



## 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

Fertilizer industry

### 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.

Chemical industry

### 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 H<sub>2</sub>O<sub>2</sub>, 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 <sub>3</sub> (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 <sub>3</sub>	CO <sub>2</sub>	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 2	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 <sub>2</sub> O <sub>2</sub> 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 <sub>2</sub> SO <sub>4</sub> 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.