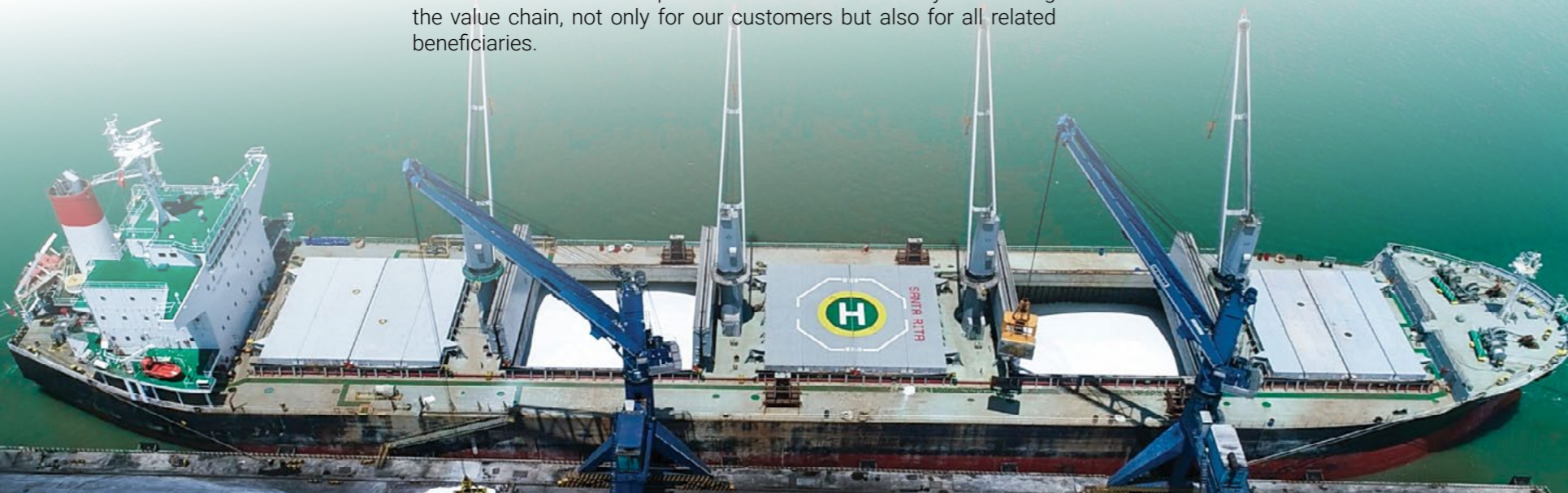
So far, besides the urea fertilizer factory, PVFCCo has expanded its operation and scope by building more factories to produce new fertilizer and chemical products while continuously increasing the value chain, not only for our customers but also for all related beneficiaries.



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.

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.

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)

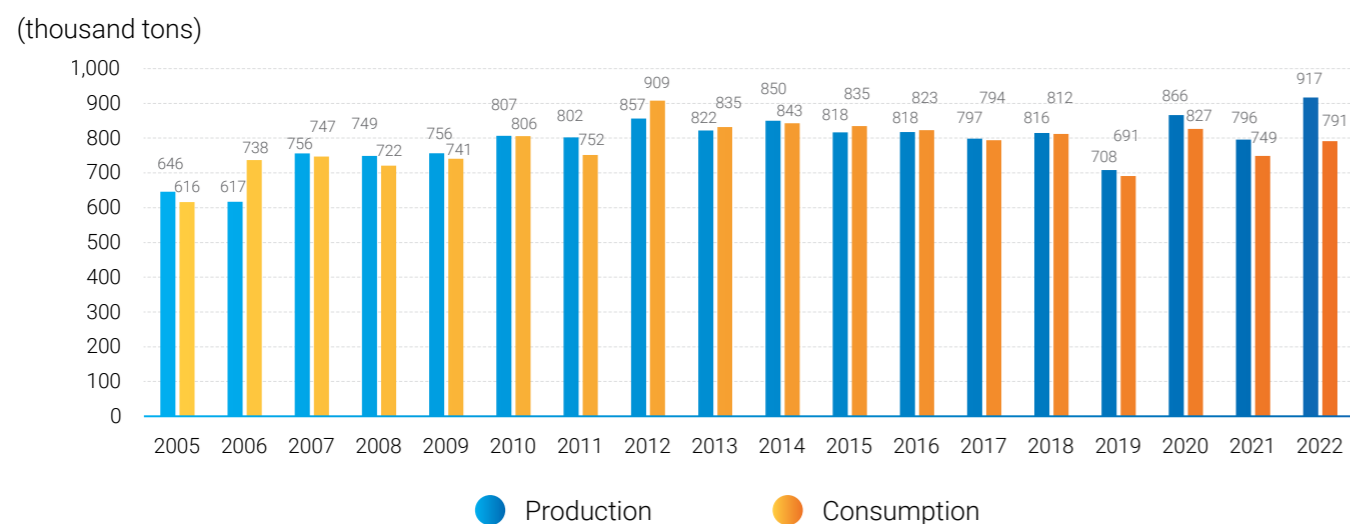


In the 2005-2022 period, PVFCCo produced and supplied more than 14 million tons of Phu My urea, over 500,000 tons of Phu My NPK and other chemical products to the market; the total revenue in the period 2005-2022 reached nearly VND 159,000 billion; profit after tax reached more than VND 31,000 billion,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

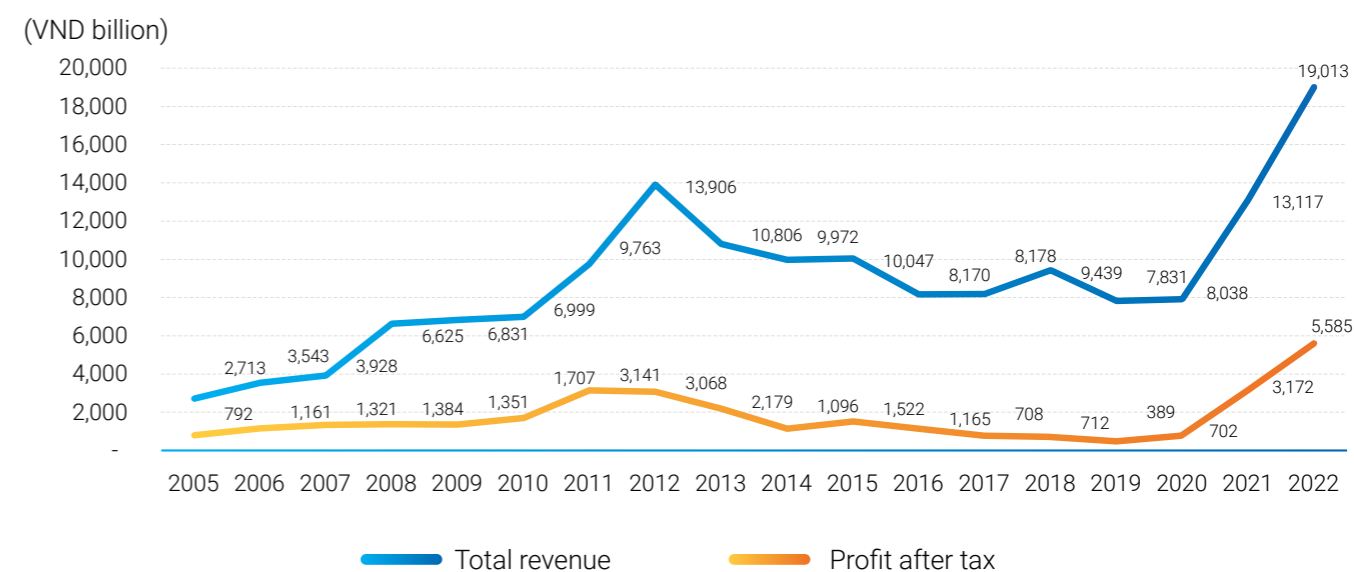
During the period 2005-2022, PVFCCo contributed VND 8,062 billion to the state budget, disbursed nearly VND 1,200 billion into social security and community support programs.



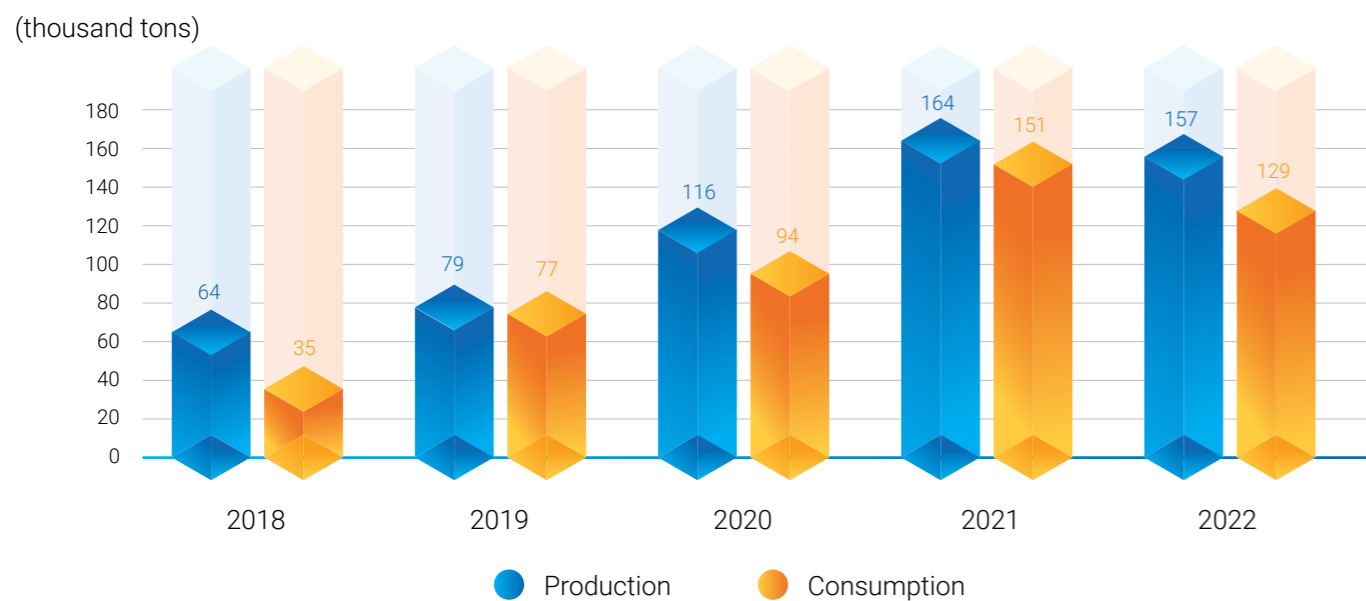
Production and sales output of Phu My Urea during 2005 - 2022 period



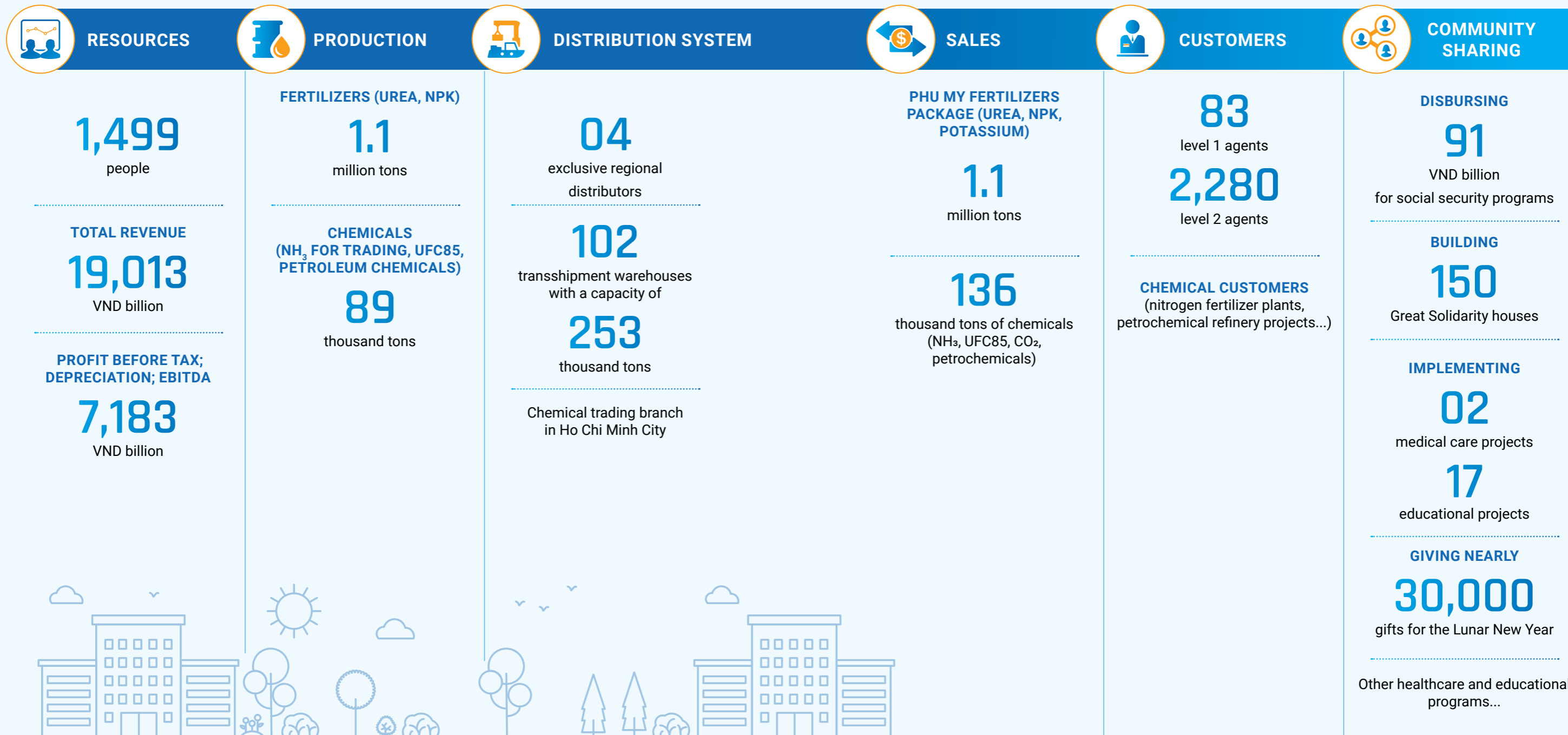
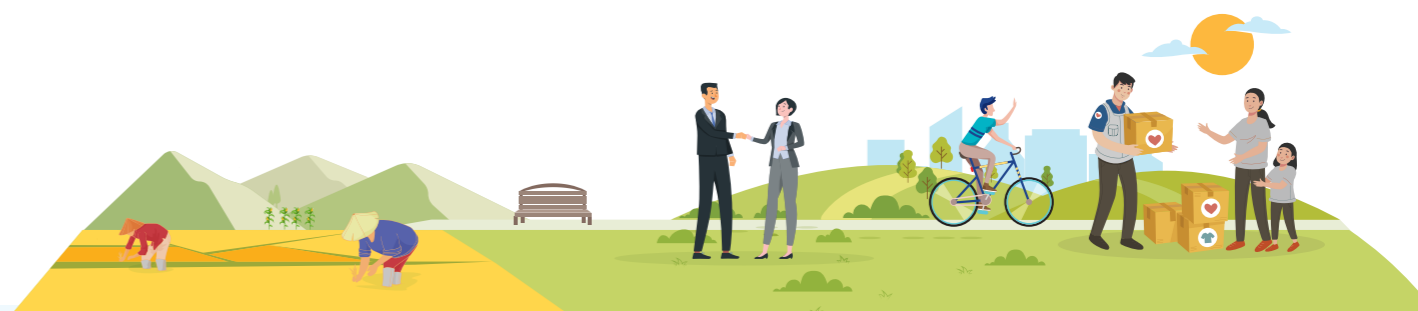
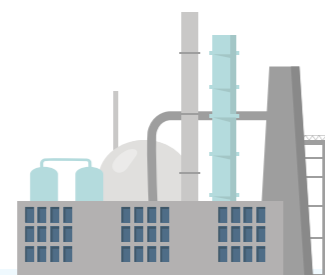
Revenue and PAT during 2005 - 2022 period



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

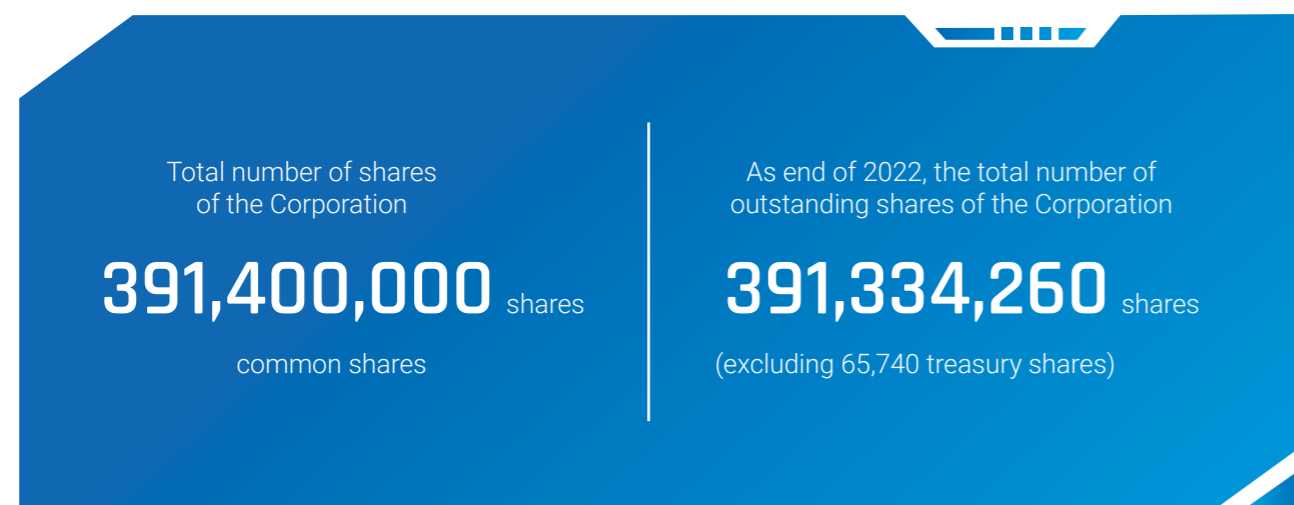


PVFCCO'S VALUE CHAIN



SHARES AND SHAREHOLDERS STRUCTURE

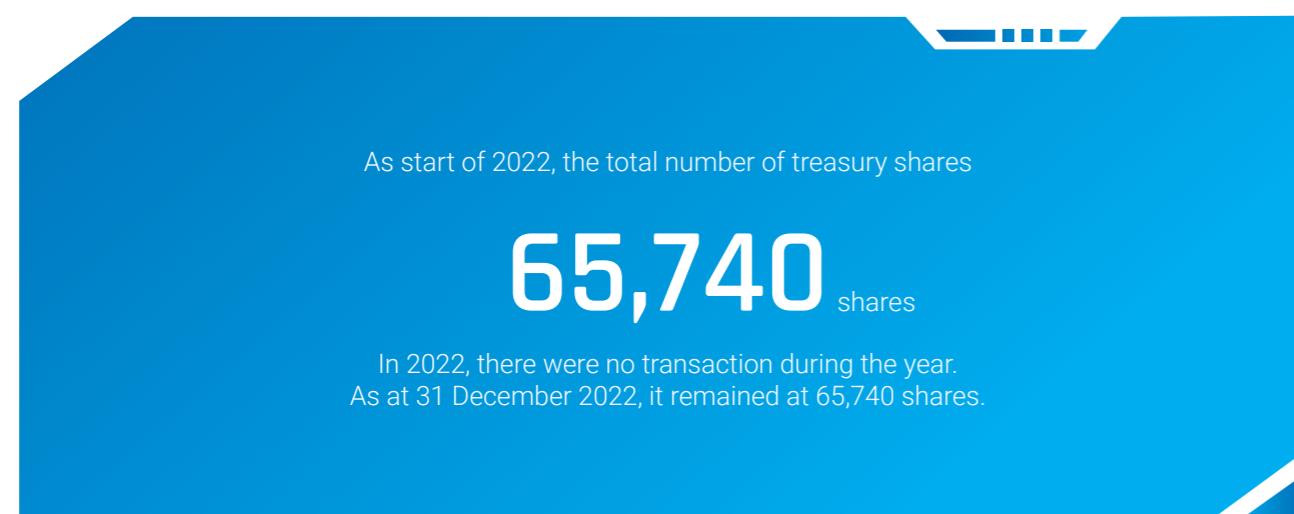
SHARES



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.

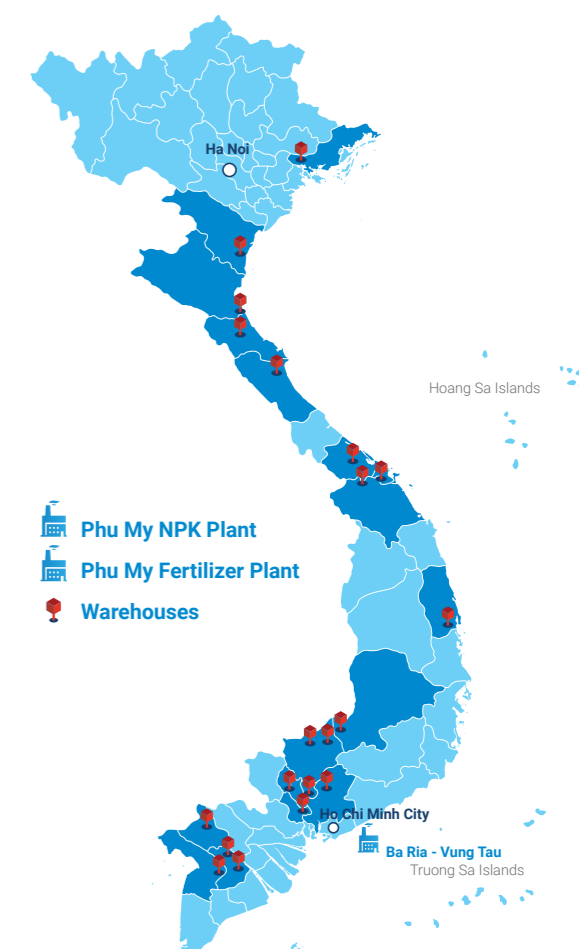


Main locations

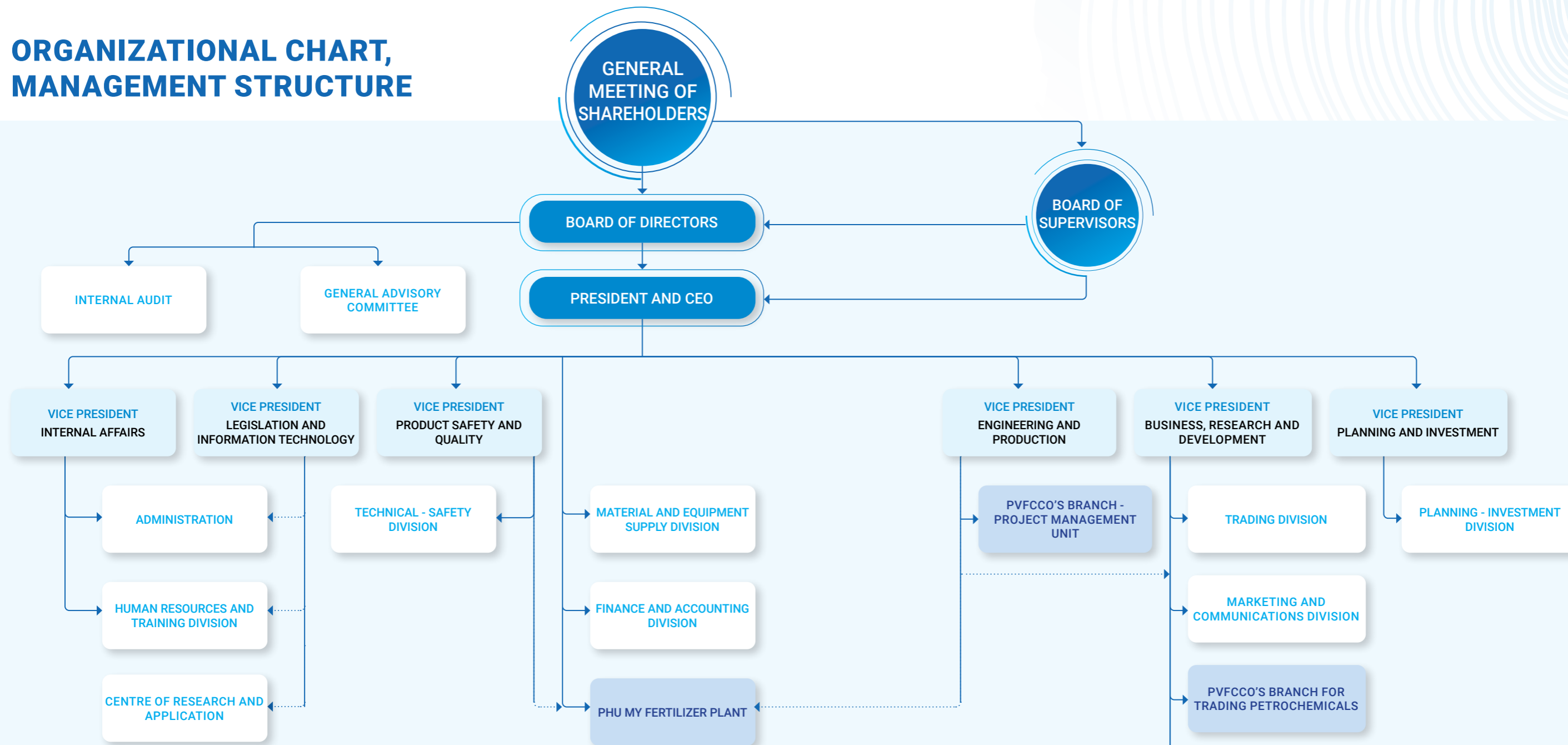
PVFCO's main production is at Phu My Fertilizer Plant located in Phu My 1 Industrial Park, Phu My Town, Ba Ria - Vung Tau Province.

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

- ◆ 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

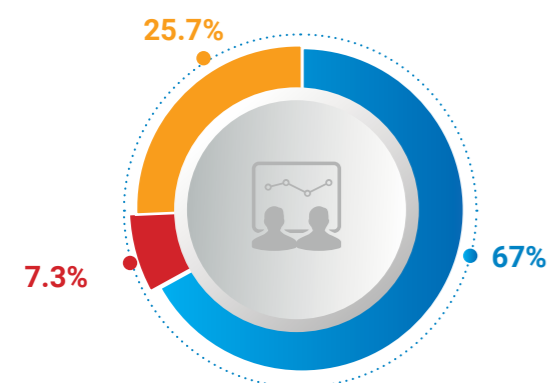
Chief Accountant
Year of Birth: 1978
Qualifications: Bachelor of Finance (Money and Credit)

CHANGES IN THE BOD, BOS AND BOM

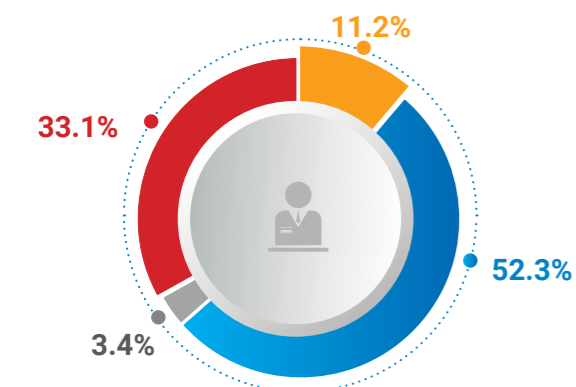
In 2022, the Corporation had no personnel changes in The BOD, BOS and BOM.

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.