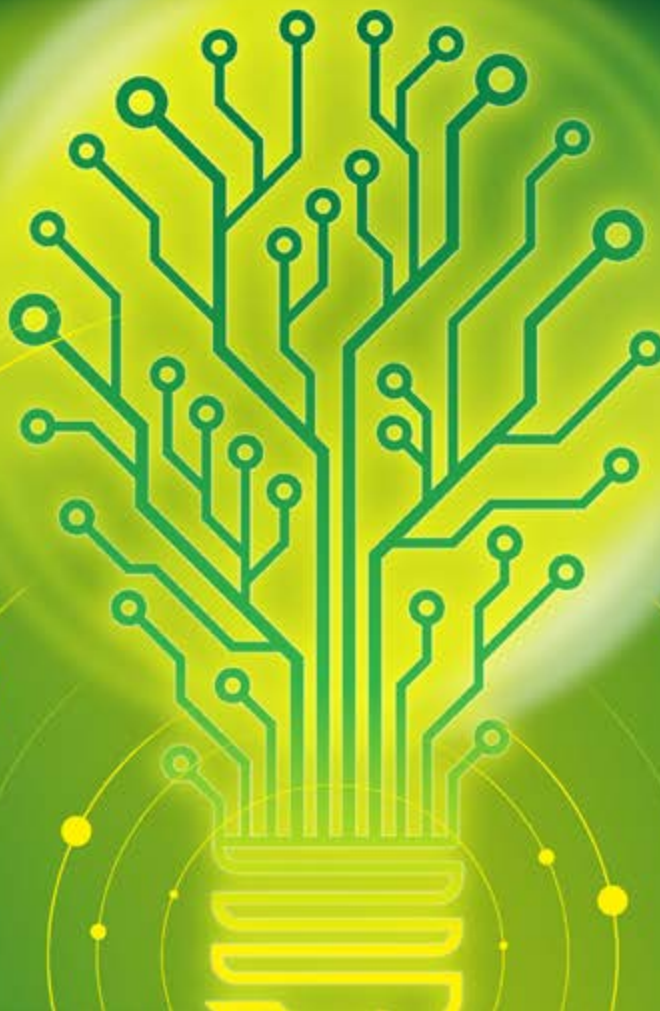




CAMAU FERTILIZER®
FOR GOLDEN HARVESTS

GREAT ADAPTABILITY STRONG INNOVATION

ANNUAL REPORT 2021





ANNUAL REPORT 2021



Great Adaptability
Strong Innovation

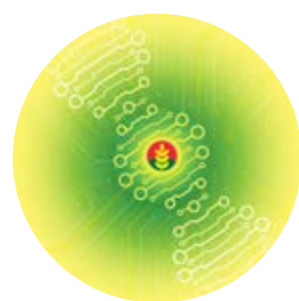
ABBREVIATIONS

BOD	: Board of Directors
BOM	: Board of Management
Co., Ltd.	: Company Limited
GMS	: General Meeting of Shareholders
HCMC	: Ho Chi Minh City
JSC	: Joint Stock Company
PPC	: Petrovietnam Packaging Joint Stock Company
PVCFC	: PetroVietnam Ca Mau Fertilizer Joint Stock Company
SB	: Supervisory Board

CONTENTS

Why is DCM an attractive stock to investors?	06
Vision - Mission - Core values	08
Message from the Leadership	10

OVERVIEW



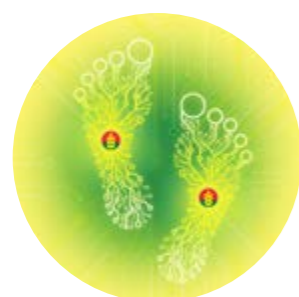
General introduction	16
Business operations	17
Establishment and development milestones	18
Business localities and distribution network	20
10 milestones in 2021	22
Awards and accolades	26
Shareholder structure and changes in owner's equity	28
Subsidiaries and affiliates	30
Governance model and organizational structure	32
Board of Directors	36
Board of Management	40
Supervisory Board	44

DEVELOPMENT STRATEGY



Fertilizer industry update report in 2021	48
Fertilizer industry outlook 2022	54
Technology trends and its impacts on fertilizer industry and development of PVCFC	58
Ca Mau fertilizer value chain	62
SWOT analysis	64
Development orientation	74

BUSINESS PERFORMANCE

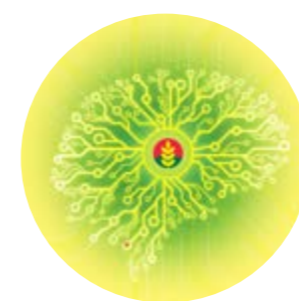


Organization and human resources	86
Report and Assessment of BOM	90
BOD's Assessment	102
Report of Supervisory Board	110

From 20 October 2020, "Đạm Cà Mau" brand has been changed into "Phân Bón Cà Mau".



CORPORATE GOVERNANCE



Structure and operation of BOD	118
Structure and operation of SB	134
Transactions, remunerations and benefits of BOD, BOM and SB	138
Stock transactions of insiders and related people for the company's shares	141
Risk Management Report	142
Internal control system and internal audit at PVCFC	144
Assessment of implementing corporate governance based on the ASEAN Corporate Governance Scorecard	150

SUSTAINABLE DEVELOPMENT REPORT



Overview of sustainability report	174
Good governance in sustainable development	175
Sustainable relations with stakeholders	178
Material issues	184
Economic performance	186
Environmental protection	188
Social issues	192

FINANCIAL STATEMENTS



2021 Financial Highlights	202
Corporate information	205
Statement of the Board of Management	206
Independent auditor's report to the shareholders of PetroVietnam Ca Mau Fertilizer Joint Stock Company	207
Consolidated balance sheet (Form B 01 – DN/HN)	209
Consolidated income statement (Form B 02 – DN/HN)	211
Consolidated cash flow statement (Form B 03 – DN/HN)	212
Notes to the consolidated financial statements (Form B 09 – DN/HN)	214

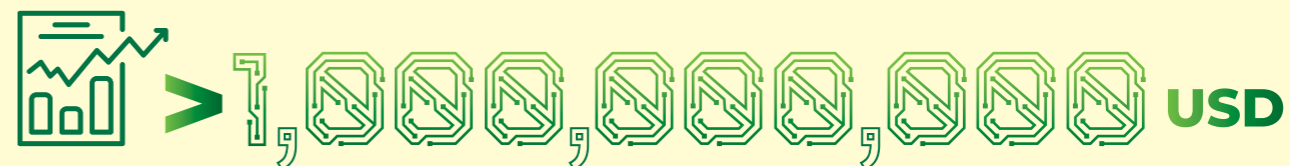
WHY IS DCM AN ATTRACTIVE STOCK TO INVESTORS?

DCM IS ONE OF THE MOST ATTRACTIVE STOCKS IN FERTILIZER INDUSTRY IN VIETNAM

- Earnings per share (EPS): VND 3,073
- High potential growth
- Growth speed of fertilizer industry is estimated as 1.6% in 2019 - 2023 period.
- Clear strategic orientation
- Corporate governance in accordance with international standards
- Transparent information



LARGE CAPITALIZATION VALUE



HIGH LIQUIDITY (AVERAGE TRANSACTION VOLUME IN 52 WEEKS FROM 18 MARCH 2021 TO 18 MARCH 2022 REACHED 5,456,007 SHARES).



STRONG FINANCIAL CAPACITY IN 2021

TOTAL ASSETS:	VND 11,072.12	Billion
TOTAL REVENUE:	VND 10,041.67	Billion
PROFIT BEFORE TAX:	VND 1,956.27	Billion
PROFIT AFTER TAX	VND 1,826.12	Billion



AVERAGE COMPOUND ANNUAL GROWTH RATE (CAGR) IN 2017 - 2021 PERIOD

Equity growth rate	3.98%
Net revenue growth rate	11.42%
Profit before tax growth rate	23.56%
Profit after tax growth rate	23.28%



VISION - MISSION - CORE VALUES

VISION

To become a leading enterprise in the region in fertilizer production and business.



MISSION

To contribute to secure fertilizer supply and food security with pioneering nutritional solutions for plants.

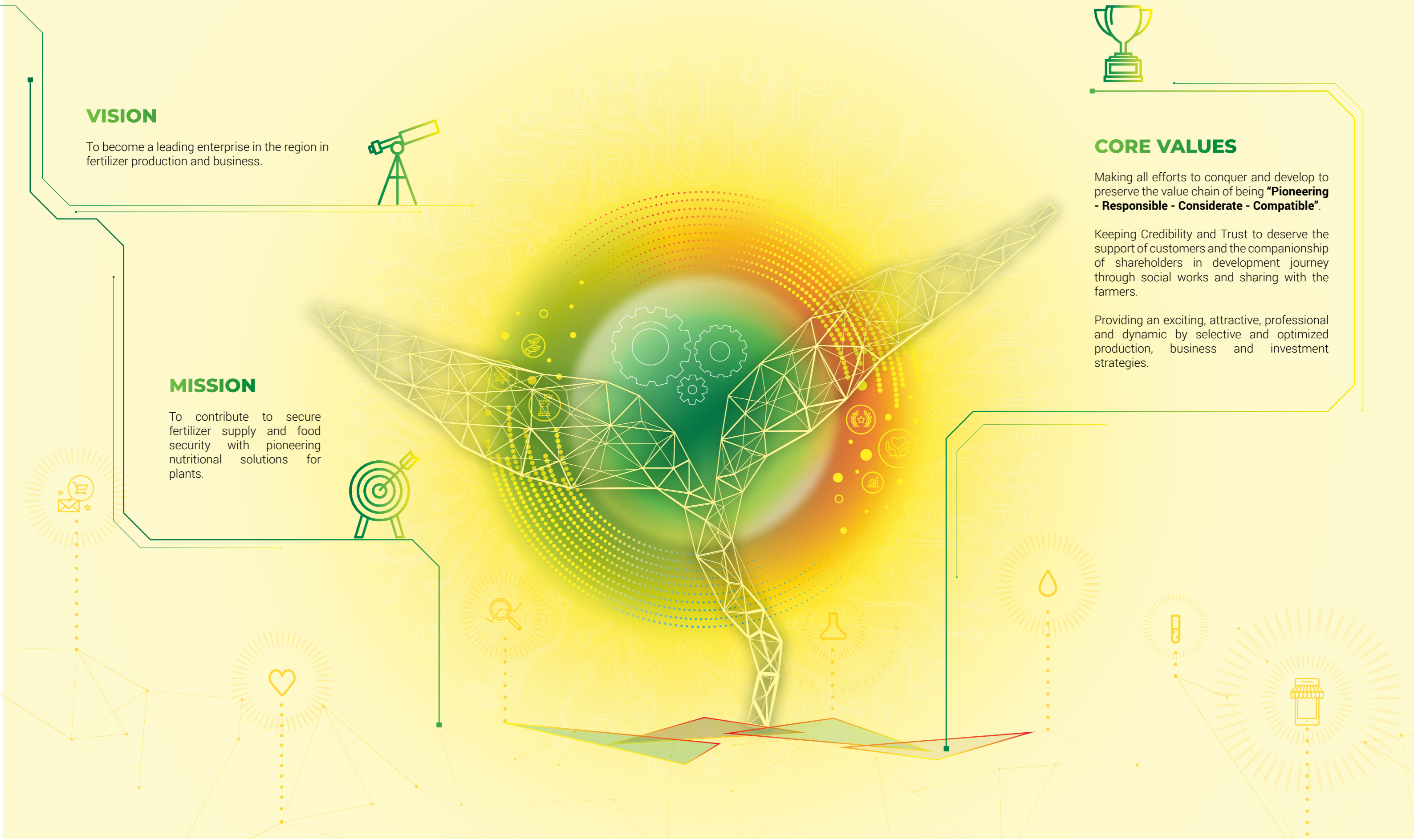


CORE VALUES

Making all efforts to conquer and develop to preserve the value chain of being **“Pioneering - Responsible - Considerate - Compatible”**.

Keeping Credibility and Trust to deserve the support of customers and the companionship of shareholders in development journey through social works and sharing with the farmers.

Providing an exciting, attractive, professional and dynamic by selective and optimized production, business and investment strategies.



MESSAGE FROM THE LEADERSHIP



PVCFC HAS CLOSED THE YEAR 2021 WITH THE MILESTONE OF REACHING CAPITALIZATION VALUE OF ONE BILLION US DOLLAR. THIS IS AN OPTIMISTIC OPENING FOR THE BREAKTHROUGH DEVELOPMENT IN THE COMING YEARS. IN 2022, WITH THE MESSAGE "GREAT ADAPTABILITY - STRONG INNOVATION", PVCFC WILL BE AN ENTERPRISE WITH A NEW SCALE BOTH IN TERMS OF MARKET CAPITALIZATION AND PROFIT TARGET. WE WILL CONTINUE TO INHERIT THE ACHIEVEMENTS, LEADING THE TEAM, PERSISTING STRATEGIC GOALS, AND FLEXIBLY ADAPTING TO APPROACH THE MARKET IN THE NEW SITUATION.



TOTAL REVENUE REACHED

VND 10,041.67 BILLION



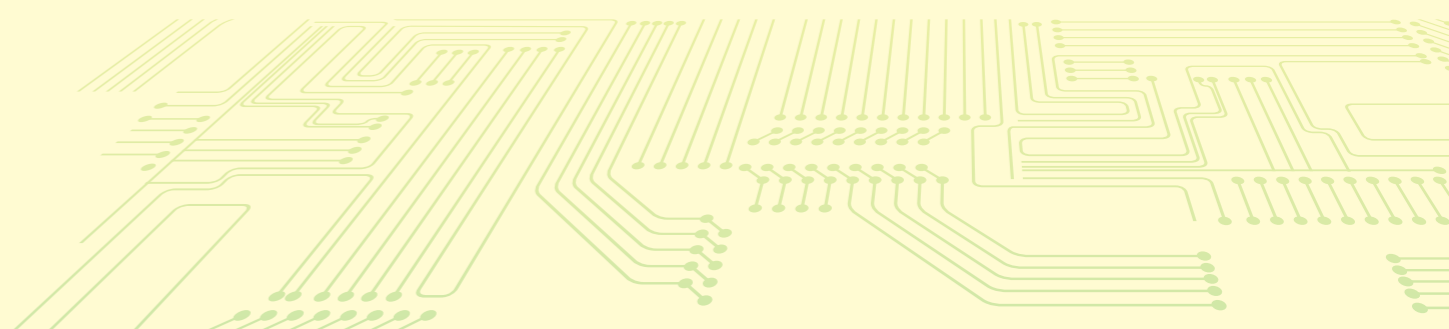
Dear Shareholders, partners, customers and all employees!

Witnessing the market situation and the life picture expressed via media during the past year has made most of us confused and worried about the life in reality. The human history has recorded unprecedented developments when Covid-19 pandemic caused severe impacts to the global economy and society and disrupted almost supply chain. The businesses have had to face unprecedented challenges when many large enterprises, both in the world and in Vietnam, were suffered extremely rigorous elimination.

However, we believe that, no matter what the circumstances are, elimination is not all. There will be certain opportunities for certain businesses, with certain conditions, as long as they have enough effort and determination to overcome obstacles. It can be said that, in the face of those fluctuations, opportunities will be given to those who have built a solid foundation, strong internal power, clear strategy and ability of flexible grasping and optimal adaptation to new requirements of the market.

Dear Shareholders, partners, customers and all employees!

During its 11 years of development and dedication to the national agriculture, PetroVietnam Ca Mau Fertilizer Joint Stock Company (PVCFC, HOSE: DCM) has not only grown more but also increasingly affirmed its brand position in domestic and foreign markets. As you know, PVCFC made our breakthrough since 2019 when we overcame all challenges and difficulties to build a solid foundation and a firm belief to move forward. In 2021, the Company continued to break through and take to new heights in all aspects, typically revenue, profit, market development capacity and financial strength.



MESSAGE FROM THE LEADERSHIP (continued)



Overview of Ca Mau Fertilizer Plant in Ca Mau Gas – Power – Fertilizer Complex

Given both challenges and opportunities, in 2021 PVCFC continued to record proud achievements in both production and business. Total revenue reached VND 10,041.67 billion, 10% higher than the plan. Profit before tax and profit after tax attained VND 1,956.27 billion and VND 1,826.12 billion, exceeding the plan by 12% and 11%, respectively. In production, converted-to-Urea output reached 898.56 thousand tons, an increase of 3% compared to the plan and trading of imported fertilizers reached 161.07 thousand tons, exceeding 7% of the plan.

With the message “**Leading breakthrough**”, under the close direction of BOD, the strict execution of BOM and the prompt response in risk management, in 2021 PVCFC has got great successes in ensuring continuous operation throughout the system, minimizing the impacts of social isolation and remote work. Thanks to the spirit of leading breakthrough which has been thoroughly implemented by each employee in the entire system, the Company has made spectacular changes opposite to the global economic trend. Besides, PVCFC’s success is partly resulted from digitalization when the Company actively builds data system and digitalizes operations, creating the first “AI-created man” in the field of agriculture, and changes into digital media. In addition, promoting the spirit of sharing with community in the pandemic, PVCFC has had meaningful social works, contributing to nurturing human values for a better life.



PRODUCTION OUTPUT REACH

898.56 thousand tons of Urea

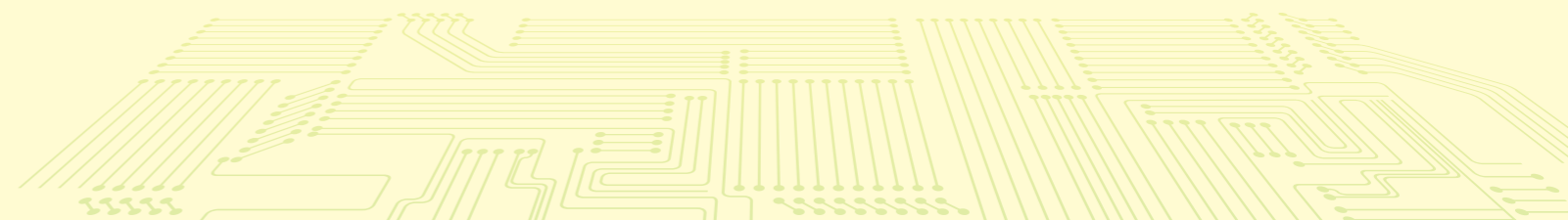
PVCFC has closed the year 2021 with the milestone of reaching capitalization value of one billion US dollar. This is an optimistic opening for the breakthrough development in the coming years. In 2022, with the message “**Great Adaptability - Strong Innovation**”, PVCFC will be an enterprise with a new scale both in terms of market capitalization and profit target. We will continue to inherit the achievements, leading the team, persisting strategic goals, and flexibly adapting to approach the market in the new situation. We always set new goals for ourselves, building bigger plans, opening further vision and preparing more carefully for the journey ahead.

We reply your trust and companionship with real outcomes, tangible and increasing values. PVCFC firmly moves forward faster, reaching higher goals and always ensuring sustainability.

Wish you good health and success.

VAN TIEN THANH
General Director

TRAN NGOC NGUYEN
Chairman





CULTURE IS BRAND ESSENCE

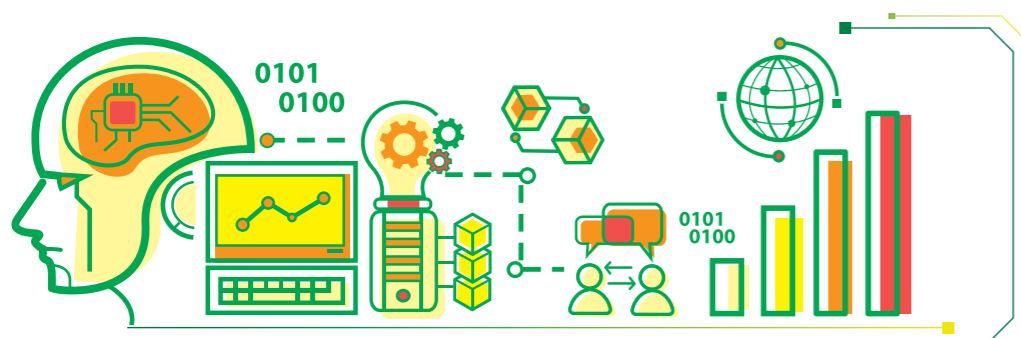
OVERVIEW

General introduction	16
Business operations	17
Establishment and development milestones	18
Business localities and distribution network	20
10 milestones in 2021	22
Awards and accolades	26
Shareholder structure and changes in owner's equity	28
Subsidiaries and affiliates	30
Governance model and organizational structure	32
Board of Directors	36
Board of Management	40
Supervisory Board	44

GENERAL INTRODUCTION

PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

Stock code:	DCM
English business name:	PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY
Abbreviation:	PVCFC
Charter capital:	VND 5,294,000,000,000
Business registration certificate No.	2001012298
Head office:	Lot D, Ward 1 Industrial Park, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province
Tel.:	(84 - 290) 3.819.000
Fax:	(84 - 290) 3.590.501
HCMC Office:	Floor 18 Petroland Tower, No.12, Tan Trao Street, Tan Phu Ward, District 7, HCMC
Tel.:	(84 - 28) 54.170.555
Fax:	(84 - 28) 54.170.550
Website:	www.pvcfc.com.vn



CHARTER CAPITAL

VND **5,294** billion

BUSINESS OPERATIONS

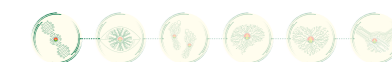


PVCFC's engineers were closely monitoring the quality of Ca Mau NPK products

Established on 09 March 2011, PVCFC has been operating with the main functions of producing, trading and importing and exporting fertilizers and petroleum chemicals, mainly for agriculture, with the mission of serving millions of farmers with high nutritional fertilizers suitable for many types of crops and soils. Applying technology on the basis of petrochemical industry has helped PVCFC improve business efficiency and at the same time contributed to changing the country's agriculture towards sustainable green development. At present, PVCFC has two plants i.e., Ca Mau Fertilizer Plant and Ca Mau NPK Plant.

Ca Mau Fertilizer Plant always maintains safe and stable operation with high capacity, quality product and maximum consumption. In particular, on 06 October 2021, the Plant made a record of 8 million tons of production output after 10 years of stable operation with 110% of capacity, marking a milestone on the journey of sustainable agricultural development.

In 2021, Ca Mau NPK Plant with a capacity of 300,000 tons/year was officially put into operation, bringing comprehensive nutritional solutions for plants and added values for farmers in agricultural activities. Integrating the trend of development, PVCFC has increasingly promoted researching and development to launch new product lines with outstanding features. Apart from Urea products, in 2021, for the first time, the Company introduced NPK products produced by the Plant's production line and at the same time launched organic fertilizer with brand name "OM CAMAU". With these typical products, PVCFC is increasingly completing product chain towards meeting the diverse needs of farmers in all regions, contributing to PVCFC's revenue growth.



ESTABLISHMENT AND DEVELOPMENT MILESTONES



2008

Officially commenced construction of Ca Mau Fertilizer Plant.

2011

On 09 March 2011, established PetroVietnam Ca Mau Fertilizer Company Limited (under Vietnam National Oil & Gas Group).



2012

Launched products under brand name "Dam Ca Mau - For Golden Harvests".

Reached output of 500,000 tons after 10 months of operation.



2013

Reached output of 1,000,000 tons after 15 months of operation.

Received 2 prestigious awards i.e., "Vietnam Gold Star" and "Typical agricultural product"



2014

On 12 November 2014, successfully IPO with 128,951,300 shares sold out, becoming the largest IPO deal in 2014.

PVCFC was officially recognized as a National Brand.



2015

Reached output of 3 million tons after 4 years of operation.

PVCFC transformed into a joint stock company, listed on Ho Chi Minh Stock Exchange with stock code DCM.

Launched high-class fertilizer product line N.HUMATE +TE.



2016

Reached output of more than 4 million tons after 5 years of operation.

PVCFC received Second-class Labor Medal.

Launched 2 high-class functional products i.e., N46.PLUS and N46.NANO C+.



2017

Officially distributed a kit of 7 outstanding products providing comprehensive nutritional solutions for plants.

Top 500 largest enterprises in Vietnam (VNR500)



2018

Reached output of 5 million tons

For the first time, cooperatives and farmers approached to the program "Experience high-tech products".

For the first year, consumption volume increased highly, exceeding 10% of the plan for self-trading.



2019

Made a record in production, finishing the plan 36 days early, reaching output of 870 thousand tons.

Reached output of 6 million tons of Urea.

DMS system was officially put into operation, helping digitalization in all transactions.

Received the title of "Prestigious Exporting Enterprise".

Top 100 Sustainable Businesses in Vietnam 2019.



2020

Achieved record revenue of VND 7,700 billion.

Recorded export output of over 300 thousand tons.

Reached output of 7 million tons of Urea.

Expanded the brand from "Đạm Cà Mau" into "Phân Bón Cà Mau".

National Brand 2020.



2021

Celebrated 10 years of establishment 2011 - 2021.

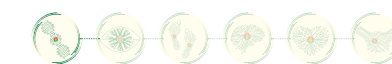
Achieved record revenue of VND 10,041.67 billion, reaching 110% of the plan.

Profit before tax attained VND 1,956.27 billion, reaching 212% of the plan.

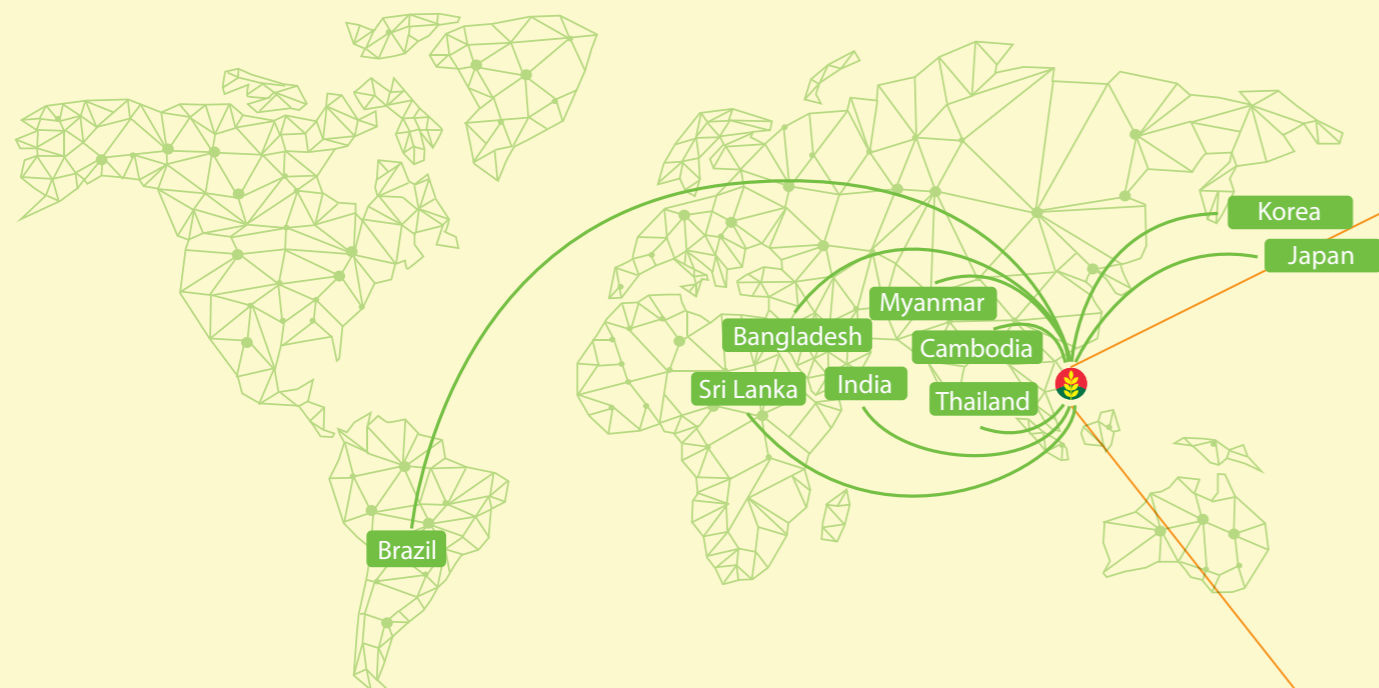
Top 50 companies with potential development in Vietnam selected by Forbes.

Produced and launched organic fertilizer products under brand name OM CAMAU for the first time.

Top 500 largest enterprises in Vietnam.



BUSINESS LOCALITIES AND DISTRIBUTION NETWORK



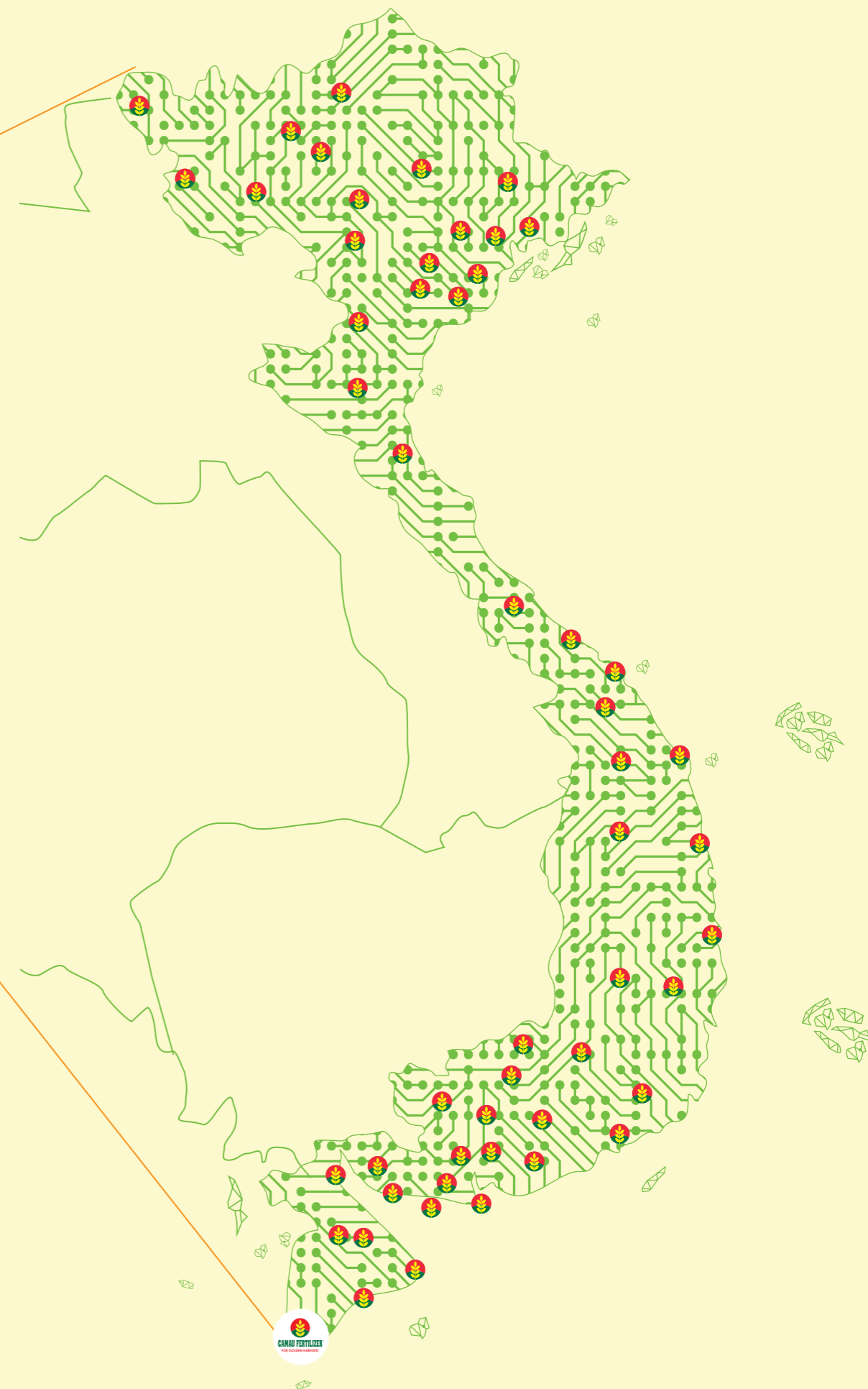
PVCFC's strategic target markets are Mekong Delta, Southeast and Central Highlands, and Cambodia. PVCFC also actively expands to domestic markets in Central and Northern regions as well as overseas markets in Southeast Asia, South Asia and Latin America.

Up to now, PVCFC has exported to 9 countries including Cambodia, Thailand, Myanmar, India, Bangladesh, Brazil, Japan, Korea, and Sri Lanka.

In 2021, due to strong domestic demand on fertilizer, PVCFC actively stopped/reduced the target of export and expansion to international market to strongly focus on domestic consumption and traditional distribution market.

Distribution network across the country

REGIONS	PROVINCES
Southwest: 13	An Giang, Bac Lieu, Ben Tre, Ca Mau, Tien Giang, Tra Vinh, Can Tho, Dong Thap, Soc Trang, Hau Giang, Kien Giang, Long An, and Vinh Long.
Southeast and Central Highlands: 11	Ho Chi Minh City, Dong Nai, Binh Duong, Binh Phuoc, Ba Ria - Vung Tau, Ninh Thuan, Dak Nong, Dak Lak, Lam Dong, Tay Ninh, and Binh Thuan.
Central: 10	Quang Tri, Hue, Binh Dinh, Phu Yen, Gia Lai, Kon Tum, Khanh Hoa, Quang Ngai, Quang Nam, and Da Nang.
North: 19	Vinh Phuc, Hai Duong, Ninh Binh, Hai Phong, Hung Yen, Nam Dinh, Thai Binh, Ha Nam, Ha Tinh, Nghe An, Thanh Hoa, Phu Tho, Tuyen Quang, Thai Nguyen, Son La, Dien Bien, Lai Chau, Lao Cai, and Yen Bai.



10 MILESTONES IN 2021



Top 50 Best listed companies in Vietnam in 2021



"Best listed companies in Vietnam in 2021" award has recognized PVCFC's achievements

With the solid foundation, the internal power and the flexible response to the challenging and difficulties of Covid-19 pandemic, PVCFC has been excellently listed in Top 50 Best listed companies in Vietnam in 2021 by Forbes. To obtain this award, the Company has to meet the strict criteria stipulated by Forbes both in the world and in Vietnam. This is the first time PVCFC to be listed in Top 50 Best listed companies in Vietnam. With this title, PVCFC has affirmed its position and reputation as one of the leading companies in the industry, contributing to raising the brand Ca Mau Fertilizer - For Golden Harvests to a new height in the domestic and international market.

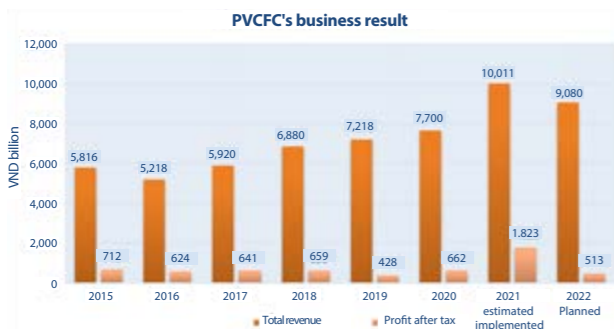


For the first time, PVCFC's stock hit the value of VND 41,200 per share and reached one billion US dollar of market capitalization.

The year 2021 was marked with a spectacular step of "leading breakthrough" of PVCFC when its stock hit the record value of VND 41,200 per share for the first time and market capitalization reached one billion US dollar. This has shown the recognition and the trust of consumers to PVCFC. This milestone is also obvious evidence for the efforts of PVCFC in challenging business conditions and is the affirmation and commitment to shareholders and investors on business efficiency and long-term stable development.



Revenue reached more than VND 10,000 billion; profit after tax attained more than VND 1,800 billion.



Suffering from the severe impacts of Covid-19 pandemic and facing challenges and obstacles in production and business, the Company still achieved impressive business results in 2021. Revenue reached more than VND 10,000 billion and profit after tax attained more than VND 1,800 billion, far exceeding the plan for 2021, creating a solid foundation for higher growth in the coming years.



First Ca Mau NPK shipments



PVCFC's leadership in the ceremony to launch Ca Mau NPK products

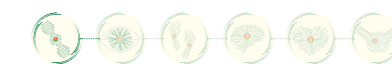
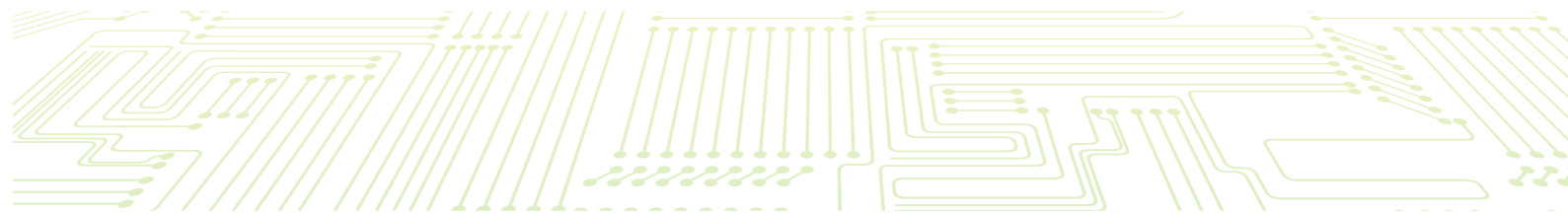
In April 2021, the first nearly 20,000 tons of NPK were shipped, contributing to meeting the increasing demand from Mekong Delta in summer-fall crop. Apart from the meaning of achieving profit target, these shipments have diversified options, increasing benefits and bringing long-term values for the farmers as well as for the country's agriculture.

In particular, Ca Mau NPK is an effective solution to remove the fake products in the market. It can be said that this is a significant step forwards of PVCFC in the path to complete its set of optimal nutritional solutions for plants.



Launched high-class organic fertilizer under brand name OM CAMAU

With the role of a prestigious brand in producing, trading and importing and exporting high quality fertilizers, PVCFC always makes every effort to create fertilizer products with long-term benefits to soil, crops and environment. Beside the typical products such as Urea Bio, N46.Plus, N.Humate+TE, etc., in 2021, the Company continued to expand its set of comprehensive set of nutritional solutions for plants with OM CAMAU - a high-class organic fertilizer product which is produced according to a unique Smart Ferti formula. With high effective organic ingredients, minerals i.e., Protein, Phosphorus, and Potassium and some essences such as humid acid and fulvic acid from high quality raw materials, OM CAMAU is considered a complete piece of nutrient-rich product set developed by PVCFC and is an effective companion to help farmers cultivate and care for their crops effectively and productively.



10 MILESTONES IN 2021 (continued)



Introduction of new identity after more than 10 years of operation



The year 2021 marked the 11-year milestone of PVCFC on the journey to fulfill its mission of serving the country's agriculture towards sustainable development and enhancing Vietnam's brand name in the international arena. In October 2020, PVCFC officially announced the brand expansion to Ca Mau Fertilizer and completed the comprehensive brand identity transformation during the year 2021. This is a breakthrough transformation, affirming PVCFC brand position in fertilizer market in Vietnam and the region.



Finishing overall maintenance ahead of schedule without support from experts.

The 9th total productive maintenance of Ca Mau Fertilizer Plant took place in the context of highly increasing demand of the market and Covid-19 pandemic outbreak causing heavy impacts in Mekong Delta. However, thanks to proactively making plan and preparing an experienced and skilled team with high determination, the total productive maintenance was completed on 22 November 2021, earlier than the plan. All 1,729 items were successfully fulfilled without supporting from experts. That the ability to master technology and the pioneering innovation of PVCFC has helped high-quality commercial product batches be shipped in time to serve farmers during the peak of winter-spring crop.



PVCFC's engineers were completing overall plant maintenance ahead of schedule without support from foreign experts.



The 10th anniversary celebration and preparing for the election of deputies to the 15th National Assembly and all-level People's Councils for the 2021-2026 term.



PVCFC's 10th Anniversary Celebration Ceremony

On 16 March 2021, PVCFC successfully held the 10th anniversary of establishment (09 March 2011 - 09 March 2021) and 10 year completing Ca Mau Gas - Power - Fertilizer Complex (2011 - 2021). This was a meaningful event for generations of PVCFC's leaders and employees to look back the proud milestones in the past journey and look forward to new achievements in the future with confidence, willingness and determination.



Upgrading Website

In 2021, PVCFC upgraded and re-designed its Website interface at address www.pvcfc.com.vn, based on the latest security technology. Using multi-platform display technology, fast access speed, friendly interface focusing on displaying data for investors, and items being arranged appropriately and intelligently, etc., the Website has fully and timely provided important information about investment and securities to shareholders/investors as well as helped the farmers to grasp information about crop, market and agriculture.



New PVCFC Website interface

Particularly the Website is integrated with artificial intelligence to provide direct interaction with customers. Based on the searching history of customers on website, "AI-created man" will give suitable consulting, thanks to that, improving customer experience and better meeting the needs of customers. This is a breakthrough of PVCFC when applying artificial intelligence in caring for and improving customer experience.

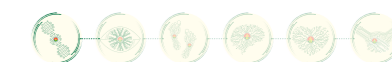


BOD is organized and enhanced in accordance with the best international practices



PVCFC leaders were participating training course about Best governance practices 2021.

To strengthen its position and lead the Company to achieve sustainable growth in the context of economic fluctuations, PVCFC has enhance BOD capability in line with the best international practices. Accordingly, PVCFC, with the consultancy of VietStar Training & Consulting JSC, has successfully held training courses about corporate governance, in both offline and online via Zoom. Through three discussions about BOD efficiency, value creation and corporate governance, the senior experts and managers from Singapore have helped PVCFC's leadership to approach the best governance practices which were accepted internationally, willing to enhance governance quality, enabling the Company to develop more and more and increasingly move further and further.



AWARDS AND ACCOLADES

AWARDS ALREADY OBTAINED

No.	AWARDS	TIMES	YEAR	No.	AWARDS	TIMES	YEAR
1	Second-class Labor Medal	1	2016	9	Vietnam Golden Rice	1	2018
2	National Brand	4	2014, 2016, 2018, 2020	10	Top 500 largest enterprises in Vietnam 2021	3	2016, 2017, 2021
3	Vietnamese High-Quality Goods	3	2016, 2017, 2019	11	Top 10, 15 Best Annual Report	3	2016, 2017, 2021
4	Haldor Topsoe Certification Top factories with best operational efficiency in terms of average capacity per year	1	2020	12	Enterprise for employees	2	2016, 2017
5	Vietnam Golden Star	3	2014, 2016, 2018	13	N46.Plus Ca Mau - Top 10 products of Vietnam's intellectual pride	1	2017
6	Gold Award - National Quality Award Program	2	2015, 2020	14	Accompanying with farmers	1	2020
7	Sustainable Enterprise	1	2019	15	N.Humate+TE Product of Vietnam's intellectual pride	1	2016
8	Reputable Exporting Enterprise	2	2018, 2019	16	Top 50 best listed companies in Vietnam	1	2021

TYPICAL AWARDS



Top 50 Best listed companies in Vietnam 2021



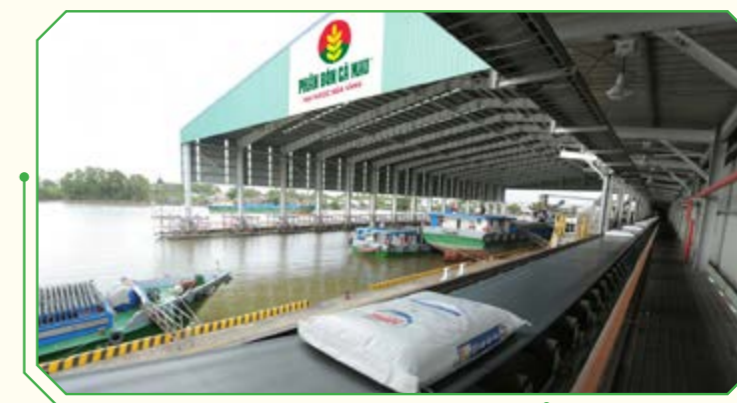
Gold Award - National Quality Award Program



Top 500 largest enterprises in Vietnam 2021

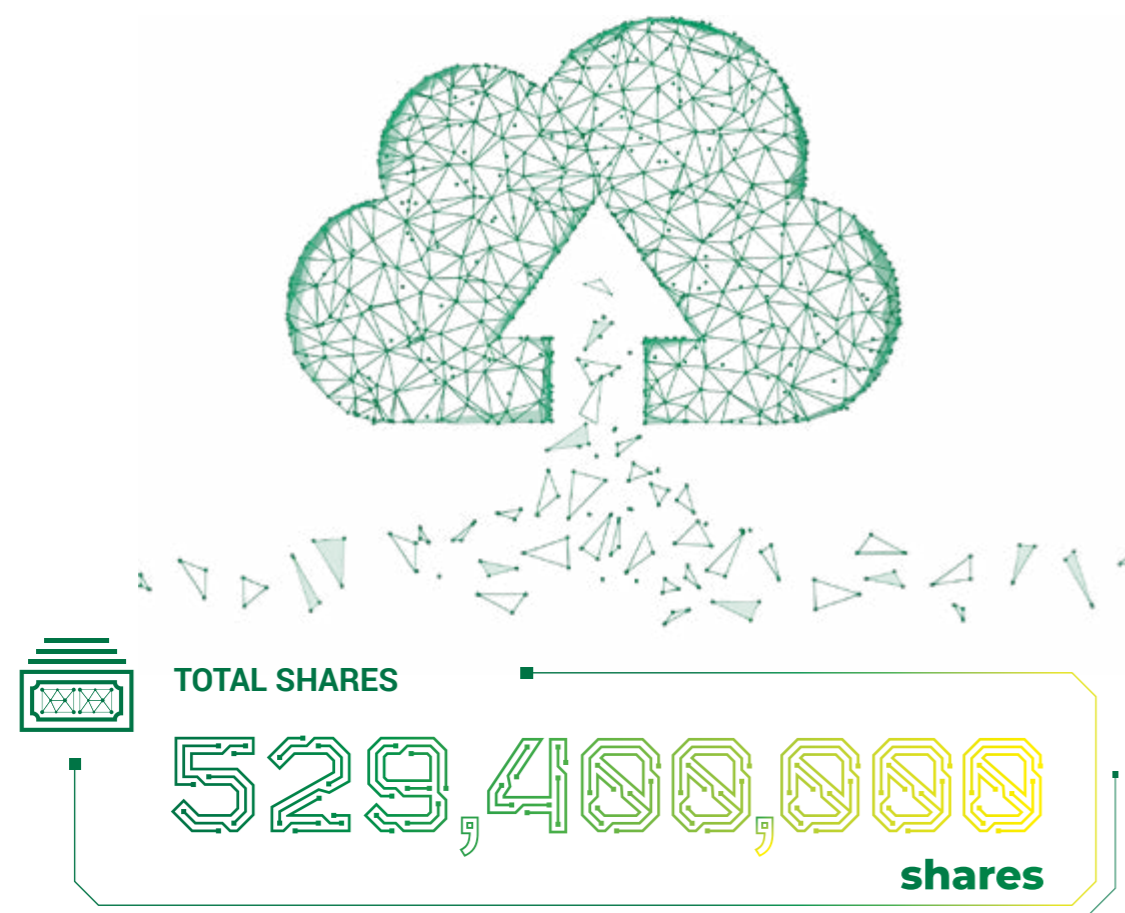


Top 10 Best Annual Report 2021



SHAREHOLDER STRUCTURE AND CHANGES IN OWNER'S EQUITY (according to the final list as of 14 February 2022)

STOCK INFORMATION



Face value:	VND 10,000 / share
Total share value:	VND 5,294,000,000,000
Type of outstanding shares:	Common share
Number of freely transferable shares:	529,400,000 shares
Number of shares limited to transfer:	0 (zero) shares
The Company has no securities traded abroad.	

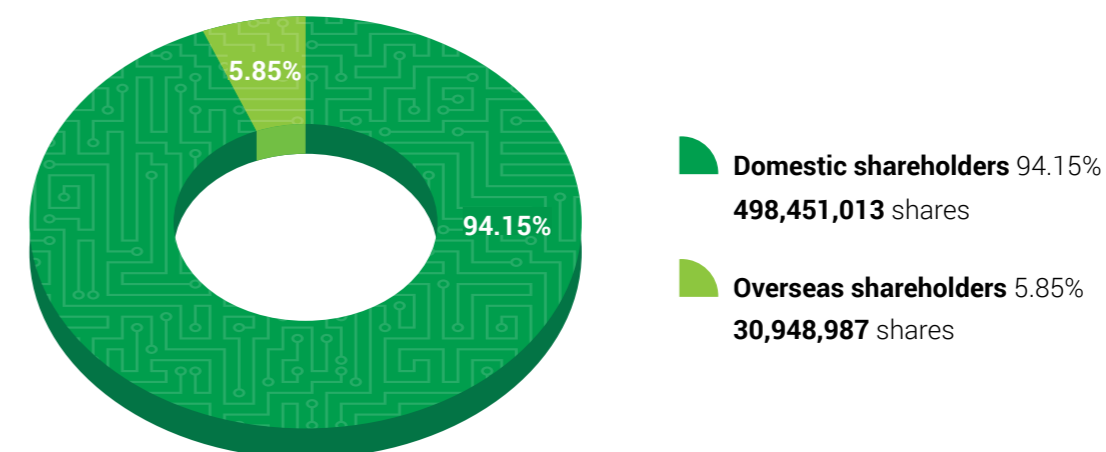
LIST OF SHAREHOLDERS HOLDING MORE THAN 5% OF CHARTER CAPITAL

Shareholders	Business registration certificate No./Identity card No.	Address	Number of holding shares (shares)	% charter capital
Vietnam Oil and Gas Group - PVN	0106000811	18 Lang Ha, Ba Dinh, Hanoi	400,023,057	75.56
Total			400,023,057	75.56

SHAREHOLDER STRUCTURE AS OF 14 FEBRUARY 2022

No.	Shareholders	Quantity (persons/ organizations)	Number of shares (share)	Value according to par value (VND)	Rate
I	Domestic shareholders	20,982	498,451,013	4,984,510,130,000	94.15
1	Organizational shareholders	90	409,291,750	4,092,917,500,000	77.31
1.1	<i>In which: PVN</i>	1	400,023,057	4,000,230,570,000	75.56
1.2	<i>Others</i>	89	9,268,693	92,686,930,000	1.75
2	Individual shareholders	20,922	89,159,263	891,592,630,000	16.84
II	Overseas shareholders	112	30,948,987	309,489,870,000	5.85
1	Organizational shareholders	30	29,240,890	292,408,900,000	5.52
2	Individual shareholders	82	1,708,097	17,080,970,000	0.32
Total		21,094	529,400,000	5,294,000,000,000	100.00

Shareholder structure chart



TREASURY SHARE

Number of treasury share: 0 (zero) share

Transaction of treasury share: There was no treasury share transaction in 2021.

CHANGES IN OWNER'S EQUITY

There was no change in owner's equity in 2021.

OTHER SECURITIES

The Company did not issue any securities in 2021.



SUBSIDIARIES AND AFFILIATES



PETROVIETNAM PACKAGING JOINT STOCK COMPANY - PPC

Establishment date:	10/06/2010
Charter capital at present:	VND 47,995,160,000
Main business operations:	Manufacturing products made from plastic, in which mainly producing and trading PP and PE packages; producing and trading fertilizers and Nitrogen complex.
Address:	Lot A1-3, Tra Kha Industrial Park, Ward 8, Bac Lieu City, Bac Lieu Province
Tel.:	02913 957 555
Fax:	02913 957 666
Email:	sale@pbp.vn
Website:	www.pbp.vn
PPC's share held by PVCFC:	2,449,167 shares, equivalent to VND 24,491,670,000
PPC's charter capital owned by PVCFC:	51.03%

PPC's CHARTER CAPITAL

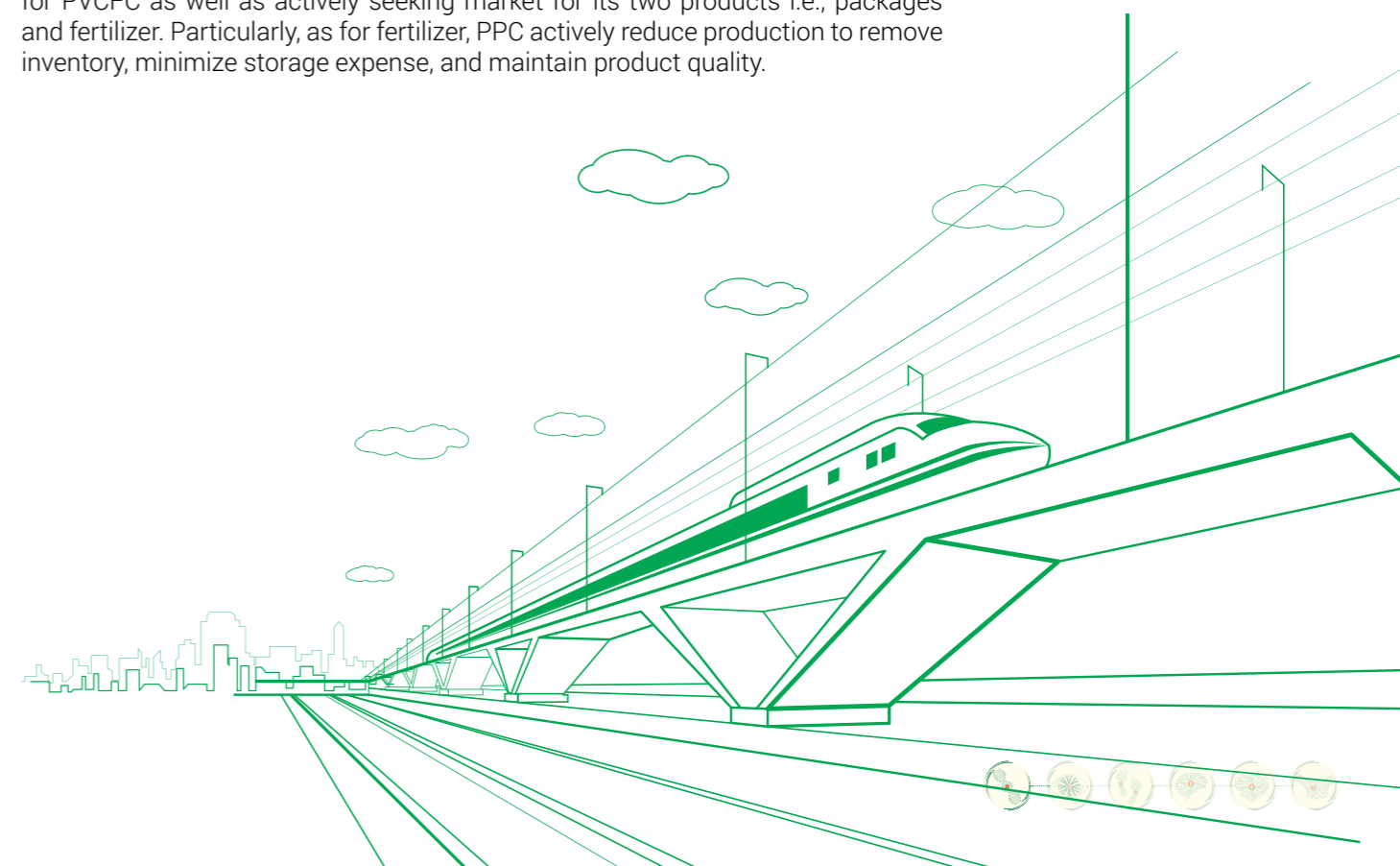
VND 47,995,160,000

BUSINESS PERFORMANCE OF PPC

No.	Items	Unit	Implemented 2020	Year 2021		% Implemented 2021/Planned 2021	% Implemented 2021/Implemented 2020
				Planned	Implemented		
I Production output							
1	Packaging	Thousand packages	24,349.87	24,981.96	25,885.02	103.61%	106.30%
2	Fertilizer	Tons	3,840.75	13,000.00	6,420.06	49.39%	167.16%
II Financial indicator							
1	Revenue	VND million	278,438	236,342	330,003	139.63%	118.52%
2	Profit before tax	VND million	6,877	7,094	7,529	106.13%	109.48%

PPC has made all efforts to complete the assigned targets, exceeding the planned package production output, increasing by 3.61% compared to the plan, 6.3% higher than 2020, to timely provide packages for PVCFC.

Revenue and profit before tax increased by 39.63% and 6.13% compared to the plan, respectively. Besides, PPC has always ensured to promptly provide packages for PVCFC as well as actively seeking market for its two products i.e., packages and fertilizer. Particularly, as for fertilizer, PPC actively reduce production to remove inventory, minimize storage expense, and maintain product quality.



GOVERNANCE MODEL AND ORGANIZATIONAL STRUCTURE

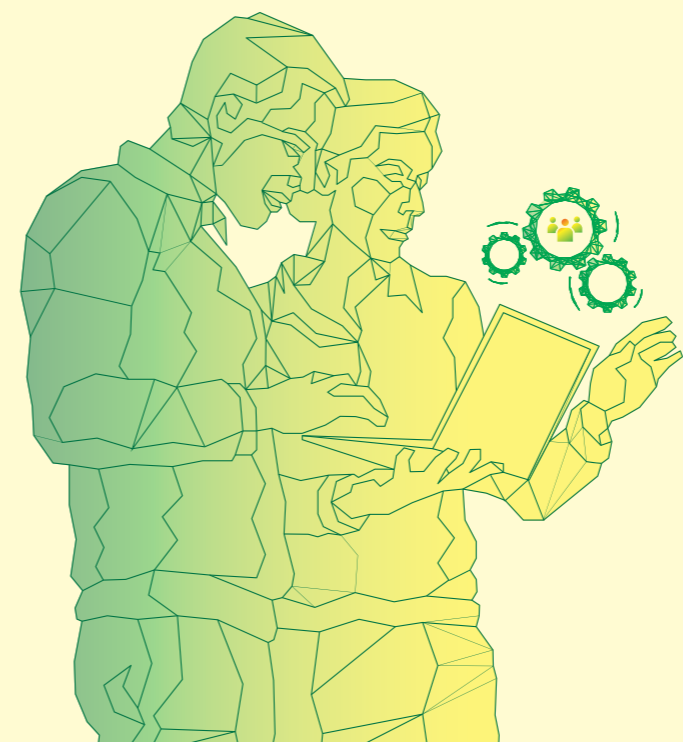
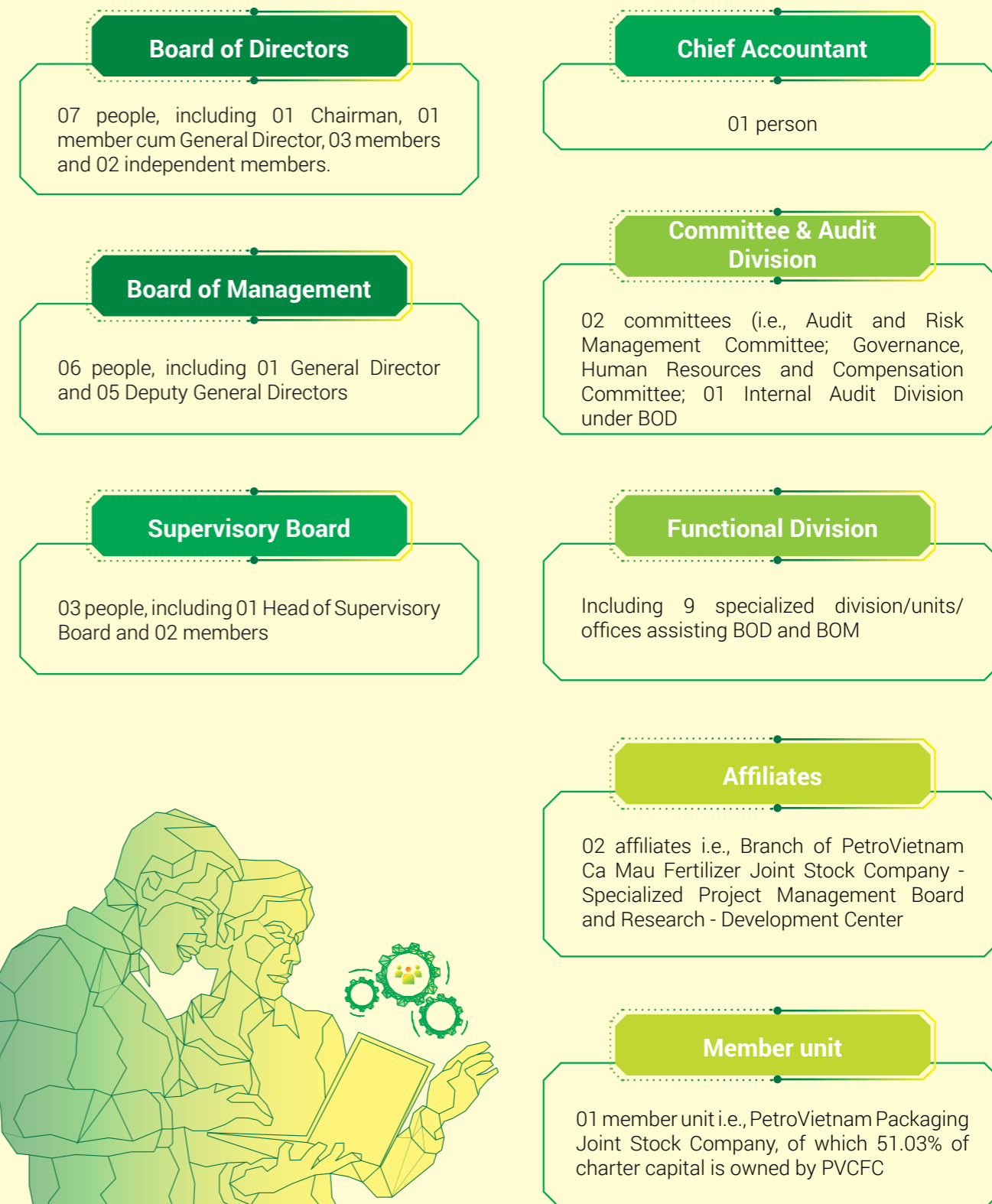
ORGANIZATIONAL STRUCTURE OF PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY



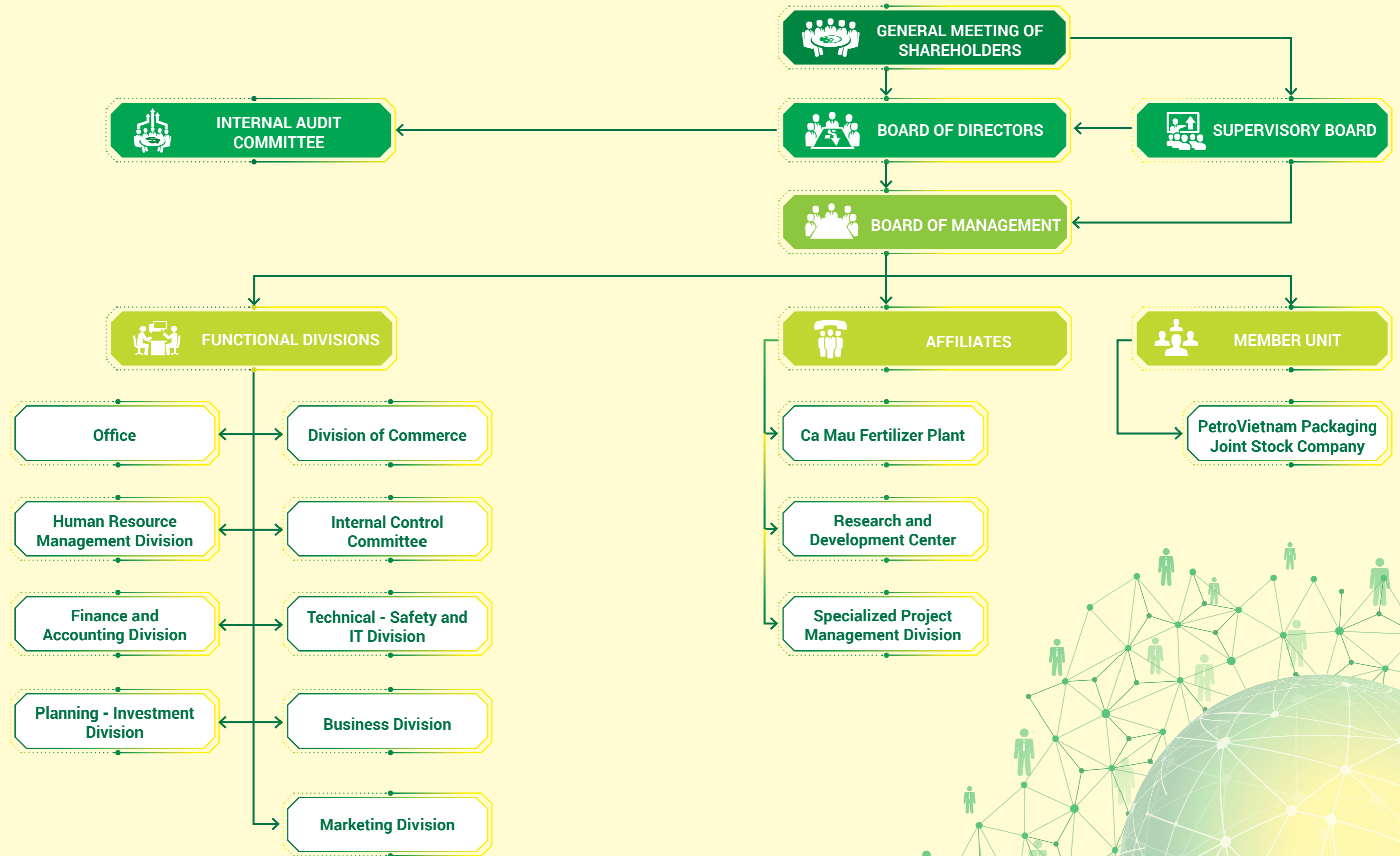
“ PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY, FORMERLY KNOWN AS PETROVIETNAM CA MAU FERTILIZER ONE-MEMBER COMPANY LIMITED IS AN AFFILIATE OF VIETNAM OIL AND GAS GROUP AND WAS ESTABLISHED ACCORDING TO THE DECISION NO.474/QĐ-DKVN DATED 09 MARCH 2011 OF THE BOARD OF MEMBERS OF VIETNAM OIL AND GAS GROUP. IN JANUARY 2015, THE COMPANY TRANSFORMED INTO A JOINT STOCK COMPANY NAMED PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY. DURING ITS OPERATION, THE COMPANY’S ORGANIZATIONAL STRUCTURE HAS BEEN CHANGED TO BE SUITABLE TO EACH PERIOD.

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY HAS DEPLOYED INNOVATION PROJECT AND RESTRUCTURED THE ORGANIZATION IN THE DIRECTION OF STREAMLINE, MULTI-FUNCTION, EFFICIENT OPERATION AND SUITABLE TO THE ACTUAL SITUATION OF THE COMPANY, TOWARDS INCREASINGLY IMPROVING PRODUCTION AND BUSINESS PERFORMANCE.

ORGANIZATIONAL STRUCTURE



GOVERNANCE MODEL AND ORGANIZATIONAL STRUCTURE (continued)



BOARD OF DIRECTORS



MR. TRAN NGOC NGUYEN

Chairman of BOD

Gender: Male

DOB: 15 September 1977

Qualification: Master of Refining - Petrochemical, Master of Economic Management.

Working history

Mr. Nguyen has many years of experience in operating business at some enterprises in the oil and gas industry. He holds many different positions, such as Technology Engineer at Contractor Management Department, Technological Supervision Department at Dung Quat Oil Refinery; Deputy Head, Head of Production Department; Deputy General Director of Binh Son Refining and Petrochemical One Member Limited Liability Company (now known as Binh Son Refining and Petrochemical Joint Stock Company); General Director cum Member of BOD at Binh Son Refining and Petrochemical Joint Stock Company.

He has been elected to be Chairman of BOD at PetroVietnam Camau Fertilizer Joint Stock Company since 10 January 2019.



MR. VAN TIEN THANH

Member of BOD cum General Director

Gender: Male

DOB: 9 July 1968

Qualification: Engineer in Agroforestry Mechanics.

Working history

He has worked for many years and had experience in the field of engineering technology with many different roles.

Since 2005, he has worked in the oil and gas industry with many positions, such as Deputy Head of Project Department, Ca Mau Gas - Power - Fertilizer Complex; Specialized Deputy Head of Preparation Department of Moroccan Projects of PetroVietnam Fertilizer and Chemicals Corporation. In addition to be Deputy Head of Project Management Board of Ca Mau Gas - Power - Fertilizer Complex in 2011, he also held the position of Deputy Director of PetroVietnam Camau Fertilizer One Member Company Limited.

In April 2016, he concurrently held the position of Director of Research and Development Center, PetroVietnam Camau Fertilizer Joint Stock Company.

In June 2018, he was elected by the General Meeting of Shareholders to be Member of BOD cum General Director of PetroVietnam Camau Fertilizer Joint Stock Company.



MR. TRAN MY

Non-executive member of BOD

Gender: Male

DOB: 23 October 1962

Qualification: Engineer in Industrial Economics.

Working history

Mr. My started working at the Department of Industry of Gia Lai - Kon Tum in 1985. After that, he held other positions, such as Chief Accountant cum Head of Economic - Finance Department at the Project Management Board of Huong Dien Hydropower Plant

He started working at the Project Management Board of Ca Mau Gas - Power - Fertilizer Complex in 2006 and held the position of Deputy Head of Economics - Planning Department.

In 2012 he started working at PVCFC and held many positions, such as Head of Strategic Planning Department; Head of Investment & Planning Department. Since January 2015, he has been appointed as Member of BOD.



MR. NGUYEN DUC HANH

Non-executive member of BOD

Gender: Male

DOB: 28 October 1972

Qualification: Engineer in Energy Economics.

Working history

He has many years of experience in doing business, consulting, management and investment planning. He was Head of Economic Planning Department, Project Management Board of Ca Mau Gas - Power - Fertilizer Complex.

Since 2012, he has been appointed as Deputy Director of PetroVietnam Camau Fertilizer One Member Company Limited.

From June 2014 to January 2015, he was Board Member (concurrently); cum Chairman of BOD at PetroVietnam Packaging Joint Stock Company from December 2012 to April 2016.

From January 2015 to September 2020, he was Deputy General Director of PetroVietnam Camau Fertilizer Joint Stock Company.

In June 2020, the General Meeting of Shareholders unanimously elected him to be Member of BOD at PetroVietnam Camau Fertilizer Joint Stock Company.

BOARD OF DIRECTORS (continued)



MR. LE DUC QUANG

Non-executive member of BOD

Gender: Male

DOB: 19 June 1975

Qualification: Master of Business Administration; Chemical - Petrochemical Engineer.

Working history

Mr. Quang has many years of experience in the oil and gas industry and held many positions, such as Petroleum Technology Engineer; Specialist in Gas Department, Deputy Head of Gas Department, Deputy Head of Gas and Petrochemical Refining Department, at Vietnam Oil and Gas Group.

In June 2020, the General Meeting of Shareholders of PVCFC unanimously elected him to be Member of BOD as a specialized independent member of the Board of Directors.

In April 2021, the General Meeting of Shareholders of PVCFC unanimously elected him to be Member of BOD.



MS. DO THI HOA

**Independent member of BOD
Chairman of the Audit and Risk Management Committee**

Gender: Female

DOB: 20 December 1960

Qualification: Bachelor of Industrial Accounting.

Working history

Ms. Do Thi Hoa worked in the oil and gas industry for 36 years, from October 1980 to April 2016 when she was entitled for retirement under social insurance policy.

She held many positions, such as General Accountant, Chief Accountant of PetroVietnam Transportation Company - General Department of Petroleum, now known as PVN; Head of audit team of member units, Deputy Head of Internal Audit Department, Deputy Head of Finance - Accounting and Auditing Department of PVN. She has been entitled for retirement under social insurance policy since April 2016.

In April 2021, the General Meeting of Shareholders of PVCFC unanimously elected her to be an independent member of BOD.



MR. TRUONG HONG

**Independent member of BOD
Chairman of the Governance, Human Resources and Compensation Committee**

Gender: Male

DOB: 5 April 1959

Qualification: Doctor of Agriculture, majoring in Soil and Fertilizer

Working history

After graduating from university, Mr. Truong Hong started working since 1984. He worked at coffee research institutes, now the Central Highlands Agricultural Science and Technology Institute. He experienced in many positions, such as Deputy Head of Agrochemical Analysis Department, Soil and Fertilizer Researcher, Principal Researcher, Deputy Head of Science Planning and International Cooperation Department.

From 2003 - 2019, he worked at the Central Highlands Agro-Forestry Science and Technology Institute and experienced many positions, such as Acting Director of Eakmat Center for Agro-Forestry Technology Research and Transfer, Deputy Head of Science Planning and International Cooperation Department, Director of Gia Lai Agricultural and Forestry Experimental Research Center, Deputy Director of Central Highlands Agro-Forestry Science and Technology Institute, Acting Director of Central Highlands Agro-Forestry Science Institute, senior researcher. He has been entitled for retirement under social insurance policy since May 2019.

In April 2021, the General Meeting of Shareholders of PVCFC unanimously elected him to be an independent member of BOD.

BOARD OF MANAGEMENT



MR. VAN TIEN THANH

General Director

Gender: Male

DOB: 9 July 1968

Qualification: Engineer in Agroforestry Mechanic.

Working history

He has worked for many years and had experience in the field of engineering technology with many different roles.

Since 2005, he has worked in the oil and gas industry with many positions, such as Deputy Head of Project Department, Ca Mau Gas - Power - Fertilizer Complex; Specialized Deputy Head of Preparation Department of Moroccan Projects of PetroVietnam Fertilizer and Chemicals Corporation. In addition to be Deputy Head of Project Management Board of Ca Mau Gas - Power - Fertilizer Complex in 2011, he also held the position of Deputy Director of PetroVietnam Camau Fertilizer One Member Company Limited.

In April 2016, he concurrently held the position of Director of Research and Development Center, PetroVietnam Camau Fertilizer Joint Stock Company.

In June 2018, he was elected by the General Meeting of Shareholders to hold the position of Member of BOD cum General Director of PetroVietnam Camau Fertilizer Joint Stock Company.



MR. TRAN CHI NGUYEN

Deputy General Director

Gender: Male

DOB: 21 September 1975

Qualification: Bachelor of Economics majoring in Accounting; Bachelor of Laws; Master of Business Administration.

Working history

Before 2008, Mr. Nguyen worked at the Accounting Department of Ca Mau Post Office with many different positions.

From 2008 - 2011, he worked at the Finance - Accounting Department of the Project Management Board of Ca Mau Gas - Power - Fertilizer Complex with the titles of Specialist, Deputy Head. He has held the position of Chief Controller at PVCFC since 2012.

From January 2015, he was appointed as Member of BOD and from April 2016 to November 2019, he concurrently held the position of Chairman of BOD of PetroVietnam Packaging Joint Stock Company.

In June 2020, he was appointed as Deputy General Director of PetroVietnam Camau Fertilizer Joint Stock Company.



MR. LE NGOC MINH TRI

Deputy General Director

Gender: Male

DOB: 19 October 1970

Qualification: Bachelor of Economics, majoring in Enterprise Accounting.

Working history

He has many years of experience in accounting and auditing at units in the oil and gas industry, such as Accountant at Vietnam Oil and Gas Tourism Corporation; Chief Accountant at the Project Management Board of Ca Mau Gas - Power - Fertilizer Complex.

In 2011, he held the position of Accountant at the Project Management Board of Ca Mau Gas - Power - Fertilizer Complex and concurrently was Chief Accountant of Ca Mau Petroleum Fertilizer Company Limited.

Since June 2015, he has been appointed as Deputy General Director of PetroVietnam Camau Fertilizer Joint Stock Company.



MR. NGUYEN TUAN ANH

Deputy General Director

Gender: Male

DOB: 24 February 1976

Qualification: Master of Commerce, Bachelor of Accounting; Bachelor of Business Administration.

Working history

Mr. Tuan Anh has extensive experience in the fields of oil and gas, fertilizers, and chemicals. In 1998, he worked at Petroleum Construction Investment Consulting Company. In 2002, he worked at Oil and Gas Insurance Company. In 2006, he was Department Head at Northern Liquefied Gas Trading Joint Stock Company.

In 2008, he was appointed as Director of Northern Petroleum Chemical and Fertilizer Company Limited.

In October 2009, he was Head of Foreign Cooperation Projects Department, Head of Construction Investment Department, Head of Fertilizer Business Department of PetroVietnam Fertilizer and Chemicals Corporation.

In April 2014, he was Deputy General Director of Petrochemicals and Fibers Joint Stock Company.

In June 2017, he was appointed as Deputy General Director of PetroVietnam Camau Fertilizer Joint Stock Company.

BOARD OF MANAGEMENT (continued)



MS. NGUYEN THI HIEN

Deputy General Director

Gender: Female

DOB: 13 July 1974

Qualification: Master of Economics.

Working history

Ms. Hien has worked for many years and has experience in different fields with many positions. Specifically, from March to October 1996: Assistant Director of Investment Consultant Company; From October 1996 to December 2001: Economic - Financial Analyst, Estimator/Head of Economics - Finance Department, Thermal Power Design Department - Electricity Construction Consulting Company 2 (EVN);

From January 2002 to August 2005: Specialist/Deputy Head of Economics - Planning Department, Project Management Board of Ca Mau Gas - Power - Fertilizer Complex; From September 2005 to June 2007: Deputy Head of Economic Planning Department of PetroVietnam Fertilizer and Chemicals Company - Vietnam Oil and Gas Group.

From June 2007 to March 2008: Head of Supervisory Board of PetroVietnam Fertilizer and Chemicals Corporation.

From April 2008 to January 2011: Member of BOD at Fertilizer & Chemical Corporation; Chairman of BOD at Southern Petroleum Housing Development and Management Joint Stock Company; Chairman of Southeast Chemical Fertilizer Company;

From February 2011 to December 2018: Vice Chairman of BOD at PetroVietnam Fertilizer and Chemicals Corporation; Chairman of Southwest Chemical Fertilizer Joint Stock Company; In January 2019, she was appointed as Deputy General Director of PetroVietnam Camau Fertilizer Joint Stock Company.



MR. NGUYEN THANH TUNG

Deputy General Director

Gender: Male

DOB: 27 March 1979

Qualification: Engineer in Organic Technology - Petrochemical.

Working history

He has worked for many years and had experience in manufacturing fields with many different roles. In April 2004, he was DCS Operation Engineer, Head of Urea Workshop from February 2007 to October 2010 at Phu My Fertilizer Plant, PetroVietnam Fertilizer and Chemicals Corporation.

At PetroVietnam Camau Fertilizer One Member Limited Company, now known as PetroVietnam Camau Fertilizer Joint Stock Company, he has held many positions. In February 2010, Director of Urea Workshop; March 2012, Deputy Head of Production Department; January 2013, Head of Production Operations Board; February 2016, Deputy Director of the Plant; February 2018, Plant Director.

In July 2020, he was appointed as Deputy General Director of PetroVietnam Camau Fertilizer Joint Stock Company and concurrently Director of Ca Mau Fertilizer Plant.



MR. DINH NHU CUONG

Chief Accountant

Gender: Male

DOB: 20 February 1977

Qualification: Master of Finance - Banking

Working history

Mr. Cuong has extensive experience in the field of accounting and had held many positions, such as General Accountant at Finance, Planning and Investment Department of Ca Mau City; in charge of accounting in Budget Accounting Department of Ca Mau City from 1998 to March 2007.

In April 2007, he moved to work in the oil and gas industry and held many positions, such as Accountant at the Project Management Board of Ca Mau Ca Mau Gas - Power - Fertilizer Complex; Specialist, Accounting Manager, Deputy Head of Finance - Accounting Department.

In February 2016, he was appointed as Chief Accountant cum Head of Finance - Accounting Department of PVCFC.

SUPERVISORY BOARD



MS. PHAN THI CAM HUONG

Head of Supervisory Board

Gender: Female

DOB: 8 May 1977

Qualification: Bachelor of Economics, majoring in State Finance.

Working history

Ms. Huong has had 11 years of experience with many positions, such as Accountant, Chief Accountant of Thien Thanh Production and Trading Co., Ltd., Accountant of Tan Thanh Phu My Vietnam Co., Ltd.

From 2011 to 2015, she worked at PVCFC, as General Accountant, Deputy Head of Accounting Department. She has been elected to the Supervisory Board and held the position of Head of this Board since January 2015.



MR. DO MINH DUONG

Member of Supervisory Board

Gender: Male

DOB: 15 November 1979

Qualification: Bachelor of Economics, majoring in General Accounting.

Working history

He started working since 2002 as Deputy Store Manager of Food Technology Store under Ca Mau Trading Joint Stock Company.

In February 2008, he worked at the Project Management Board of Ca Mau Gas - Power - Fertilizer Complex. In October 2012, he moved to PVCFC and worked as Specialist of Finance - Accounting Department; Specialist/Team Leader of Internal Control Board.

In April 2016, he was elected by the General Meeting of Shareholders as a Member of the Supervisory Board at PetroVietnam Camau Fertilizer Joint Stock Company.



MR. NGUYEN QUOC HUY

Member of Supervisory Board (concurrently)

Gender: Male

DOB: 13 October 1979

Qualification: Bachelor of General Accounting; Master of Business Administration.

Working history

Mr. Huy started his career in the banking sector in 2008.

From 2008 to 2014, he worked at Vietnam International Commercial Joint Stock Bank (VIB).

In 2015, he was Deputy Manager of Non-Credit Customer Management Department - Financial Management and Financial Services Division of Vietnam Public Commercial Joint Stock Bank (PVcomBank).

From April 2019 to March 2021, Mr. Huy was a member of PVCFC's Supervisory Board.

In April 2021, he resigned from the position of Member of the Supervisory Board at PetroVietnam Camau Fertilizer Joint Stock Company.



MR. TRAN VAN BINH

Member of Supervisory Board

Gender: Male

DOB: 26 December 1989

Qualification: Bachelor of Banking - Finance

Working history

Mr. Binh has worked at the Company for nearly 10 years since April 2012.

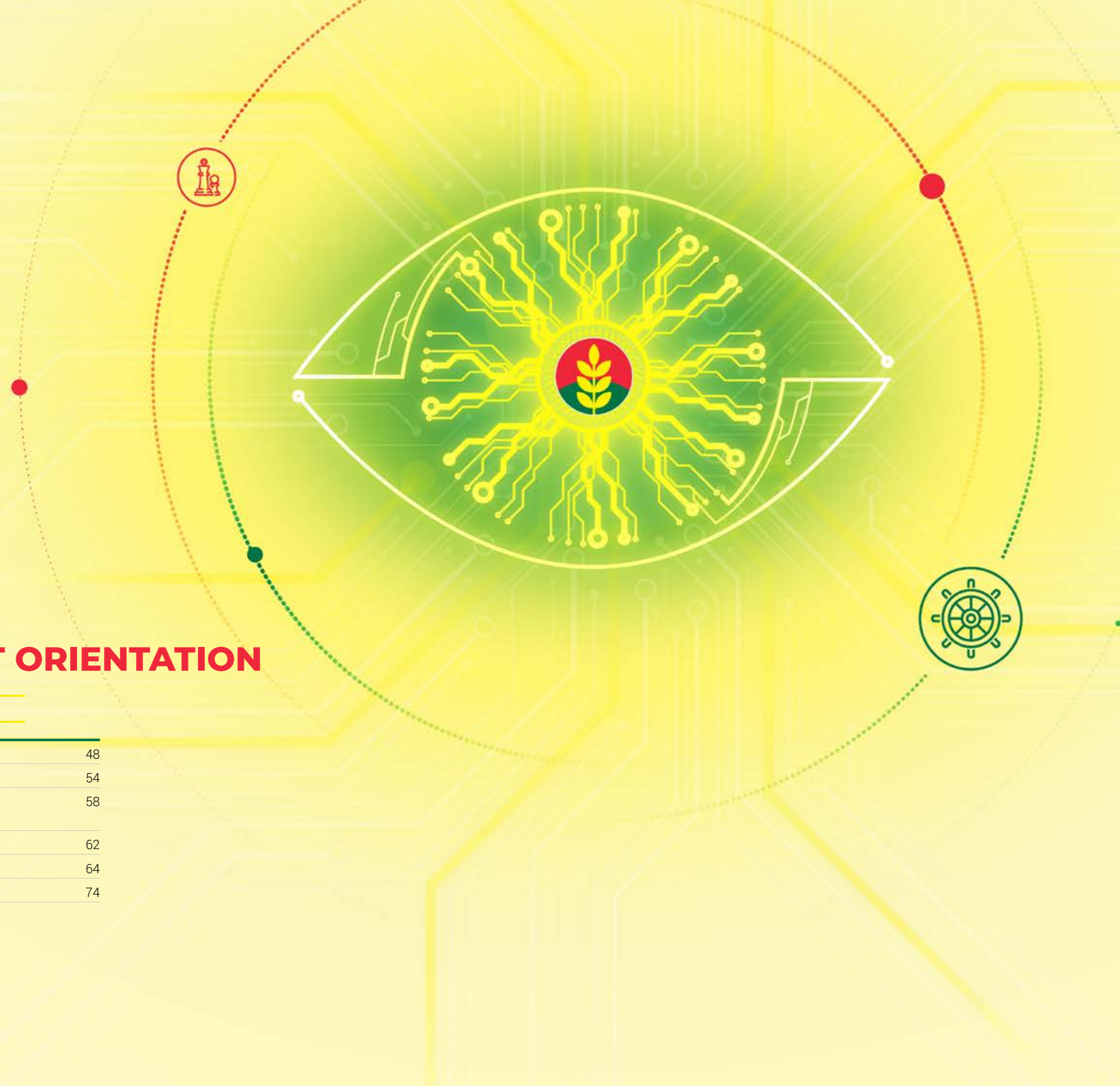
He holds many positions. Specifically, he was Specialist in Finance - Accounting Department for 5 years; more than 1 year as Deputy Head of General Accounting Department; more than 2 years as Chief Accountant cum Head of General Accounting Department at Research and Development Center, a branch of PetroVietnam Camau Fertilizer Joint Stock Company.

In April 2021, the General Meeting of Shareholders of PVCFC unanimously elected him to be Member of Supervisory Board.

VISION IS DEVELOPMENT ORIENTATION

DEVELOPMENT STRATEGY

Fertilizer industry update report in 2021	48
Fertilizer industry outlook 2022	54
Technology trends and its impacts on fertilizer industry and development of PVCFC	58
Ca Mau fertilizer value chain	62
SWOT analysis	64
Development orientation	74



FERTILIZER INDUSTRY UPDATE REPORT IN 2021

GLOBAL FERTILIZER MARKET - KEY HIGHLIGHTS

Global Urea market

- The Urea supply in 2021 was likely to be tightened as of 2020 in some regions such as China, Southeast Asia, Europe and Baltic states due to negative impacts of Covid-19 pandemic plus export restrictions of some countries and “export quota allocation” mechanism.
- Supply, transportation and delivery of Urea continued facing difficulties due to supply and transportation chain disruptions in 2020 which had impacts on flow of goods in some countries. 2021 saw port congestions with goods and containers stuck at major seaports in USA, China, Brazil, Argentina, Europe.
- Governments have been taking important steps to maintain stable domestic supplies instead of boosting export as previous time. Countries like Russia, Egypt, Turkey have proactively posed the same measures, China and Russia maintained strict control mechanisms on fertilizer export till end of June 2022 and May 2022 respectively.
- Highly maintained level of key agricultural products in 2021 has ensured fertilizer needs for farmers, especially in Latin American region (corn, soybean in Brazil, Argentina), Southeast Asia (raw palm oil in Indonesia, Malaysia).
- The higher demand of hoarding materials for NPK production in some countries has accelerated demand of Urea, especially in countries like China, Thailand, India, Pakistan, Brazil, Indonesia, Malaysia.
- Drastic price increases of Urea and difficulties during Covid-19 pandemic have made Urea “more scarce” than before.

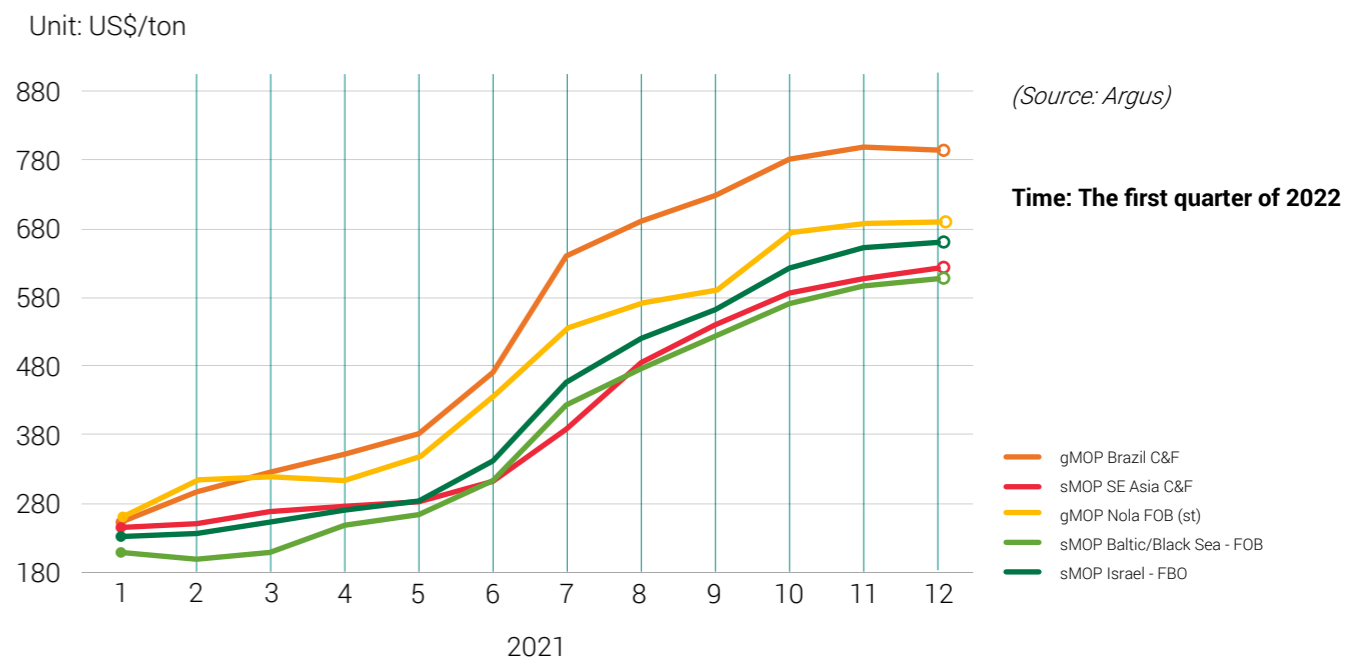
Global monthly average Urea price development in 2021



Global potassium market

- The higher demand of hoarding materials for NPK production in some countries has pushed demand of potassium to a sudden rise in some time (especially in China, India, Southeast Asian countries).
- Alliance/Agreements between large potassium manufacturing corporations (Canpotex, ICL, BPC, APC and Uralkali, etc.) have caused rising price of potassium as well as their proactive actions of tightening supply. Floor prices remained at US\$ 220/ton CFR in India and US\$ 230/ton CFR in China in 2020 but disappeared in 2021; countries known as main markets such as India, Brazil, etc. applied quick purchase orders to avoid higher prices due to active import price increases of potassium in some countries to purchase more products to timely meet domestic demand in high seasons, especially in largest agricultural producing countries such as USA, Brazil, Argentina.
- The fact that USA, EU imposed economic sanctions against Belarusian regime has dropped the supply of potassium in the global trade balance. As the world No.2 supplier of potassium, after Canada, with economic sanctions imposed by USA, has sharply dropped the supply of potassium of Belarus in the market, contributed to higher prices of potassium because Belarus’ traditional import partners started to seek new market.
- Price of global potassium increased sharply in 2021, at some time much higher than price of global Urea.

Global monthly average potassium price development in 2021



FERTILIZER INDUSTRY UPDATE REPORT IN 2021 (continued)

GLOBAL FERTILIZER MARKET - KEY HIGHLIGHTS (continued)

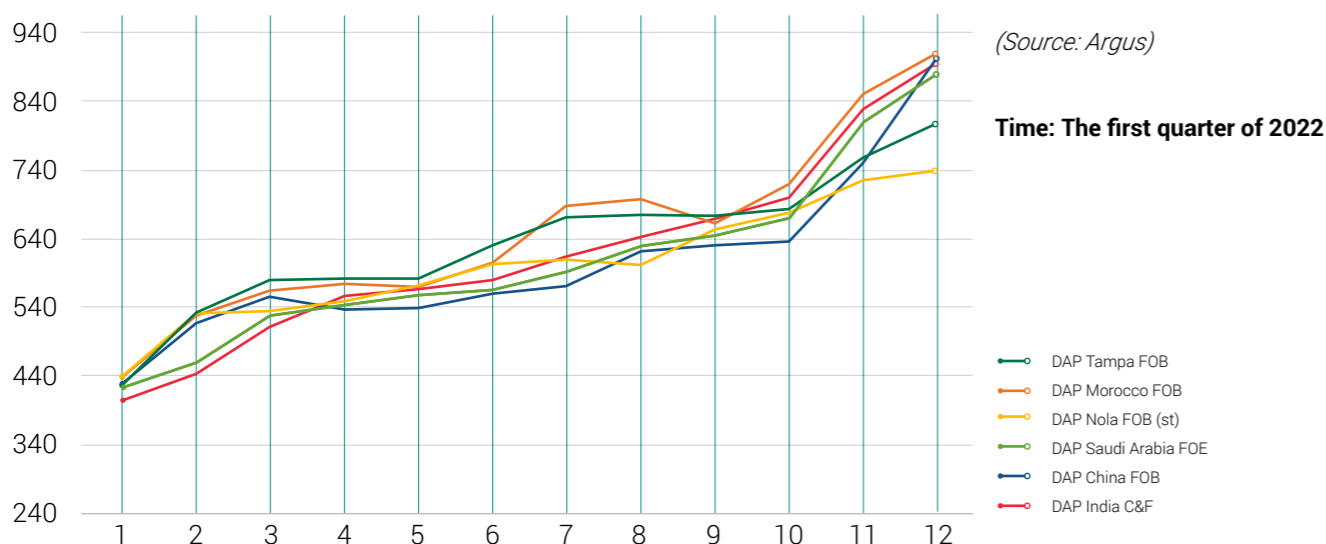
Global DAP market

Apart from common factors as above mentioned Urea and potassium markets, DAP market was also impacted by other factors as follows:

- The higher demand of hoarding materials for DAP production in some countries has pushed demand of DAP to a sudden rise in some time (especially in China, India, Pakistan, Indonesia, Malaysia).
- Production capacity of DAP in China, India declined due to domestic production cost higher than foreign countries. It caused high demand of DAP import to deal with economic efficiency.
- High costs of NH₃ and sulfur (approximately 30% to 50%/quarter) have pushed the production cost of DAP higher.
- Countries with high consumption demand of DAP have pushed price of DAP import higher to purchase more products (USA, Brazil, etc.), this has by chance pushed the price of DAP more higher in other markets.
- China's suspension of DAP exports to other countries, except for traditional markets such as South Asia and Southeast Asia, has caused a sharp decline in export volume.
- DAP price showed an upward trend in global scale

Global monthly average DAP price development in 2021

Unit: US\$/ton



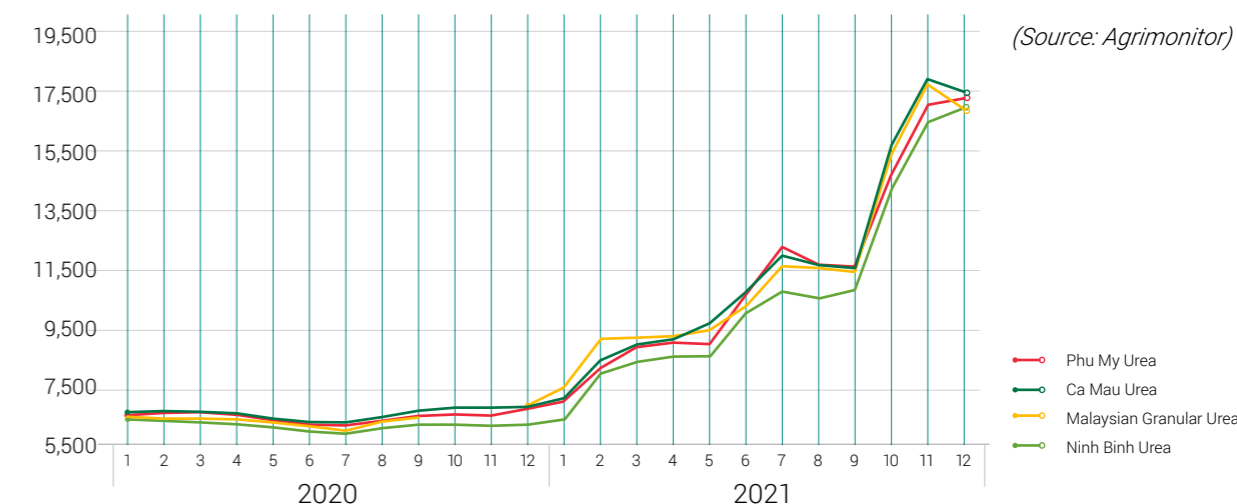
VIETNAM FERTILIZER MARKET - KEY HIGHLIGHTS

Domestic Urea market

- Demand of farmers remained stable but demand for Urea fertilizer from NPK plants increased sharply (manufacturing and hoarding)
- Demand from distribution system increased, even speculation and hoarding of goods occurred in some localities in certain times.
- Urea price showed an upward trend as of 2020 due to high price of global Urea fertilizers.

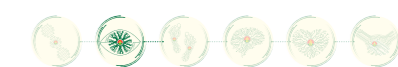
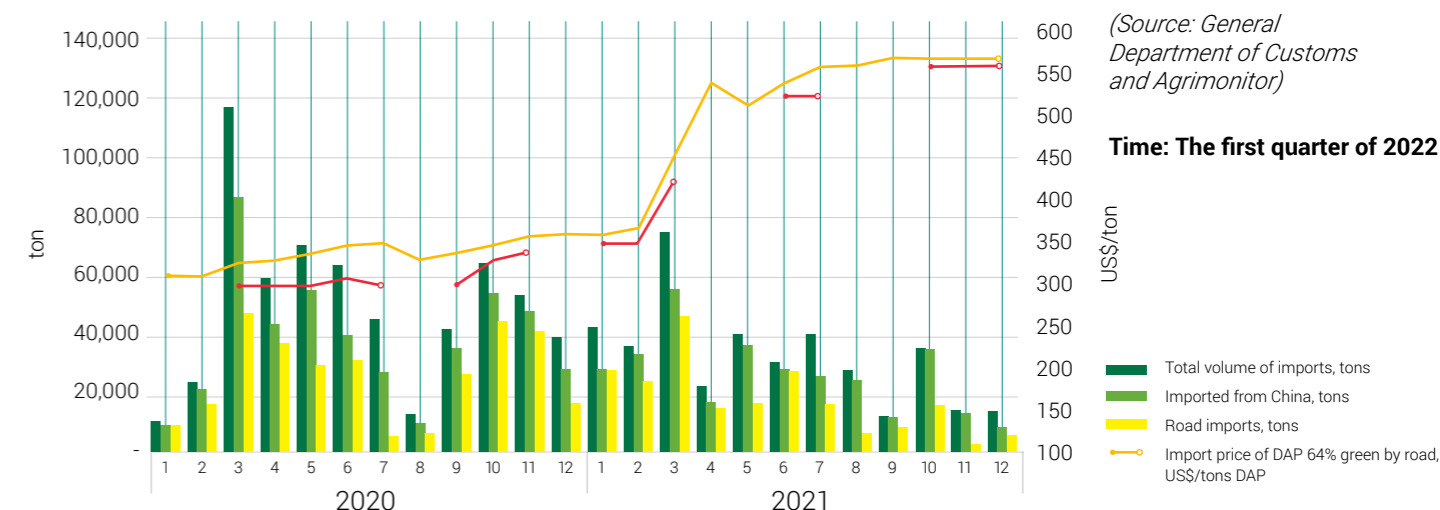
Urea price development in wholesale market in HCMC in 2021

Unit: VND/kg



- Psychology of "buying at any cost" occurred in the context of high demand in both domestic and global markets.
- Domestic inventories fell sharply in the first and second quarter of 2021 due to exports greater than imports or domestic low season.
- Covid-19 pandemic has caused disruptions in supply chain, transportation, delivery, loading and unloading (domestically, import and export)
- Urea Import-export in 2021:

Vietnam Urea import & export Diagram in 2021



FERTILIZER INDUSTRY UPDATE REPORT IN 2021 (continued)

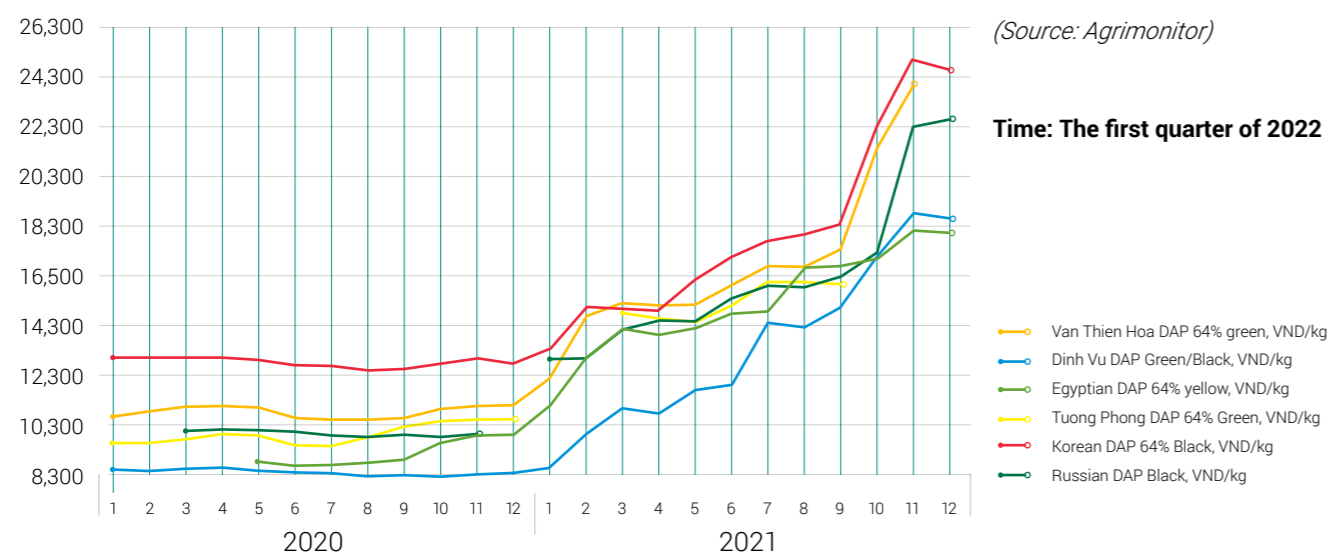
VIETNAM FERTILIZER MARKET - KEY HIGHLIGHTS (continued)

Domestic DAP market

- Demands of both farmers and NPK plants improved in the fourth quarter of 2021.
- Domestic DAP price increased along with global price surge but at slower speed.

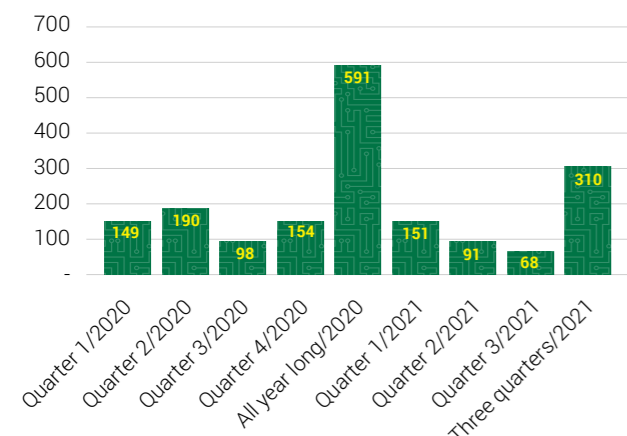
DAP price development in wholesale market in HCMC in 2021

Unit: VND/kg

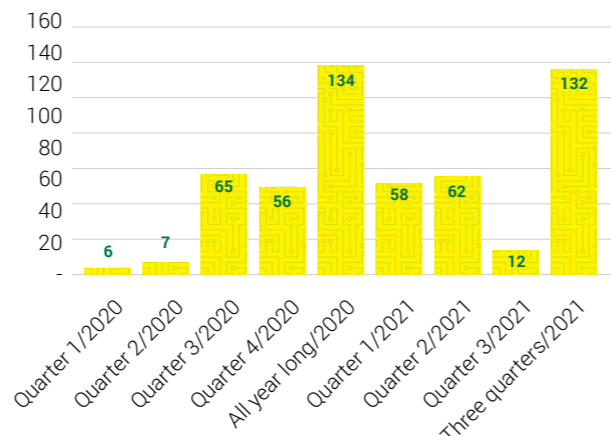


- Domestic supply declined due to disruptions in material supply, especially Apatite Ore supply for Dinh Vu and Lao Cai factories at certain times.
- The acute shortage of DAP fertilizer can cause impacts on NPK production factories.
- DAP import & export in 2021:

DAP imports (thousand tons)



DAP exports (thousand tons)



Time: The fourth quarter of 2021

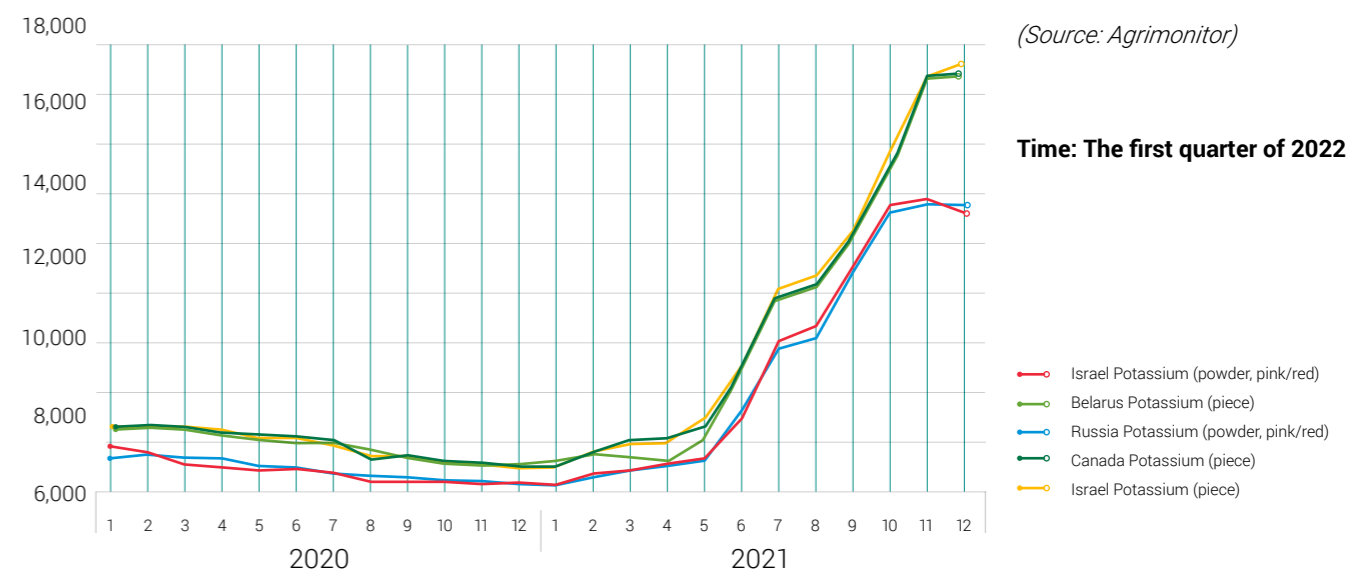
(Source: General Department of Customs and Agrimonitor)

Domestic potassium market

- Potassium demand of farmers and NPK plants improved as of 2020. This is shown through annual potassium import data of Vietnam which always remains at over 1 million tons/year.
- Price of domestic potassium increased sharply as of 2020 due to high import prices and demand from NPK plants pushing consumer sentiment of buying and storing higher than previous years.

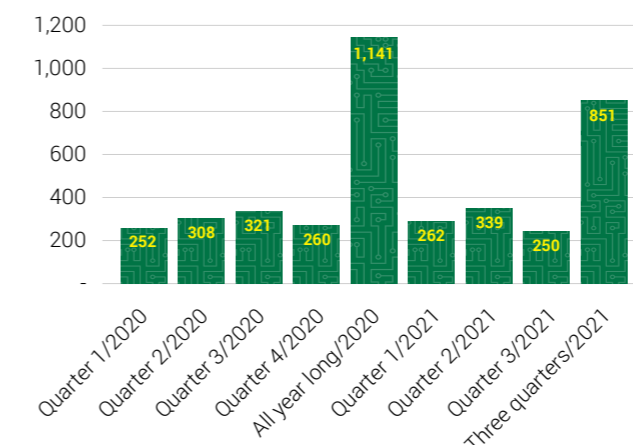
Potassium price development in wholesale market in HCMC in 2021

Unit: VND/kg

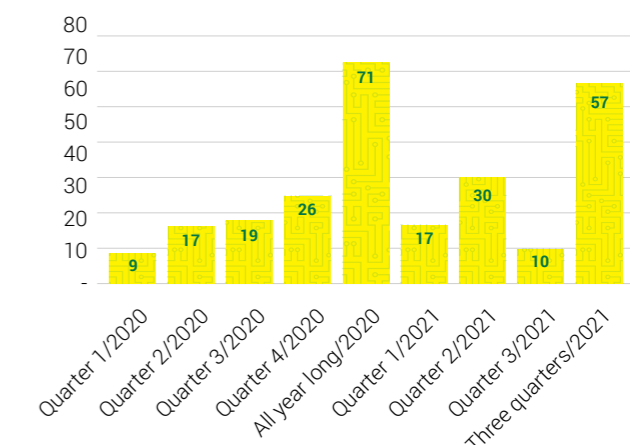


- Export of potassium increased in the fourth quarter of 2021 due to long-term signed import agreements by distributors. Besides, in order to have good proactive planning on input materials, NPK plants may proactively import a large amount of potassium in the coming months to minimize risks due to price fluctuation and supply disruptions.
- Potassium import & exports in 2021:

Potassium imports (thousand tons)

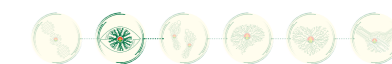


Potassium exports (thousand tons)



Time: The fourth quarter of 2021

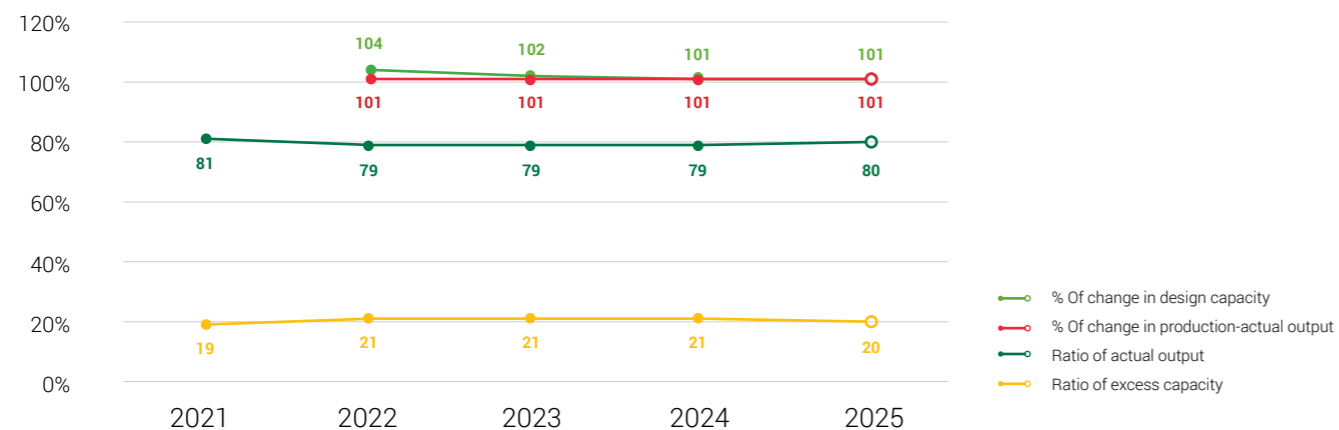
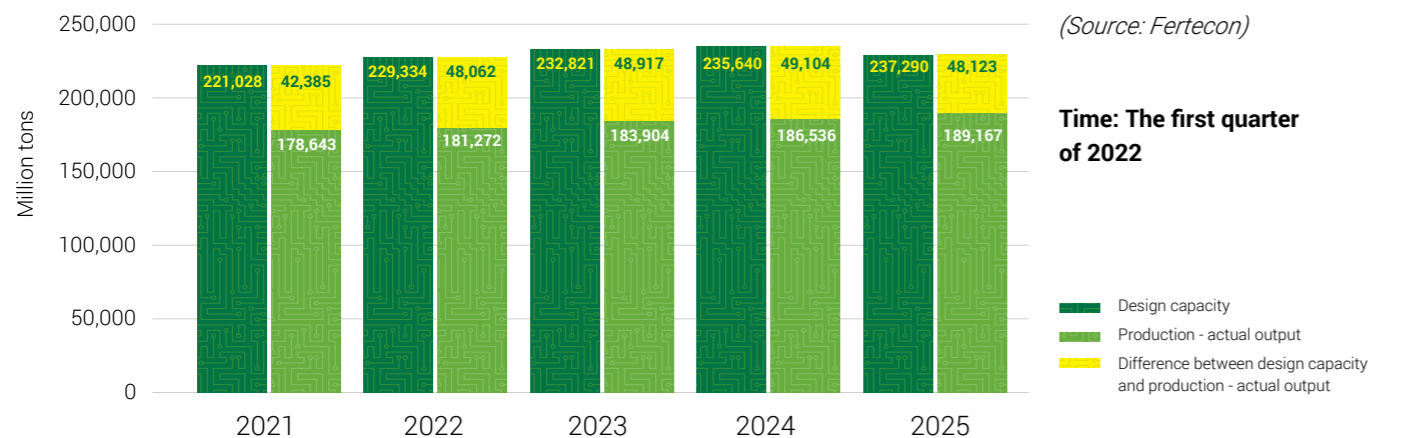
(Source: General Department of Customs and Agrimonitor)



FERTILIZER INDUSTRY OUTLOOK 2022

GLOBAL UREA MARKET

Forecasts on global Urea demand in 2021-2025

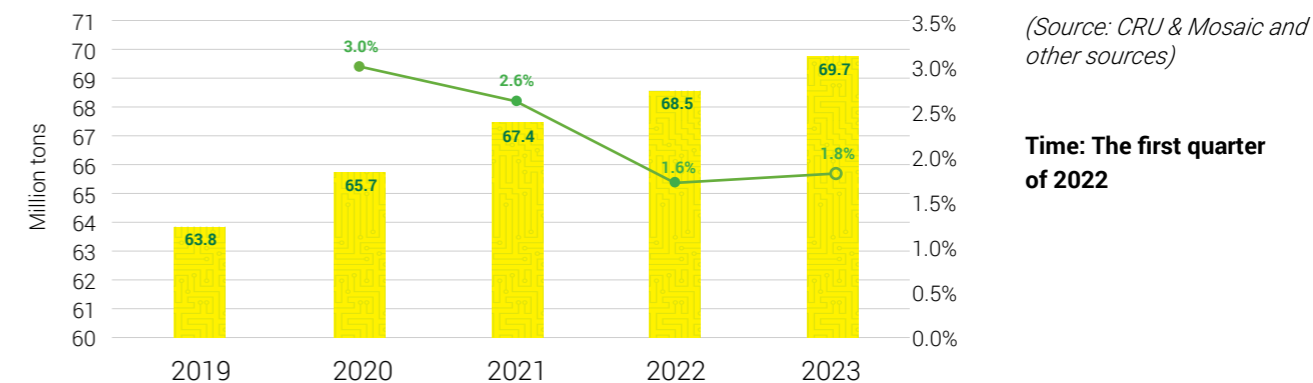


- According to Fertecon, global Urea production capacity will continue to increase in the next 5 years. In 2022, Urea production capacity will reach 229.3 million tons (up 4% as of 2021), 232.8 million tons in 2023 (up 2% as of 2022). In 2024-2025 period, Urea production capacity growth remains stable with an increase of 1% and stays at 273 million tons by 2025.
- Global production capacity of Urea will be decided by level of consumption due to currently excess capacity (actual production capacity is lower than design capacity) but at different levels amongst regions (shortages in some regions but surpluses in others). In general, production capacity and effective capacity will enjoy a slow growth in 2021-2025 period which is below 1%. Particularly, production capacity and effective capacity will reach 181.2 million tons in 2022 (up 1% as of 2021), 183.9 million tons and 189 million tons in 2023 and 2025 respectively.
- Because design capacity is higher than production capacity - actual output, so annual production capacity only reaches 79%-81% of design capacity. It means that annual surplus stays from 42-49 million tons. Accordingly, there will be a total surplus of 48 million of tons in 2022, 49 million in 2023 and the same amount in the following years.
- Based on above-motioned figures of production, consumption capacity, the ratio of surplus in production capacity of global Urea production factories stays from 19%-21% in 2021-2025 period.

GLOBAL POTASSIUM MARKET

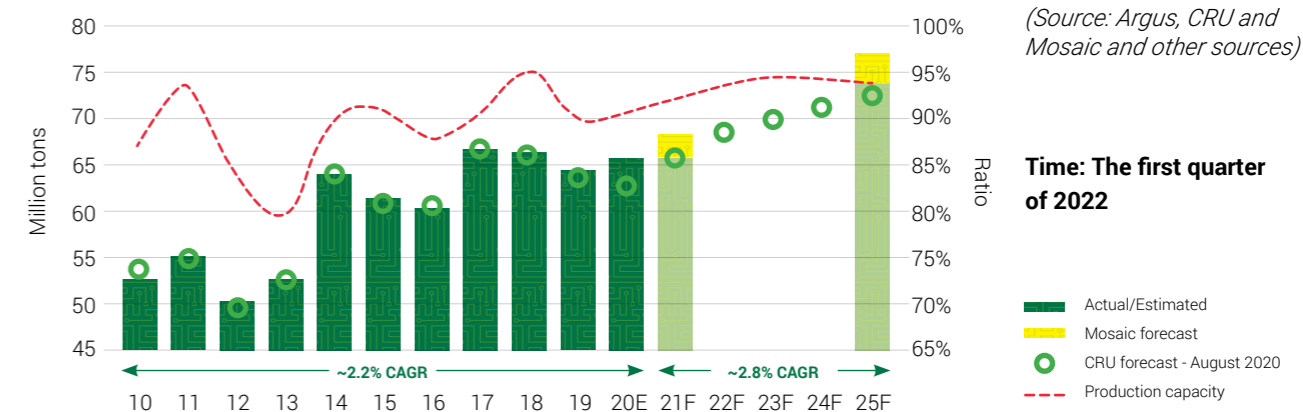
Global demand of potassium

Potassium fertilizer demand forecast worldwide 2019-2023

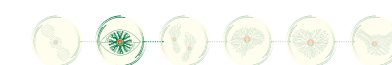
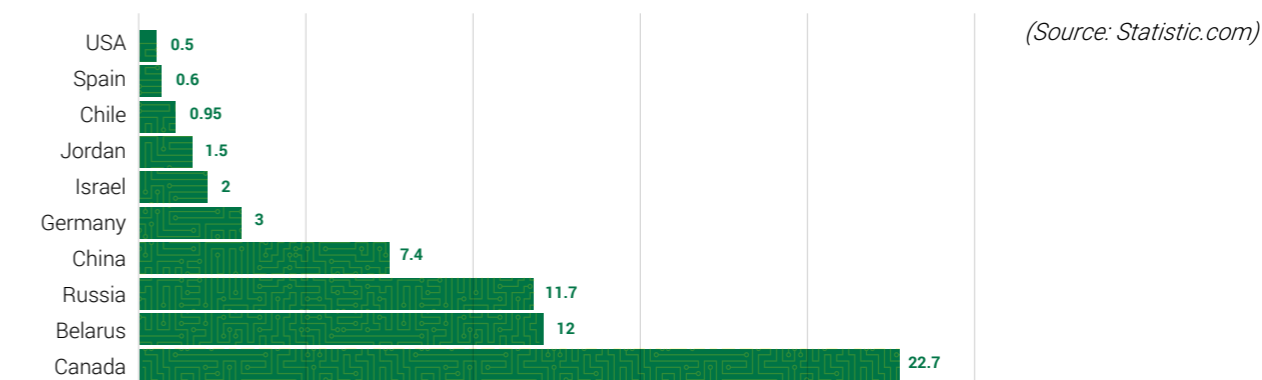


World potassium supply

Forecasts on world potassium supply 2019-2023



10 top potassium countries

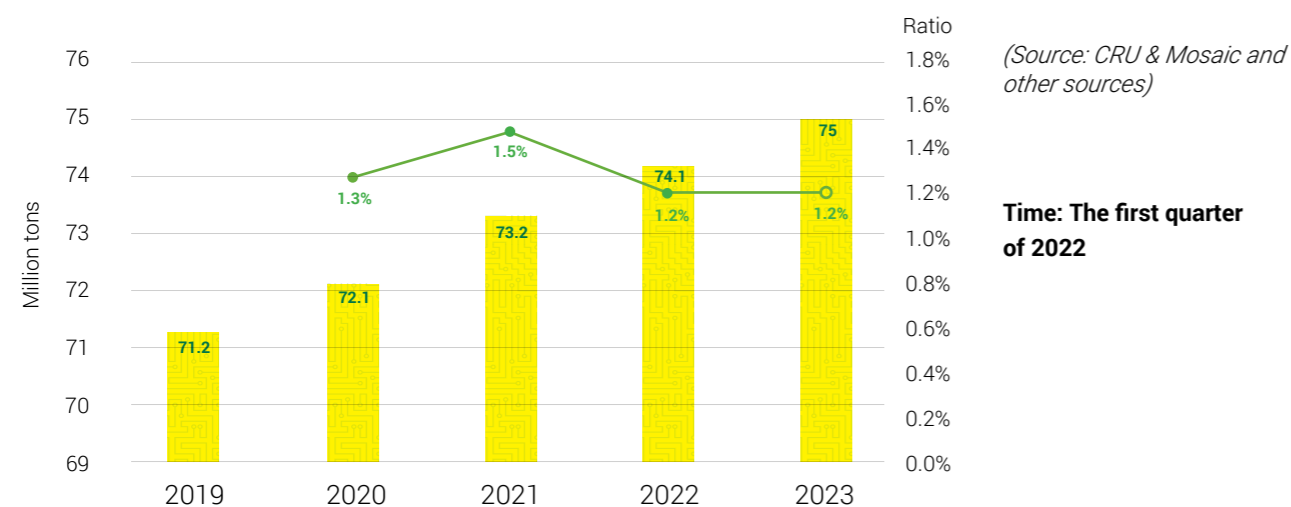


FERTILIZER INDUSTRY OUTLOOK 2022 (continued)

GLOBAL DAP MARKET

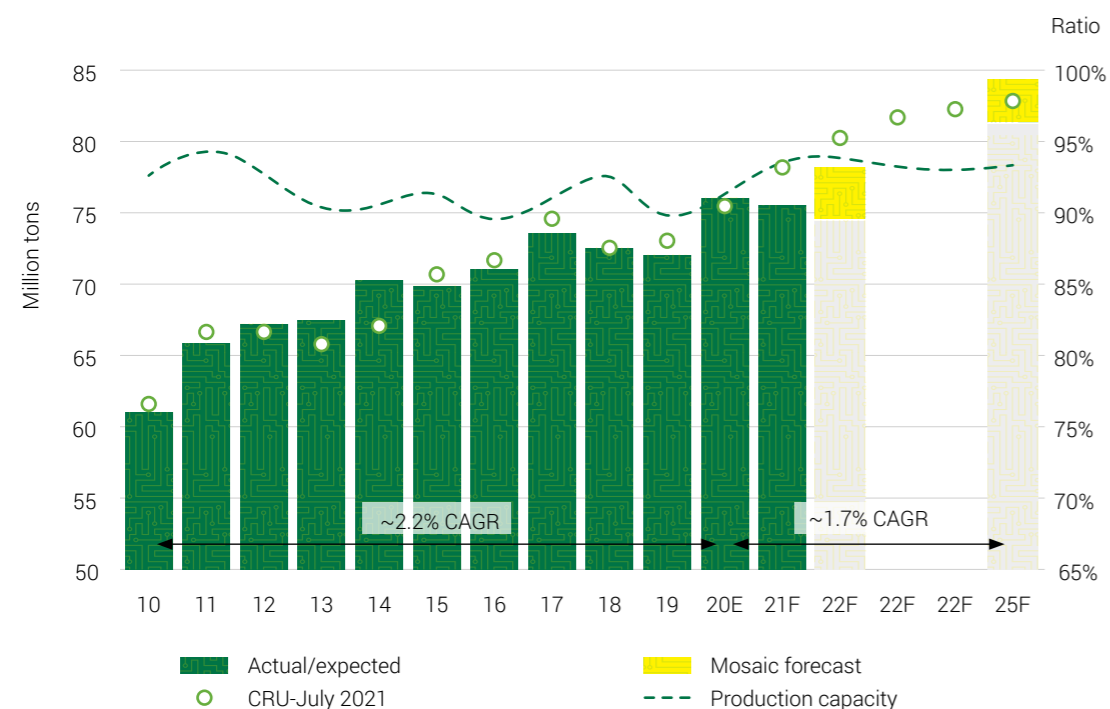
Global DAP demand

Global DAP demand forecast 2019-2023



Global DAP supply

Global DAP supply forecast



Time: The first quarter of 2022

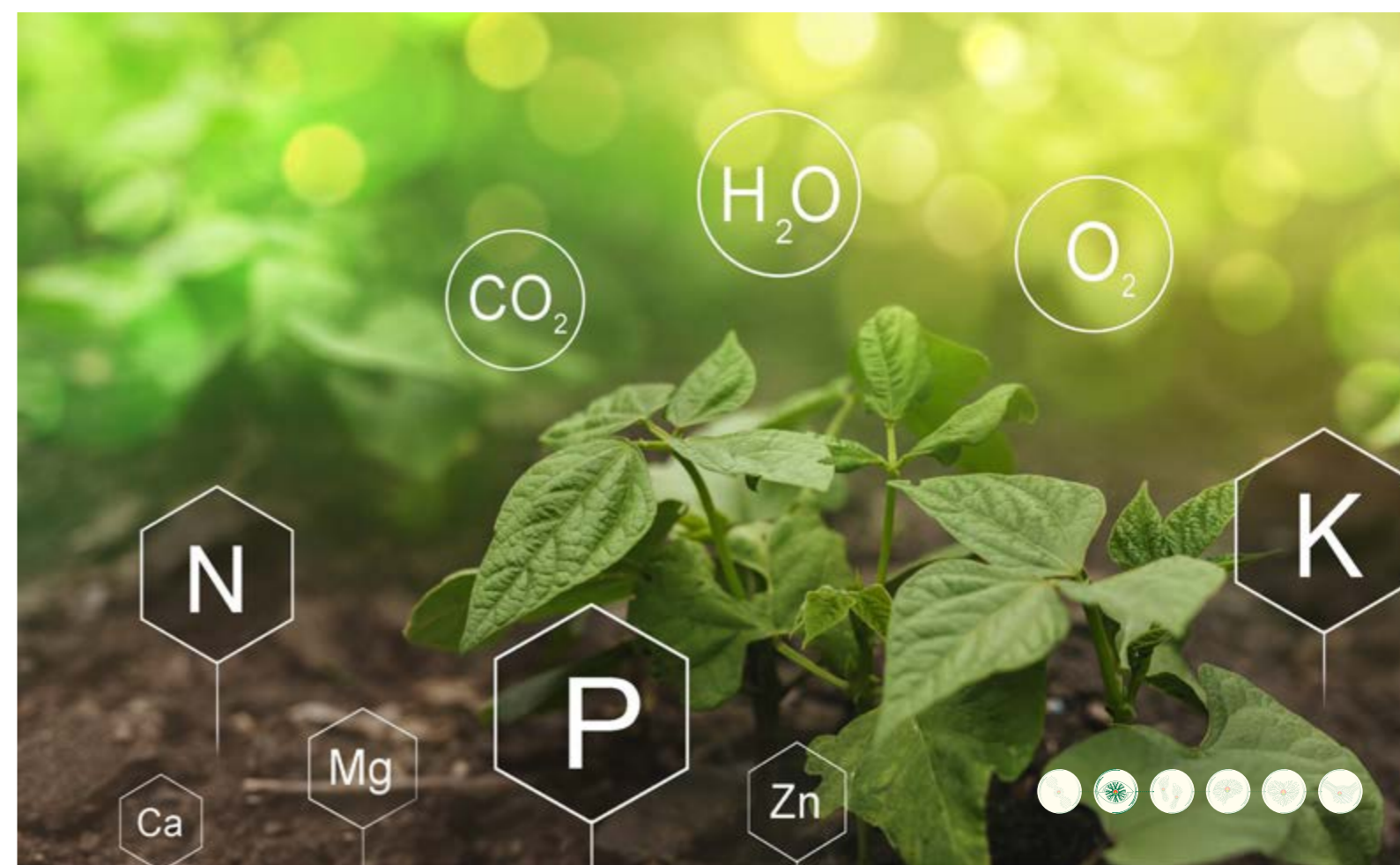
(Source: IFA, CRU, Mosaic)

VIETNAM FERTILIZER MARKET- HIGHLIGHTS

Assessment on domestic fertilizer production capacity and consumption

No.	Product	Production capacity	Notes
1	Urea	Total annual capacity of 2.3-2.4 million tons from 4 factories	Oversupply, an annual inventory of at least 400 thousand tons excluding accumulated inventory and imported products.
2	DAP	3 domestic factories meet 2/3 of demand	Imports will compensate for shortfall
3	Potassium	Unable to produce	100% imported
4	NPK	> 5 million tons but actual output of 3.2-3.8 million tons/year	An oversupply of 25% to 30% excluding a total amount of 400,000-500,000 tons of imported high-class products
5	Phosphate Fertilizer	1.5-2 million tons	
6	Others	1.8-2.5 million tons	

(Source: obtained from many sources and evaluated by PVCFC)



TECHNOLOGY TRENDS AND ITS IMPACTS ON FERTILIZER INDUSTRY AND DEVELOPMENT OF PVCFC

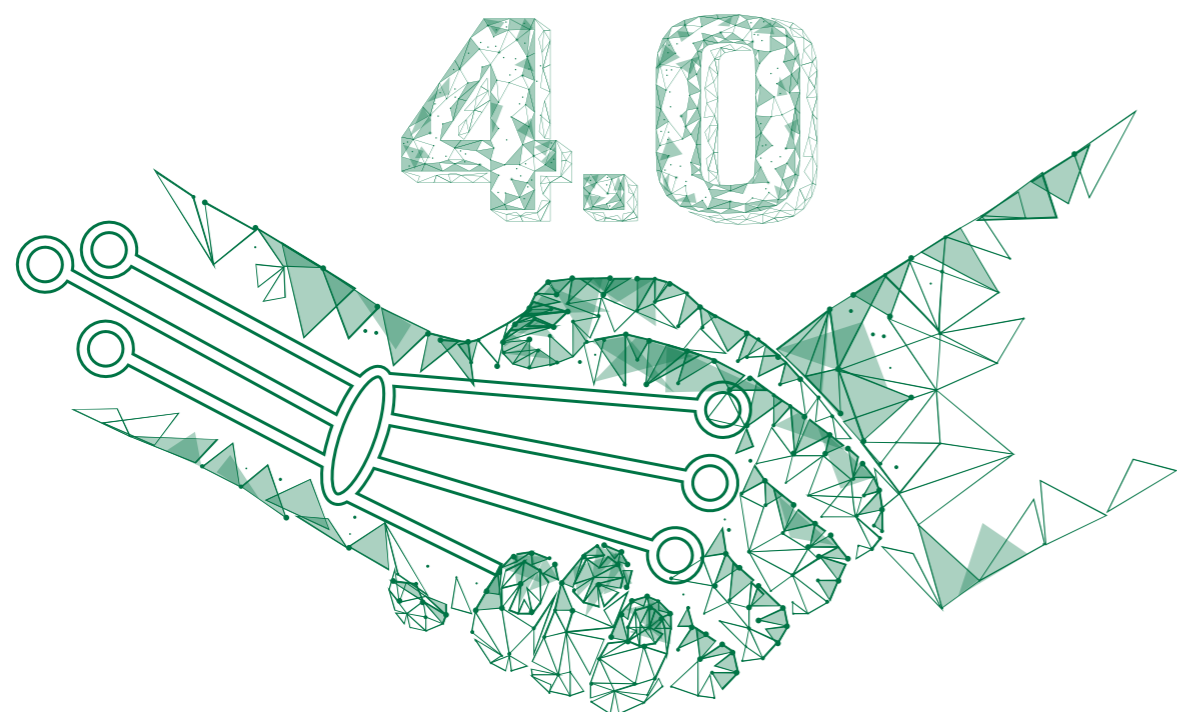


INDUSTRY 4.0 HAS BEEN BRINGING SOLID TECHNOLOGY FOUNDATIONS FOR COMPANIES IN MANUFACTURING FERTILIZER AND IMPROVING PRODUCT AND SERVICE QUALITY, PROMOTING GREEN GROWTH AND SUSTAINABILITY FOR FERTILIZER INDUSTRY IN GENERAL AND PVCFC IN PARTICULAR.

DIGITAL TECHNOLOGY AND ITS IMPACTS ON FERTILIZER INDUSTRY

It is clear that big changes have been taking place at exponential growth day by day in hi-tech industries. It is of great importance and provides a significant support to improve and upgrade fertilizer business and production process from management to research, business, etc. specifically:

- Cut operating costs, shorten production process, improve production capacity.
- Diversified products with higher value and better quality serving bigger markets
- Access to more customers in longer time with significant revenue growth
- Working environment is much improved: data is collected, stored, handled and shared to support leaders to make faster and more accurate decisions thanked to timely and smooth reporting system, optimizing employee productivity.
- Attract and retain customers thanked to improvement of product and service experience, strengthen competitive position in the market.



TECHNOLOGY FOR CREATIVITY AND INNOVATION OF PVCFC

At PVCFC, digital development has had impacts on 4 main businesses including customer experience, product - service, business - production and communication-media which have resulted in positive changes toward long - term development and sustainability on a journey to promote Vietnam agriculture development.

Digitalization on customer experience

2021 marked a breakthrough development of Ca Mau Fertilizer in digital customer service by launching “AI-created man” Ca Mau Fertilizer at “Vietnam Digital Human Day” event. This digital person is integrated with artificial intelligence (AI) in 3D image that can be able to interact with farmers as a professional “engineer” to provide consultancy on weather, livestock, crop, disease, etc. This is a promising brand representative to serve farmers and promote sustainable agricultural development. It is expected that PVCFC will integrate this “AI-created man” into “2 Nông” App to improve farmer experience.



PVCFC was accompanying customers to digitize product experience and improve cultivation efficiency

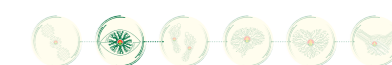
Product and service digitalization

Product

Digital transformation trend associated with high quality fertilizers will promote the use of fertilizer with higher contents of nutrients, cost efficiency, health protection and cause no environmental pollution. In 2021, PVCFC’s leading scientific experts have made efforts in successfully applying many technological achievements into business and production activities, step by step completing a comprehensive set of nutritional products for many plants including Ca Mau Urea, N46.Plus, N.Humate + TE, Urea Bilo Ca Mau. Especially, Ca Mau NPK Plant officially put into operation with modern production lines imported from EU and G7 has pioneered application of liquefied Urea technology and launched first Ca Mau NPK products to the market. These products help farmers increase the output, improve agricultural product quality, reduce fertilizer costs, meet various requirements of cultivation regions while ensure sustainable agricultural development.

Service

The most critical features of mobile apps have made them better than mobile websites, development of user-friendly apps make it easier for farmers to seek, shop and interact with PVCFC. By grasping this trend, PVCFC has quickly improve its service quality through technology platforms such as “2 Nông” App, Ca Mau Urea App, Zalo, Ca Mau Fertilizer Facebook. As a result, PVCFC can collect user data for purposes of communication and product promotion in a more effective manner. At the same time, farmers will be also provided in-depth agricultural knowledge regarding farming practices, techniques of applying fertilizers and sowing seeds, assessing weather changes, etc. Besides, in case of necessity, the Company’s leading expert team will provide online consultancy to farmers.



TECHNOLOGY TRENDS AND ITS IMPACTS ON FERTILIZER INDUSTRY AND DEVELOPMENT OF PVCFC (continued)

TECHNOLOGY FOR CREATIVITY AND INNOVATION OF PVCFC (continued)

Digitalization on business and production activities

Production

PVCFC has promoted digital transformation and successfully applied SAP Plant Maintenance (PM) Module integrated with SAP platform in replacement of CMMS. SAP PM has allowed PVCFC to manage maintenance requests and perform some repairs effectively. Besides, PVCFC has successfully applied other modules: incident management, equipment and technology change management, product quality management, Barcode SAP/ERP Integration in warehouse management.

Business

With a network of thousands of distribution agents - close customers nationwide, PVCFC has implemented DMS (document management system) to maximize support for distribution channels, monitor activities of salesmen, inventory management and control, product coverage, liability, etc. By applying DMS has helped PVCFC to provide better products and services, timely meet customers' demand, improve the Company's competitiveness in the market.



PVCFC has strengthened digitalization in business management to ensure good corporate governance and improve employee productivity.

Digitalization on business communications

Traditional communication channels are no longer ensuring delivering timely and accurate information to serve production process, inventory management and marketing activities, PVCFC has applied CRM (customer relationship management) software to manage and enhance the company's long-term relationships with customers. Based on CRM, PVCFC can be able to collect and access customer data, solve any simple complaint and dispute in the shortest time through automatic communications and customer care system, etc. to enhance the company's close interactions with customers, improve customer service quality, boost sales performance and increase revenue.

Besides, PVCFC has used SAP ERP, Eoffice, HRM, eLearning, Workplace, etc. to connect and integrate all functions across the company, improve corporate governance performance and optimize employee productivity.

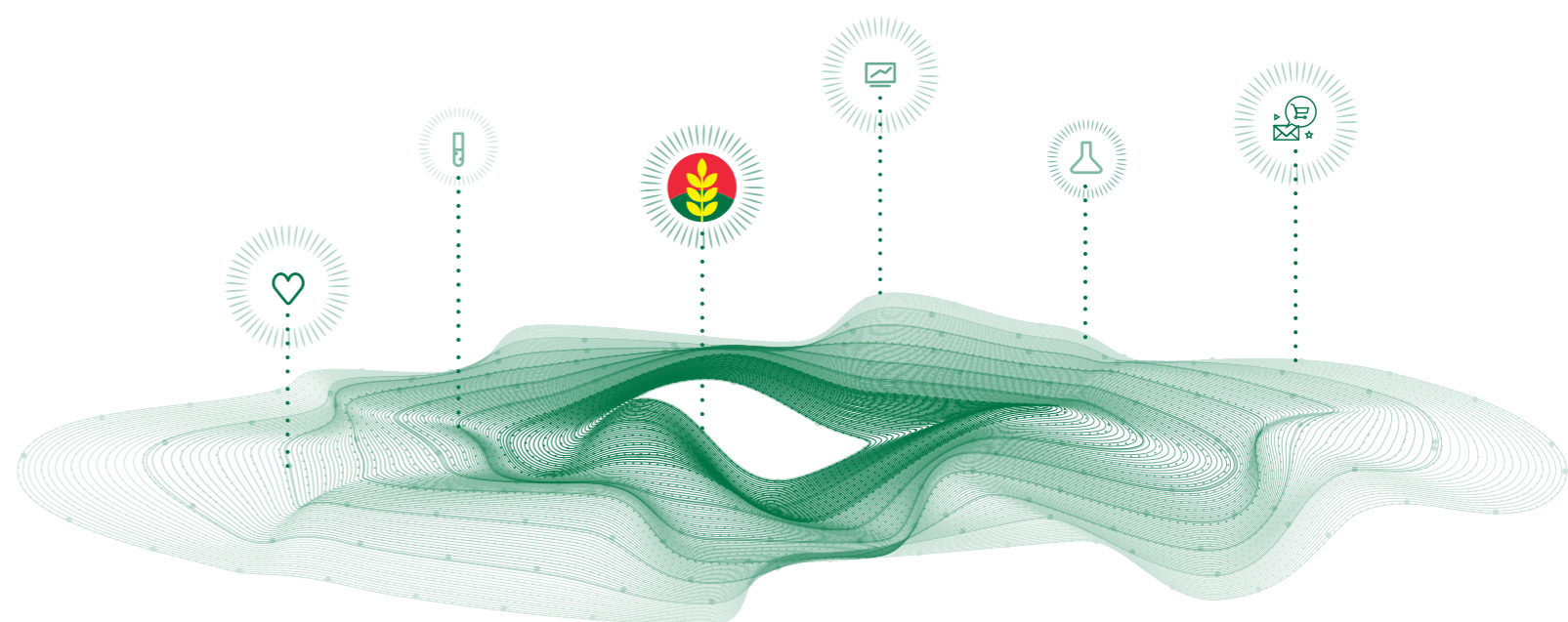
DIGITAL TRANSFORMATION PLAN OF PVCFC 2022-2025

In general, technology innovation toward sustainability is an inevitable trend which is in line with new development trend of fertilizer industry. Not only does it create breakthrough changes for PVCFC but also bring positive impacts to stakeholders for Vietnam agricultural development. However, it also poses challenges for PVCFC, it requires each leader and employee to pursue new perspectives and innovative approaches ahead of big changes in today's scientific and technological revolution.

As a leading fertilizer production company in Vietnam, PVCFC is now ready for pioneering digital transformation in 2022-2025 period with specific plans as follows:

- Complete Data Warehouse platform and connect App system on IT platform
- Apply one of digital technologies including AI, IoT, Machine Learning, Big Data, Cloud to promote business and production process automation
- Seek digital solutions for business and production activities
- Upgrade SAP ERP system to S4HANA

Hopefully, with past experience, spirit of solidarity and high determination to turn upcoming plans and strategies into success, PVCFC will open a new decade of breakthroughs in IT application, bringing the company to the next height in the next journey.



CA MAU FERTILIZER VALUE CHAIN

SUPPORTING DEPARTMENTS

Direct: Big Data, Finance & Accounting, Technical & Information Security, Supervisory Board, etc.
Indirect: Human Resources, Investment & Planning, Trading, etc.



CUSTOMER SERVICE & SUPPORT (Supporting for end consumers)

- Call Center
- Customer Service
- Complaint handling, etc.

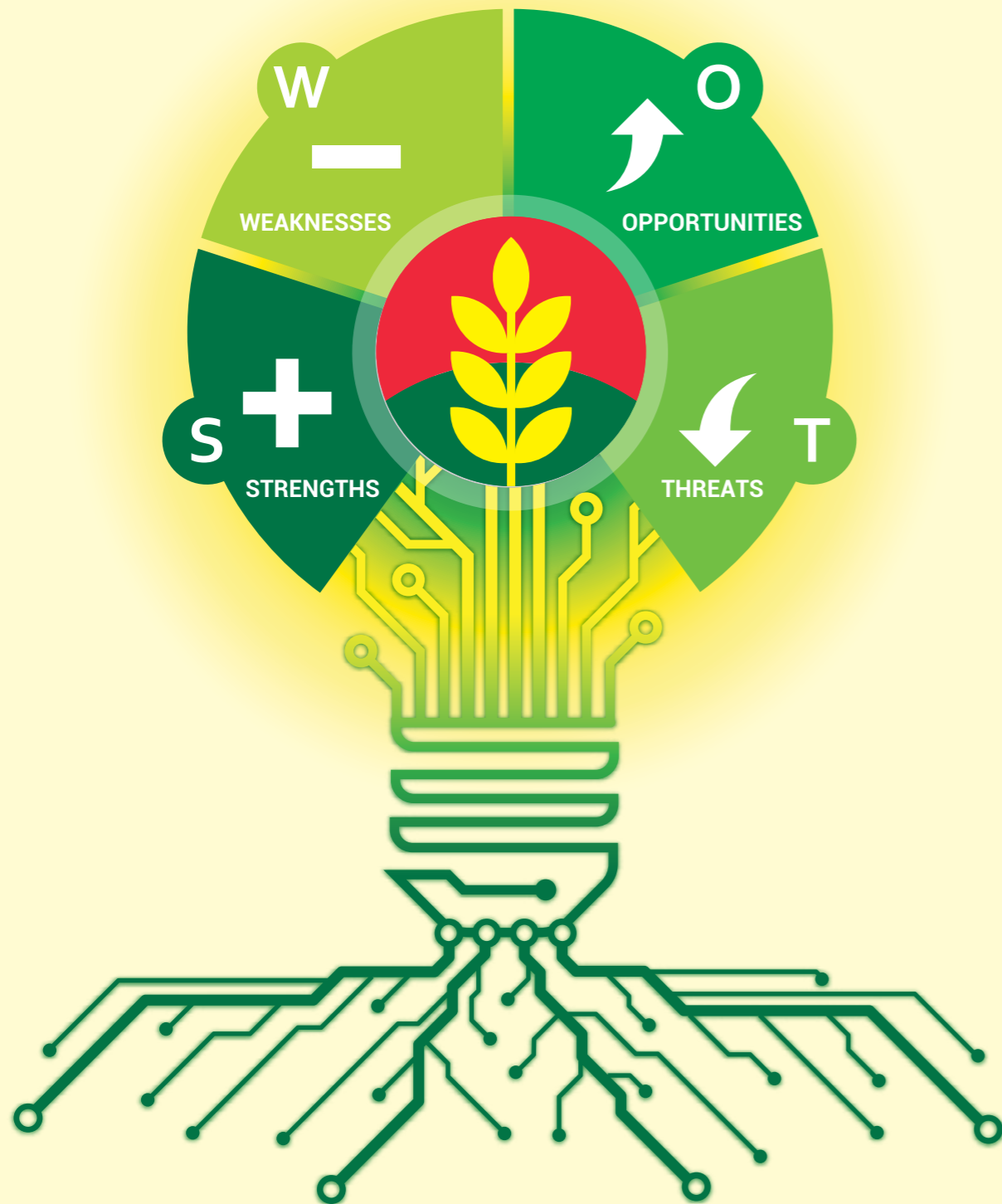
- MARKETING DIVISION**
- Organizing product promotion program
 - PR – Product promotion and communication
 - Improving consumers' experience
 - Market forecast

- Product distribution
- Intermediaries recording information from end consumers

- Trial production (LAB)
- Actual production
- Product quality control
- Finishing & storage

- Market research
- Product research
- Product development
- Protective registration

SWOT ANALYSIS



STRENGTHS

Active supply of input gas

The supply of gas to Ca Mau Fertilizer Plant is done via long-term purchase contracts signed with foreign partners in accordance with the regulations of PetroVietnam, in which purchase price is based on the international price and common practices in the world market.

In general, with the price agreed among the parties and in the current situation, at least in medium term, the supply of gas for Ca Mau Fertilizer Plant is ensured continuously and stably, enabling the plant to focus on production, enhance productivity and take advantages of scale with the purpose of reducing production cost and improving competitiveness in the market.

Maintaining market leadership

During the past time, PVCFC has been one of the leading enterprises in Urea when positioning and leading the market in terms of market share, brand, selling policy and ability to adjust selling price in each period, in short term, middle term and long term.

Given awareness of role and mission of a producer providing nutritional solutions for plants, PVCFC focuses on its position in the industry. The Company always ensures competitiveness with domestic producers and gradually compete with overseas products. The Company also maintains a certain gap in selling price with other same products and does not participate in negative price wars that reduce internal power and strength of enterprises.

In the coming time, with the establishment and operation of NPK Plant, PVCFC will make increasing efforts to promote this role in NPK market to become a reputable enterprise not only in Vietnam but also in South Asia.



SWOT ANALYSIS (continued)

STRENGTHS (continued)

Strong and market-covered Tier 1 and Tier 2 distribution system

Tier 1 and Tier 2 distribution system is strong and covers market, especially the key markets in the South and Cambodia which creates a firm foundation for PVCFC to deploy its focus strategy, with selection and priority, for the purpose of optimizing revenue, selling price, and business efficiency. At present, more than two-thirds of PVCFC's sale volumes come from Mekong Delta market; therefore, the planning of production and business is always done to ensure the harmonious benefits between manufacturers and distribution systems at all levels.

To further exploit the potential from the existing distribution system, PVCFC has strengthen using technology information to serve sales, supply chain and distribution across the country. In recent years, the Company has push to apply and deploy significant IT projects such as ERP, Big Data, DMS, CMS, etc. with different levels to effectively exploit IT, market data, and distributors by regularly updating information about demand, consumption, and inventory. Accordingly, the Company has increasingly improved supply capacity, timely meeting the needs of distribution system, reducing intermediate costs, step by step reaching an advanced, consistent and continuous business model named "Just in Time", based on models and lessons successfully referenced from multi-industry corporations in the world.

Streamlining sales system for cost saving

In order to reduce product costs, in addition to reducing production costs, PVCFC actively establishes a streamlined sales system, minimizing business focal points, distributing from producers to consumers.

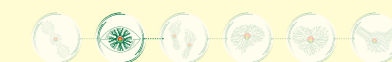
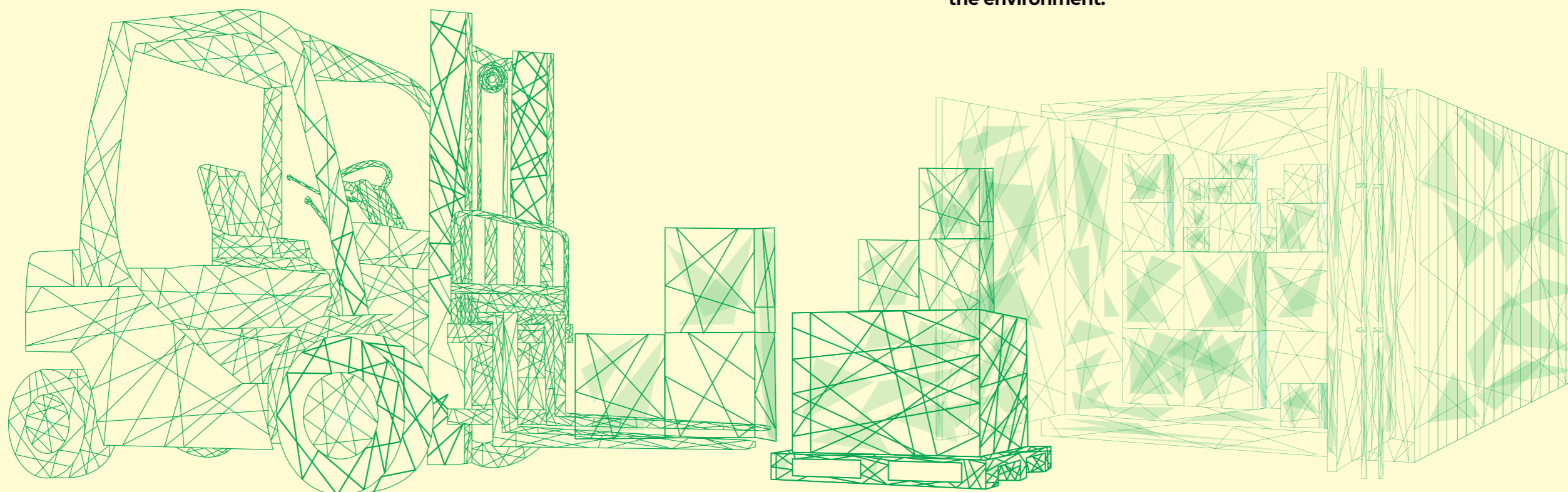
In particular, at the business focal points of PVCFC, regional distribution system is set up based on the most streamlined organizational structure, prioritizing to use the local sales teams who understand the market, the industry, the local culture, etc. but still ensuring to complete the highest purpose - monthly/quarterly/yearly business targets which are assigned to each region, manager and staff. This not only requires the activeness and the creation of managers of all levels but also encourages sales staff to be results-oriented and get compensation as their performance. Above all, it is required to streamline sales system with timely updating market situation and competitor information to meet diverse needs and strict requirements of distribution system and consumers.

In the coming time, to further promote and optimize distribution model, PVCFC continues to research and test new forms of distribution on the basis of ensuring harmonious interests of manufacturers - distributors - consumers. With IT application to production, sales and distribution, PVCFC considers this is one of the most effective and important instruments to maintain its firm positions in both local products and imported goods.

Gradually improving business efficiency of tangible assets and increasing intangible asset value

In addition to maintaining the harmonious interests among manufacturers - distributors - consumers, as other enterprises operating in market economy, PVCFC always makes every effort and is committed to the most important goal for shareholders, including State shareholders, major shareholders, strategic shareholders and common shareholders. PVCFC has increasingly strives to improve financial indicators i.e., ROA, ROE, EPS, etc. Working with financial institutions, foreign investment funds, in general, PVCFC has received positive assessments on financial indicators and sales growth. In the coming time, the Company strives to increase value of intangible assets such as brand, copy right, technology, invention and solutions in production, business and R&D to enhance market value of assets.

Actively applying new technologies in research and production, diversifying products in the direction of improving quality, increasing efficiency and protecting the environment.



SWOT ANALYSIS (continued)

WEAKNESSES

Production cost is still a relatively disadvantage compared to other countries

Due to many reasons, PVCFC's Urea production cost is still quite high as compared to some other countries. Production cost in some countries is less than \$200/ton because they have advantages in resources and less investment costs. Many of them are in Middle East and Baltic region possessing abundant oil and gas resources and having a developed oil and gas industry.

In Asia, some plants in Indonesia, Malaysia and China also have competitive and lower production costs than PVCFC's. Therefore, PVCFC faces certain disadvantages in export market in comparison with the manufacturers in those countries. In addition, the competition pressure is higher for PVCFC and other enterprises in the same industry when the source of cheap goods from the above-mention market is imported to Vietnam at some time points.

Logistic cost occupies for a high proportion, limiting long-term competition

Inland waterway transport capacity in Vietnam accounts for a small proportion compared to railway transport, which occupies for 80% of the total cargo traffic of the country. Logistics activities in supply chain and fertilizer distribution from Ca Mau Fertilizer Plant to many domestic markets are carried out by

multi-modal transport (waterway, railway, etc.), leading to a remarkable cost arisen, from 8% to 15% of selling price, in each specific time. This cannot be settled down early in medium-term or long-term and depends on many intermediaries, thereby affecting PVCFC's product distribution to domestic consumers.

Some niche markets have small scale, not meeting business optimization requirement

Vietnam's fertilizer industry has a visible feature that, in popular consumption segments, there are many product lines and types of fertilizers with different formula provided by many distributors; therefore, the competitive pressure is very high. Price wars regular take place among the distribution channels of PVCFC as well as between PVCFC and its competitors.

To solve this problem, especially to reduce inventories and diversify products, PVCFC has researched and assessed market to launch new fertilizers with higher value and less competition as compared

to the common ones. However, after a time, new products, in spite of being accepted by consumers and having good consumption, still have a quite small market share and has not promoted the potential and production strength of PVCFC.

In general, some new product lines initially meet the requirement on revenue and profit. However, there are some products with low sales volume, not meeting target in spite of bring high profit rate. Therefore, in the coming time, PVCFC needs to settle down this problem to enhance business performance.



OPPORTUNITIES

Well exploiting opportunity from fertilizers for rice and fruit trees in Mekong Delta

Mekong Delta is the largest fertilizer consumption market in Vietnam with the demand from farmers on Urea from 680,000 to 720,000 tons/year, DAP from 360,000 to 390,000 tons/year, Potassium from 220,000 to 260,000 tons/year, NPK from 800,000 to 1,100,000 tons/year and other fertilizers from 1,000,000 to 1,200,000 tons/year.

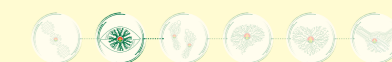
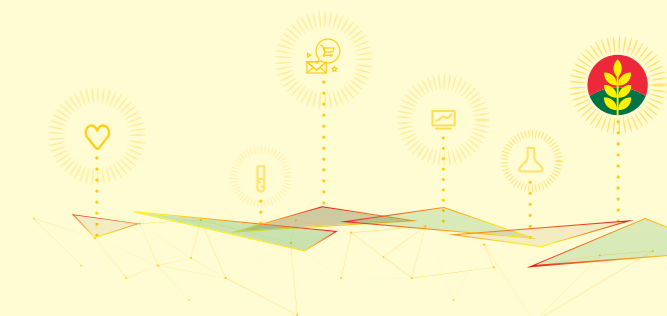
Ca Mau Fertilizer Plant is located in Mekong Delta. This is the largest market in the country with potential agricultural and aquatic development, in which rice and fruit growth and export are the regional strength. Annual rice cultivation area is stable at 1.6 million hectares with 2 main crops of Winter-Spring and Summer-Autumn, excluding the third crop with an area of 650,000-750,000 hectares operating under export orientation (rice export of Mekong Delta account for 80% of total annual rice export, from 6 - 7 million tons, valued at more than USD 3 billion/year). It can be seen that with the Urea market share of 60%-65% at Mekong Delta, this is an advantage that many other enterprises in the same industry are difficult to have. In two recent years, price of rice collected from farmers and exported has been remarkably improved, facilitating the farmers to rest in mind to cultivate and make more investment into crops. Thanks to that, PVCFC can maintain stable market share in terms of Urea, Potassium, NPK, and new products.

For fruit tree market, area of land for growing fruit trees in Mekong Delta accounts for more than 60%

of total fruit tree area in the country of more than one million hectares, in which many products are provided to the processing companies in the region for domestic consumption and export. In the coming years, this will be a major market share for new products and NPK products of PVCFC. According to economic experts and scientific research teams, if being invested appropriately, the economic efficiency from fruit tree market will higher than that of rice growth. Therefore, the potential development of fruit trees in Mekong Delta is expected to bring more opportunity and to improve in the future. This will help PVCFC develop and new products and NPK products as well as give nutrient solutions serving the regional development in the future.

For vegetable market, with a large cultivation area, distributed in fertile lands stretching across low-lying areas along the basins of Tien Giang and Hau Giang rivers with a short cultivation time has created favorable for PVCFC to expand new fertilizers and high-value organic fertilizers, making a great contribution to supporting the supply chain of "green - clean - beautiful" vegetable products that are suitable to consumer taste and gradually meet the demand of retail supermarkets of the large domestic and foreign corporations.

With the largest Tier 1 and Tier 2 distribution system in the country, PVCFC has been gradually maintain and develop market share of strategic products, contributing more than two thirds of revenue from product consumption in Mekong Delta.



SWOT ANALYSIS (continued)

OPPORTUNITIES (continued)

Taking advantages from industrial trees in Southeast and Central Highlands

Southeast and Central Highlands are potential markets for fertilizers serving industry trees, in which the demand for Urea consumption is from 180,000 to 220,000 tons/year; NPK from 1,100,000 - 1,200,000 tons/year; Potassium from 130,000 -160,000 tons/year; and DAP from 40,000 - 50,000 tons/year; and other fertilizers from 500,000 - 650,000 tons/year.

According to statistics, most of coffee and rubber trees in Vietnam are concentrated in the Southeast and Central Highlands, of which coffee is allocated in 3 provinces i.e., Dak Lak, Gia Lai, and Lam Dong in Central Highlands, with area of more than 600,000 hectares. Rubber trees with area of more than 930,000 hectares are allocated in the Southeast beside some other crops such as pepper, cashew, tea, cassava, etc. In general, demand of NPK, SA and Potassium is quite high in these two regions. At present, the prices of coffee and rubber are recovered which is an important factor deciding the demand on fertilizers of the farmers. PVCFC is focusing to expand distribution channels to provide high-value products including new fertilizers, organic fertilizers, NPK and Potassium fertilizers to serve the high-value crops in the regions.



Expanding and developing Cambodia's and international market

During the past years, Cambodia has been a target market playing an important role in PVCFC's development strategy with increasing fertilizer consumption, contributing to improving sales volume and increasing profit for the Company. As for market potential, annual demand for Urea is from 380,000 to 410,000 tons/year; DAP from 250,000 to 280,000 tons/year; NPK from 260,000 - 300,000 tons/year, excluding other fertilizers. The good exploitation of this market opportunity creates an important premise for PVCFC to conquer and expand the market share for product branched "Ca Mau Fertilizer" in Cambodia.

At present, consumption volume of Ca Mau Urea at Cambodia accounts for 35% - 40%/year and in the coming time, PVCFC orients to develop NPK products from 15% - 20% which is expected to create a breakthrough in business strategy at Cambodia in particular and in the Southeast Asia in general in parallel with expending portfolio abroad.

Apart from Cambodia, as mentioned-above, PVCFC orients to expand market to the countries in Southeast Asia, South Asia and Latin with potential market such as Thailand, Myanmar, Philippines, Bangladesh, Nepal,

Sri Lanka, India, Brazil, etc. These markets have high and stable fertilizer consumption, promoting competition in selling price and product quality, leaving certain reputation when approaching and developing these markets during the past years. The expansion of these export channels has an essential meaning in the context highly seasonal fertilizer industry in Vietnam (peak in Q2 and Q4), thereby, helping PVCFC to improve sales volume in domestic low periods (Q1 and Q3), maintaining stable cash flow, ensuring reasonable inventory, minimizing selling and warehousing costs and significantly improving business efficiency in production and business.

Domestic demand on fertilizer slightly increased in 2021

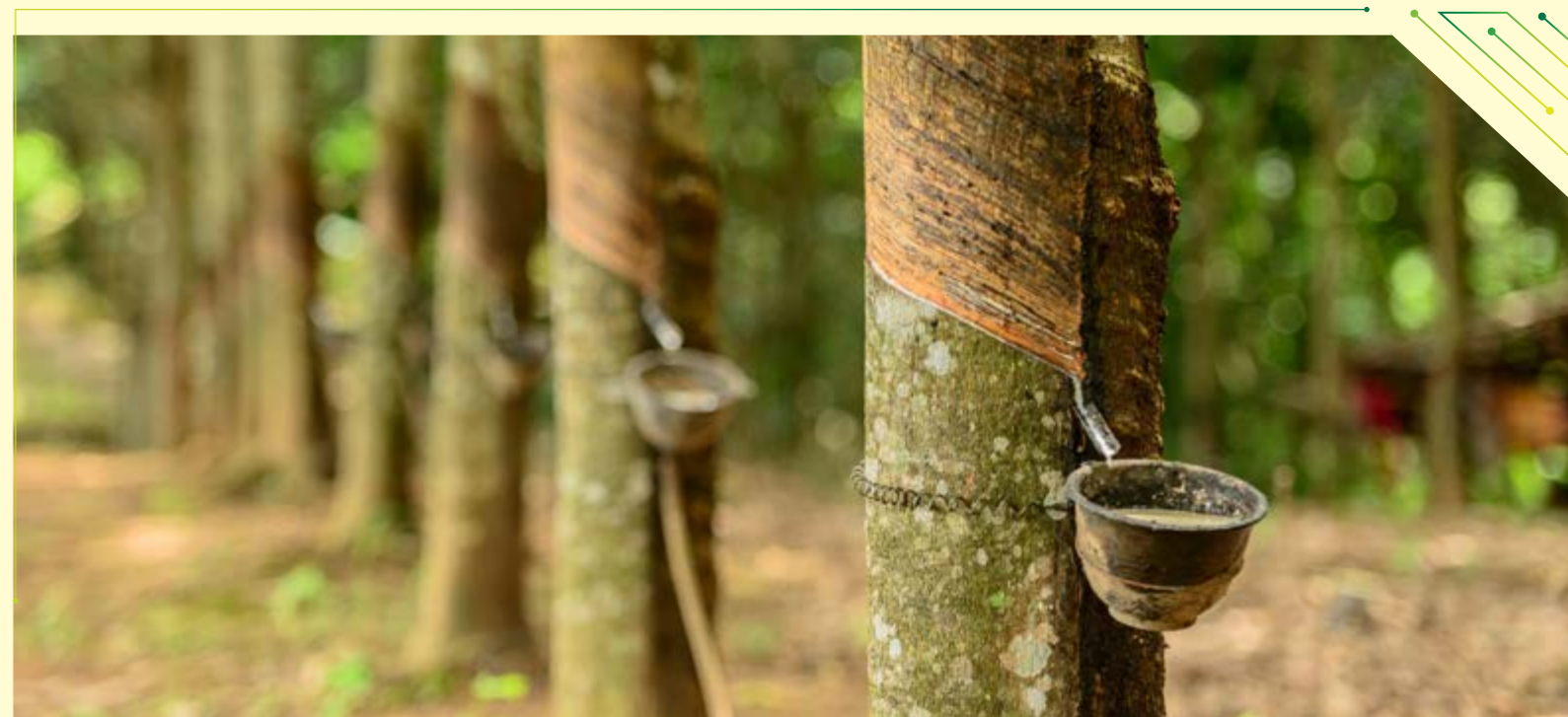
Consumption of fertilizer is forecasted to reduce in 2022 compared to 2021 due to the increase in price of fertilizer and input materials. However, the Company still maintains consumption proportion in some major markets in 2022. It was estimated that the demand on Urea products in 2021 was 2.16 million tons in the whole country, an increase of 113 thousand tons, equivalent to 5.5% compared to 2020 due to the increase in direct consumption and demand on raw material of NPK plants. This improvement in demand received the support from price of agricultural products, especially the price of rice which kept a higher price level than that in the previous years, in both rice collected from the farmers and exported. DAP market was mainly domestic consumption, occupying

for more than 50% and the remain was provided to NPK plants. National demand on DAP was estimated as 887,000 tons, in which the Southwest market occupied for 45%; NPK plants occupied for 46%. For Potassium, it was estimated that the demand on Potassium in 2021 reached 913,000 tons, increasing by 5% from 2020 to meet the domestic demand which increased in some regions, especially the increasing demand from NPK plants.

That the production of organic agricultural products or in organic trend and the use of high-quality fertilizer products is getting more popular is the motivation for PVCFC to develop new products to improve revenue and optimize profit in the coming time.

Increasing domestic consumption

According to Fitch Solutions, it is forecasted that consumer spending in Vietnam for essential goods in 2022 will continue to increase compared to 2021. Accordingly, spending on food and foodstuffs is expected to increase by 10.5%; rice, cereals, and bread by 10.4%; meat and animal feed by 10.1%; vegetable oils and fats by 10.6%; fruits and beverages by 10.8%; vegetables by 10.5%; sugar by 6.4%, etc. This increase in domestic consumption trend will create an important foundation to support Vietnamese agricultural market this year and the following years.



SWOT ANALYSIS (continued)

THREATS

Input material expense

In general, input material price of Urea production is forecasted to increase compared to that in 2020. This will cause direct effects to production cost and affect competition ability in the sector, particularly in comparison to the surrounding countries such as China, Indonesia, Malaysia and further countries with high competitive advantages in the Middle East and Baltic.

Price to import Potassium and DAP to Vietnam increased in 2021, leading to increase in input expenses of NPK plant.

Regarding Potassium, the import is mainly from the major supply sources in the world such as Canada, Russia, Belarus, China and Israel. Statistics show that potassium imports from these markets account for more than 90% of total supply of potassium imports into Vietnam. In the past years, since some corporates have actively reduced supply sources together with the complicated geopolitical context in the world such as Russia-Ukraine conflict, which has caused serious effects on fertilizer production in Baltic and Black Sea regions; interruption of transportation and supply activities; many major markets such as Brazil and Europe are looking for new alternative sources of supply from Russia and Belarus but not being successful, Potassium price continues to escalate.

For DAP, since domestic production cannot meet the demand, Vietnam has to import DAP. The effect from the world's DAP price, especially China, which meets more than 70% of DAP imported into Vietnam. At present, domestic DAP supply in China is tightened and DAP price tends to increase; therefore, it is likely that the DAP price in 2022 will continue to remain much higher than the average price in 2021.

PVCFC leaders were inspecting experimental garden



Transport freight

The trend of increase in sea freight in recent quarters and the rapid increase of cruel oil prices in recent times in the world has made domestic gasoline prices increase nearly to VND 30,000/liter and there are any signs of decrease. Therefore, that transport freight of goods in general and of fertilizer in particular in Vietnam will increase from 20% to 30% in 2022 is likely to happen, affecting domestic selling prices and decreasing profit of fertilizer enterprises when the increase of transport freight is higher than the increase of selling price in domestic market. In addition, the increase in transport freight in the world has limited the demand on new purchase from international market, decreasing production export of PVCFC.

Law on VAT

The Government's Resolution No.159/NĐ-CP dated 28 October 2020 to submit to National Assembly for approval a resolution on VAT on fertilizers is a good sign, but the National Assembly Standing Committee concluded that the relevant agencies need to review and add more information to agenda at the meeting in March 2022. Whenever this law is not approved by the National Assembly, PVCFC and other companies in the same industry still have to bear large input costs, directly affecting business performance.

Impact from Covid-19 pandemic

The year 2021 continued to witness heavy impacts of Covid-19 pandemic on the world economy in general and Vietnam's economy in particular. For fertilizer sector, the pandemic affects both supply and demand.

For demand, the most obvious impact on consumers was the decrease in demand for goods due to lower income; agricultural products were stagnant at border gates and bonded warehouses; many contracts to export agricultural products from Vietnam to the world market were canceled, causing risks for suppliers, exporters and many companies. Agricultural product price was uncertain; input material price increased, affecting demand for fertilizers of farmers.

For supply, many production projects were slowly deployed, causing high costs. At some times, fertilizer import and export activities were stopped due to regulations on disease control of foreign governments; shortage of workers was common in many ports; and transportation and circulation of fertilizer products were delayed. Some export shipments were delayed, causing unnecessary costs.

DEVELOPMENT ORIENTATION

DEVELOPMENT ORIENTATION IN 2022

For restructuring

Coordinating with relevant focal points to implement programs and plans in corporate restructuring project according to the roadmap prescribed by Vietnam National Oil and Gas Group in the period of 2021 - 2025, immediately after being approved by authorities.

For governance and management

Completing management system according to the best corporate governance practices in order to enhance the Company's competitiveness, thereby contributing to enhancing the Company's value in the market.

For production

Ensuring production activities of key products such as Urea, NPK, and new products based on Urea effectively, stably, safely and optimizing plant capacity.

For optimization

Researching, implementing and applying projects and programs on optimizing and saving energy and materials that have been tested in practice to further improve efficiency of Urea, NPK and new product production complexes.

For business

Continuing to maximize consumption of products produced by Ca Mau Fertilizer Plant and Ca Mau NPK Plant, on the basis of maintaining reasonable inventories and supplying enough goods for domestic market and partly export in low season with reasonably balancing supply and demand of domestic products. Maintaining and promoting import and export activities to optimize raw materials for NPK plant and at the same time organizing effective self-trading products in line with market development orientation in each region of Vietnam and in Cambodia.

For brand

Continue to invest and implement marketing campaigns and programs to increase awareness of NPK products in target markets. Accordingly, it is necessary to focus on market development, distribution system and increasing awareness of Ca Mau NPK in key strategic markets, especially in Southwest, Southeast and Central Highlands. At the same time, promoting consumption of organic products under "nutrition product package" policy according to customer segmentation strategy and customer orders to optimize business efficiency at sales points.

Completing database of "2 Nông" App and "AI-created man" to effectively support interaction with farmers.

Covid-19 pandemic control

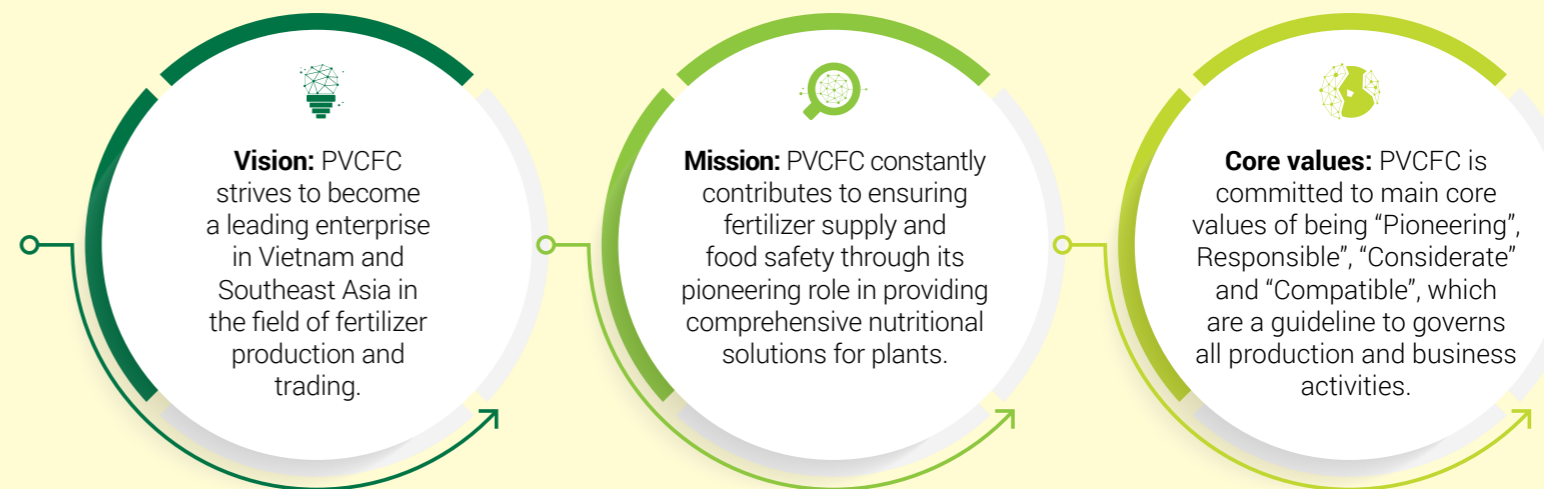
Continuing to implement and strictly comply with regulations on Covid-19 prevention of the Government, the Ministry of Health, central and local agencies and the Group. Regularly updating latest news and developments on the pandemic, thereby proactively developing response plan to ensure high efficiency of pandemic prevention.



DEVELOPMENT ORIENTATION IN THE NEXT 5 - 10 YEARS

In medium and long terms in the next 5-10 years, PVCFC will focus on large and strategic goals and overall orientation for the unit's activities in new situation, to be specific:

Vision, mission and core values



Target market

PVCFC's strategic target market of in the coming time will focus on Mekong Delta, Southeast and Central Highlands, and Cambodia. In addition, PVCFC actively expands domestic markets i.e., Central and Northern regions as well as Southeast Asia, South Asia and Latin America markets.

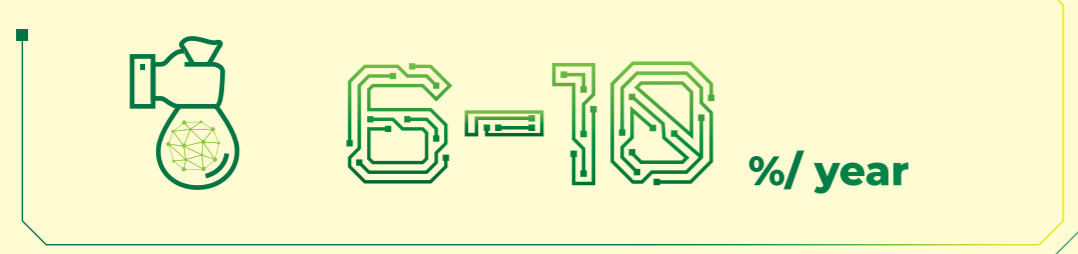


DEVELOPMENT ORIENTATION (continued)

DEVELOPMENT ORIENTATION IN THE NEXT 5 - 10 YEARS (continued)

Growth target

BUSINESS VOLUME GROWTH FROM



Striving to increase fertilizer business volumes from 6% -10% per year, depending on specific product structure and proportion of each product to ensure completing revenue and profit targets.

For revenue, improving revenue growth rate from 5% -10% per year and, by 2025, becoming one of the five leading enterprises in Vietnam in terms of revenue.

Market share

Maintaining domestic fertilizer market share of at least 10%/year nationwide

For Urea, maintaining domestic market share from 30% - 35%/year

For NPK, striving to meet 5% - 10% of domestic market share and focusing on occupying at least 20% per market regarding domestic target markets.

For other fertilizer products: Striving to meet 5% - 15% of domestic market share, depending on specific product segment.

Product structure

Continuing to maintain production, sales and distribution of core products i.e., Urea in domestic market. Depending on each period, to reduce risk of Urea oversupply, PVCFC proactively deploys an appropriate export channel and ensures a reasonable balance of domestic supply and demand.

Besides inorganic products, PVCFC gradually expands its portfolio and exploits organic fertilizer segment branded OM CAMAU to adapt to business environment changes in new situation.

For NPK, PVCFC strives to increase consumption volume in domestic market, especially target markets in Mekong Delta, Southeast and Central Highlands as well as strategic market in Cambodia.

In addition, to be proactive in trading other fertilizer products, PVCFC researches import and export segments to import DAP, Potassium, NPK and SA fertilizer to serve the demand for raw materials of NPK Plant and other domestic distributors.

For distribution channel development

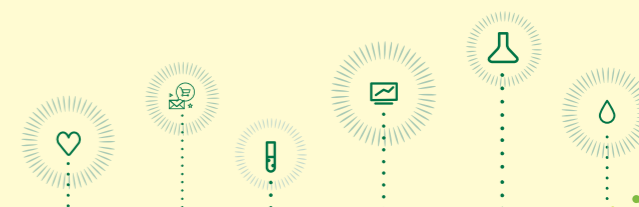
HAVING



Continuing to consolidate, develop and expand distribution system at all levels. Orienting in the period 2021 - 2025, the growth of Tier 1 distribution system will be 2 times higher than the current one and the annual growth of Tier 2 distribution system will reach 5%/year and having at least 15,000 Tier 2 agents.

For target market, the top priority is still developing and consolidating distribution system of all levels in Mekong Delta, Southeast and Central Highlands, and Cambodia in parallel with developing distribution model with effectively applying IT to sales and distribution management to master the market and successfully compete against competitors.

Distribution system development is absolutely necessary to promote the consumption of NPK products and other products as PVCFC enters a new stage of development with new challenging goals.



DEVELOPMENT ORIENTATION (continued)

DEVELOPMENT ORIENTATION IN THE NEXT 5 - 10 YEARS (continued)

Research and development (R&D)

Strengthen research and development (R&D) by giving more resources from materials to human resource development, investing advanced equipment and laboratory to best serve R&D. R&D prioritizes to develop new fertilizers with higher values than the current ones, having more competitive prices, meeting the demand of farmers and distribution system, ensuring economic efficiency and business scale of each market.

For solutions, besides internal resources, PVCFC prioritizes searching and selecting and takes the lead in coordinating with Institutes, Schools, and Centers both at home and abroad via the team of well-known experts and scientists to manufacture high-gray-matter nutritional products/solutions, meeting requirements of market and customers in the future.

Merger and Acquisition (M&A)

Based on internal resources, PVCFC researched and piloted M&A of some highly feasible projects to diversify supply chain, prioritizing domestic market. M&A aims to not only meet financial and business goals, but also ensure competitive orientation, expand brand development, control distribution and above all ensure long-term competitiveness of PVCFC on the market in the next 10-20 years.



PVCFC's team of experts were researching and completing products

ORIENTATION SOLUTIONS

Solutions on production and R&D

- 1

Maintaining and operating Ca Mau Fertilizer Plant Complex (i.e., Urea and NPK) in a stable, safe and effective manner; maintaining capacity of Urea Plant as the result achieved during the last time (from 108% to 112% per year) to optimize the Company's scale.
- 2

Closely following business plan and product consumption for effective production on the basis of ensuring to maximally supply goods for domestic market; maintaining reasonable inventories at plant; arranging and dispatching goods to other areas as well as making a suitable maintenance schedule so as not to affect the Company's activities.
- 3

Strengthening product quality inspection in all steps, applied to all key materials for finished products and at the same time strictly controlling finished products before being supplied to the market to ensure all PVCFC's products are manufactured with the highest quality to not only meet but also exceed the customer's expectation.
- 4

Maintaining cost savings and minimizing production cost by promoting technical initiatives of management team, operation team and all highly skilled workers of Ca Mau Fertilizer Plant; Striving to reduce the actual consumption of key materials such as gas, power, and chemicals to be equal to or lower than the norms and at the same time complying with quality and safety regulations in all production and processing activities; Developing periodic maintenance plan at a reasonable cost and reducing total production maintenance time of the plant to promptly meet the business schedule.
- 5

Making an adequate investment in R&D to timely supplement resources in equipment, facilities, laboratories, and processing plants; Building a good compensation scheme to attract high-quality human resources; Coordinating with leading Centers/Institutes/Schools/Scientists in agriculture and fertilizers to manufacture high-value products to meet the increasingly diverse requirements of markets and customers.



DEVELOPMENT ORIENTATION (continued)

ORIENTATION SOLUTIONS (continued)

Solutions on business and brand development



Concentrating the most resources to maintain and develop target markets with strengths in agricultural development in Mekong Delta, Southeast and Central Highlands provinces. These are the rich and large market with potential advantages in exporting key agricultural products in Vietnam, thereby absorbing a large amount of fertilizers. Researching and connecting to build a "High-tech agriculture" production model applied to specific crops in the provinces and cities of Mekong Delta, Southeast and Central Highlands in the following years.



Developing a distribution system both vertically and deeply to increase the number of agents, increasing multiple points of sale (POS) in each province and region to ensure product coverage in major markets as well as improving quality of distribution system in the direction of increasing consumption at each POS, bringing efficiency to distribution chain of all levels.



Investing in expanding supply chains, developing logistics system to satisfy business orientations and strategies in regions and ensuring multiple goals such as storage for distribution system; timely serving crops of the farmers; stockpiling raw materials; balancing logistics costs and commodity price trends to improve business performance and self-trading goods as the fluctuations in raw material prices and potential risks of global supply chain interruption as happened in the past.



Continuing to exploit international market segment based on the advantages in understanding Asian market, especially Southeast Asia, South Asia, and Latin America, thereby improving export proportion of suitable products in the context that fertilizer industry suffers from effect of seasonality to reduce inventory pressure at Plant/General warehouse as well as to implement a reasonable sales strategy in each period.



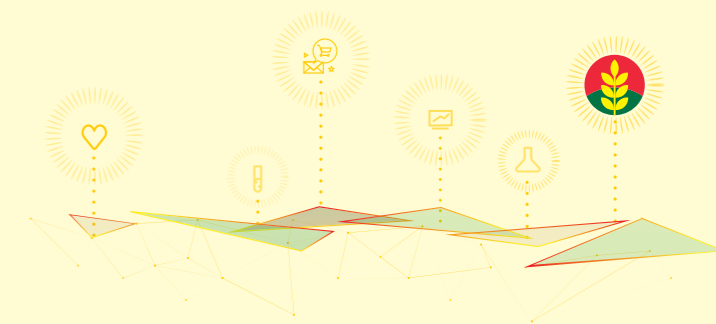
Maintaining a flexible and attractive sales policy with agents, distributors, domestic and foreign partners, and brokers to ensure harmonious interests between manufacturers - distribution channels towards strategic goal of maintaining a competitive advantage, dominating domestic market and beating foreign competitors.



Fostering marketing strategies for key products of Urea and advanced products, developing marketing strategies for new products, especially key products such as NPK, organic, and Urea-based products in domestic market in the direction of environmental friendliness, developing Vietnam's agriculture sustainably and effectively; Completing overall marketing strategy for "Ca Mau Fertilizer" brand including portfolio of Ca Mau Urea, Ca Mau NPK, organic fertilizer, and microbiological fertilizer.



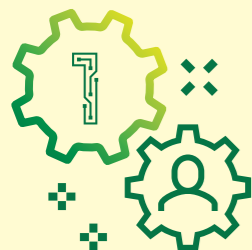
Strengthening market research and forecast by regularly monitoring and updating the world and domestic fertilizer prices; domestic demand and supply; seasons, crops, weather, diseases, and prices of agricultural products; competitive pressure from domestic and abroad, thereby improving predictability of fertilizer prices; assessing and analyzing the factors affecting production and business to develop effective response scenarios and plans in the context of macro environment that may have a lot of fluctuations in the coming time.



DEVELOPMENT ORIENTATION (continued)

ORIENTATION SOLUTIONS (continued)

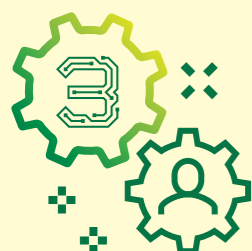
Solutions on management and human resources



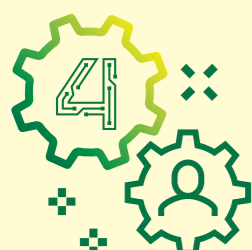
Enhancing inspection and supervision of the Company's production and business according to the approved annual plans to ensure compliance with the business plan roadmap already made and completing the set goals; Consolidating and perfecting Committees, decentralizing Committees under BOD and empowering members to actively execute their tasks in the best manner.



Continuously improving the capabilities of developing and implementing corporate governance on the basis of compliance with the Company's Charter and legal regulations; the Group's regulations; regulations on corporate governance and regulations on professional ethics of members of BOD; Practicing the world's and Vietnam's advanced "Corporate governance practices" to help improve governance efficiency, contributing to good implementation of the Company's strategy and business plan.



Implement "company restructuring project" in accordance with the policy of the Government and the instruction of the Group in alignment with reducing the State's ownership rate while maintaining and improving the value of the State's contribution in PVCFC; Enhancing the role of State representatives in the Company; Restructuring and streamlining the organization, aiming to improve production and business efficiency.



Continuing to consolidate organizational structure under PVCFC by allocating human resources to make it suitable to the employment feature and contents; Creating an attractive working environment so that the employees can rest assured to contribute and devote to the Company; Building a satisfactory compensation scheme for employees, meeting the goal of attracting and developing new personnel, especially highly skilled and highly specialized personnel for the Company; Focusing on fostering and training human resources to improve professional qualifications, knowledge and skills through E-learning towards a long-term and continuous learning process and developing self-learning ability of employees and so on.

Solutions on financial and investment



Implementing the State policy and the direction of PetroVietnam, PVCFC continues to divest and reduce the percentage of ownership and capital contribution of PetroVietnam in PVCFC according to the proposed schedule on the basis of strictly complying with State regulations; Considering to issuing ESOP shares for the purpose of recognizing employee contributions and meeting the goal of human resource maintenance and development, especially the employees with high qualification and skills or those with great contributions to the Company.



With the increasingly improving position and strength of PVCFC, especially the financial capacity which has continuously increased in the past 10 years, at present, many major domestic and foreign partners are coordinating and proposing to participate in potential investment projects deployed by the Company. Therefore, based on actual conditions and strategic goals of the Company, PVCFC will consider, research and propose pilot implementation of a number of projects such as M&A, joint venture, association; making investment with 100% contributed capital into some fields related to the Company's core business activities such as hi-tech agriculture, fertilizer and chemical production and business to further complete the Company's value chain in the new period.



Based on advanced corporate governance practices, PVCFC aims to develop and prepare financial statements in accordance with International Financial Reporting Standards (IFRS). It will take a certain time for transformation when IFRS are relatively new in Vietnam and the application of these standards of Vietnam's enterprises is still quite little. At present, PVCFC is working with reputable strategic consulting partners to build project implementation roadmap in each specific phase.



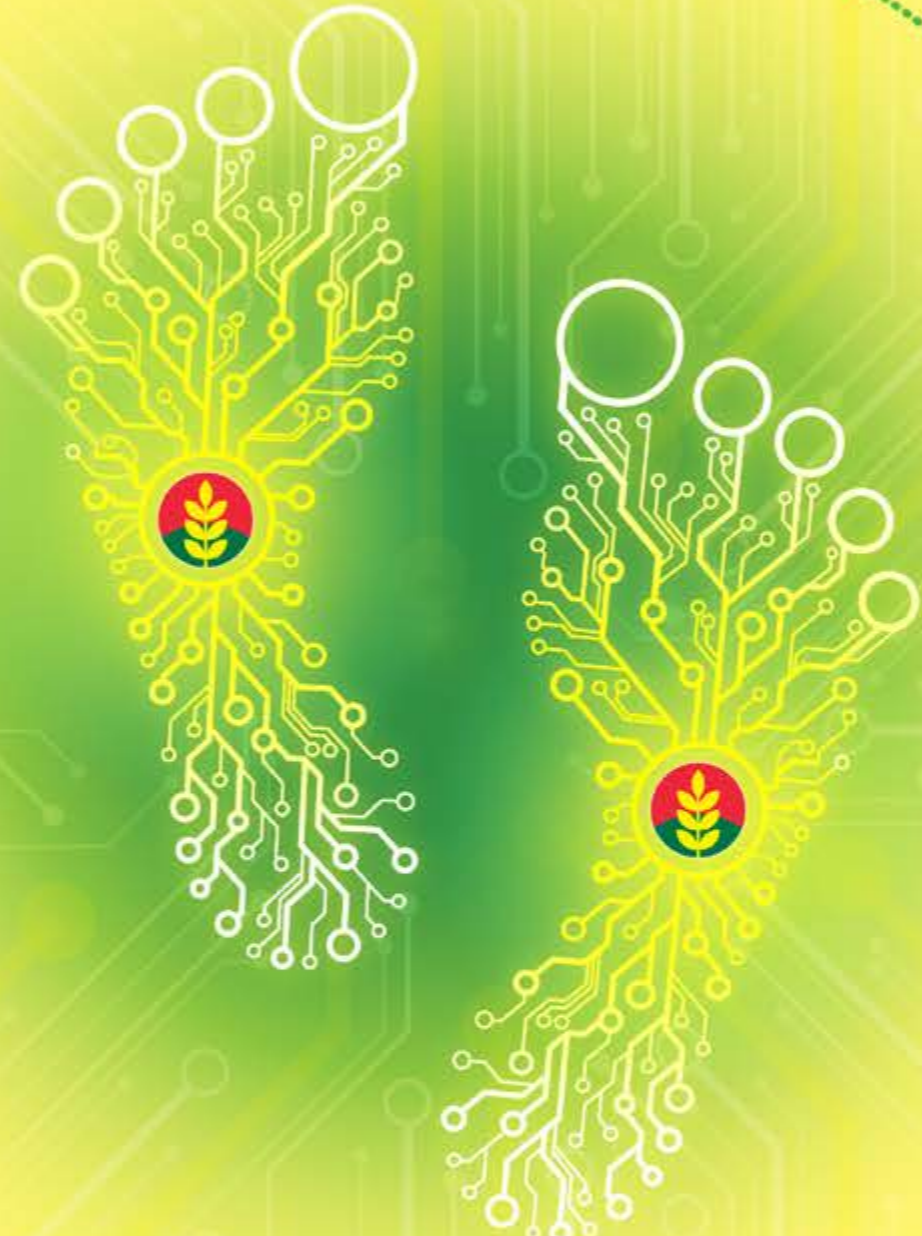
PVCFC's leadership and engineers at the launching ceremony of Ca Mau NPK products



MARKET IS PIONEERING MARK

BUSINESS PERFORMANCE

Organization and human resources	86
Report and Assessment of BOM	90
BOD's Assessment	102
Report of Supervisory Board	110



ORGANIZATION AND HUMAN RESOURCES

BOARD OF MANAGEMENT

List of BOM members

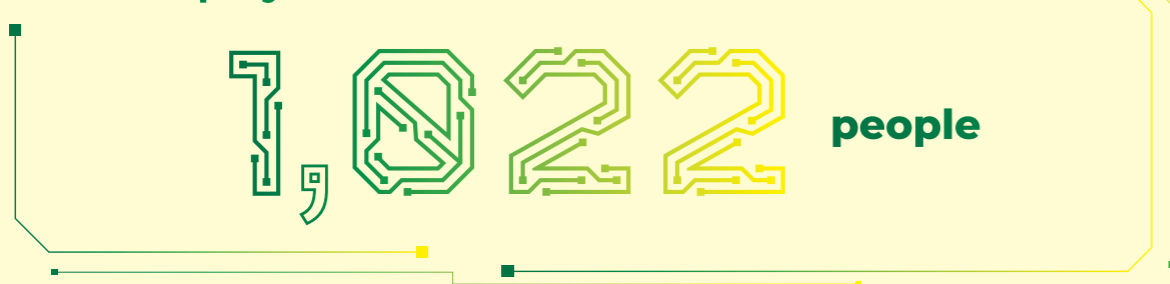
No.	Full name	Position	Number of shares owned at the end of the period	Share ownership rate at the end of the period
1	Mr. Van Tien Thanh	General Director	30,000	0.005667%
2	Mr. Tran Chi Nguyen	Deputy General Director	1,600	0.000302%
3	Mr. Le Ngoc Minh Tri	Deputy General Director	1,600	0.000302%
4	Mr. Nguyen Tuan Anh	Deputy General Director	0	0.000000%
5	Ms. Nguyen Thi Hien	Deputy General Director	0	0.000000%
6	Mr. Nguyen Thanh Tung	Deputy General Director	5,003	0.000945%
7	Mr. Dinh Nhu Cuong	Chief Accountant	52,900	0.009992%

Changes in BOM

There were no changes in BOM of PVCFC in 2021.

HUMAN RESOURCE REPORT 2021

Total employees in 2021



Overview of human resources

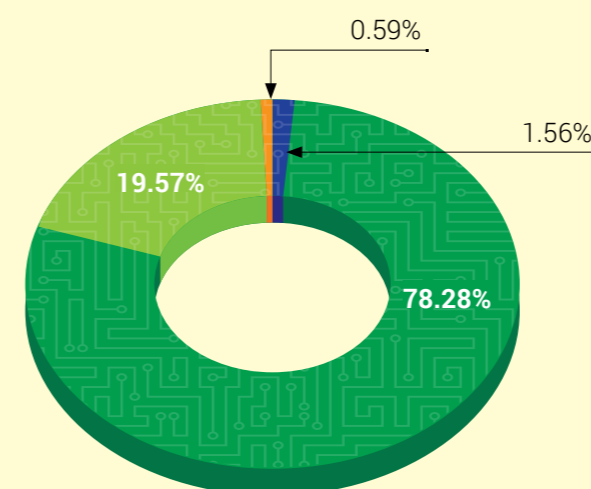
As of 31 December 2021, the total number of employees of PVCFC is 1,022 employees. The Company's labor structure by functional division, gender, term of labor contract and professional qualification is shown as follows:



PVCFC engineers were inspecting machinery at Ca Mau Fertilizer Plant

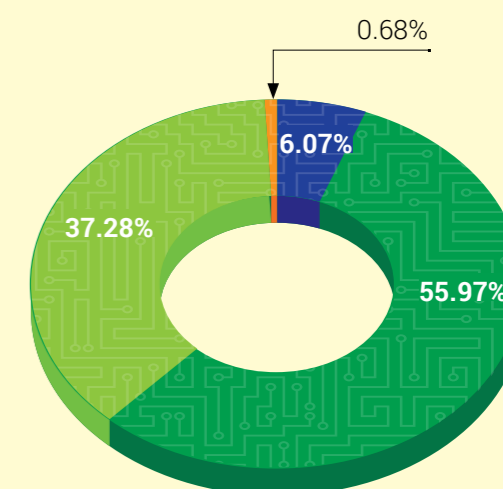


By term of labor contract



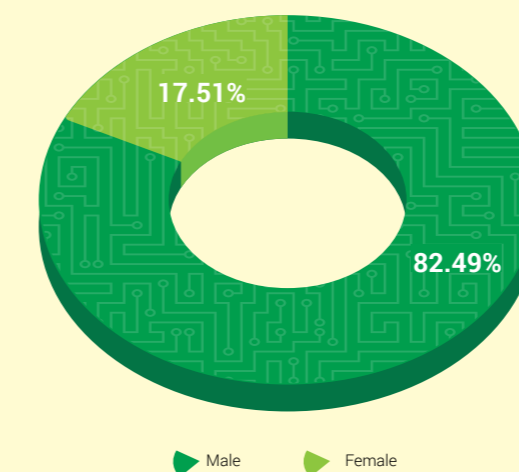
- No signed labor contract (appointed by PVN and unspecialized members of SB)
- Indefinite-term labor contract
- Definite-term labor contract from 01 to 03 years
- Short-term labor contract under 01 year

By professional qualification



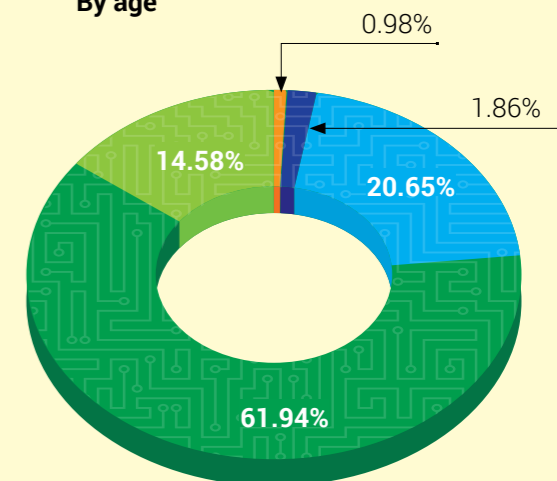
- Post-graduate
- University
- College, Intermediate, Elementary
- Common labor

By gender



- Male
- Female

By age



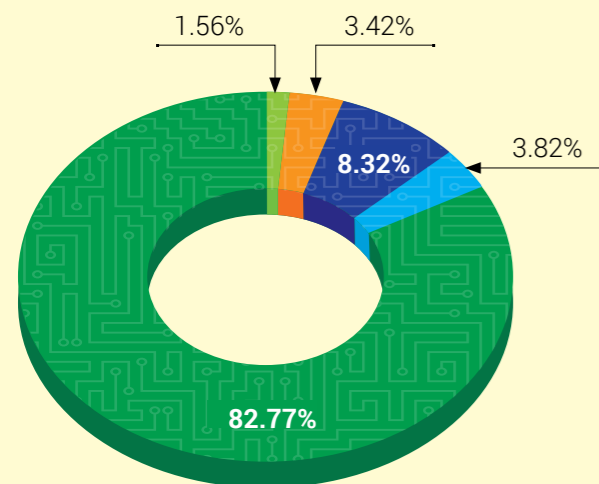
- Over 55
- 40 - 49
- Under 30
- 50 - 55
- 30-39



ORGANIZATION AND HUMAN RESOURCES (continued)

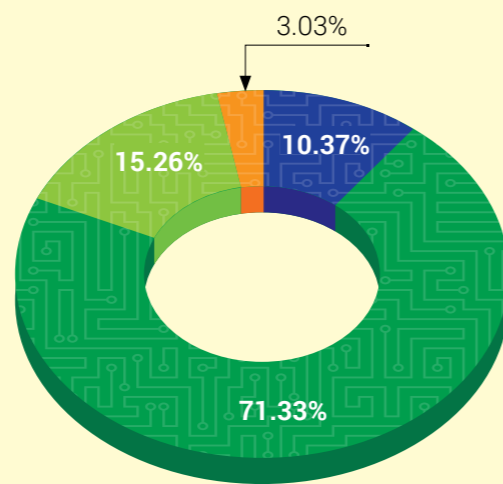
HUMAN RESOURCE REPORT 2021 (continued)

By management level



- Board of Management
- Head of Department and equivalents
- Staff
- Head of Division and equivalents
- Leader

By functional division



- Sales
- Supporting
- Production
- Branches

General Director was checking operation at central control room of Ca Mau Fertilizer Plant



In 2021, the Company supplemented personnel for divisions, units and branches; therefore, the number of personnel increased by 50 people compared to the end of 2020, who were additionally recruited for the direct production force of Ca Mau Fertilizer Plant and Business Division. The staff receipt, allocation, appointment and re-appointment as well as the staff planning, assessment and classification have been carried out strictly in line with the regulations and processes, based on the actual needs. The appointed staff have well promoted their roles and tasks in new positions, contributing to the construction and development of the Company.

The Company has well implemented employee policy and collective labor agreement. The Company also strengthened training for management levels, regularly retraining for employees of departments, updating professional knowledge to enhance qualification and skills in operation - maintenance as well as to raise the solidarity among the Company's employees, meeting the production and business requirement.

Improvements in organizational structure, policies and management

In 2021, the Company made a number of improvements in terms of compensation and benefit under human resource development strategy, to be specific, reviewing regulations on salary and bonus payment for the positions of area management and customer management of Business Division, preparing draft of amended regulations on management of salary, bonus and welfare, adjusting the Company's policy on employees, etc.



REPORT AND ASSESSMENT OF BOM

BUSINESS PERFORMANCE IN 2021

The year 2021 has ended in the heavy impacts of Covid-19 pandemic to the global economic activities. In Vietnam, Covid-19 epidemic broke out from the end of April 2021 in many localities together with a new variant that was fast spreading, dangerous and complicated; accordingly, directives on social isolation for pandemic prevention have caused serious effects to supply chain, production and business of enterprises. Facing the complicated developments of socio-economic environment, PVCFC has strived to successfully implement all assigned objectives, ensuring effective prevention of Covid-19 pandemic, thanks to proactively overcoming difficulties and taking advantage of favorable conditions.

Performance of production and business targets

No.	Items	Unit	Implemented 2020	2021		Rate	
				Planned	Implemented	Comparison (%)	
A	B	C	1	2	3	4=3/2	5=3/1
I Production output							
1	Products						
-	Urea converted	Thousand tons	934.77	875.49	898.56	103%	96%
	<i>In which, Urea-based products</i>	<i>Thousand tons</i>	<i>35.51</i>	<i>74.30</i>	<i>75.25</i>	<i>101%</i>	<i>212%</i>
-	NPK	Thousand tons		47.87	48.19	101%	
2	Consumption						
-	Urea converted	Thousand tons	973.39	765.87	755.50	99%	78%
	<i>Urea-based products</i>	<i>Thousand tons</i>	<i>35.15</i>	<i>62.65</i>	<i>68.42</i>	<i>109%</i>	<i>195%</i>
-	NPK	Thousand tons		47.18	38.39	81%	
-	Trading of imported fertilizers	Thousand tons	171.48	150.00	161.07	107%	94%
II Consolidated financial indicators							
1	Total revenue	VND billion	7,700.33	9,168.32	10,041.67	110%	130%
2	Profit before tax	VND billion	716.53	924.45	1,956.27	212%	273%
3	Profit after tax	VND billion	662.45	867.50	1,826.12	211%	276%
4	Obligations to State budgets	VND billion	87.09	98.85	222.41	225%	255%
III Parent company financial indicators							
1	Total revenue	VND billion	7,663.86	9,132.59	10,056.63	110%	131%
2	Profit before tax	VND billion	714.83	920.66	1,950.55	212%	273%
3	Profit after tax	VND billion	661.56	864.57	1,821.83	211%	275%
4	Obligations to State budgets	VND billion	80.24	91.87	196.77	214%	245%
5	Pre-tax ROE	%	14%	17%	37%	212%	273%
6	Investment value	VND billion	112.89	96.84	72.58	75%	64%

Notes: (*) Targets for 2021 were implemented according to PVCFC's Disclosure No.2064/PVCFC-IR dated 27 December 2021. These targets were adjusted to replace the production and business targets approved in Resolution No.854/NQ-PVCFC dated 27 April 2021 at the Annual General Meeting of Shareholders 2021.

Comment:

Performance

All targets, including both consolidated targets and Parent Company's targets assigned by GMS have been exceeded:

Production output reached

898.56
thousand tons

Production output reached 898.56 thousand tons, reaching 103% of the plan, 96% higher than the same period in 2020. The Company has pushed new product development based on Urea and NPK with an output of 75.25 thousand tons and 48.19 thousand tons, respectively, both exceeding 1% of the plan.

Urea consumption reached

755.50
thousand tons

Urea consumption volume reached 755.50 thousand tons, completing 99% of the plan and equal to 78% of the same period in 2020. Consumption was lower than the same period due to Covid-19 breakout from April 2021 and social isolation which limited good shipment. Self-trading products reached 161.07 thousand tons, completing 107% of the plan and equal to 94% of the same period in 2020.

Total consolidated revenue reached

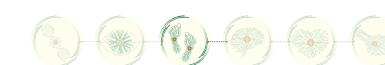
VND 10,041.67
billion

Total consolidated revenue reached VND 10,041.67 billion. This is the first year that the Company's revenue reached more than VND 10,000 billion with constant efforts in consumption as well as benefiting from selling price increase.

Consolidated profit before tax was valued at

VND 1,956.27
billion


Consolidated profit before tax and Parent company's profit before tax were valued at VND 1,956.27 billion and VND 1,950.55 billion, respectively. This is the highest profit ever of PVCFC thanks to increase in revenue, the Company implements activities to optimize savings, reduce savings, and is flexible in management activities.





REPORT AND ASSESSMENT OF BOM (continued)


ENVIRONMENTAL AND SOCIAL RESPONSIBILITY REPORT

Social responsibility

- 

Apart from social security programs on building community facilities, PVCFC has actively supported and donated VND 28.14 billion to Covid-19 prevention and control activities including VND 5 billion to Covid-19 Vaccine Fund; giving medical supplies and equipment for health facilities and localities worth VND 20.64 billion; donating VND 1 billion to take Ca Mau people home; supporting Covid-19 Vaccine Fund of Ca Mau province with a total value of VND 1 billion; giving VND 500 million to help farmers in the Mekong Delta to overcome challenges caused by Covid-19 pandemic.
- 

Implement the “together we share” program in Southwestern and Southeastern Regions-Central Highlands, accompanying local people to overcome difficulties and consequences of Covid-19 pandemic, helping farmers recover agricultural production activities.
- 

PVCFC’s trade and worker unions have organized many meaningful programs and activities under Ca Mau fertilizer brand, culture and identity such as renewal program to celebrate the 10th anniversary of the company, participation in Petro Vietnam-Ca Mau 2021 Marathon themed “Future Run beyond Reach”, folk cake festival themed “Delicious Dishes-acts of kindness during pandemic”, Zero-dong meal program to support people return Ca Mau province.
- 

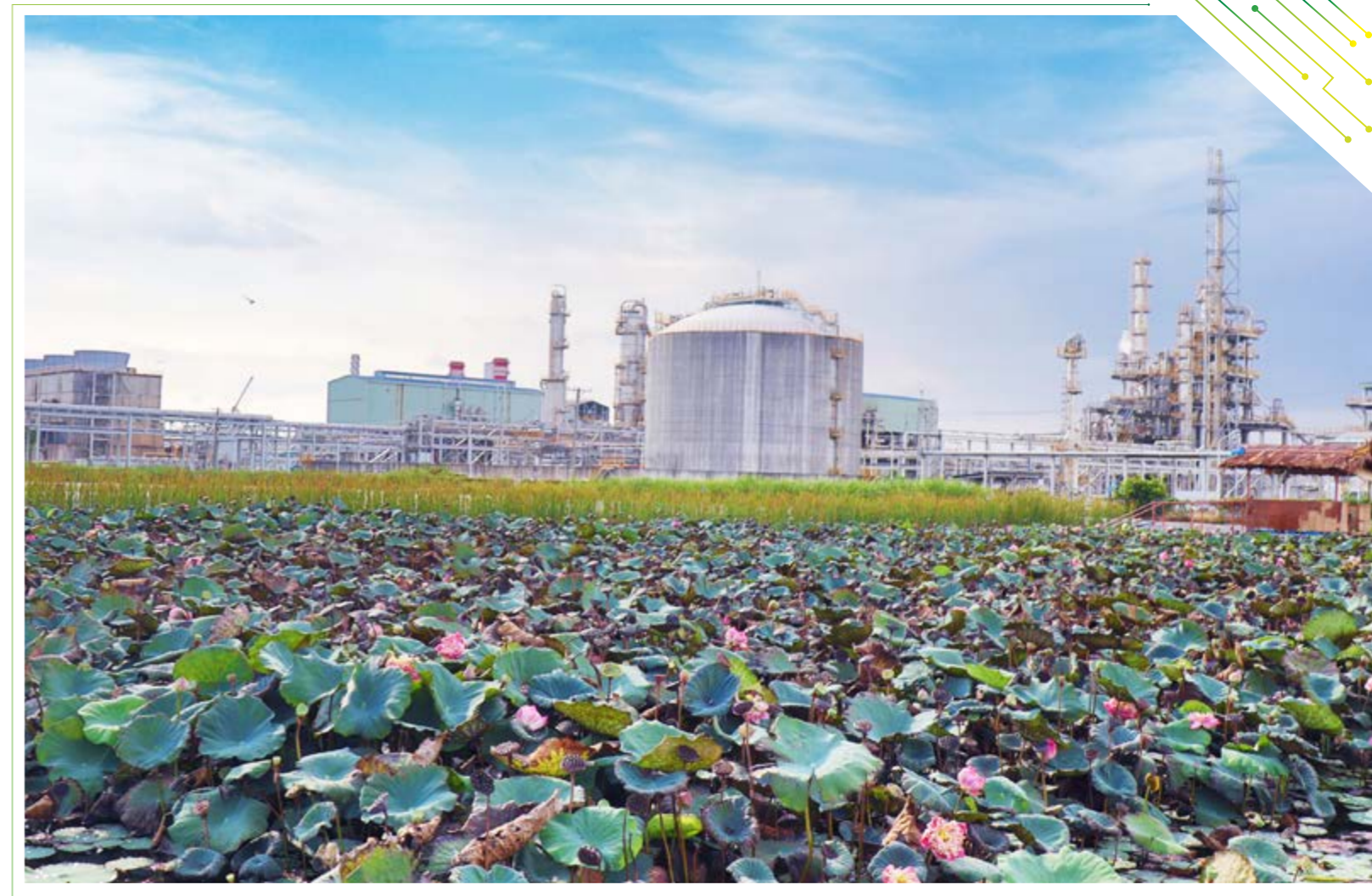
From 8 December 2021, some employees in housing area have been found to be positive for Covid-19, Covid-19 Prevention and Control Board has coordinated with Ca Mau Center for Disease Control and Prevention (CDC) to conduct rapid Covid-19 tests, provide guidelines on Covid-19 quarantine and isolation, health care for workers to quickly control the disease.



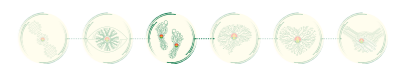
Assessment of Board of Management on environmental criteria

Security, safety, environment and fire prevention: the Company always strictly complies with regulatory requirements and in accordance with ISO 14001:2015 standard to ensure environmental compliance. Waste sources of plants are closely monitored with waste minimization and quality control in accordance with environmental permitting regulations before being discharged.

Apart from conducting periodical environmental monitoring to ensure compliance with regulations on wastewater and emission quality, the Company also installs automatic monitoring systems to continuously monitor wastewater and emission results online, and transmitting the data to the Ca Mau Department of Natural Resource and Environment with no environmental parameters exceeding the permissible limit. Besides, solid wastes (daily waste, ordinary industrial solid waste, hazardous waste) are classified, collected and handled pursuant to regulations.



Lotus pond for wastewater treatment in Ca Mau Fertilizer Plant



REPORT AND ASSESSMENT OF BOM (continued)

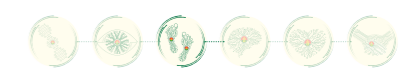
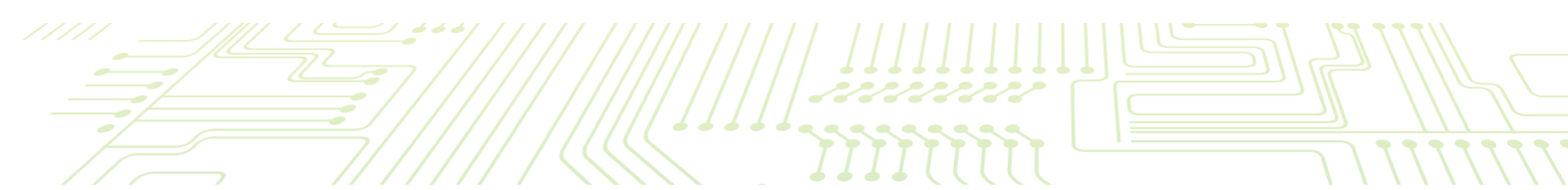
PRODUCTION AND BUSINESS PLAN FOR 2022

PVCFC continues to face difficulties and challenges in 2022, to be specific, complicated Covid-19 pandemic with speedy spread of new variants affecting the global supply chain; conflict between Russia and Ukraine causing negative effect to the global financial market, highly increased cruel oil price, inflation, logistic interruption leading to shortage of supply sources. However, thanks to the advantages from the Group in ensuring gas supply for highest production capacity together with the internal strength and determination of leaders and employees, PVCFC continues to set challenging goals in 2022 to submit to the GMS, to be specific:

Main duties

- 1 Operating Ca Mau Fertilizer Plant and ensuring production of current products (i.e., Urea and NPK) in an efficient, safe, stable, and optimal manner.
- 2 Quickly deploying and putting energy-saving and optimization programs/projects into use to improve Urea and NPK production efficiency.
- 3 Researching to diversify sources of raw materials and fuels for Urea and NPK production to increase flexibility, initiative and sustainability in production and business.
- 4 Focusing on market development, distribution system and awareness increase of Ca Mau NPK in target markets, especially developing effectively in the Southwest market, bringing organic fertilizers to target markets.
- 5 Building a new business model to add value and improve production and business efficiency.
- 6 Creating preparations to improve fertilizer efficiency and specializing for plants based on Urea/NPK. There are at least 2 preparations applied on effective commercial products.

- 7 Continuing to implement and strictly comply with regulations on Covid-19 prevention of the Government, the Ministry of Health, central and local agencies, and the Group. Regularly updating Covid-19 developments, building safe adaptation plan and pandemic control to ensure that it is consistent with the Government's socio-economic transition process and the specific characteristics the Company's operations for performance improvement.
- 8 Implementing digital transformation, strongly applying information technology and building ERP system, ensuring consistency and synchronization with digital transformation and ERP of PetroVietnam.
- 9 Completing management system according to the best corporate governance practices to increase competitiveness and market value of Ca Mau Fertilizer.
- 10 Coordinating with PVN to restructure PVCFC in line with the Group's restructuring project for the period of 2021-2025 after being approved by the authority.
- 11 Following up competent agencies of the National Assembly to amend Law 71 in 2014 on making fertilizers subject to value added tax.
- 12 Continuing to build corporate culture to create environment and motivation for sustainable development.



REPORT AND ASSESSMENT OF BOM (continued)

PRODUCTION AND BUSINESS PLAN FOR 2022 (continued)

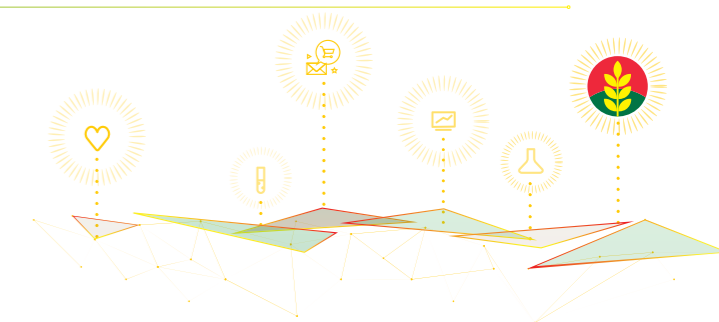
PVCFC's plan targets for 2022

Production output

No.	Items	Unit	Planned 2022
I Production output			
1.1	Urea converted	Thousand tons	860.10
-	<i>In which: Urea-based fertilizers</i>	<i>Thousand tons</i>	<i>80.00</i>
1.2	NPK	Thousand tons	80.00
II Business volume			
2.1	Urea	Thousand tons	770.27
2.2	Urea-based fertilizers	Thousand tons	80.00
2.3	NPK	Thousand tons	80.00
2.4	Trading of imported fertilizers	Thousand tons	202.00

Financial plan

No.	Items	Unit	Planned 2022
I Financial indicators (Consolidated)			
1	Total revenue	VND billion	9,059.73
2	Profit before tax	VND billion	543.66
3	Profit after tax	VND billion	513.26
4	Obligations to State budget	VND billion	73.92
II Financial indicators (Parent company)			
1	Owner's equity	VND billion	6,447.03
2	Total revenue	VND billion	9,014.56
3	Profit before tax	VND billion	542.11
4	Profit after tax	VND billion	512.41
5	Pre-tax ROE	%	8%
6	Obligations to State budget	VND billion	67.73
7 Capital construction investment and equipment purchase			
7.1	Total investment	VND billion	929.96
-	Capital construction investment and equipment purchase	VND billion	929.96
-	Capital contribution to member unit	VND billion	
7.2	Investment capital source	VND billion	929.96
-	Owner's equity	VND billion	290.67
-	Borrowings and others	VND billion	639.29



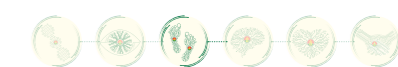
Long-term investment and development plan

In 2022, the investment is focused on completion of transition projects, to be specific:

No.	Items	To be implemented in 2022
1	Raw CO ₂ conversion and supply	Completing trial run for project acceptance and settlement
2	PVCFC's R&D Center	Completing land use right transfer procedures, preparing for investment and construction some technical infrastructures

In addition, the Company focuses on investment in "Long An warehouse project", "Ho Chi Minh City Communication station Head office" while seeking opportunities for the projects of finding alternative sources of raw materials and fuels, diversifying products, investing in digitization for production management, building Data warehouse and procuring materials and equipment to ensure that the plant is always maintained in a safe and stable operation, to be specific:

No.	Items	Purposes of researching and investment
1	Long An warehouse project	At present, PVCFC is leasing warehouses that can meet the current sales volume. However, based on the development strategy, the Company needs to expand production and business and diversify products such as Urea, NPK, organic fertilizer, microbial organic fertilizer, and others. Thus, the demand for raw materials serving production and the production output will increase. Moreover, to be proactive, flexible and effective in sales, raw materials for production must be continuously supplied, together with the opportunity factor, PVCFC needs to have a warehouse for raw material and product storage.
2	Ho Chi Minh City Communication station Head office	With the Company's development orientation according to the strategic vision to 2025 to become a leading enterprise in fertilizer production and trading in Vietnam and Southeast Asia, it is necessary to consider and invest new modern and comfortable office to be worthy of a leading enterprise.
3	Coal gasification plant investment project	Implementing the strategy of studying and seeking alternative raw materials for the existing gas serving Ca Mau Fertilizer Plant, with the goal of reducing pressure from gas supply source, diversifying products and improving production efficiency.
4	Microbiological organic fertilizer plant	Organic fertilizer is an inevitable trend as per the development direction of the future agricultural industry towards sustainable development and increasing position, brand and competitiveness of the Company.








REPORT AND ASSESSMENT OF BOM (continued)





PRODUCTION AND BUSINESS PLAN FOR 2022 (continued)

Major solutions






Corporate governance

-  Continuing to coordinate with PetroVietnam to realize production and business goals.
-  Strengthening inspection and supervision in all aspects to promptly overcome shortcomings to well implement the goals, tasks, plans and strategies as set out.
-  Continuing to build Data warehouse and connect IT-based application systems.
-  Deploying succession planning for key positions; building a team of experts to meet the actual needs in production and business and the Company's development strategy.
-  Continuing to develop and complete PVCFC culture re-creation project.





Production operation

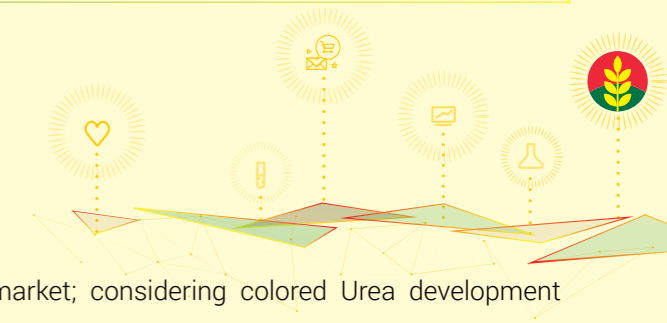
-  Focusing on operating and maintaining production capacity of the plant to ensure production output as planned.
-  Building database, upgrading application software, automating plant operations; building log sheets to add into IMS module, calculating and giving out data sets for equipment related to capacity, performance, system status, and device risks to monitor and support production operation and supervision.
-  Continuing to expand and implement gas and power reduction/optimization programs in comparison to norms; renovating equipment to increase capacity of Ammonia and Urea workshops.
-  Continuing to seek alternative materials for gas, to be specific, studying opportunities for producing gas by other technologies; coordinating with PVN on master plan for long-term gas source in the Southwest region.

Business and market development

-  Continuing to maintain and increase the existing market; considering colored Urea development orientation, product lines with differences, etc.
-  Focusing on dominating target market in Southwest, Southeast and Central Highlands in the context of fierce competition of Ca Mau NPK; organizing raw material procurement for NPK production and efficient logistics.
-  Researching and building high-tech agricultural production models according to each scale and focusing on crops in Mekong Delta.
-  Building a centric brand development strategy for Ca Mau Fertilizer identity, including Ca Mau Urea, NPK complex fertilizers, and microbial organic fertilizers.
-  Applying digital technology in business activities (upgrading DMS, developing functions on "2 Nông" App, building and developing Omni Contact Center system, etc.).

Capital construction investment

-  Accelerating settlement for completed projects and proactively deploying new projects.
-  Closely following strategic goals to carry out research and assess feasibility of projects and items to optimize power consumption and reduce dependence on gas supply.
-  Researching and seeking opportunities for investment cooperation and M&A to diversify products and services to increase value and profit for the Company.
-  Strictly controlling progress, effectively controlling costs and quality of investment projects. Reviewing and re-evaluating project investment efficiency in accordance with the actual situation and the market factors before approval.








REPORT AND ASSESSMENT OF BOM (continued)





PRODUCTION AND BUSINESS PLAN FOR 2022 (continued)

Major solutions (continued)




Human resources training and developing

-  Reviewing and completing policies and regimes for mid-level management team and key positions to retain and attract effective human resources.
-  Improving compensation and benefit scheme based on contribution ability of each individual and implementing in each phase.
-  Building practical training programs (in which employees can suggest suitable training courses to meet the work requirements and personal development). Heads of Division take time to train and develop their team.
-  Thoroughly applying E-learning platform to train and test, encouraging employees to build lessons in video form to add to E-learning ecosystem.
-  Promoting professional training to improve skills of maintenance staff, especially in the field of electricity and control.




Science and technology research

-  Studying to provide services in fertilizer supply chain in form of B2B.
-  Finding opportunities with product lines that are forecasted to become trend as well as boldly stopping unfeasible research projects.
-  Accelerating and encouraging employees to carry out research projects and initiatives that bring remarkable efficiency to the Company.
-  Researching and implementing solutions to increase alternative raw materials and fuels for PVCFC's production. Prioritizing to deploy the solutions with low investment costs but bringing quick and obvious results.

Finance

-  Building corporate governance system according to best practices, researching to prepare financial statements according to IFRS.
-  Arranging capital for projects that ensure efficiency, management and preservation of capital.
-  Closely following the Group, Ministries and Sectors to give explanation on obstacles in implementing Law on Tax No.71/2014/QH13 on fertilizers and propose to the National Assembly to early adjust to add fertilizers to the list of goods subject to VAT.

Environment, safety and health

-  Proactively and promptly grasping the directives of the Government and Ministries Covid-19 pandemic prevention. Tightening the Company's pandemic control process to ensure no production and business interruption.
-  Maintaining environmental management system according to ISO 14001 (EM.14000) and Occupational Health and Safety Management Systems according to OHSAS 18001.
-  Strictly controlling security, safety and fire prevention at plant.



BOD'S ASSESSMENT

BOD'S ASSESSMENT ON THE COMPANY'S ACTIVITIES

Production operation

The Plant maintained safe operation with average capacity of 109.39% (Calculating based on capacity of Urea workshop). On 06 October 2021, Ca Mau Fertilizer Plant reached the capacity of 8 million tons per day after more than 9 years of commercial operation.

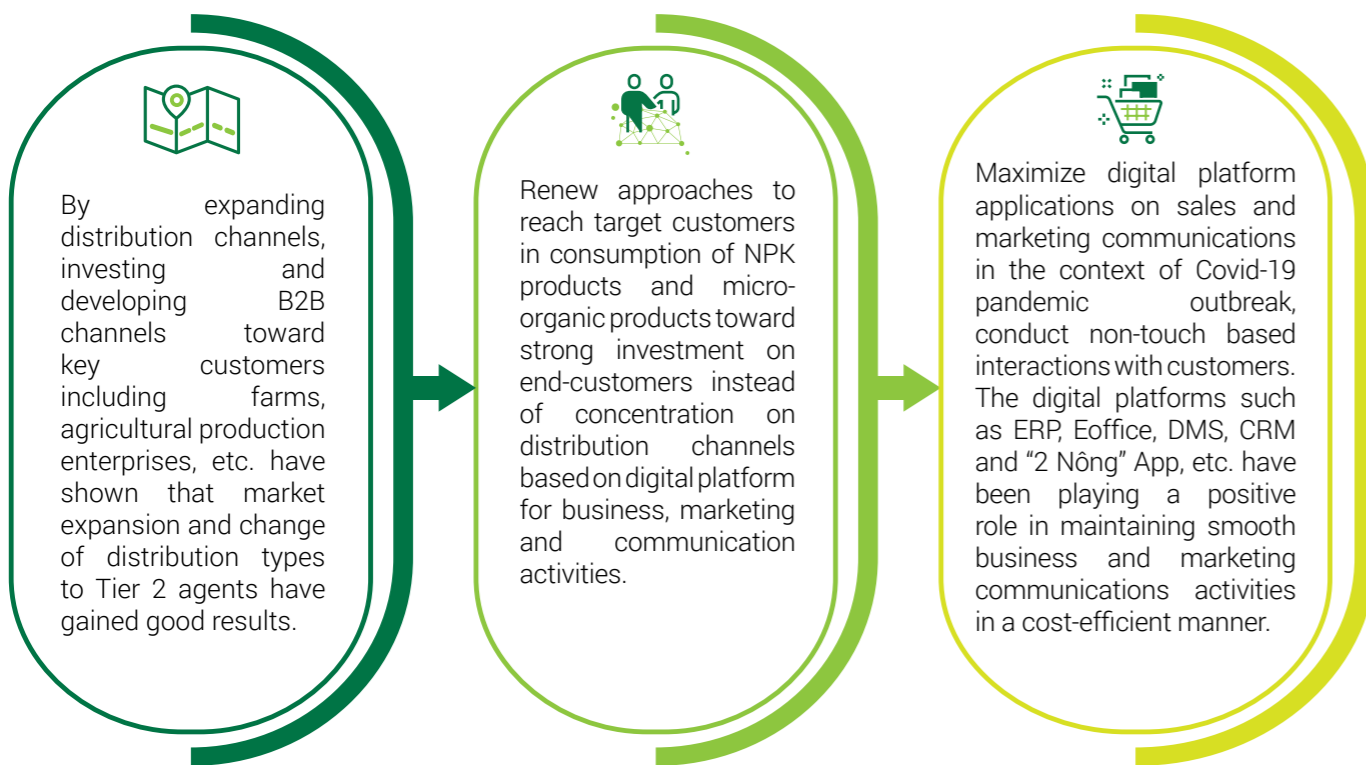
Total productive maintenance (TPM) in 2021 took place in extremely special conditions. To be specific, the plan of machine termination for maintenance was changed three times; the procurement faced many challenges due to pandemic outbreak; foreign experts could not be mobilized and it was difficult to find domestic contractors. However, thanks to initiative in preparation and highly skilled plant personnel, the Company has completed TPM objectives. The TPM was carried out in November 2021, with 2,171 items, in 13.4 days (including the time to stop and restart the Plant) and produced NH₃ and Urea products in 50.5 hours and 6 hours prior to schedule.

This is a new step in self-controlled maintenance towards implementation and development of maintenance services according to strategic goals.

In particular, optimization is a strength of the team of plant engineers and workers. During the year, PVCFC has accelerated optimization program, including the items already completed in TPM and in the process of recording efficiency evaluation data such as collecting hydrogen in off gas stream to increase NH₃ production; increasing the capacity of heat exchanger E04301; and recalling MP vent gas in Urea plant. In addition, the items under construction such as optimizing cooling water system, optimizing LTS operation to increase NH₃ output, renovating and importing liquid NH₃ for Urea production, installing coalesce filter at gas distribution assembly, and renovating hydrogen recycle supply system and expected to be put into operation in 2022.

Business, marketing and communications management

When Covid-19 pandemic widely broke out in HCMC and Southern provinces in April 2021, some cities/provinces have posed social distancing measures, travel restrictions which had big impacts on product consumption and left ports, warehouses short of workers, difficulties in fertilizer transportation and circulation had negative impacts on product consumption need. Facing these challenges, PVCFC has implemented business solutions to adapt with the pandemic, ensure smooth production consumption and contribute to market stabilization, specifically:



Investment and construction

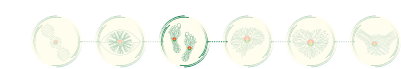
The Covid-19 pandemic outbreak in 2021 has caused difficulties for the Company to implement investment projects as well as attract experts and contractors, however, with ceaseless efforts in connecting with Copyright Office to begin remote tests on "molten Urea-based complex fertilizer production project with a capacity of 300,000 tons/year". And when social distancing measures were eased, the Company has completed necessary procedures for the Copyright Office to visit Vietnam. The project is now under acceptance process. Besides, projects implemented in 2021 have shown positive changes:

-  Progress of converting and supplying raw CO₂ at Ca Mau Fertilizer Plant has reached 96.30%/97.47%, the Company is now taking final steps of construction and preparing for putting into trial operation.
-  PVCFC's Research and Development Center: with hi-tech agricultural development as its strategic orientation and providing nutritional solutions for plants, PVCFC has allocated a land plot in Long An province to build a Research and Development Center. Long An Department of Planning and Investment is now completing procedures for approval of investment policy.
-  Projects under material diversification strategy: "Coal gasification factory project" is under evaluation of investment opportunity with Ca Mau Fertilizer brand as its business strategy to conduct tests and market research before making investment decision.
-  Apart from diversifying products and expanding factory scale, demand of storing material and products also keeps increasing. Therefore, the Company is seeking sites for a wholesale warehouse in the Mekong Delta region, upgrade and expand warehouses in the plant for seasonal inventory during low-season to ensure continuous production.

PVCFC always takes initiative in carefully reviewing and evaluating all investment projects, procurement items before implementation to ensure necessary steps, reasonability and orders of priority as well as optimal capital structure.



Leaders of Ca Mau Province, Vietnam National Oil and Gas Group and of PVCFC at a completion ceremony for Ca Mau NPK Plant



BOD'S ASSESSMENT (continued)

BOD'S ASSESSMENT ON THE COMPANY'S ACTIVITIES (continued)

Other activities

Corporate governance

- During Covid-19 pandemic outbreak in 2021, PVCFC has adapted to "live with the pandemic", minimized impacts of social distancing measures causing supply disruptions thanked to well-prepared technology platforms: Eoffice, electronic signature, digital process, SAP ERP system providing data visibility needed to improve quality of report, analysis and governance, it is the central system to connect with other systems such as HRM, DMS, Eoffice, MIS/MES; platforms like DMS, CRM, "2 Nông" App, etc. have promoted their positive roles in ensuring smooth business and market communications activities on a cost-efficient manner.
- Strengthen the Company's governance capacity, establish Project Co-ordination Board to carry out IFC's recommendations:



- Create financial statements and governance report compliance with International Financial Reporting Standards (IFRS), governance of R&D and intellectual properties, risk management, etc. to enhance competitiveness, attract investors and improve corporate value.

Organizational and corporate culture

Corporate culture is a foundation for PVCFC to overcome challenges caused by Covid-19 pandemic. After five years of implementation of the project of "Building PVCFC's corporate culture" from basic culture based on "7 habits of highly effective people". In 2021, the Company has conducted preliminary review of 5 years of implementation of the project of "Building PVCFC's corporate culture". Basically, PVCFC has completed a set of cultural identities and is now focusing on putting these cultural identities into life. In 2021, the Company has organized online sharing sessions of the company's leaders on PVCFC's culture handbook, sharing the Company's visions, strategies and 4 core values, connecting common goals and contributions of employees based on the Company's development criteria; organizing sessions to sharpen "7 habits of highly effective people"; making a cultural handbook video & organizing Elearning training courses, etc.

On 5 December 2021, PVCFC was recognized as typical enterprise in construction and implementation of corporate culture, sustainability, code of business ethnics and social responsibility.

Corporate restructuring

The Company has prepared necessary works to improve capital efficiency and asset value: complete information of PVCFC for announcement, attract foreign investors on digital platform; seek potential investors through foreign advisors; build development goals and action plans till 2025 in line with economic changes post-Covid-19 pandemic, energy transition and digital transformation, etc. to enhance competitiveness and market value of PVCFC as a premise for new development phases, attract investors, implement divestment of PVN holding 51% of charter capital.



BOD'S ASSESSMENT (continued)

BOD'S ASSESSMENT ON THE COMPANY'S ACTIVITIES (continued)

Other activities (continued)

Research & Development

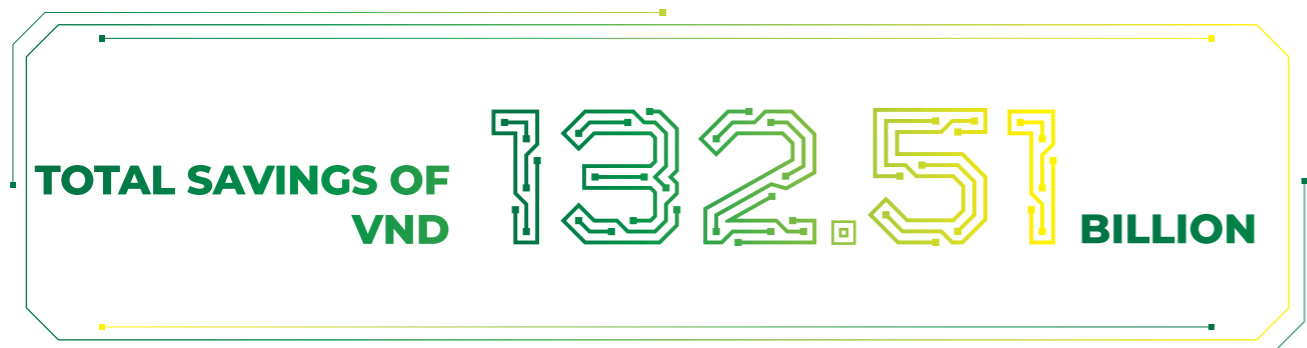
Implement the company's development orientations and strategy to diversify products and services, research and development activities in 2021 mainly focused on:

- Successfully conduct research for new product (N46.True) on plants (sweet potatoes, potatoes, corn), complete field-based agronomic evaluation on ability to keep plants from falling over and keep plant trunks healthy, etc. The Company has produced and put these plants on business trial since February 2022 to evaluate market evaluation rate.
- Do research on additional products, bacterial strains to enhance phosphorus solubilization, solubilize iron and aluminum bound phosphorus into chemical fertilizer; microorganisms decomposing organic residues in rice field; salt tolerant microbes. These research themes have been tested and expected to put into pilot scale production.
- Continue to do research and completion of industrial scale production process of beneficial microorganisms and fermented organic fertilizers from animal by-products on farming/processing, fisheries, animal husbandry; conduct research on nutritional fertilizers for fruits (mango, durian, pomelo, jackfruit) grown in Dong Thap Muoi - an ecological protected area with characteristics of acid sulfate soil, conduct tests and experiments at PVCFC's experimental farms for efficiency evaluation.
- In 2021, PVCFC has built a long-term R&D Strategy, conducting product research and development toward diversification of NPK fertilizer products, organic mineral, organic microorganisms and high-quality fertilizers in line with the company's strategic orientations.

Cost management and savings

PVCFC has synchronously and flexibly implemented optimal solutions to improve energy efficiency and plant performance, doing a good job in cost management and product cost management through assigning detailed cost plans to each department/unit as a foundation for monitoring and evaluation of cost planning.

Total savings from cost management/reduction in 2021 reached VND 132.51 billion, equal to 169% of the plan, of which VND 111.23 billion came from energy and material efficiency, VND 20.07 billion came from management, sales and production activities, VND 1.21 billion came from construction and investment management.



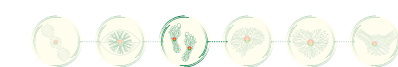
Training and human resource development

In 2021, PVCFC has trained a total of 4,350 people, equal to 165% of year plan. The Company has implemented skill development training courses and continuous learning programs to support laborers to be fully equipped and updated professional knowledge and self-development. Besides, on purpose of improving competitiveness and adaptation to unpredictable economic changes post-Covid-19 pandemic, PVCFC has strengthened training courses, seminars, Vietnam-Singapore Senior Governance Forum, energy transition, digital transformation, corporate governance compliance with the best practices, legal issues in business, risk management, R&D governance and intellectual property, local documents, etc. to enhance performance management and governance capacity

Human resource, salary and bonus

Till end of 2021, PVCFC has total of 1,022 employees, 23 lower than 2021 plan and a slight increase as of end of 2020 due to request of additional staff to technical and production divisions, while sales staff were transferred to other professional divisions, units and production plants.

Salary: PVCFC deploys a policy of paying salaries, bonuses, benefits and other remunerations in compliance with provisions of the Laws, the Group and the Company to ensure proper work-life balance for employees. Besides, PVCFC is updating and adjusting regulations on salary, bonus and remuneration, new policy on employee to create motivation and equality for all employees, consider job description salary range.




BOD'S ASSESSMENT (continued)

SUPERVISION ACTIVITIES OF THE BOARD OF DIRECTORS TO THE BOARD OF MANAGEMENT



Pursuant to the Company's Charter and Corporate Governance, the Board of Directors supervised the activities conducted by the General Director and members of the Board of Management in operating the Company's production and business as well as implementing resolutions of the General Meeting of Shareholders and ones of the Board of Directors in 2021. Details are as follows:




Supervision method

-  Supervising the production planning process in 2021 and the implementation of those targets approved by the General Meeting of Shareholders.
-  Attending periodical meetings of the Board of Management on the Company's business and production performance and holding quarterly progress meetings in order to promptly support and ensure the effective operation of the Board of Management, the assisting apparatus for the Board of Management, and a representative in the enterprise that the Company contributed capital in.
-  In addition to individual thematic meetings with the Board of Management and supervisors of some departments, the Board of Directors also has real-time inspection and supervision to grasp the actual situation of the Company's business through the Audit and Risk Management Committee, the Internal Audit Committee, and coordinate with the Supervisory Board. Furthermore, the Board of Directors has supervised and discussed with independent audit firms during the audit and appraisal of financial statements in accordance with prevailing regulations.

Supervision results

The Board of Directors assessed that the Board of Management had successfully completed its role of operating the Company's production and business, successfully completed the assigned targets in 2021, specifically as follows:

-  Managed and operated the Company's production and business with a high sense of responsibility, ensuring compliance with the Resolution of the General Meeting of Shareholders, the direction of the Board of Directors, complying with the processes and regulations in operating the Company in accordance with its Charter, Corporate Governance regulations as well as relevant laws.
-  Constantly improved professional and modern management capacity, gradually completing management tools from production, financial management, to risk management, and strategic management.

-  The implementation of strategic goals has continued to be carried out methodically according to the roadmap with specific solutions and always be ready to prepare for adverse situations or future risks.
-  Regularly reviewed and evaluated investment projects in details, promptly provide solutions to ensure projects are implemented safely, timely, with high quality and efficiency.
-  Based on the results achieved in 2021, the Board of Directors has summarized, discussed and evaluated that despite difficulties due to the impact of the Covid-19 pandemic, the General Director and the Board of Management have made great efforts and well performing the assigned tasks in 2021, strictly complying with the prevailing legal regulations and the Company's governance. In particular, the Board of Management has successfully managed the production and business, ensured employment, employee's health and safety, and done business with high responsibility to related parties.

ORIENTATION AND OPERATING PLAN OF PVCFC IN 2022

In 2022, because of the complicated progress of the Covid-19 pandemic, high oil prices, fierce competition between domestic fertilizer manufacturers and importers, slow recovery of the global supply chain, PVCFC's Board of Directors has determined the key tasks to be performed during the year as follows:

- Continue to operate Ca Mau Fertilizer Plant effectively, safely, and optimize capacity.
- Continue to follow research orientation to diversify sources of materials and fuel for Urea production to increase flexibility, initiative and sustainability in its production and business.
- Direct the operation and efficient exploitation of the Ca Mau NPK Plant, meeting the fullest extent of market demand.
- Continue to promote digital transformation.
- Promote effective and strategic investment projects.



REPORT OF SUPERVISORY BOARD

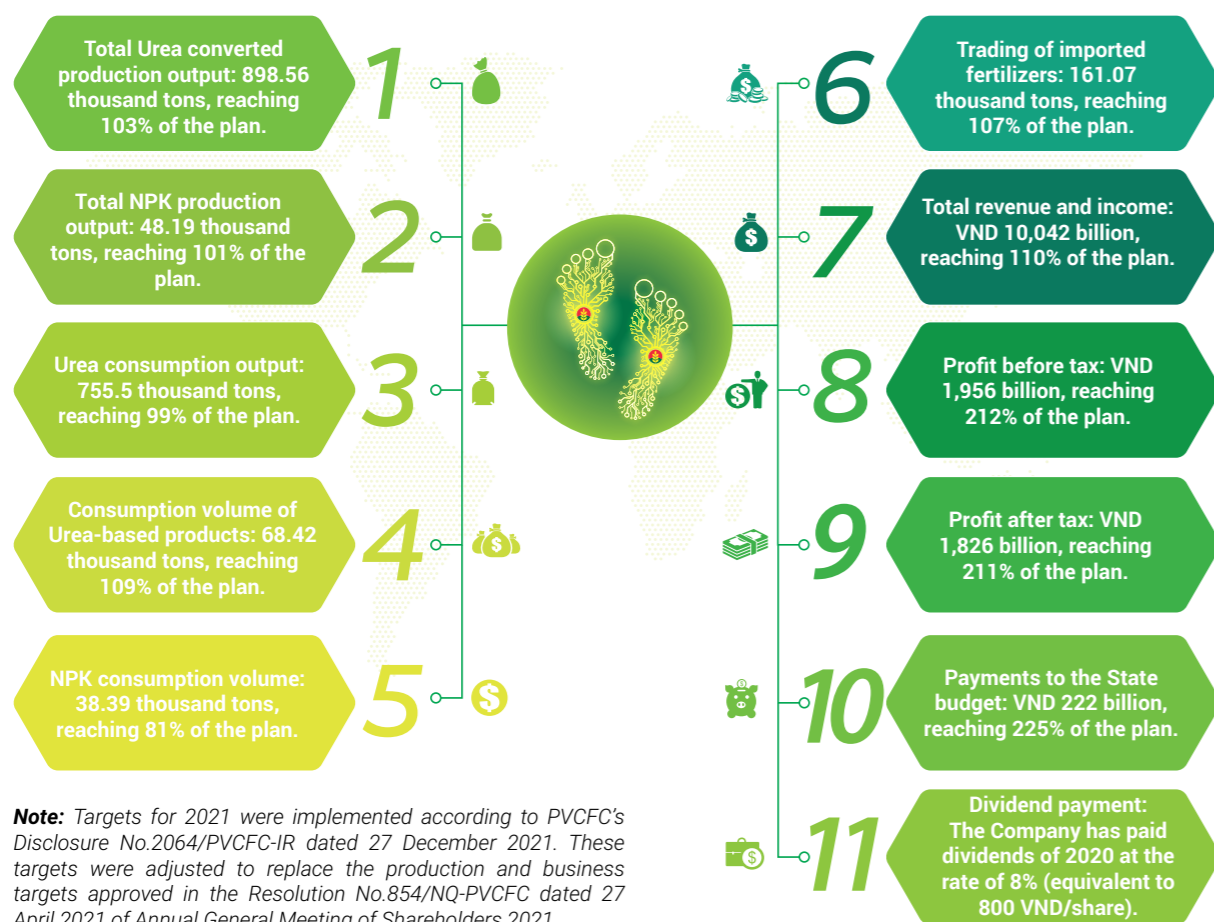
RESULTS OF SUPERVISING OPERATION AND FINANCIAL SITUATION IN 2021

Business and production operation

Business and production operation

>> Implementation of business and production plan

In 2021, besides the advantages thanks to highly increased selling price, PVCFC faced many difficulties due to the Covid-19 pandemic complicated developments and the sharp increase in oil prices. However, with the efforts in implementing solutions for energy/material optimization and cost savings/reduction, maintaining safe and stable plant operation and being flexible in sales, PVCFC has exceeded almost production and business plan in 2021, to be specific (according to PVCFC's audited consolidated financial statements):



>> Implementation of capital construction investment projects

Investment project to produce complex fertilizers from molten Urea with a capacity of 300,000 tons/year was behind schedule. From 01 December 2021, copyright provider has cooperated with General Contractor and PVCFC to inspect entire production line and conducted a trial run of NPK products with formula 20-20-15, 16-16-8, etc.

In addition, PVCFC also implemented some projects such as raw CO₂ conversion and supply, Long An raw material warehouse, research and development center, etc.

Total value of investment and equipment procurement in 2021 was VND 72.58 billion, reaching 75% of the plan.

>> Business arrangement and renewal

In 2021, PVCFC has developed and issued regulations on functions, tasks, authority and organizational structure of functional divisions/departments; Continue to update and complete the Regulations and Operational Procedures according to the new model in line with the Company's strategic goals.

In the third quarter of 2021, the Company's Board of Directors established the Audit and Risk Management Committee, and the Governance, Human Resources and Compensation Committee to perfect the governance model following good practices, ensuring that the Company's activities can be operated effectively, complying with legal regulations, the Company's Charter, internal regulations and processes.

>> Governance

Governance is always the top focus of PVCFC's Leadership, pioneering in applying advanced management system tools, implementing digital technology transformation, building corporate culture, etc. Details are as follows:

- In the context of the Covid-19 pandemic in 2021, thanks to well-prepared technology background, the Company has adapted to "live with the pandemic", minimizing the impact of the social distancing, which has stalled and disrupted supply.
- Implemented the project to strengthen corporate governance capacity. Specifically, the Company has established Project Management Division to coordinate the implementation of IFC's recommendations: (i) The Company is committed to apply good corporate governance practices; (ii) Develop and publish the Company's Code of Business Conduct and Ethics; (iii) Improve disclosure in the annual report to demonstrate the Company's commitment to environmental, social, and governance sustainability (ESG); (iv) Develop policy on management of interests of related parties; (v) Develop a project implementation plan to promote gender equality at PVCFC.

>> Financial investment

As of 31 December 2021, PVCFC has only invested in one (01) subsidiary - PetroVietnam Packaging Joint Stock Company (PPC), with contributed capital of VND 20.83 billion, accounting for 51.03% of charter capital. In 2021, PPC has completed its production and business targets, in which profit after tax in 2021 is VND 5.8 billion, reaching 102.2% of the target, and ROE reaches 12.08%.

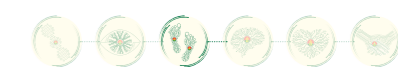


>> Evaluate the system of internal control, internal audit and risk management

The Company's internal control system was established right from the early years of the Company's establishment to focus on the inspection and control of compliance, operations, finance, and risks.

The Company has completed the management model in 3 lines. The internal processes and risk management system are built according to COSO standards. The Board of Directors also pays great attention to internal audit; therefore, a consultant firm is hired to review the internal audit process and regulations, build a 3-year internal audit plan and an assurance map to help the 3 management lines operate effectively.

Currently, the Company's internal control, internal audit and risk management systems are operating well and effectively. The top risks are soon identified and solutions are provided in a timely manner.



REPORT OF SUPERVISORY BOARD (continued)

RESULTS OF SUPERVISING OPERATION AND FINANCIAL SITUATION IN 2021 (continued)

Business and production operation (continued)

Financial statement appraisal

The Supervisory Board has appraised the quarterly, semi-annual and annual financial statements in 2021 to ensure their correctness and transparency. The appraisal results are as follows:

- The financial statements have fully, truly and reasonably reflected the financial position of the Company as of 31 December 2021, as well as its business performance in 2021.
- The recording, opening of accounting books and classification of economic contents are in line with current accounting standards and accounting regimes.
- The basic financial indicators showed that the Company's financial position was healthy, ensuring solvency, preserving and developing capital, to be specific:



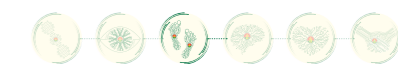
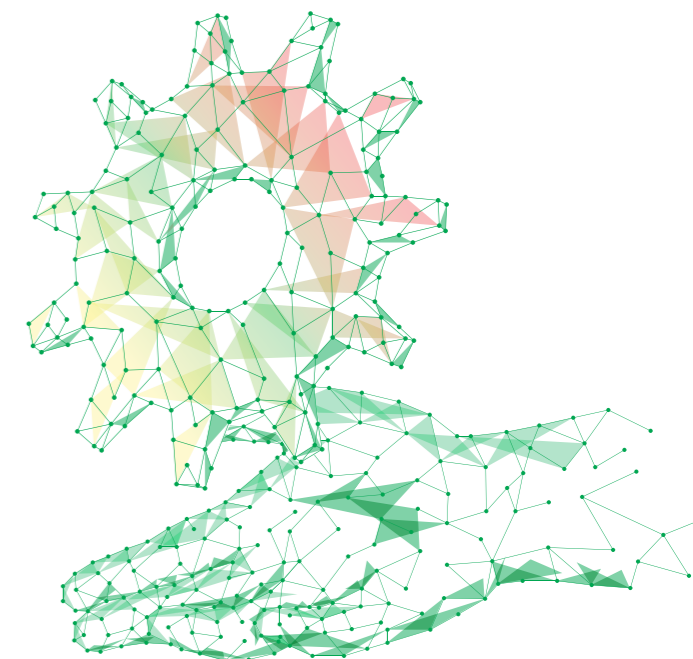
- > Current ratio reached **2.28 times**
- > Quick payout ratio reached **1.59 times**
- > Debt-to-total-assets ratio reached **0.32 times**
- > Debt-to-equity ratio reached **0.48 times**
- > Consolidated return on equity (ROE) reached **26.46%**
- > Consolidated return on on total assets (ROA) reached **18.46%**
- > Capital preservation ratio as of 31 December reached **1.2 times** (consolidated equity as of 31 December 2021 was **VND 7,478 billion**; consolidated equity as of 31 December 2020 was **VND 6,326 billion**).

ASSESSMENT OF THE ROLE, RESPONSIBILITIES AND INDEPENDENCE OF INDEPENDENT AUDIT

PricewaterhouseCooper (PwC) Vietnam Co., Ltd. was selected to audit PVCFC's financial statements in 2021. PwC has reviewed and audited the semi-annual and annual financial statements in a cautious, independent and objective manner. The audit firm has complied with professional ethics and standards during the audit. The audit results of the financial statements have fully, truly and reasonably reflected the financial position as well as the business performance of the Company.

ASSESSMENT OF THE COMPANY'S BUSINESS PERFORMANCE AND REPORTS OF THE BOARD OF DIRECTORS, GENERAL DIRECTOR AND OTHER MANAGEMENT

- In 2021, the Board of Directors has held 12 monthly meetings and 34 times to collect written opinions to comprehensively direct all aspects of the Company's business, review the production and business situation, invested projects, especially urge the progress of NPK project and give timely direction in the context of complicated progress of the Covid-19 pandemic. In addition, the Board of Directors also organized and participated in other 39 meetings/training sessions (21 thematic meetings, 9 training sessions and 9 short meetings to handle the General Director's submissions) to in-depth exchange of specialized work, strategic orientation and direct the Board of Management to implement solutions.
- The Board of Directors has issued 64 documents including Resolutions, Decisions and Directives related to PVCFC's operation in accordance with the order and authority prescribed by the Enterprise Law and the Company's Charter.
- The Board of Directors has focused on improving the corporate governance capacity, so they have hired consultants (IFC, Deloitte, etc.) to assess the corporate governance situation, thereby building a roadmap to be in line with the best practices of good corporate governance. The Board of Directors established the Audit and Risk Management Committee, the Governance, Human Resources and Compensation Committee to strengthen the governance and promote the supervisory role of the Committees. Independent members of BOD are assigned to be Chairman of the Committees in order to increase the independence in performing the tasks of the Committees.
- Members of BOD fully participate in meetings and work with a high sense of responsibility. In 2021, BOD has performed well its role of supervision, direction, as well as strategic orientation and created all favorable conditions for the Board of Management to operate the Company's business.
- The independent members of BOD have promoted their roles well, properly performed their functions and duties to ensure the common interests of the Company and Shareholders.
- The Board of Management seriously implemented the Resolutions, Decisions and Directives of BOD and the General Meeting of Shareholders.
- The Board of Management operates the Company's production and business flexibly and proactively, resulting to exceed production and business targets in 2021.
- The reports of the Board of Directors and of the General Director submitted to the General Meeting of Shareholders have fully and truly reflected the management, administration and operation results of the Company.



REPORT OF SUPERVISORY BOARD (continued)

ASSESSMENT OF OPERATION COOPERATION BETWEEN SUPERVISORY BOARD, BOARD OF DIRECTORS, BOARD OF MANAGEMENT AND SHAREHOLDERS

- The coordination between the Supervisory Board for the activities of the Board of Directors and the Board of Management is based on transparency and clarity principles, and in compliance with the Laws and the Company's regulations in order to ensure the interests of the Company and its shareholders.
- The Board of Directors and the Board of Management have closely coordinated and created favorable conditions for the Supervisory Board in carrying out inspection and supervision. They also provide adequate information and related documents, always invite to participate in meetings and implement recommendations of the Supervisory Board.
- The Supervisory Board has closely coordinated with the Board of Directors and the Board of Management in inspecting and supervising activities at the Company to take timely measures to handle existing problems to improve operational efficiency, ensure proper and complete compliance with current regulations of State agencies.
- The Supervisory Board has fully fulfilled its reporting obligations to shareholders in accordance with the provisions of the Enterprise Law and the Company's Charter.

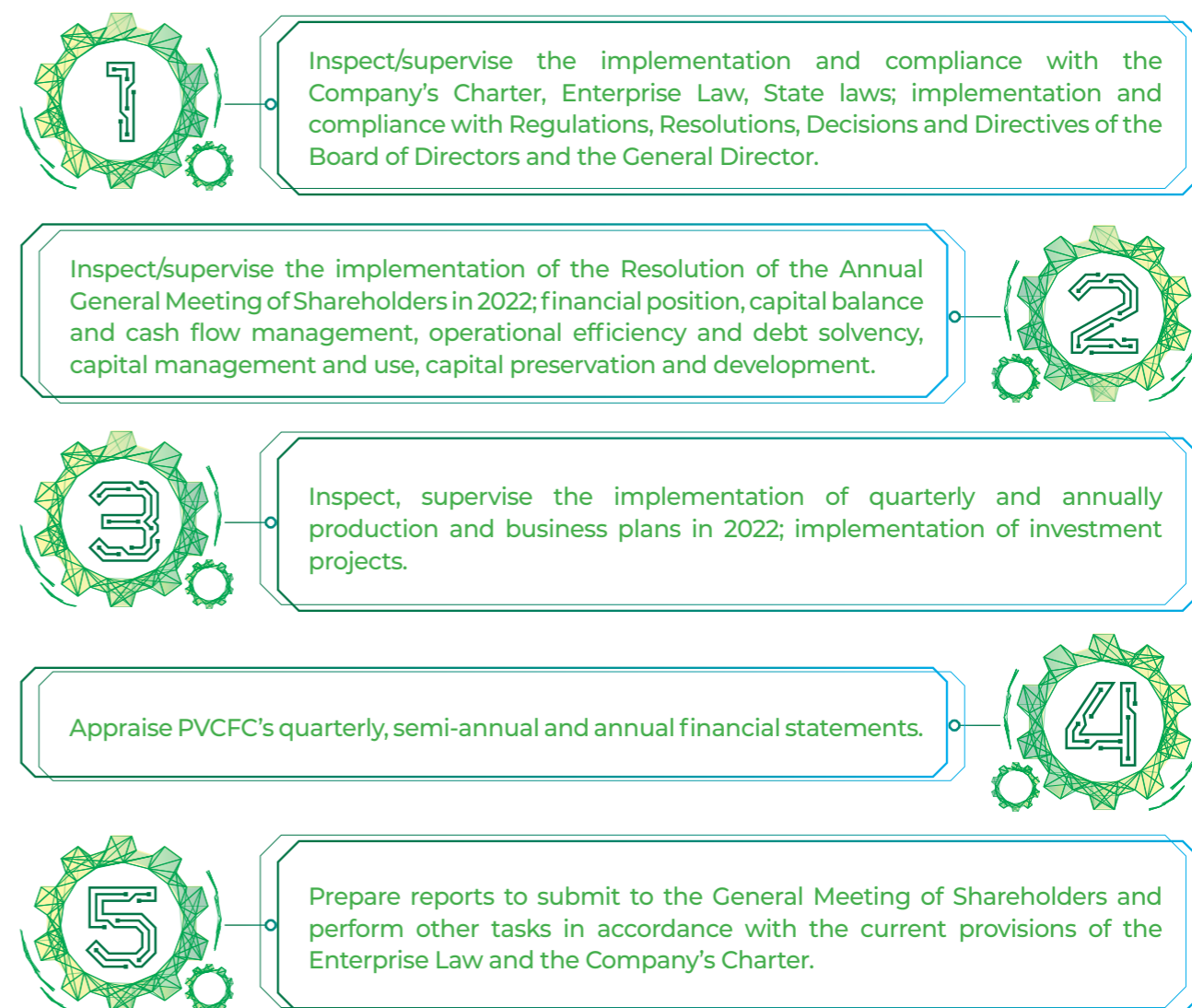
RECOMMENDATIONS OF THE SUPERVISORY BOARD

In order to ensure that the production and business activities at PVCFC follow the plan in 2022 to be highly effective, the Supervisory Board recommends a number of contents as follows:



OPERATING PLAN OF THE SUPERVISORY BOARD IN 2022

In 2022, the Supervisory Board properly implements the rights and responsibilities as prescribed in the Enterprise Law, the Company's Charter and the tasks in 2022 set out by the General Meeting of Shareholders. The Supervisory Board will focus on inspecting and monitoring the following main contents:



PROPOSED SELECTION OF AUDIT FIRMS

On the basis of reviewing and evaluating the capacity of independent audit firms, the Supervisory Board of PetroVietnam Camau Fertilizer Joint Stock Company would like to submit to the Board of Directors authorized by the General Meeting of Shareholders to select one of the following audit firms, including Deloitte Vietnam Co., Ltd., KPMG (Vietnam) Co., Ltd., Ernst & Young Vietnam Co., Ltd., PwC (Vietnam) Co., Ltd. to audit the Company's financial statements in 2022.



THINKING IS MOTTO OF ACTION

CORPORATE GOVERNANCE

Structure and operation of BOD	118
Structure and operation of SB	134
Transactions, remunerations and benefits of BOD, BOM and SB	138
Stock transactions of insiders and related people for the company's shares	141
Risk Management Report	142
Internal control system and internal audit at PVCFC	144
Assessment of implementing corporate governance based on the ASEAN Corporate Governance Scorecard	150

STRUCTURE AND OPERATION OF BOD

MEMBERS AND STRUCTURE OF BOD

Member	Position	Appointment date / Reassignment date as Member of SB		Positions in other organizations	Number of shares owned at the end of the period	Ownership rate at the end of the period
		Appointment date	Reassignment date			
Mr. Tran Ngoc Nguyen	Chairman	10/01/2019			0	0%
Mr. Van Tien Thanh	Member of BOD	12/6/2018			30,000	0.005667%
Mr. Tran My	Member of BOD	15/01/2015 (re-elected on 25/6/2020)			2,900	0.000548%
Mr. Nguyen Duc Hanh	Member of BOD	25/6/2020		Members of BOD do not hold management positions at other related companies and do not cross-own suppliers or related parties.	8,000	0.001511%
Ms. Nguyen Minh Phuong	Independent member of BOD	24/4/2019	27/4/2021		-	-
Mr. Le Duc Quang	Independent member of BOD	25/6/2020	27/4/2021		0	0%
Mr. Le Duc Quang	Member of BOD	27/4/2021			0	0%
Mr. Truong Hong	Independent member of BOD	27/4/2021			0	0%
Ms. Do Thi Hoa	Independent member of BOD	27/4/2021			0	0%

COMMITTEES UNDER BOD

Governance, Human Resources and Compensation Committee

On 04 August 2021, PVCFC's BOD issued Decision No. 1735/QĐ-PVCFC on the appointment of personnel for Governance, Human Resources and Compensation Committee, including the following members:

- Mr. **Truong Hong**, Independent member of BOD - Chairman of Governance, Human Resources and Compensation Committee;
- Mr. **Nguyen Duc Hanh**, member of BOD - Member of Governance, Human Resources and Compensation Committee;
- Mr. **Tran My**, member of BOD - Member of Governance, Human Resources and Compensation Committee;

Audit and Risk Management Committee

On 04 August 2021, PVCFC's BOD issued Decision No. 1736/QĐ-PVCFC on the appointment of personnel for Audit and Risk Management Committee, including the following members:

- Ms. **Do Thi Hoa**, Independent member of BOD - Chairwoman of Audit and Risk Management Committee;
- Mr. **Tran My** - Member of BOD - Member of Audit and Risk Management Committee;
- Mr. **Le Duc Quang** - Member of BOD - Member of Audit and Risk Management Committee;



Deputy General Director - Ms. Nguyen Thi Hien and PVCFC's engineers at the official ceremony to launch Ca Mau NPK products



STRUCTURE AND OPERATION OF BOD (continued)

ACTIVITIES OF BOD

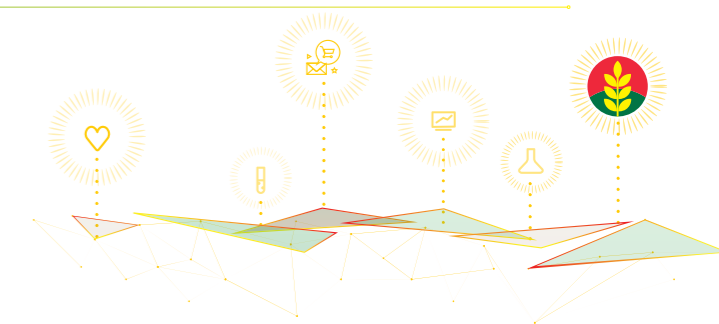
Activities of BOD in 2021

- Members of BOD have strictly followed the issued regulations including Internal regulations on corporate governance, Regulations on BOD operation, Regulations on coordination among Standing Board of the Company's Party Committee, BOD and General Director.
- BOD has reviewed, updated and submitted to GMS for approval on amendment of the Company's Charter, Internal regulations on corporate governance and Regulations on BOD operation in accordance with current regulations and the best corporate governance practices, thereby clearly defining BOD's roles and responsibilities, each member, GD and coordination mechanism among BOD/GD/SB to promote the BOD operational efficiency.
- BOD has issued regulations and decisions under BOD's competency in accordance with actual situation, task requirements and consistent orientations, creating conditions for BOM to manage all the Company's activities, building the Company stronger and stronger.
- With the assigned tasks, members of BOD have planned and executed their rights and responsibilities as well as regularly exchanged contents and directions to get consensus in direction. BOD has also regularly reviewed and updated its operation plan, ensuring that all activities are in conformity with the actual management situation.



PVCFC's leadership were attending Annual General Meeting of Shareholders in 2021

- Closely monitoring the Company's operation, promptly giving opinions to GD upon the BOD's responsibilities and competence.
- Corporate governance is strictly followed Internal regulations on corporate governance, the Company's Charter, and Regulations on BOD operation. Chairman and members in charge have regularly supervised and directed the implementation of GMS resolutions and BOD's resolutions/decisions, including GD supervision and direction in execution of the Company's activities.
- Holding Annual General Meeting of Shareholders in accordance with regulations, accordingly submitting to GMS for approval on the following issues: Business results in 2020 and business plan in 2021; BOD's report in 2020 and operation direction in 2021; SB's Report in 2020, SB's operation plan in 2021 and selection of auditor for financial statements in 2021; Audited financial statements for the fiscal year ended 2020; Profit distribution plan, extraction for funds, and dividend payment in 2020 and profit distribution plan in 2021; Report on salary, bonus and remuneration in 2020 of BOM and plan of BOD and SB in 2021; Supplementing and amending the Company's business operations; approving the Company's Charter, Internal regulations on corporate governance, Regulations on BOD operation, and Regulations on SB operation. GMS also dismissed and elected additional members of BOD and SB in accordance with regulations, ensuring proportion of independent members as regulated. BOD has issued relevant resolutions for BOM to implement.
- BOD has reviewed and updated development plan until 2025 with 5 strategies and development orientation to 2035-2045 of the Company in combination with regular supervision to ensure that the Company's activities are complied with the Company's development strategy.
- Hiring International Finance Company (IFC) to assess and build BOD operation according to good practices, thereby continuing to carry out detailed works in line with the recommendations to improve corporate governance capacity.
- Establishing 02 committees: Audit and Risk Management Committee (A&R) and Governance, Human Resource and Remuneration Committee under BOD, in which independent members of BOD undertake the positions of chairmen of committees, to strengthen risk control, governance and other fields, according to functions and tasks; developing and issuing Operational Regulations, assigning detailed duties to the committee members.
- Hire Deloitte Vietnam Co., Ltd. to give advice and support in developing and standardizing Internal Audit Committee according to good practices, focusing on risk control and giving advice to the Company.



STRUCTURE AND OPERATION OF BOD (continued)

ACTIVITIES OF BOD (continued)

BOD's meeting and resolutions

- In 2021, BOD had 12 monthly meetings and 34 times to get opinions in written to give comprehensive directions on all respects of the Company's activities, considering business and production situation, investment projects, especially pushing NPK project schedule and timely give instruction in the context of complicated developments of Covid-19 pandemic. In addition, BOD held and attended 39 other meetings/training sessions (21 seminars, 9 training sessions and 9 short meetings to deal with the submittals from GD) to make intensive discussion on professional works or strategic orientations and instruct BOM to implement.
- BOD's meetings are conducted in accordance with the procedures as specified in the Charter and Internal regulations on corporate governance. Meeting agenda and related materials are summarized and sent by the Company's secretary before the meeting.

Meeting attendance of members of BOD:

No.	Member	Position	Meeting attended	Attendance rate	Reason for not attended
1	Mr. Tran Ngoc Nguyen	Chairman	12/12	100%	
2	Mr. Van Tien Thanh	Member of BOD	12/12	100%	
3	Mr. Tran My	Member of BOD	12/12	100%	
4	Mr. Nguyen Duc Hanh	Member of BOD	12/12	100%	
5	Ms. Nguyen Minh Phuong	Independent member of BOD	3/12	25%	(*)
6	Mr. Le Duc Quang	Member of BOD	12/12	100%	(*)
7	Mr. Truong Hong	Independent member of BOD	9/12	75%	(*)
8	Ms. Do Thi Hoa	Independent member of BOD	9/12	75%	(*)

(*) Ms. Nguyen Minh Phuong dismissed from her position of member from 27 April 2021; Mr. Le Duc Quang dismissed from his position of independent member and was elected as member from 27 April 2021; Mr. Truong Hong and Ms. Do Thi Hoa were elected as independent members from 27 April 2021.

List of 64 important resolutions/decisions issued BOD in 2021

No.	Doc ref. No.	Dated	Contents
1	12/NQ-PVCFC	04 January 2021	Approving the Company's 2021 internal audit plan
2	19/QĐ-PVCFC	05 January 2021	Promulgating Regulations on organization and management of training activities
3	69/NQ-PVCFC	14 January 2021	Getting agreement on the policy on signing contract to transfer trademark use right
4	136/NQ-PVCFC	25 January 2021	Adjusting organizational structure and establishing Marketing Division
5	145/QĐ-PVCFC	25 January 2021	Resolution of BOD meeting in January 2021
6	146/QĐ-PVCFC	25 January 2021	Approving operation plan for 2021 of the representative in charge of supervision at PPC
7	175/BC-PVCFC	29 January 2021	Reporting governance of listed companies
8	203/TB-PVCFC	05 February 2021	Disclosing BOD's conclusion on final settlement of raw material import port project
9	212/QĐ-PVCFC	03 February 2021	Re-appointment of staff (Chief Accountant Dinh Nhu Cuong)
10	334/NQ-PVCFC	02 March 2021	Resolution of BOD meeting in February 2021
11	585/QĐ-PVCFC	30 March 2021	Approving and issuing internal audit process
12	586/NQ-PVCFC	30 March 2021	Resolution of BOD meeting in March 2021
13	615/QĐ-PVCFC	31 March 2021	Approval plan to organize 2021 Annual General Meeting of Shareholders
14	641/QĐ-PVCFC	02 April 2021	Approving final settlement of raw material import port project with a capacity of 500,000 tons/year of Ca Mau Fertilizer Plant
15	424/TB-PVCFC	06 April 2021	Announcement on 2021 Annual General Meeting of Shareholders



STRUCTURE AND OPERATION OF BOD (continued)

ACTIVITIES OF BOD (continued)

- List of 64 important resolutions/decisions issued BOD in 2021 (continued)

No.	Doc ref. No.	Dated	Contents
16	697/NQ-PVCFC	07 April 2021	Approving development plan target until 2025 and development orientation until 2035-2045 of PVCFC
17	767/QĐ-PVCFC	15 April 2021	Establishing verification team for final settlement of the project of producing complex fertilizers from molten Urea, with a capacity of 300,000 tons/year
18	856/QĐ-PVCFC	27 April 2021	Promulgating internal regulations on governance
19	857/QĐ-PVCFC	27 April 2021	Promulgating Regulations on BOD operation
20	867/QĐ-PVCFC	29 April 2021	Assigning tasks in professional fields for members of BOD
21	875/NQ-PVCFC	29 April 2021	BOD meeting in April 2021
22	968/NQ-PVCFC	17 May 2021	BOD meeting in May 2021
23	969/NQ-PVCFC	17 May 2021	Updating BOD's operation plan in 2021
24	971/NQ-PVCFC	17 May 2021	Approving plan to purchase goods and supplies for Urea production in 2021
25	984/QĐ-PVCFC	17 May 2021	Promulgating PVCFC's action plan to implement Resolution No.01/CP-NQ dated 01 January 2021 of the Government on key tasks and solutions for implementing Socio-economic development plan and State budget estimate in 2021
26	1059/QĐ-PVCFC	26 May 2021	Making 2020 dividend payment in cash to shareholders
27	1101/QĐ-PVCFC	31 May 2021	Approving salary and remuneration fund implemented in 2020
28	1123/QĐ-PVCFC	01 June 2021	Adjusting final registration date for 2020 dividend payment in cash to shareholders

No.	Doc ref. No.	Dated	Contents
29	1150/QĐ-PVCFC	02 June 2021	Approving procurement plan of Order No.21-025 "Supplying packages for Ca Mau Fertilizer Plant"
30	1151/QĐ-PVCFC	02 June 2021	Approving procurement plan of Order No.21-071 "Supplying chemicals for Urea production"
31	1446/NQ-PVCFC	29 June 2021	BOD meeting in June 2021
32	1459/QĐ-PVCFC	29 June 2021	Approving donation to Covid-19 vaccine fund of the Government
33	1467/QĐ-PVCFC	29 June 2021	Approving the list of credit institutions and deposit limit from 01 July 2021 to 30 June 2022 of PVCFC
34	1471/NQ-PVCFC	30 June 2021	Approving auditors of financial statements for fiscal year 2021 of PVCFC
35	1498/QĐ-PVCFC	02 July 2021	Approving and promulgating Regulations on management, operation and use of PVCFC's Science and Technology Development Fund
36	1189/BC-PVCFC	23 July 2021	Reporting governance of listed companies (06 months of 2021)
37	1723/NQ-PVCFC	02 August 2021	Resolution of BOD meeting in July 2021
38	1732/QĐ-PVCFC	04 August 2021	Establishing and promulgating Regulations on organization and operation of Audit and Risk Management Committee
39	1733/QĐ-PVCFC	04 August 2021	Establishing and promulgating Regulations on organization and operation Governance, Human Resources and Compensation Committee
40	1735/QĐ-PVCFC	04 August 2021	Appointing personnel of Governance, Human Resources and Compensation Committee
41	1736/QĐ-PVCFC	04 August 2021	Appointing personnel of Audit and Risk Management Committee
42	1807/QĐ-PVCFC	13 August 2021	Approving and promulgating Regulation on procurement and lease of goods and services
43	1905/NQ-PVCFC	30 August 2021	BOD meeting in August 2021



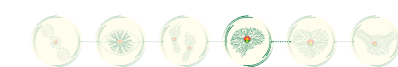
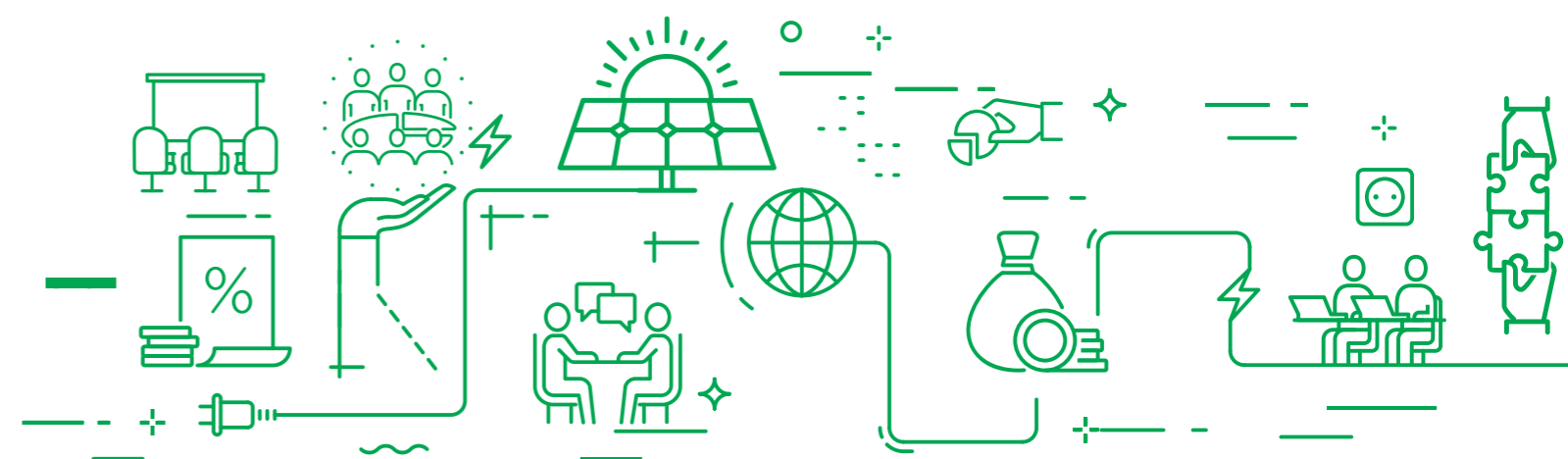
STRUCTURE AND OPERATION OF BOD (continued)

ACTIVITIES OF BOD (continued)

• List of 64 important resolutions/decisions issued BOD in 2021 (continued)

No.	Doc ref. No.	Dated	Contents
44	2006/QĐ-PVCFC	14 September 2021	Approving additional social security costs in 2021 to support ambulances for provinces/cities with Covid-19 outbreak
45	2147/NQ-PVCFC	04 October 2021	Resolution of BOD meeting in September 2021
46	2150/QĐ-PVCFC	04 October 2021	Promulgating Regulation on information disclosure in stock market
47	2178/QĐ-PVCFC	07 October 2021	Establishing Project Committee to deploy IFC's recommendations on corporate governance enhancement
48	2190/QĐ-PVCFC	08 October 2021	Approving and promulgating Regulation on document control
49	2357/NQ-PVCFC	01 November 2021	Resolution of BOD meeting in October 2021
50	2361/QĐ-PVCFC	02 November 2021	Promulgating regulations on business management
51	2559/QĐ-PVCFC	29 November 2021	Decision on promulgating Regulation on speaking and providing information to the press
52	2611/NQ-PVCFC	02 December 2021	Resolution on promulgating BOD's operation plan in 2022
53	2612/QĐ-PVCFC	02 December 2021	Decision on approving the promulgation of Regulation on marketing management
54	2691/NQ-PVCFC	13 December 2021	Resolution on authorizing GD to decide selling price of NH ₃ produced by Ca Mau Fertilizer Plant
55	2713/QĐ-PVCFC	14 December 2021	Decision approving the promulgation of Regulation on financial management
56	2714/QĐ-PVCFC	14 December 2021	Decision approving the promulgation of Regulation on using capital in cash
57	2715/QĐ-PVCFC	14 December 2021	Decision approving the promulgation of Regulation on debt management

No.	Doc ref. No.	Dated	Contents
58	2720/NQ-PVCFC	14 December 2021	Approving business plan for 2022
59	2868/QĐ-PVCFC	27 December 2021	Decision approving Regulation on preparation, promulgation and management of internal regulation documents.
60	2890/NQ-PVCFC	27 December 2021	Approving amended business plan for 2021
61	2891/QĐ-PVCFC	27 December 2021	Decision approving the promulgation of Regulation on managing and using experts at PVCFC
62	2946/QĐ-PVCFC	30 December 2021	Decision on approving additional social security costs in 2021
63	2952/NQ-PVCFC	30 December 2021	Approving strategy on researching and developing new products for the period of 2021-2035 and vision to 2045 of PVCFC
64	2964/NQ-PVCFC	31 December 2021	Resolution of BOD meeting in December 2021

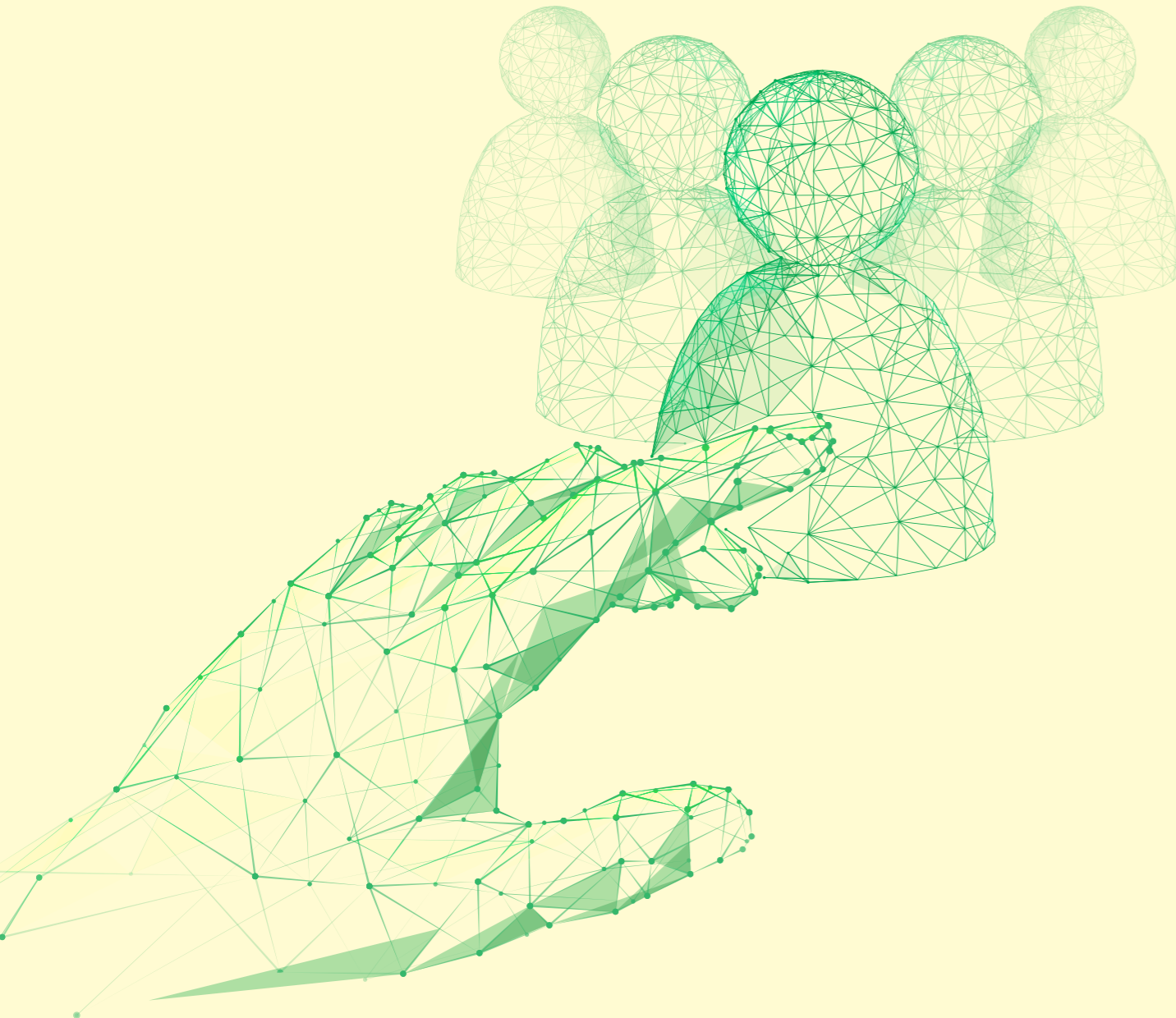


STRUCTURE AND OPERATION OF BOD (continued)

ACTIVITIES OF BOD (continued)

Assessment on BOD's operation

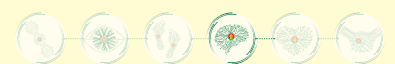
- Assessment of BOD's operation results was conducted in the final meeting in 2021 (on 24 December 2021) with the participation of all members of BOD, SB, BOM and all other managers under the support of the Company's secretary - in charge of corporate governance.
- Assessment criteria: Using standard assessment form provided by IFC consultant, including 36 questions, divided into 5 parts, to be specific: i) Authority and general information, ii) BOD structure, iii) Structure of Committees, iv) Working regulations, and v) Obligations and responsibilities, on a scale of 1 to 5.



PVCFC's leadership in the periodical inspection of Ca Mau Fertilizer Plant

Result

- According to the assessment result of members of BOD about BOD operation in 2021, basically, the criteria for structure and activities of BOD in 2021 show good results. The Company's BOD has an appropriate structure, being diversified in expertise and gender. Members of BOD have a lot of experience related to the Company's core business.
- Independent members of the Board of Directors ensure the regulations on the number and independent criteria. BOD ensures number of independent members and independent criteria as regulated. Members of BOD have worked and gave objective opinions about the issues under its competence, ensuring harmonious interests of related parties.
- BOD has developed plans in details, being convenient for coordination and implementation. In addition, each member of BOD is assigned tasks, based on their professional capacity, skills and experience, which contributes to enhance BOD's operation efficiency.
- The establishment of two committees and the promulgation of regulations help BOD improve its roles and strengthen the Company's governance capacity.
- On the basis of regulations on BOD's operation, in 2021, members of BOD have promoted their roles and responsibilities, reviewed and gave voting on the issues related to the Company's operations, timely handling urgent issues, approving the Company's development strategy for GD to implement, achieving excellent business results in 2021.
- In summary, BOD had good performance in 2021, complying with the provisions of the law, the Company's Charter, overcoming difficulties and challenges and contributing to exceeding the plan assigned by GMS. The contents under BOD's competence and responsibility in terms of governance, risk management, compliance, supervising the implementation of strategies, human resources and compensation have been strictly executed. Suggestions on efficiency improvement as well as recommendations have been recorded and implemented. Members of BOD have well completed their tasks and were proactive in performing their responsibilities and duties.



STRUCTURE AND OPERATION OF BOD (continued)

PERFORMANCE OF EACH MEMBER OF BOD

Performance result of each member of BOD

BOD has assigned each member to be in charge of different professional tasks. Accordingly, the members have actively made plan for their works, regularly supervised and pushed BOM in implementation of BOD's resolutions/decisions, and made discussion to timely give instructions on business and production activities, to be specific:



ALL MEMBERS OF BOD, BASED ON THEIR ASSIGNED TASKS, HAVE PERFORMED THEIR ROLES AND RESPONSIBILITIES IN A GOOD MANNER, CONTRIBUTING TO THE COMPANY'S FULFILLMENT OF BUSINESS PLAN FOR 2021 AS ASSIGNED BY GMS.

Member of BOD	In charge of
Mr. Tran Ngoc Nguyen Chairman	<ul style="list-style-type: none"> • Taking responsibility for general operations of BOD; Directing overall strategy building and implementation; • Long-term business and production plans; • Large scale-sized investment projects under the Company's development strategy.
Mr. Van Tien Thanh Member cum General Director	<ul style="list-style-type: none"> • The Company's legal representative; • Directing BOM to implement the BOD's resolutions/decisions; • Promoting investment, developing association and joint venture projects between the Company and other entities; • Following up Subsidiary's performance;
Mr. Tran My Non-executive member	<ul style="list-style-type: none"> • Developing and implementing annual production and business plans; • Finance, accounting, statistics; capital management and use; • Evaluating effectiveness, implementation and settlement of investment projects; • Building, amending and updating internal documents under BOD competence; Internal affairs, administration, and events related to cooperation, signing of memorandum under BOD competence; • Information disclosure on stock market, managing shares issued, offered and raising capital by share issuance; • Organizing Annual General Meeting of Shareholders; Investor relations;

Member of BOD	In charge of
Mr. Nguyen Duc Hanh Non-executive member	<ul style="list-style-type: none"> • Corporate restructure, transformation, divestment, M&A; • Developing, updating and executing strategies; • Business, communication, digital transformation; • Developing and promoting the Company's image and brand; • Operation and production; • Goods and services procurement; • Human resource training and developing; • Staff policy, emulation, reward/discipline, compensation and benefit, and welfare; • Social security, relationship with localities and partners; • Corporate culture, culture, sport.
Ms. Nguyen Minh Phuong Independent member	<ul style="list-style-type: none"> • General cost control; Solutions for volatility management, change management and crisis resolution;
Mr. Le Duc Quang Non-executive member	<ul style="list-style-type: none"> • Safe and efficient operation and production of Ca Mau Fertilizer Plant and plants of subsidiary - PetroVietnam Packaging Joint Stock Company (PPC); • Production optimization and rationalization; • Competitive enhancement; • Occupational safety and health and fire prevention of Ca Mau Fertilizer Plant and plants of subsidiary - PetroVietnam Packaging Joint Stock Company (PPC); • Managing economic - technical norms; • ISO and legislation; • Solutions for volatility management, change management and crisis resolution.
Mr. Truong Hong - Independent member (From 24 April 2021)	<ul style="list-style-type: none"> • Research and development (R&D; human resource development strategy in R&D); • Supervising the setting up and use of scientific research funds; • Monitor and supervise professional contents related to R&D (except for the supervision function of capital construction investment); • Chairman of the Management Committee - Human Resources and Compensation.
Ms. Do Thi Hoa Independent member (From 24 April 2021)	<ul style="list-style-type: none"> • Internal audit; • Inspection units inside and outside the Company; • Internal control; • Risk management; • Finance, accounting, statistics, capital management and use, cost control; • Chairman of Audit and Risk Management Committee

STRUCTURE AND OPERATION OF BOD (continued)

PERFORMANCE OF EACH MEMBER OF BOD (continued)

Activities of Committees under BOD

Activities of BOD are carried out on a collective basis with task assignment to each member in each field to verify the contents under BOD's competence, and at the same time supervising, directing and pushing the Company to implement BOD's resolutions and decisions according to the assigned fields.

In order to improve corporate governance in accordance with good practices, BOD has established Governance, Human Resources and Compensation Committee and Audit and Risk Management Committee. BOD has approved functions, tasks and regulations of the Committees for execution. The Committees also held meetings to assign tasks to its members. Action plan of Internal Audit Committee was approved to strengthen inspection and effectively promote the role of internal audit in the Company.



PVCFC's leadership in the periodic meeting with the Production Division

Activities and assessment of independent members on BOD's operation in 2021

Activities of independent members

Independent members have effectively promoted their roles in inspecting and supervising the Company's production and business as well as executing their functions and responsibilities to ensure general benefits of the Company and shareholders.

PVCFC's independent members have fully participated in meetings and given opinions and voting on major issues of BOD. The independent members' opinions in their assigned areas in 2021 showed their right roles and responsibilities, ensuring objectivity and independence.

Assessment of independent members on the Company's operation



PVCFC's BOD has developed operational plan and appointed each member to be in charge of a specific field, in accordance with their functions and duties, to promote the knowledge and experience of each member and create favorable conditions for independent members to fully exercise their rights and obligations.



The activities of BOD comply with the principles of corporate governance as prescribed in the Law on Enterprises, the Company's charter, the regulations on internal governance and BOD's operation, and other legal regulations



BOD has operated in compliance with regulations on corporate governance of listed companies, ensuring favorable conditions for independent members to fully exercise their rights and obligations.



BOD has successfully performed its role of inspecting and supervising production and business management of the Company. Inspection and supervision are carried out regularly and closely, ensuring that the Company's operations comply with the prevailing regulations. BOD has also regularly reviewed and updated BOM decentralization to reduce participation in specific activities, thereby focusing more on orientation and supervision.



BOD regularly reviewed and updated plan targets to ensure that the activities are consistent with the Company's development strategy and built a long-term strategy to develop more and more sustainably.



BOD has focused on improving corporate governance by hiring consulting firms (IFC, Deloitte, etc.) to assess the Company's corporate governance, thereby building a roadmap in line with the best corporate governance practices; established 02 Committees (Audit and Risk Management Committee and Governance, Human Resources and Compensation Committee) to strengthen governance and supervisory role of the committees. (Although according to Point a, Clause 1, Article 137, Law on Enterprise 2020, the Company's organizational management structure includes GMS, BOD, GD and SB and committees are not compulsory).



BOD, BOM and GD had a good coordination to make right and timely decisions to ensure smooth and effective production and business activities of the Company.

COMPANY GOVERNANCE TRAINING

All members of BOD are experienced and trained in corporate governance.

Besides, members of BOD actively participated in training courses, seminars, etc. about corporate governance and good corporate governance practices in the region and the world organized by Ho Chi Minh City Stock Exchange (HOSE), Deloitte, Vietnam Institute of Directors (VIOD), etc. to promptly grasp and update new regulations and policies to meet the work requirements.



STRUCTURE AND OPERATION OF SB

MEMBERS AND STRUCTURE OF SB

Full name	Position	Appointment date/ Resignation date	Number of shares owned	Proportion of ownership of voting shares
Ms. Phan Thi Cam Huong	Head of SB	15 January 2015 (re-elected on 25 June 2020 by GMS)	200	0.000038%
Mr. Do Minh Duong	Member of SB	21 April 2016	2,000	0.000378%
Mr. Tran Van Binh	Member of SB	27 April 2021	9	0.000002%
Mr. Nguyen Quoc Huy	Member of SB	24 April 2019		(*)

(*) Mr. Nguyen Quoc Huy dismissed from his position of member of SB from 27 April 2021.

SB's OPERATION

To get high effectiveness in inspection and supervision, SB has early developed an action plan which was approved by GMS. SB has seriously implemented operation plan for 2021, closely following GMS Resolutions and the actual situation; properly executing rights and responsibilities as prescribed in the Law on Enterprise, the Company's Charter, and Regulation on SB operation.

SB inspects and supervises the management and the execution of BOD and BOM in the compliance with and implementation of the law, the Company's Charter, GMS resolutions and the Company's regulations as well as production and business activities and financial position of the Company on a regular, continuous and strict manner. Quarterly, SB carefully reviews, analyzes and assesses production and business reports and verifies the Company's

financial statements; Reviewing and giving opinion on documents and regulations and submit to BOD for approval; Supervising construction investment and implementing strategic orientations and business plans by attending meetings on construction, deployment and related reports; Inspecting operations of the Company's functional divisions, affiliated units and member units; Supervising the implementation of the recommendations provided by superior inspection units; Attending all BOD's meetings, the Company's periodic meetings and relevant meetings.

Through above-mentioned activities, SB has made specific assessments on the performance of the units, promptly pointing out shortcomings, giving warning on risks as well as giving recommendations and solutions to BOD and GD in management and governance.

With above-mentioned inspection and supervision, in 2021, SB has successfully completed its operation plan approved by GMS.



ACTIVITIES OF EACH MEMBER OF SB

Supervisory Board (SB) consists of 03 members. The members of SB perform their responsibilities and tasks independently based on specific work assignment as follows:

Member of SB	In charge of
Ms. Phan Thi Cam Huong Specialized Head of Supervisory	<ul style="list-style-type: none"> Undertaking the general management of SB's activities, including: calling for SB meeting; proposing extraordinary BOD meetings to handle violations against Law on Enterprises and the Company's charter; on behalf of BOD, calling for Extraordinary General Meeting of Shareholders in accordance with the provisions of the Law on Enterprises and the Company's Charter; and getting consultancy from BOD in SB reports to submit to GMS. Making annual supervision plan to submit to GMS for approval and implementation. Supervising business, marketing, financial, accounting and statistical activities of the Company; organizing appraisal of quarterly, semi-annual and annual financial statements of the Company. Considering and proposing auditor for the Company's financial statements. Submitting SB's reports to GMS, PVN or other major Shareholders upon the request as prescribed in the Law on Enterprises and the Company's Charter. Participating in BOD meetings, briefings and other meetings of the Company.
Mr. Do Minh Duong Specialized Member of SB	<ul style="list-style-type: none"> Supervising planning and investment activities; human resources, training, compensation and benefit, the Company's policies; and research and development. Preparing appraisal reports for quarterly, semi-annual and annual financial statements. Participating in the inspection of Divisions/Departments/Units according to SB's plan or coordinating with Internal Audit Committee and relevant divisions; Summarizing opinions of supervisors at inspection sessions; making inspection minutes within the scope of work. Supervising the Company's implementation of recommendations provided by inspection teams according to the scope of assigned work.
Mr. Nguyen Quoc Huy Unspecialized Member of SB (from 01 January 2021 to 27 April 2021)	<ul style="list-style-type: none"> Supervising the Company's capital use, management and preservation; participating in financial statement appraisal. Participating in the development of annual action plan.
Mr. Tran Van Binh Specialized Member of SB (from 28 April 2021 to 31 December 2021)	<ul style="list-style-type: none"> Supervising the implementation of procurement, the operation at the plant, and the building of economic and technical norms. Making SB's reports to submit to the GMS, PVN or other major Shareholders upon request in accordance with the Law on Enterprises and the Company's Charter. Participating in the inspection of Divisions/Departments/Units according to SB's plan or coordinating with Internal Audit Committee and relevant divisions; Summarizing opinions of supervisors at inspection sessions; making inspection minutes within the scope of work. Supervising the Company's implementation of recommendations provided by inspection teams according to the scope of assigned work.

Reviews: Members of SB have made efforts and proactively solved the work, proposed to handle the problems within the scope of their work and have successfully completed their assigned tasks in compliance with the regulations of the Enterprise Law, the Company's Charter, and the SB's regulations.



STRUCTURE AND OPERATION OF SB (continued)

MEETINGS OF SB

In 2021, SB held six (06) meetings to approve the following issues: Assigning tasks to each supervisor, developing and implementing SB's operational plan; approving reports submitted to GMS; appraising the Company's financial statements; assessing the Company's production and business; and evaluating SB's operation. To be specific:

Meeting attendance of members of SB

No.	Member	Position	Meeting attended	Attendance rate	Reason for not attending
1	Ms. Phan Thi Cam Huong	Head of SB	6/6	100%	
2	Mr. Do Minh Duong	Member of SB	6/6	100%	
3	Mr. Nguyen Quoc Huy	Member of SB	1/6	17%	(*)
4	Mr. Tran Van Binh	Member of SB	5/6	83%	(*)

(*) Mr. Nguyen Quoc Huy dismissed from his position of Member of SB from 27 April 2021 and Mr. Tran Van Binh was elected as Member of SB from 28 April 2021.

SB's meeting results:

No.	Date	Contents	Conclusion/Assessment	Attendance rate	Voting rate
1	26 March 2021	Assessing business performance and appraising financial statements for 2020	In 2020, the Company exceeded production and business targets approved by GMS; Financial statements give a true and fair view in all material respects of the Company's financial position and business results.	3/3	3/3
		Approving SB's report to submit to GMS 2021; proposing auditor for financial statements in 2021 and approving Regulation on SB's operation	Getting agreement and approving report contents.	3/3	3/3



2	04 May 2021	Assigning tasks to members of SB and implementing the SB's supervision in 2021	SB has agreed to assign tasks to each Member of SB and carried out the supervision in 2021 according to the plan approved by GMS.	3/3	3/3
3	18 May 2021	Appraising business situation and financial statements for the first quarter of 2021	In the first quarter of 2021, the targets of Urea consumption output, revenue and profit before tax highly increase compared to the plan; the Company's financial position was healthy. Capital was preserved and developed.	3/3	3/3
4	28 September 2021	Appraising semi-annual financial statements for 2021; assessing performance of the first 9 months of 2021 and key tasks for the last 3 months of 2021.	Production and business situation: In the first 6 months of 2021, the Company strived to sell products and operate the plants in a safe, stable manner, reducing costs and exceeding the targets on output, revenue, and especially, profit before tax which highly increased compared to the plan. The Company's financial position was healthy, ensuring capital preservation and development. For the performance in the first 9 months and the plan for the last 3 months of the year: SB got consensus on the contents as in meeting minutes for implementation.	3/3	3/3
5	01 November 2021	Appraising production and business situation and financial statements of the third quarter and for the first 9 months of 2021	The Company has exceeded the targets in production output, Urea consumption, total revenue, income, State budget payment and especially profits, which highly increased compared to the plan; The Company's financial position was healthy, ensuring capital preservation and development.	3/3	3/3
6	29 December 2021	Summarizing SB's operation in 2021 and deploying supervision plan in 2022	SB has reviewed and evaluated the implementation of plan in 2021 and got consensus on plan for 2022 as a basis for early implementing and submitting to GMS for approval.	3/3	3/3



TRANSACTIONS, REMUNERATIONS AND BENEFITS OF BOD, BOM AND SB

SALARY, BONUS, REMUNERATIONS AND BENEFITS OF BOD, BOM AND SB

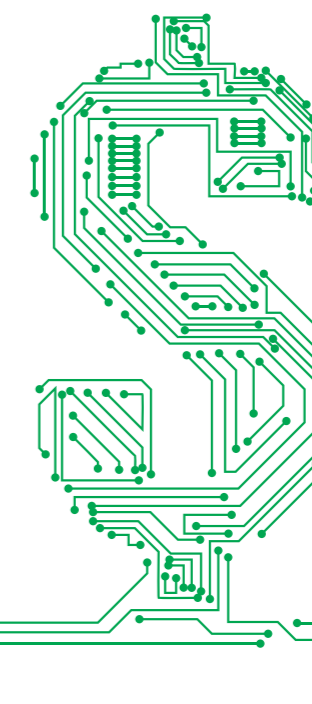
Unit: VND million

No.	Full name	Position	Salary and remuneration	Bonus	Total	Notes
I	BOD		8,080.69	1,047.80	9,128.49	
1	Mr. Tran Ngoc Nguyen	Chairman	1,619.93	257.13	1,877.06	
2	Mr. Van Tien Thanh	Member of BOD cum GD	1,619.93	257.13	1,877.06	
3	Mr. Tran My	Member	1,344.52	177.85	1,522.37	
4	Mr. Nguyen Duc Hanh	Member	1,344.52	177.85	1,522.37	
5	Mr. Le Duc Quang	Member	1,344.52	177.85	1,522.37	
6	Mr. Truong Hong	Independent member	327.27	-	327.27	From April 2021
7	Ms. Do Thi Hoa	Independent member	327.27	-	327.27	From April 2021
8	Ms. Nguyen Minh Phuong	Independent member	152.73	-	152.73	To April 2021
II	SB		3,028.27	249.21	3,277.48	
1	Ms. Phan Thi Cam Huong	Head of SB	1,277.70	135.21	1,412.91	
2	Mr. Do Minh Duong	Specialized Member of SB	1,064.60	70.41	1,135.01	
3	Mr. Tran Van Binh	Specialized Member of SB	659.24	43.60	702.84	From April 2021
4	Mr. Nguyen Quoc Huy	Unspecialized Member of SB	26.73	-	26.73	To April 2021

No.	Full name	Position	Salary and remuneration	Bonus	Total	Notes
III	BOM		6,658.49	880.75	7,539.24	
1	Mr. Tran Chi Nguyen	Deputy General Director	1,344.52	177.85	1,522.37	
2	Mr. Le Ngoc Minh Tri	Deputy General Director	1,344.52	177.85	1,522.37	
3	Mr. Nguyen Tuan Anh	Deputy General Director	1,344.52	177.85	1,522.37	
4	Ms. Nguyen Thi Hien	Deputy General Director	1,344.52	177.85	1,522.37	
5	Mr. Nguyen Thanh Tung	Deputy General Director	1,280.41	169.37	1,449.78	
IV	Chief Accountant		1,277.70	135.21	1,412.91	
1	Mr. Dinh Nhu Cuong	Chief Accountant	1,277.70	135.21	1,412.91	
Total:			19,045.15	2,312.96	21,358.11	

Note:

- Salary and remuneration include monthly salary, additional salary already paid in 2021 and expected to be paid in 2022 according to salary and remuneration source estimated to be realized in 2021.
- Bonuses and benefits include bonuses estimated to be realized in 2021 and expected to be paid in 2022.



TRANSACTIONS, REMUNERATIONS AND BENEFITS OF BOD, BOM AND SB (continued)

SALARY, REMUNERATION AND BONUS FUND IN 2022 FOR BOD AND SB

Based on

- Decree No.53/2016/NĐ-CP dated 13 June 2016 of the Government stipulating employment, salary, remuneration and bonus for companies with State-owned share and capital;
- Circular No.28/2016/TT-BLĐTBXH dated 01 September 2016 of the Ministry of Labor, War Invalids and Social Affairs giving guidance on the implementation of regulations on employment, salary, remuneration and bonus for companies with State-owned share and capital;
- Implementation situation in 2021, planned tasks and number of members of BOM in 2022

The Company builds salary, remuneration and bonus fund for 2022 and the mechanism for determining salary, remuneration and bonus fund for 2022 of BOD and SB as follows:

Salary, remuneration and bonus fund as planned of BOD and SB

Number of members of BOD and SB: 10 people, including **8 specialized people and 2 concurrent people**;

- Planned average salary of BOD and SB: **VND 90 million/person/month**.
- Remuneration for BOD and concurrent SB: **VND 18 million/person/month**.
- Salary and remuneration fund for BOD and SB: **VND 9,269.924 million**.
- Bonus fund for BOD and SB: **VND 1,063.211 million**.

Distribution of salary and bonus for BOM

The distribution of salary, remuneration and bonus fund for BOM is complied with the Regulation on salary, bonus and remuneration for BOM as issued by BOD.

Mechanism to determine salary, remuneration and bonus fund

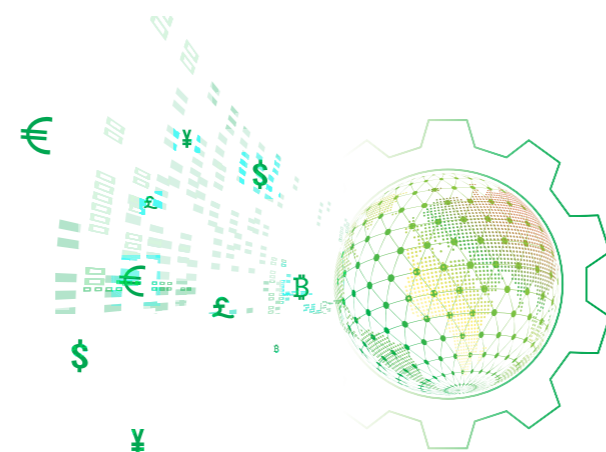
Realized salary fund

- Realized salary fund is determined based on the actual number of BOM member in charge of full-time jobs (monthly average figure) and the average realized salary.
- The average realized salary is determined based on the planned average salary associated with the performance of specific production and business targets, to be specific:
 - > In case that the production and business plan is completed and the realized profit is equal to the planned profit, the average realized salary is determined by the planned average salary.

> In case that the production and business performance and the realized profit exceed the plan, for every 1% that the realized profit exceeds the planned profit, the realized average salary is added by 02%, but not more than 20 % of the planned average salary.

Realized bonus fund

- When the realized profit is equal to or higher than the plan, the bonus fund for BOM is equal to 1.5 months of the average realized salary of specialized BOM.
- When the realized profit is lower than the planned profit, the bonus fund for BOM is equal to one monthly average realized salary of specialized BOM.



STOCK TRANSACTIONS OF INSIDERS AND RELATED PEOPLE FOR THE COMPANY'S SHARES

No.	Subjects for transaction	Relations with internal shareholders/ Major shareholders	Number of shares owned in the beginning of the period		Number of shares owned in the end of the period		Reasons for increase/ decrease (purchasing, selling, transferring, bonus, etc.)
			Number of shares owned	Rate	Number of shares owned	Rate	
1	PetroVietnam Financial Investment Fund Management Joint Stock Company	Major shareholder	45,103,690	8.520%	26,309,500	4.970%	Sell
2	Dinh Nhu Cuong	Internal shareholder - Chief Accountant	56,700	0.011%	52,900	0.010%	Sell
3	Do Thanh Hung	Person in charge of corporate governance	-	0.000%	1,500	0.000%	Buy

CONTRACTS OR TRANSACTIONS WITH INSIDERS

In 2021, the Company has no transactions:

- Between the Company and its subsidiaries and other companies of which the Company holds more than fifty percent (50%) of charter capital with members of BOD, GD and their related people;
- Between the Company and others companies of which a member of BOD is a founder or a director during the latest 3 years before the transaction time at PVCFC.

Contracts with relevant organizations and individuals:

- Contract to purchase packaging of a subsidiary - PetroVietnam Packaging Joint Stock Company with a total contract value estimated at VND 194.2 billion (contract validity from 20 July 2021 to 19 July 2022).
- Appendix to the contract to buy gas materials with PVN - Parent company holding 75.56% of share.
- Contract to transfer trademark right use with PVN - Parent company holding 75.56% of share.

ASSESSMENT ON IMPLEMENTATION OF REGULATIONS ON CORPORATE GOVERNANCE

In 2021, the Company fully complied with the governance principles in accordance with the laws on governance of listed companies.



RISK MANAGEMENT REPORT



WITH THE DESIRE TO BE A PIONEER IN LEADING THE MARKET AS CA MAU FERTILIZER, THE COMPANY HAS TO MAKE ALL EFFORTS TO OVERCOME CHALLENGES ON THE DEVELOPMENT JOURNEY. TO BE PROACTIVE IN MANAGING BUSINESS AND PRODUCTION, DIFFERENT RISK MANAGEMENT SCENARIOS SHOULD SET OUT TO EFFECTIVELY CONTROL. THEREFORE, WE ALWAYS PAY HIGH ATTENTION TO RISK MANAGEMENT IN THE ENTIRE SYSTEM. IN 2021, THE SYNCHRONOUS IMPLEMENTATION OF RISK CONTROL SHOWED THE EFFECTIVENESS WHEN SUCCESSFULLY REDUCING RISKS IN SPITE OF DISADVANTAGES IN THE MARKET.



Plant operators and the Company's leaders at quarantined rooms/workshops



Covid-19 prevention at the main gate of Ca Mau Fertilizer Plant



At workshops and Ca Mau Fertilizer Plant, Covid-19 prevention measures have been implemented more strictly than ever

ACHIEVEMENTS

At PVCFC, operation is always not separated from inspection and supervision which are conducted quarterly to actively review and assess potential risks and timely give out exact solutions. The Company has concretized risk control by issuing and applying KRI which is a basis for monitoring and giving warnings the possible risk in an exact and effective manner. Engagement will create deep understanding. PVCFC has promoted the advantage of IT to successfully research and develop its own risk management software which was initially put into use in the first quarter of 2020. This has shown the grown and strength of the Company's corporate governance.

MAJOR RISK IDENTITY

1 Production risks

As you known, the year 2021 faced many difficulties in shortage of gas supply; therefore, it is essential to closely handle the situation, analyze opportunities and forecast the potential risk continuously. On one hand, we pushed negotiation with strategic partners and suggested appropriate mechanism in the coming time to ensure raw material supply for production. On the other hand, we strived to maintain gas stability based on professional technique. Promoting technical initiative and creation, our high-skilled engineer team has optimized operation process to improve capacity and enhance productivity, saving operating costs and losses. Thanks to that, high-quality products have been produced regularly, meeting the market demand.

2 Risks from suppliers (distribution channel system)

The distributors sell not only PVCFC's products but also products from many other companies, imported products and even building their own brands. As a result, the competition in the market is fiercer and fiercer.

3 Risks from substitute products

At present, because supply exceeding demand and convenient trading, granular Urea and other products for Mekong Delta no longer get advantages. There are a lot of similar imported products with good quality and competitive price. Therefore, it is difficult for the Company to maintain its market position.

4 Risks from competitors

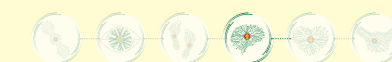
Most of fertilizers provided by different suppliers have equal quality. The sales efficiency is mainly based on the brand's reputation and the marketing strategy. At present, the marketing programs are also the same among the companies; therefore, creating difference and unique to attract customers is very difficult when the competitors are easy to copy your marketing ideas.

SUMMARY AND ORIENTATION

Risk management has become an essential part of PVCFC's operation. Promoting the available achievements, we will continue to build risk management system according to COSO-ERM in a comprehensive and consistent manner in line with risk culture and strategy which helps our leaders to focus on building policies, determining central point and operation mechanism, improving risk measurements and fostering risk management responsibility. In addition, we accelerate solutions to identify potential risks, change portfolio and are ready to response risk circumstances in entire system.

In 2022, PVCFC will continue to complete risk management system with major duties as follows:

- Supplementing and completing KRIs in conformity with the risks to be faced in the coming time.
- Putting risk management software built by PVCFC into official use.
- Reviewing and updating risk management document system for the next period in the direction of applying information technology to system management on risk management software.
- Continuously reviewing, identifying, evaluating and managing risk portfolio and taking timely response actions.



INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT AT PVCFC

INTERNAL CONTROL SYSTEM OF PVCFC

Introduction

For each enterprise, Internal control plays a critical role in the operations of the entire enterprise value chain by ensuring the efficiency of production and business activities as well as the best completion of set objectives through the measures, plans, rules, policies, processes, and efforts of all members of an organization. The Covid-19 pandemic has had a significant impact on the global economy, affecting both the short-term and long-term business activities of many businesses, including PVCFC. Despite facing many difficulties and challenges due to the significant impacts of the pandemic, 2021 was over, and great efforts from the Board of Directors, Board of Management, and employees, along with the internal control system, which had been established and developed quite early, had helped the company achieve very satisfactory production and business results, thanks to maintaining the operational safety, production stability, and efficiency in the production business while mitigating risks affecting the company's production and business performance.





Internal control activities, together with corporate governance and risk management, are three closely related and mutually interdependent activities that provide reasonable assurance of the Company's objectives being met, particularly in the context of global upheaval. At PVCFC, the Company has always focused on pioneering in the application of advanced international practices for these activities so far, including: Internal Control Systems subject to the COSO IC framework, corporate risk management systems in accordance with the COSO-ERM framework, and management systems complied with the ISO standards.

Objectives

Internal control is a set of control activities and procedures that are designed and implemented to help reduce the possibility of significant undesirable events to an acceptable level. The PVCFC's Internal Control System was established and put into operation early on, and its efficiencies have been promoted and gradually improved. The Internal Control System of the Company aims at four major groups of objectives:

PVCFC was complying with Covid-19 pandemic prevention regulations at the Ca Mau Fertilizer Plant's canteen.

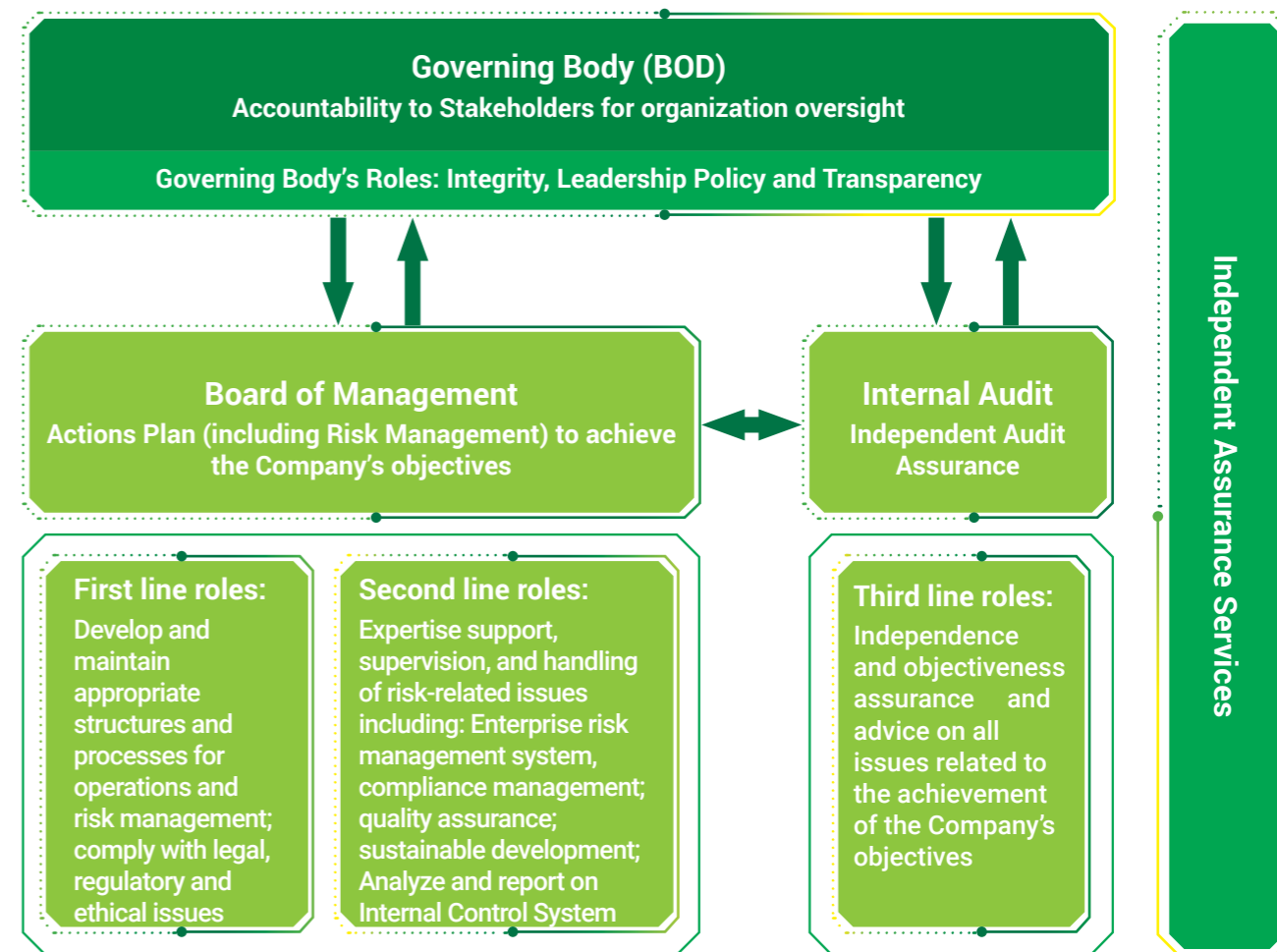





-  In keeping with the company's strategy, develop strategies and set height goals. The purpose of the Internal Control System is to assist PVCFC in improving its reputation, increasing its market share, and carrying out the Company's business plans;
-  The Internal Control System will assist in ensuring the honesty and trustworthiness of financial information in the financial information system. The Leadership shall be in charge of preparing and presenting financial statements in compliance with current accounting standards and rules;
-  Internal control operations will assist PVCFC in making effective use of its resources during the production and business operations processes;
-  Adherence to all applicable laws and regulations. Internal controls will aid in the reasonable certainty of legal and regulatory compliance. Furthermore, internal control will ensure that all Company members follow the Company's internal norms and regulations, guaranteeing that the established objectives are met.

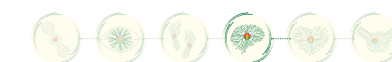


RISKS THAT ARE ALWAYS PRESENT DURING THE OPERATIONAL PROCESS MAY HAVE AN IMPACT ON THE ACHIEVEMENT OF THE ENTERPRISE'S GOALS. PVCFC UNDERSTANDS THAT AN EFFECTIVE INTERNAL CONTROL SYSTEM MUST ENSURE THAT POTENTIAL RISKS ARE AVOIDED AND MITIGATED. PVCFC'S INTERNAL CONTROL SYSTEM WAS DEVELOPED, PERFECTED, AND STANDARDIZED IN ACCORDANCE WITH THE CURRENT ADVANCED MODEL, IT IS THE THREE-LINE OF DEFENSE MODEL (ISSUED IN JULY 2020 BY THE THE INSTITUTE OF INTERNAL AUDITORS - IIA) ON THE BASIS OF CONFORMITY WITH THE COMPANY'S CHARACTERISTICS, IN ORDER TO ENSURE STABILITY IN THE CURRENT CONDITIONS AND SUSTAINABLE DEVELOPMENT IN THE FUTURE.

Three Line of Defense Model
(According to the Institute of Internal Auditors - IIA)



- Key:**
-  Accountability, reporting
 -  Assign tasks, guide, provide with resources, monitor
 -  Arrange, coordinate communication, cooperation



INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT AT PVCFC (continued)

INTERNAL CONTROL SYSTEM OF PVCFC (continued)

Implemented activities

One of the goals of the Internal Control System is to ensure that all Company members follow the Company's internal policies and regulations. Accordingly, development, standardization and improvement of systems of regulations, processes and rules of the Company on a regular and annual basis are necessary in the context of many changes that constantly impact upon the production and business operating. PVCFC implemented a review of the entire process, re-standardization of the process framework to provide an overview to the entire Company on core activities to operate the value chain effectively, as well as connecting activities of each function in a comprehensive manner, and at the same time, establishing a foundation to help the Company determine a number of processes and regulations to optimize operations and avoid waste of resources and time in 2021.

The Company actively established the "Code of Ethics and Conduct in Business" in 2021 as a pioneer organization in adopting good practices in risk management, internal control, and corporate governance. This Code reflects the core values, principles of conduct/ethics and conflict of interests management, etc., which are applied throughout all levels and positions in the Company. This Code of Conduct is not a mandatory legislation, but it is a comprehensive set of documents outlining the rules, principles, and regulations set forth by the Leadership for the employees, with the goal of providing guidance for the Company's decisions, processes and systems, which play a fundamental role in influencing the success of the Company's operations.

PVCFC defines the Internal Control System and enterprise risk management as a two-way relationship with mutual interaction and support, as shown in the followings: the Internal Control System is developed on a basis of identification and analysis of risks that may occur during the operating process of the enterprise; and the Internal Control System itself is prepared and operated to prevent and mitigate risks that may occur, affecting the implementation of the Company's objectives. In fact, the risk management has been implemented since 2018 by PVCFC, starting with the promulgation of regulations, processes, Declaration on risk appetite, risk tolerance and risk measurement as the grounds for these activities. Then, from 2018 up to now, development of risk profiles of the corporate and unit levels for the Company's key activities continued to be issued, applied and regularly updated to meet the Company's management requirements from year to year. In 2020, PVCFC also developed and put into official use the risk management software. This is also an initiative aiming at digitalization application to the system management, contributing to the improvement of effectiveness of risk management in PVCFC.

A sustainable development is a positive orientation that any enterprise at any scale wishes to apply for it. PVCFC always aims to be an enterprise operating in the production and trading of fertilizers and nutritional solutions for plants that always are interested in and environmental and social factors are complied with, helping the Company to improve its reputation of the brand, increasing trust with the partners and social community as well. The business plans and operating deployed by PVCFC are based on the requirement of balancing the three factors of economic development, society and environment, in order to bring not only economic efficiency but also ensure control of risks of society and environmental health and safety as well. The Company always focuses on review of the current status, assessment of risks, prevention of incidents related to safety, quality and environment. The Company's application of international standards of ISO 9001, ISO 14001, ISO 45001, ISO/IEC 17020, ISO/IEC 17025 also ensures that the above objectives are met.

With the expansion of economy nowadays, a digital transformation is an inevitable trend in the trading field. The Covid-19 pandemic makes this trend even more widespread and stronger, thanks to the significant advantages brought by the digital transformation. PVCFC has given early its vision and strategy on promoting and enhancing the achievements applications of the industry 4.0 technologies in the Company's operating to standardize the processes, synchronize data, and solid connection of expertise among the internal units via the Big Data system. Particularly, since 2015, PVCFC has started the deployment of the ERP system. By the beginning 2016, the Company officially operated the system, which is considered the early start of the PVCFC's digital technology application. At present, PetroVietnam Ca Mau Fertilizer JSC has owned a very diverse digital ecosystem, which may be mentioned such as: ERP system, electronic office system (Eoffice), digitization system for production management (DCS), APC, etc.) and maintenance and repair (SAP-PM, System #1, etc.), business operation digitization system, customer service (DMS), Human Resource management system (HRM), system digitalization of Customer Relationship Management (CRM), "2 Nông" App, etc. These digital transformation achievements allow PVCFC to handle the professional expertise, decision making and general administration in the fastest and most accurate manner, contributing to reduction of procedure time, resulting high processing efficiency, and gradually improves work quality. At the same time, PVCFC's application of the new management system also makes many other internal tasks more convenient. Application of digital signatures to all employees, flexible digitized processes, and other application systems such as: human resource management, risk management, office administration, webinars, connection of enterprise and employees etc. are deployed in profession and systematization, optimization of the goals set by the Company for each item.

For application of the corporate governance good practice model, PVCFC established two committees in 2021, namely Audit and Risk Management Committee; and Governance, Human Resources and Compensation Committee, as helping to strengthen the supervisory function for the Company's activities.

PVCFC has also adopted a roadmap for the application of financial statements in line with the IFRS standard, in order to ensure the integrity and reasonableness of financial information, which has become increasingly transparent and improved the trustworthiness of financial data.



INTERNAL CONTROL SYSTEM AND INTERNAL AUDIT AT PVCFC (continued)

INTERNAL CONTROL SYSTEM OF PVCFC (continued)

Plan for 2022

The efforts of the Leadership and employees for the past years, have contributed to the development of PVCFC's Internal Control System, increasingly promoted the operational efficiency, especially in the context of the Covid-19 pandemic, helping the Company to achieve the production and business results exceeded the set plan. On such grounds, PVCFC has remained a pioneer in application of advanced practices in governance and Internal Control System as well to progress with the effectiveness and efficiency of the System becoming higher with every passing day.

In 2022, PVCFC shall continue to complete the policy framework. In fact, the policy framework is closely interrelated with the process framework and provides with the general contents to support the detailed drafting of processes, regulations, and policies, as well as assisting in the establishment of corporate orientations and frameworks, serving as a risk mitigation control mechanism, and providing grounds for the Company's inspection and control activities.

Continue to follow the roadmap for implementing the good practices in the corporate governance under the direction of sustainable development, in 2022 PVCFC begins to develop the policies and reports related to mistakes and conflict of interests on a basis of conformity with the characteristics of corporate culture, infrastructure and feasibility assurance during the operation of the Company. These policies will contribute into the promotion and enhancement of ownership sense of PVCFC's officials and staffs and initiative and confidence in giving feedback and disclosing information.



INTERNAL AUDIT AT PVCFC



INTERNAL AUDIT AT PVCFC IS ESTABLISHED TO IMPLEMENT ASSURANCE ACTIVITIES AND INDEPENDENT CONSULTING TO ADD VALUE AND IMPROVE THE COMPANY'S PERFORMANCE, HELPING THE COMPANY ACHIEVE THE TARGETS BY APPLYING PRINCIPLED AND SYSTEMATIC APPROACHES TO ASSESS AND IMPROVE THE EFFICIENCY OF RISK MANAGEMENT, SUPERVISION AND GOVERNANCE PROCESSES.

Implementing Decree No.05/NĐ-CP dated 22 January 2019 of the Government on internal audit at listed companies, PVCFC established its internal audit function by establishing Internal Audit Committee under BOD in November 2020.

Through inspection, evaluation and consulting activities, the internal audit function at PVCFC will provide independent and objective assurances and recommendations on:

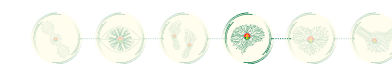


In 2021, PVCFC completed policy framework for internal audit in accordance with the Company's operational characteristics, including regulations, processes, forms, and tools for internal audit.

Internal Audit Committee has audited the functional units according to the audit plan approved by BOD. Audit results were reported to BOD and BOM, including assessments and conclusions about the audited processes; thereby giving opinions on weaknesses, shortcomings, errors, and violations; recommending solutions for correct actions and g violation treatment; proposing measures to rationalize, improve and perfect processes, policies, internal control system, and risk management system of the Company.

With "risk-oriented" audit method, giving priority to audit the high-risk units and the processes, PVCFC's Internal Audit Committee has assessed risks on the basis of strategy, business objectives, comprehensive activities, regulations, processes, and affiliated units of the Company to develop medium-term audit plan (2022 - 2024).

The medium-term audit plan has been reviewed and commented by Audit and Risk Management Committee, SB and BOM before submitting to BOD for approval, which is a basis for actual implementation in 2022 and in the coming years.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD

Convention:



 **Blue:** Good - the Company entirely follows practices













 **Yellow:** Fail - the Company fails to follows practices

 **Green:** Incomplete - the Company partially follows practices

 **Red:** N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

PVCFC assesses its corporate governance based on the ASEAN Corporate Governance Scorecard. Accordingly, PVCFC entirely follows 173 out of 184 practices, accounting for 94%; incomplete and fail to follow for 7 practices, and N/A for 4 practices. PVCFC will consider improving in the coming years. Specifically, the practices to be assessed are as follows:

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
A.	RIGHTS OF SHAREHOLDERS		
A.1	Basic shareholders rights		
A.1.1	Does the Company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at the Annual General Meeting of Shareholders for final dividends? In case the Company has offered Scrip dividend, did the Company pay the dividend within 60 days?		The Company pays dividends according to regulations (within 03 months from the Annual General Meeting of Shareholders, as stipulated in the Company's Charter).
A.2	Right to participate in decisions concerning fundamental corporate changes		
	Do shareholders have the right to participate in:		
	Amendments to the Company's Charter?		
A.2.1 - A.2.3	The authorization of additional shares? The transfer of all or substantially all assets, which in effect results in the sale of the Company?		Refer to Article 14 of the Company's Charter.

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
A.3	Right to participate effectively in and vote in the Annual General Meeting of Shareholders and should be informed of the rules, including voting procedures, that govern the General Meetings of Shareholders:		
A.3.1	Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration or any increases in remuneration for the non-executive member of BOD?		The General Meetings of Shareholders approves the remuneration for the Board of Directors as shown in the document of the 2021 General Meeting of Shareholders.
A.3.2	Does the Company provide non-controlling shareholders a right to nominate candidates for the Board of Directors?		Refer to Article 24 of the Company's Charter.
A.3.3	Does the Company allow shareholders to elect member of BOD individually?		Refer to Article 20 of the Company's Charter.
A.3.4	Does the Company disclose the voting procedures before the start of meeting?		Voting procedures are published in documents for the Annual General Meeting of Shareholders as prescribed
A.3.5	Do the minutes of the most recent Annual General Meeting of Shareholders record that the shareholders were given the opportunity to ask questions or give some comments?		
A.3.6	Does the Company disclose the voting results including approving, dissenting, and abstaining votes for each agenda item for the most recent General Meeting of Shareholders?		Refer to the minutes of the Annual General Meeting of Shareholders.
A.3.7	Does the Company disclose the list of members of BOD who attended the most recent Annual General Meeting of Shareholders?		
A.3.8	Does the Company disclose that all members of BOD and the General Director attended the most recent Annual General Meeting of Shareholders?		
A.3.9	Does the Company allow voting in absentia?		Comply with the Company's Charter and Regulations.
A.3.10	Did the Company vote by poll (as opposed to by show of hands) for all resolutions at the most recent Annual General Meeting of Shareholders?		Vote on issues at the Annual General Meeting of Shareholders according to each item according to the number of shares owned.
A.3.11	Does the Company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the Annual General Meeting of Shareholders?		At the Annual General Meeting of Shareholders, one shareholder is always invited to participate in supervising the counting of votes.
A.3.12	Does the Company make publicly available by the next working day the result of the votes taken during the most recent Annual General Meeting of Shareholders for all resolutions?		Minutes and resolutions of the General Meeting of Shareholders are published within 24 hours on PVCFC's website.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
A.3.13	Does the Company provide at least 21-day notice for all Annual/ Extraordinary General Meeting of Shareholders?		At the 2022 Annual General Meeting of Shareholders, the Company publishes documents for the General Meeting of Shareholders on the Company's website 21 days in advance. This is also stipulated in the Company's Charter.
A.3.14	Does the Company provide the rationale and explanation for each agenda item which require shareholders' approval in the notice of the Annual General Meeting of Shareholders, General Meeting of Shareholders documents, circulars and/or the accompanying statement?		Documents of the General Meeting of Shareholders provided sufficient information and basis on the issues submitted to the General Meeting of Shareholders for approval.
A.3.15	Does the Company give the opportunity for shareholder to place item(s) on the agenda of the Annual General Meeting of Shareholders?		Before the Annual General Meeting of Shareholders, shareholders can submit proposals on issues to be included in the agenda of the Annual General Meeting of Shareholders (must be in writing and must be sent at least three (3) working days before the opening date of the Annual General Meeting of Shareholders). At the Annual General Meeting of Shareholders, the Company always spent more than 30 minutes for shareholders to ask questions to the Board of Directors about the issues on the agenda of the Annual General Meeting of Shareholders, including questions related to external audit. Discussion questions are recorded in the minutes of the General Meeting of Shareholders.
A.4	Markets for corporate control should be allowed to function in an efficient and transparent manner.		
A.4.1	In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the Company's BOD appoint an independent party to evaluate the fairness of the transaction price?		In 2021, these cases didn't happen in PVCFC.
A.5	The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.		
A.5.1	Does the Company disclose its practices to encourage shareholders to engage with the Company beyond the General Meeting of Shareholders?		PVCFC organizes shareholder and investor meetings to update business performance. Investor relations department is welcome to answer questions as well as get feedback from shareholders and investors.
B.	EQUITABLE TREATMENT OF SHAREHOLDERS		
B.1	Shares and voting rights		
B.1.1	Does the Company's ordinary or common shares have one vote for one share?		The voting rules at the Annual General Meeting of Shareholders clearly shows this content.
B.1.2	Where the Company has more than one class of shares, does the Company publicize the voting rights attached to each class of shares?		PVCFC has only one type of stock - common stock.








Blue: Good - the Company entirely follows practices
 Yellow: Fail - the Company fails to follow practices









Green: Incomplete - the Company partially follows practices
 Red: N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
B.2	Notice of the Annual General Meeting of Shareholders		
B.2.1	Does each resolution in the most recent Annual General Meeting of Shareholders deal with only one item, i.e., there is no bundling of several items into the same resolution?		The Resolution of the Annual General Meeting of Shareholders has well implemented this principle.
B.2.2	Are the Company's notice of the most recent General Meeting of Shareholders/circulars fully translated into English and published on the same date as the local-language version?		Documents of the General Meeting of Shareholders have not been translated into English
B.2.3	Are the profiles of members of BOD in seeking election/re-election included?		Announced in the documents of the General Meeting of Shareholders.
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		PVCFC has announced information such as name, age, training level, expertise, working history and positions held at other companies, etc.
B.2.5	Were the proxy documents made easily available?		Uploaded on PVCFC's website.
B.3	Insider trading and abusive self-dealing should be prohibited.		
B.3.1	Does the Company have policies and/or rules prohibiting members of BOD and employees to benefit from knowledge which is not generally available to the market?		Refer to Article 65, Internal Corporate Governance.
B.3.2	Are members of BOD required to report their dealings in the Company's shares within 3 working days?		PVCFC has been implementing this principle well in accordance with the Company's Regulations and Charter
B.4	Related party transactions by BOD and key executives.		
B.4.1	Does the Company have a policy requiring members of BOD to disclose their interest in transactions and any other conflicts of interest?		Refer to Clause 4, Article 24 of the Internal Corporate Governance.
B.4.2	Does the Company have a policy requiring a subcommittee of independent members of BOD to review material related party transactions to determine whether they are in the best interests of the Company and shareholders?		Refer to Clause 2, Article 39 and Clause 4, Article 42 in the Company's Charter. Currently, this work is performed by the Audit and Risk Management Committee - under the Board of Directors.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
B.4.3	Does the Company have a policy requiring members of BOD to abstain from participating in the BOD's discussion on a particular agenda when they are conflicted?		Members of BOD may attend the meeting but are not allowed to vote on the contents when there are activities and transactions in which that member has a conflict of interest.
B.4.4	Does the Company have policies on loans to members of BOD either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		The Company hasn't had any regulations for this.
B.5	Protecting minority shareholders from abusive actions		
B.5.1	Does the Company disclose that related party transactions are conducted in such a way to ensure that they are fair and at arm's length?		Presented in the Annual Report and the Corporate Governance Report.
B.5.2	In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders.		
C	ROLE OF STAKEHOLDERS		
C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected. Does the Company disclose a policy and practices that address:		
C.1.1	The existence and scope of the Company's efforts to address customers' welfare?		Presented in the Annual Report.
C.1.2	Supplier/contractor selection procedures?		
C.1.3	The Company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
C.1.4	The Company's efforts to interact with the communities in which they operate?		Presented in the Annual Report
C.1.5	The Company's anti-corruption programs and procedures?		Presented in the Annual Report.
C.1.6	How creditors' rights are safeguarded?		PVCFE will consider adding policies to protect the interests of creditors.
C.1.7	Does the Company have a separate report/section that discusses its efforts on environment/economy and social issues?		Presented in the Annual Report.
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.		
C.2.1	Does the Company provide contact details via the Company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public, etc.) can use to voice their concerns and/or complaints for possible violation of their rights?		PVCFE has published contact information on the Company's website, Annual Report.
C.3	Mechanisms for employee participation should be permitted to develop.		
C.3.1	Does the Company explicitly disclose the policies and practices on health, safety and welfare for its employees?		Fully covered in the Annual Report.
C.3.2	Does the Company explicitly disclose the policies and practices on training and development programs for its employees?		
C.3.3	Does the Company have a reward/compensation policy that accounts for the performance of the Company beyond short-term financial measures?		



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the BOD and their rights should not be compromised for doing this.		
C.4.1	Does the Company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behavior and provide contact details via the Company's website or Annual Report?		Defined in the Cultural Identity, the regulation on implementing democracy, the regulation on dialogue and the regulation on receiving citizens at the Company. In addition, PVCFC also applies the workplace channel to deploy more centralized information receiving channels for employees in the Company.
C.4.2	Does the Company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behavior from retaliation?		
D.	DISCLOSURE AND TRANSPARENCY		
D.1	Transparent ownership structure		
D.1.1	Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more?		
D.1.2	Does the Company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders?		Specifically presented in the Annual Report and the annual corporate governance report.
D.1.3	Does the Company disclose the direct and indirect (deemed) shareholdings of members of BOD?		
D.1.4	Does the Company disclose the direct and indirect (deemed) shareholdings of the Board of Management?		
D.1.5	Does the Company disclose details of the parent/holding Company, subsidiaries, associates, joint ventures and special purpose enterprises/vehicles (SPEs)/(SPVs)?		Refer to the Financial Statements and Annual Report

Blue: Good - the Company entirely follows practices

Green: Incomplete - the Company partially follows practices

Yellow: Fail - the Company fails to follow practices

Red: N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
D.2	Quality of Annual Report		
D.2.1 -D.2.7	<ul style="list-style-type: none"> Corporate objectives Financial performance indicators Non-financial performance indicators Dividend policy Biographical details of all members of BOD Attendance details of members of BOD in all BOD's meetings held during the year Total remuneration of each member of BOD 		Refer to Financial Statements and Annual Report
D.2.8	Does the Annual Report contain a statement confirming the Company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue?		Refer to the Annual Report.
D.3	Disclosure of related party transactions		
D.3.1	Does the Company disclose its policy covering the review and approval of material related party transactions?		Refer to Annual Report, Financial Statements, Corporate Governance Report
D.3.2	Does the Company disclose the name, relationship, nature and value for each material related party transaction?		
D.4	Members of BOD's dealings in the Company's shares		
D.4.1	Does the Company disclose trading in the Company's shares by insiders?		Before the stock trading date, insiders disclose information 3 (three) trading days in advance, and the transactions are reported in the Corporate Governance Report and Annual Report.
D.5	External auditor and Auditor Report		
D.5.1	Are the audit and non-audit fees disclosed?		The Company has disclosed information about signing a contract with the audit firm but has not announced the audit fees.
D.5.2	Does the non-audit fee exceed the audit fees?		The Company has used specialized units to advise on building internal control systems (PwC), consulting on tax services (Deloitte), etc. When using, PVCFC always carefully considers factors to avoid potential conflicts of interest.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
D.6	Medium of communications		
	Does the Company use the following modes of communication?		
D.6.1	Quarterly reporting		The Company publishes on the website and the mass media according to the time limit for disclosure
D.6.2	Company website		The Company has a website in Vietnamese and English to ensure that the information is transmitted appropriately.
D.6.3	Analyst's briefing		Every year, the Company holds a meeting of shareholders and investors to update the Company's business performance.
D.6.4	Media briefings/press conferences		The Company regularly publishes articles to update the business situation and promote its image on the media.
D.7	Timely filing/release of Annual Reports/Financial Statements		
D.7.1	Are the audited annual Financial Statements released within 120 days from the fiscal year end?		The Company complies with the regulations.
D.7.2	Is the Annual Report released within 120 days from the fiscal year end?		The Company complies with the regulations.
D.7.3	Is the true and fairness of the annual Financial Statements affirmed by the members of BOD or the relevant management of the Company?		Audited Financial Statements include a Report of the Board of Directors showing this content.
D.8	Company website		
	Does the Company have a website disclosing up-to-date information on the following:		
D.8.1 - D.8.6	<ul style="list-style-type: none"> Financial Statements (latest quarterly) Materials provided in briefings to analysts and media Downloadable Annual Report Notice and documents of the Annual General Meeting of Shareholders and/or Extraordinary General Meeting of Shareholders Minutes of Annual General Meeting of Shareholders and/or Extraordinary General Meeting of Shareholders Downloadable Company's Charter 		Refer to the Company's website by following the link: https://www.pvcfc.com.vn Shareholder relations section

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
D.9	Investor relations		
D.9.1	Does the Company disclose the contact details (e.g. telephone, fax, and email) of the officer/department responsible for investor relations?		The Company's website has a contact and Q&A section and hotline numbers for individuals/units to contact conveniently.
E.	RESPONSIBILITIES OF BOD		
E.1	Member of BOD's duties and responsibilities		
	Clearly defined BOD's responsibilities and Corporate Governance		
E.1.1	Does the Company disclose its Corporate Governance and BOD's charter?		The Company's website publishes the Internal Corporate Governance
E.1.2	Are the types of decisions requiring members of BOD's approval disclosed?		Resolutions/Decisions of the Board of Directors are disclosed in accordance with Circular No. 96/2020/TTBTC and presented in the Corporate Governance Report and Annual Report.
E.1.3	Are the roles and responsibilities of members of BOD clearly stated?		The Company's Charter and Internal Corporate Governance clearly show the roles and responsibilities of the Board of Directors.
	Corporate Vision/Mission		
E.1.4	Does the Company have an updated vision and mission statement?		Refer to the Company's website, Annual Report, Sustainable Development Report.
E.1.5	Does the member of BOD play a leading role in the process of developing and reviewing the Company's strategy at least annually?		Annually, the Board of Directors reviews and develops the Company's strategy, which is presented in the Annual Report and documents of the General Meeting of Shareholders.
E.1.6	Does the member of BOD have a process to review, monitor and oversee the implementation of the corporate strategy?		The Board of Directors reviews and reports on the implementation of the strategy on a quarterly basis and recommends adjustments suitable to the Company's situation.
E.2	BOD's structure		
	Code of Ethics or Conduct		
E.2.1	Are the details of the Code of Ethics or Conduct disclosed?		The Company's website shows detail and explains the four core values of the Company; codes of ethics and conduct with stakeholders and the Company has a handbook named "Cultural Identity of Ca Mau Fertilizer" and will consider posting it on the Company's website.
E.2.2	Are all members of BOD, senior management and employees required to comply with the code?		All members of BOD, BOM, senior management and employees were informed the compliance with the code.
E.2.3	Does the Company have a process to implement and monitor compliance with the Code of Ethics or Conduct?		This content is presented in the Annual Report.
	BOD's structure and composition		
E.2.4	Do independent member of BOD make up at least 50% of the Board of Directors?		The Company applies a governance model with a Supervisory Board. In which, the Company has 2/7 members of the Board of Directors who are independent members in accordance with regulations.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
E.2.5	Does the Company have a term limit of nine years or less or 2 terms of five years each for its independent members of BOD?		The Company's Charter specifically stipulates that the term of a member of BOD must not exceed 5 years. Also, the criteria and conditions for being an independent member of BOD is "not a person who has served as a member of BOD or Supervisory Board of PVCFC for at least five (5) consecutive years and not more than 2 terms".
E.2.6	Has the Company set a limit of five for a member of BOD that an individual independent/non-executive member of BOD may hold simultaneously?		The Company's Charter stipulates that "A member of BOD may concurrently be the same position at another Company, but cannot be a member of BOD of more than five (5) other companies."
E.2.7	Does the Company have any executive member of BOD who serve on more than two Boards of Directors of listed companies outside of the group?		All members of the Board of Directors do not hold managerial and executive positions in other companies.
E.2.8	Does the Company have a Human Resource Subcommittee?		Although following the model of a company with a Supervisory Board (Model 1), the Company has established an Audit and Risk Management Committee and a Governance, Human Resources and Compensation Committee in accordance with the best practice.
E.2.9	Is the Human Resource Subcommittee comprised of a majority of independent members of BOD?		1 out of 3 members are independent members of BOD.
E.2.10	Is the chairman of the Human Resource Subcommittee an independent member of BOD?		The Governance, Human Resources and Compensation Committee is chaired by Mr. Truong Hong - an independent member of BOD.
E.2.11	Does the Company disclose the terms of reference/governance structure/charter of the Human Resource Subcommittee?		Regulations are uploaded on the Company's website.
E.2.12	Is the meeting attendance of the Human Resource Subcommittee disclosed and if so, did the Human Resource Subcommittee meet at least twice during the year?		The Committee meets on quarterly basis and reports to the Board of Directors.
Remuneration/Compensation and Benefit Subcommittee			
E.2.13	Does the Company have a Remuneration Subcommittee?		The Company has Governance, Human Resources and Compensation Committee.
E.2.14	Is the Remuneration Subcommittee comprised of a majority of independent members of BOD?		1 out of 3 members is an independent member of BOD.

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
E.2.15	Is the chairman of the Remuneration Subcommittee an independent member of BOD?		Similar to item E.2.10.
E.2.16	Does the Company disclose the terms of reference/governance structure/charter of the Remuneration Subcommittee?		Similar to item E.2.11.
E.2.17	Is the meeting attendance of the Remuneration Subcommittee disclosed and, if so, did the Remuneration Subcommittee meet at least twice during the year?		Similar to item E.2.12.
Audit Subcommittee			
E.2.18	Does the Company have an Audit Subcommittee?		Although following the model of a company with a Supervisory Board (Model 1), the Company has established an Audit and Risk Management Committee and Governance, Human Resources and Compensation Committee in accordance with the best practice.
E.2.19	Is the Audit Subcommittee comprised entirely of non-executive members of BOD with a majority of independent members of BOD?		All members are non-executive, 1 out of 3 members is an independent member of BOD.
E.2.20	Is the Chairman of the Audit Subcommittee an independent member of BOD?		The Audit and Risk Management Committee is chaired by Ms. Do Thi Hoa - an independent member of the Board of Directors.
E.2.21	Does the Company disclose the terms of reference/governance structure/charter of the Audit Subcommittee?		The Charter, Internal Corporate Governance and operation regulations of the Audit and Risk Management Committee stipulate this content. The Company uploaded on the website.
E.2.22	Does at least one of the independent members of the Subcommittee have accounting expertise (accounting qualification or experience)?		The Chairman of the Audit and Risk Management Committee is a person with experience and expertise in finance.
E.2.23	Is the meeting attendance of the Audit Subcommittee disclosed and, if so, did the Audit Subcommittee meet at least four times during the year?		The Audit Division meets on quarterly basis and reports to the Board of Directors
E.2.24	Does the Audit Subcommittee have primary responsibility for recommendation on the appointment, and removal of the external auditor?		The Audit Division meets on quarterly basis and reports to the Board of Directors
E.3 BOD's processes			
BOD's meetings and attendance			
E.3.1	Are the Board of Directors' meeting scheduled before the start of fiscal year?		The Board of Directors prepares and promulgates the plan of meetings at the beginning of the year then submits for approval.



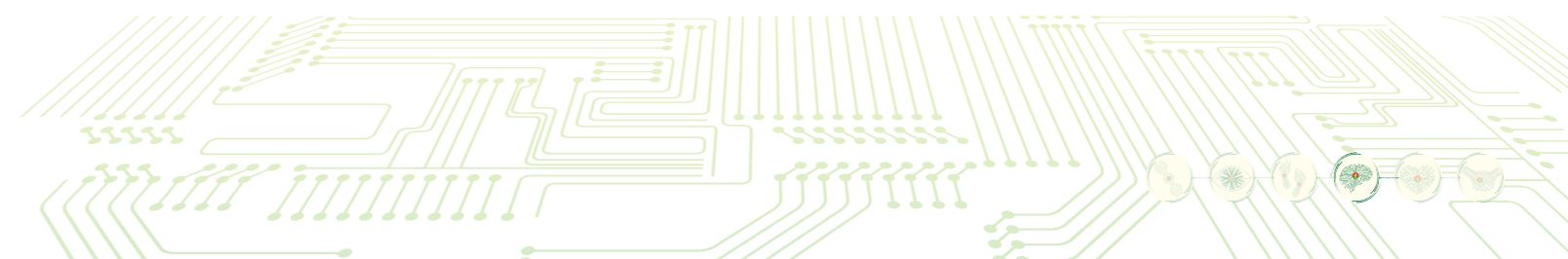
ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
E.3.2	Does the Board of Directors meet at least six times during the year?	💡	In 2021, PVCFC conducted 12 face-to-face meetings with many letters, which is detailed in the 2021 Governance Report.
E.3.3	Has each member of BOD attended at least 75% of all the BOD's meetings held during the year?	💡	Each member of BOD fully attended the meetings.
E.3.4	Does the Company require a minimum quorum of at least 2/3 for BOD's decision?	💡	Referring to Clause 8, Article 29 of the Company's Charter "BOD's meetings are conducted when at least three-quarters (3/4) of the total number of members of BOD are present in person or through a representative (or authorized person) if approved by a majority of BOD"
E.3.5	Did the non-executive members of BOD meet separately at least once during the year without any executives present?	💡	Non-executive members of BOD have separate meetings to evaluate the performance of the Board of Management.
Access to information			
E.3.6	Are BOD's papers for BOD's meetings provided at least five working days in advance?	💡	Notices and meeting documents are provided to members of BOD at least five (5) working days before the meeting.
E.3.7	Does the Company's secretary play a significant role in supporting the BOD in discharging its responsibilities?	💡	Refer to Clause 6, Article 29 of the Charter and Internal Corporate Governance
E.3.8	Is the Company's secretary trained in legal, accountancy or secretarial practices and has kept abreast on relevant developments?	💡	PVCFC closely follows this item.
Member of BOD's appointments and re-election			
E.3.9	Does the Company disclose the criteria used in selecting new members of BOD?	💡	PVCFC closely follows this item.
E.3.10	Did the Company describe the process followed in appointing new members of BOD?	💡	PVCFC closely follows this item.
E.3.11	Are all members of BOD subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years each?	💡	The term for a member of BOD at PVCFC is 5 years.

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 🛑 Red: N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
Remuneration matters			
E.3.12	Does the Company disclose its remuneration practices for its executive members of BOD and the General Director?	💡	Refer to Annual Report.
E.3.13	Is there disclosure of the remuneration structure for non-executive members of BOD?	💡	Refer to Annual Report.
E.3.14	Do the shareholders or the Board of Directors approve the remuneration for the executive members of BOD and/or the senior management?	💡	The remuneration for the Board of Directors is approved by the General Meeting of Shareholders annually. The Board of Directors approves the salary range of the Board of Management and functional directors
E.3.15	Does the Company have measurable standards to align the performance-based remuneration of the executive members of BOD and senior management with long-term interests of the Company, such as claw back provision and deferred bonuses?	💡	The Company will consider adding this indicator in the coming years.
Internal audit			
E.3.16	Does the Company have a separate internal audit function?	💡	The Company has a separate Internal Audit Division, directly under the Board of Directors.
E.3.17	Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed?	💡	Yes.
E.3.18	Does the appointment and removal of the internal auditor require the approval of the Audit Subcommittee?	💡	The appointment and dismissal of the Internal Auditor are decided by the Board of Directors.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
Risk oversight			
E.3.19	Does the Company establish a sound internal control procedures/ risk management framework and periodically review the effectiveness of that framework?		Quarterly, the Supervisory Board internally evaluates and updates the risk management framework.
E.3.20	Does the Annual Report disclose that members of BOD has conducted a review of the Company's material controls and risk management framework?		
E.3.21	Does the Company disclose the key risks?		Refer to Annual Report.
E.3.22	Does the Annual Report contain a statement from members of BOD or Audit Subcommittee commenting on the adequacy of the Company's internal controls/ risk management systems?		
E.4 People of the BOD			
E.4.1	Do different persons assume the roles of Chairman and General Director?		At PVCFC, the Chairman of BOD and General Director are separated.
E.4.2	Is the Chairman an independent member of BOD?		The Chairman is not an independent member of BOD
E.4.3	Is any of member of BOD a former General Director/Chief Executive Officer in the past 2 years?		No
E.4.4	Are the roles and responsibilities of the Chairman disclosed?		The Charter and Internal Corporate Governance specifically express this content.
Independent members of BOD			
E.4.5	If the Chairman is not independent, has the BOD appointed a lead/senior independent member of BOD and has his/her role been defined?		There are 2 independent members of BOD to support and carry out related tasks.
Skills and competencies			
E.4.6	Does at least one non-executive member of BOD have prior working experience in the major sector that the Company is operating in?		PVCFC has 6 out of 7 non-executive members of BOD and all members have experience in the oil and gas, processing and financial industries.

Blue: Good - the Company entirely follows practices

Green: Incomplete - the Company partially follows practices

Yellow: Fail - the Company fails to follows practices







Red: N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
E.5 BOD's performance			
E.5.1	Does the Company have orientation programs for new members of BOD?		The contents of annual performance evaluation for the Board of Directors/General Director are reflected in the Company's internal regulations. New members of BOD shall get regular training on Corporate Governance.
E.5.2	Does the Company have a policy that encourages members of BOD to attend on-going or continuous professional education programs?		The Company well performed the training to update the corporate governance, professional knowledge for the members of BOD and other employees.
General Director/Board of Management appointments and performance			
E.5.3	Does the Company disclose the process on how the Board of Directors plans for the succession of the Chairman/ General Director and key management?		PVCFC has a plan to build a successor team, but has not yet announced it publicly.
E.5.4	Do members of BOD conduct an annual performance assessment of the Chairman/ General Director?		The Annual Report presents the evaluation of the General Director's performance, but not one of Chairman's
BOD's appraisal			
E.5.5	Did the Company conduct an annual performance assessment for BOD and disclose the criteria and process followed for the assessment?		An assessment has been conducted but not detailed in the Annual Report.
Member of BOD's appraisal			
E.5.6	Did the Company conduct an annual performance assessment of the individual members of BOD and disclose the criteria and process followed for the assessment?		The Company evaluates the performance of BOD in the Report of the Board of Directors at the Annual General Meeting of Shareholders.
Subcommittee's appraisal			
E.5.7	Did the Company conduct an annual performance assessment for subcommittees under BOD and disclose the criteria and process followed for the assessment?		An assessment has been conducted but not detailed in the Annual Report.




ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)


BONUS ITEMS








ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
(B) A. RIGHTS OF SHAREHOLDERS			
(B) A.1 Basic shareholders' rights			
(B) A.1.1	Does the Company practice secure electronic voting in absentia at the Annual General Meeting of Shareholders?		The Charter and Internal Corporate Governance have the form of remote voting, but PVCFC has not yet implemented it at the previous Annual General Meeting of Shareholders because it has not met the necessary conditions. It will be carried out in the 2022 Annual General Meeting of Shareholders.
(B) B. EQUITABLE TREATMENT OF SHAREHOLDERS			
(B) B.1 Notice of the Annual General Meeting of Shareholders			
(B) B.1.1	Does the Company release its notice of the Annual General Meeting of Shareholders (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?		The Company released notice of the Annual General Meeting of Shareholders 21 days in advance.
(B) C. ROLE OF STAKEHOLDERS			
(B) C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected			
(B) C.1.1	Does the Company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?		The PVCFC's Sustainability Report is prepared according to GRI standards.
(B) D. DISCLOSURE AND TRANSPARENCY			
(B) D.1 Quality of Annual Report			
(B) D.1.1	Are the audited annual Financial Statements released within 60 days from the fiscal year end?		Audited annual Financial Statements are published within 10 days from the date of signing by the auditor and within 90 days from the fiscal year end.
(B) D.1.2	Does the Company disclose details of remuneration for General Director?		Presented in the Annual Report.
(B) E. RESPONSIBILITIES OF BOD			
(B) E.1 BOD's competencies and diversity			
(B) E.1.1	Does the Company have at least one female independent member of BOD?		The Company has 1 female non-executive member of BOD.

 Blue: Good - the Company entirely follows practices

 Green: Incomplete - the Company partially follows practices

 Yellow: Fail - the Company fails to follows practices








 Red: N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
(B) E.1.2	Does the Company have a policy and disclose measurable objectives for implementing its BOD's diversity and report on progress in achieving its objectives?		The Company's Charter regulates diversity of BOD according to criteria, gender, professional capacity, age, etc. and PVCFC is currently doing this well.
(B) E.2 BOD's structure			
(B) E.2.1	Is the Human Resource Subcommittee comprising entirely of independent members of BOD?		1 out of 3 members is independent.
(B) E.2.2	Does the Human Resource Subcommittee undertake the process of identifying the quality of members of BOD aligned with the Company's strategic directions?		There are provisions in Article 24 of the Company's Charter and Article 7 regarding standards and conditions for members of BOD - Regulations on operation of BOD.
(B) E.3 BOD's appointments and re-election			
(B) E.3.1	Does the Company use professional search firms or other external sources of candidates (such as databases set up by members of BOD or shareholder bodies) when searching for candidates for members of BOD?		PVCFC well implements this regulation.
(B) E.4 BOD's structure & composition			
(B) E.4.1	Do independent non-executive members of BOD make up more than 50% of BOD for a Company with independent Chairman?		Non-executive members account for 85.7% of BOD, but the Chairman is not an independent member.
(B) E.5 Risk management			
(B) E.5.1	Does BOD describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to BOD?		There are specific regulations in "Cultural Identity" and the Company's regulations. Quarterly, the Internal Audit Division reports to BOD on identified key risks.
(B) E.6 BOD's performance			
(B) E.6.1	Does the Company have a separate Risk Subcommittee?		The Company has an Audit and Risk Management Committee under the Board of Directors and a separate Risk Management department under the Internal Control division.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)


PENALTY ITEMS






ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
(P) A.	RIGHTS OF SHAREHOLDERS		
(P) A.1	Basic rights of shareholders		
(P) A.1.1	Did the Company fail or neglect to offer equal treatment for share repurchases to all shareholders?		The Charter and Internal Corporate Governance clearly stipulate the fair treatment of share repurchases for all shareholders. During the year, this case did not arise.
(P) A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Internal Corporate Governance, subject to exceptions to prevent abuse.		
(P) A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?		PVCFC does not record any barriers.
(P) A.3	Right to participate effectively in and vote in the Annual General Meeting of Shareholders and should be informed of the rules, including voting procedures, that govern in the Annual General Meeting of Shareholders.		
(P) A.3.1	Did the Company include any additional and unannounced agenda item into the notice of the Annual/Extraordinary General Meeting of Shareholders?		The Company always informs shareholders in advance of additional agenda item in the Annual/Extraordinary General Meeting of Shareholders.
(P) A.3.2	Did the Chairman of BOD, Audit Subcommittee Chairman and General Director/Director attend the most recent Annual General Meeting of Shareholders?		PVCFC implements this regulation well. All members of BOD, Committees under BOD and the Board of Management attended the Annual General Meeting of Shareholders.
(P) A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.		
(P) A.4.1	Did the Company fail to disclose the existence of shareholders agreement?		This is not the Company's case.
(P) A.4.2	Did the Company fail to disclose the existence of voting cap?		The Company specifically stipulates in the agenda - voting rules at the Annual General Meeting of Shareholders.
(P) A.4.3	Did the Company fail to disclose the existence of multiple voting rights?		The Company does not have shares with multiple voting rights.

 Blue: Good - the Company entirely follows practices

 Green: Incomplete - the Company partially follows practices








 Yellow: Fail - the Company fails to follows practices







 Red: N/A - Not applicable at PetroVietnam Camau Fertilizer Joint Stock Company (listed code: DCM)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
(P) A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed		
(P) A.5.1	Is a pyramid ownership structure and/or cross holding structure apparent?		The Company does not apply a pyramid ownership structure and/or cross holding structure.
(P) B.	EQUITABLE TREATMENT OF SHAREHOLDERS		
(P) B.1	Insider trading and abusive self-dealing should be prohibited		
(P) B.1.1	Has there been any conviction of insider trading involving members of BOD, management and employees in the past three years?		The Company does not record any violations.
(P) B.2	Protecting minority shareholders from abusive action		
(P) B.2.1	Has there been any cases of non-compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?		The Company does not record any violations.
(P) B.2.2	Were there any related party transactions that can be classified as financial assistance (i.e not conducted on a market basis) to entities other than wholly-owned subsidiary companies?		The Company does not record any violations.
(P) C.	ROLE OF STAKEHOLDERS		
(P) C.1	The rights of stakeholders that are established by law or through mutual agreements are to be respected.		
(P) C.1.1	Have there been any violations of any laws pertaining to labor/ employment/consumer/ insolvency/commercial/ competition or environmental issues?		The Company does not record any violations.



ASSESSMENT OF IMPLEMENTING CORPORATE GOVERNANCE BASED ON THE ASEAN CORPORATE GOVERNANCE SCORECARD (continued)

ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
(P) C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.		
(P) C.2.1	Has the Company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?		PVCFC has disclosed information and has not recorded any violations of material events.
(P) D.	DISCLOSURE AND TRANSPARENCY		
(P) D.1	Sanctions from regulator on Financial Statements		
(P) D.1.1	Did the Company receive a "qualified opinion" in its external audit report?		
(P) D.1.2	Did the Company receive an "adverse opinion" in its external audit report?		The opinion of the external auditors on the annual Financial Statements is "unqualified opinion".
(P) D.1.3	Did the Company receive a "disclaimer opinion" in its external audit report?		
(P) D.1.4	Has the Company in the past year revised its Financial Statements for reasons other than changes in accounting policies?		No.
(P) E.	Does the Company amend its Financial Statements for reasons other than changes in accounting policy?		
(P) E.1	Compliance with listing rules, regulations and applicable laws		
(P) E.1.1	Is there any evidence that the Company has not complied with any listing rules and regulations over the past year apart from disclosure rules?		PVCFC does not record any violations.
(P) E.1.2	Is there any evidence that member of BOD has not complied with any listing rules and regulations over the past year apart from disclosure rules?		PVCFC does not record any cases.

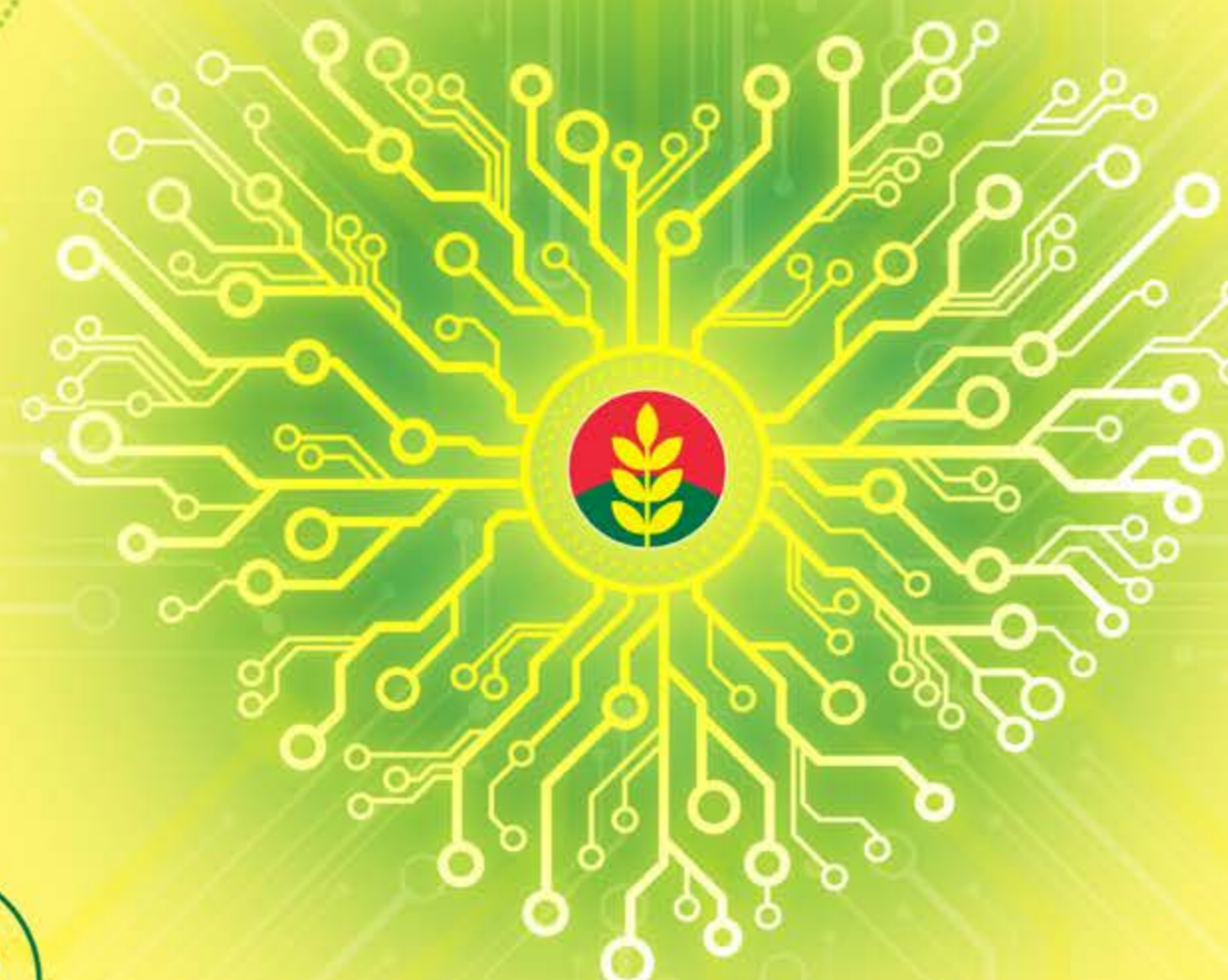
ITEM	QUESTIONS	RESULT	ASSESSMENT BASIS
(P) E.2	BOD's structure		
(P) E.2.1	Does the Company have any independent members of BOD who have served for more than nine years or two terms of five years each (which ever is higher) in the same capacity?		No. PVCFC closely follows this criterion.
(P) E.2.2	Did the Company fail to identify who are the independent members of BOD?		PVCFC's BOD has 2 independent members, including Ms. Do Thi Hoa and Mr. Truong Hong.
(P) E.2.3	Does the Company have any independent member of BOD who serve on a total of more than five Boards of Directors of publicly-listed companies?		No. PVCFC closely follows this criterion.
(P) E.3	External audit		
(P) E.3.1	Is any member of BOD or senior management a former employee or partner of the current external auditor (in the past 2 years)?		No. PVCFC closely follows this criterion.
(P) E.4	BOD's structure and composition		
(P) E.4.1	Has the Chairman been the Company's General Director in the last three years?		The Chairman is not concurrently the General Director of the Company.
(P) E.4.2	Do independent non-executive members of BOD receive options, performance shares or bonuses?		PVCFC closely follows this criterion.



COMMUNITY IS RESPONSIBILITY TO SHARE

SUSTAINABLE DEVELOPMENT REPORT

Overview of sustainability report	174
Good governance in sustainable development	175
Sustainable relations with stakeholders	178
Material issues	184
Economic performance	186
Environmental protection	188
Social issues	192



OVERVIEW OF SUSTAINABILITY REPORT



PVCFC ALWAYS CONSIDERS SUSTAINABLE DEVELOPMENT AS ITS STRATEGIC TARGET COMBINED WITH ECONOMIC GROWTH GOAL, ENSURING HARMONIOUS INTERESTS BETWEEN STAKEHOLDERS, ENVIRONMENTAL SUSTAINABILITY TOWARD SOCIAL AND COMMUNITY PROSPERITY. SUSTAINABILITY REPORT IS CONSIDERED AS A BRIDGE BETWEEN PVCFC AND STAKEHOLDERS IDENTIFYING OUR STRATEGIC ORIENTATIONS AND COMMITMENTS TO STAKEHOLDERS.

APART FROM MENTIONING ECONOMIC GROWTH IN SUSTAINABILITY REPORT, PVCFC ALSO ASSESSES OUR SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES TO BALANCE OUR FUTURE PLANS TOWARD SOCIAL AND CORPORATE SUSTAINABILITY TARGETS IN THE NEXT FINANCIAL YEARS.

SUSTAINABILITY CONTENT

In 2021, PVCFC applied Guidelines to support corporate reporting on sustainable development in accordance with Guidelines for annual performance reports of Vietnam Annual Report Awards (ARA), environmental and social information disclosure Guide of State Securities Commission, IFC and Circular No 96/2020/TT-BTC providing guidelines on disclosure of information on securities market of Ministry of Finance. Besides, we also referred to GRI standards to identify key areas impacting stakeholders to have a comprehensive overview on building sustainability report content and setting up sustainable business strategies in the future.

SCOPE OF REPORT

The report was made in Vietnam focusing on fertilizer trading and production activities. PVCFC's report included: all information and operating results of Parent Company and 01 Subsidiary - Petroleum Packaging Joint Stock Company (PPC).

REPORTING PERIOD

Information and data included in the report was updated in the 2021 fiscal year of PVCFC, starting from 01 January 2021 and ending on 31 December 2021. Reports on occupational, social and environmental health & safety were generated from key activities performed by Parent Company and its member companies. The reports presented operating results in 2021 and mentioned development orientations and goals in the coming years related to the Company's sustainable development.

STRUCTURE OF REPORT

Practical approaches to sustainable development of PVCFC derived from its long-term sustainable economic growth targets combined with social development and environmental protection goals, making positive contributions to the common development goals for society.

2021 was the 7th year that PVCFC mentioned about sustainability report content and included in Chapter 1 of Annual Report. Sustainable development goals related issues continued to be evaluated and considered in relation with current activities, status and actual practices, identifying critical issues to

review, update and fully presented in sustainability report content in the coming years.

CONTACT INFORMATION

We are looking forward to receiving your sincere comments to make our report more transparent, complete and accurate. Should you have any opinion related to sustainable development issues, please send us at:

Website: <http://www.pvcfc.com.vn/> (contact section)

GOOD GOVERNANCE IN SUSTAINABLE DEVELOPMENT

METHODOLOGY OF SUSTAINABLE DEVELOPMENT MANAGEMENT

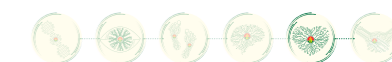
In compliance with relevant regulations in association with international practices on corporate governance, apart from building and completing corporate structure toward stronger position and compliance with international standards, PVCFC has built a corporate structure (including corporate governance toward sustainable development) including Charters, regulations and legal documents within the Vietnam Oil and Gas Group to create a professional, transparent and effective governance system from Parent Company to its member companies. Then, PVCFC not only ensures the highest governance principles on ensuring shareholders' benefits but also harmonizes development goals and social and environmental responsibilities.

SUSTAINABLE MANAGEMENT MODEL AT PVCFC



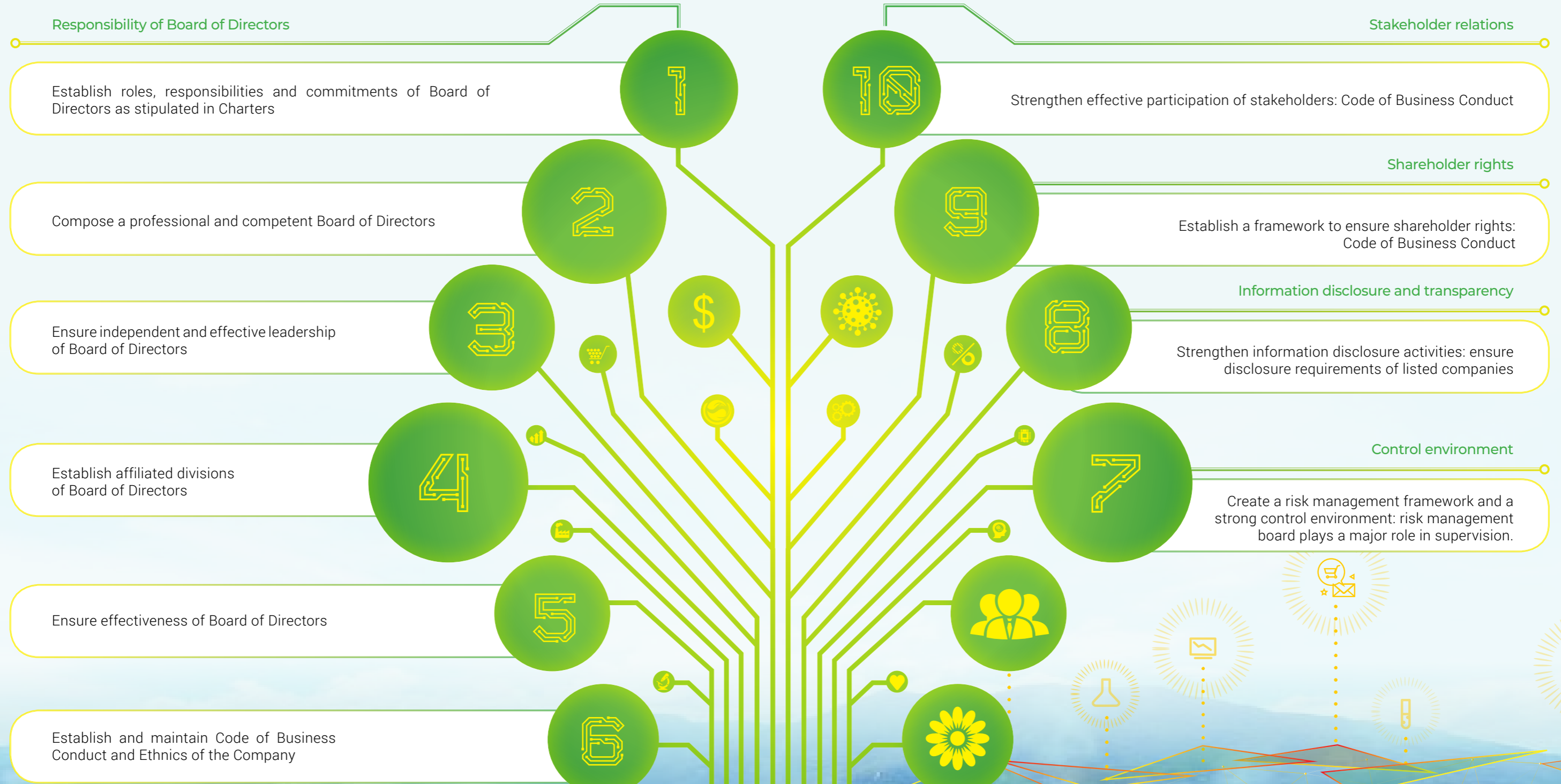
PVCFC's corporate governance model is based on harmonious combination of following factors:

- Solid corporate governance structure: PVCFC's governance structure is a set of governance entities of a listed company including: General Meeting of Shareholders, Supervisory Board, Board of Directors, Divisions of Board of Directors and Board of Management.
- Compliance with international practices and the laws of Vietnam: fully comply with regulations of the laws, legal framework of Vietnam and corporate governance of listed companies.
- Apply corporate governance tools in Vietnam National Oil and Gas Group (PetroVietnam).



GOOD GOVERNANCE IN SUSTAINABLE DEVELOPMENT (continued)

PRINCIPLES OF GOVERNANCE FOR SUSTAINABLE DEVELOPMENT



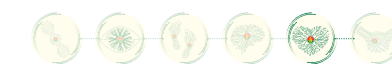
SUSTAINABLE RELATIONS WITH STAKEHOLDERS

Stakeholders are those who can have impacts on PVCFC's activities or being impacted from PVCFC's business and production activities. Accordingly, PVCFC's stakeholders are defined as follows:



Stakeholders	Concerns	Approaches	PVCFC's actions
Shareholders - Investors	<ul style="list-style-type: none"> Ensure capital efficiency and optimization; Ensure information disclosure in open and transparent manner and on schedule; Stabilize and improve corporate and stock values in stock exchange; Continuously improve corporate governance capacity; Pursue equal treatment, ensure benefits for shareholders and investors. 	<ul style="list-style-type: none"> Organize Annual or Extraordinary General Meeting of Shareholders as specified. Receive and exchange email, telephone, fax, etc. Organize annual meetings to summarize and report on the Company's business and production activities for shareholders and investors. Information to be disclosed on the company's website. Attend investors' forums and seminars to share information and investment opportunities. 	<ul style="list-style-type: none"> Be aware of fully carrying out information disclosure related procedures of Ministry of Finance to ensure timely providing information to shareholders, investors, ensure transparency in business and production activities. Disclose important information capable of causing impacts on benefits and investment decisions of investors, help shareholders and investors closely follow up PVCFC's operation situation. Information disclosure and exchange must ensure equality for all investors.

Stakeholders	Concerns	Approaches	PVCFC's actions
Partners	<ul style="list-style-type: none"> Cooperation for mutual development. Promote responsible business and production conduct 	<ul style="list-style-type: none"> Face to face meeting and exchange. Build long-term co-operation relations by commitments included in co-operation agreements. Co-ordinate to implement and expand scopes of businesses in the entire value chain of fertilizer industry, mobilize resources for research and manufacturing of products and services toward orientation of "Comprehensive set of nutritional solutions for plants" with high value. 	<ul style="list-style-type: none"> Maintain principles of equality, integrity for mutual benefits in all business cooperation activities of PVCFC. Build a transparent co-operation mechanism without any deliberate action causing difficulties or for personal benefits which have impacts on the Company's common activities. Pursue equal treatment between local and foreign partners
Customers - Farmers	<ul style="list-style-type: none"> Ensure product information transparency; Diversified product portfolios with multiple prices. 	<ul style="list-style-type: none"> Co-ordinate with team of leading experts through specialized programs, talks and dialogues with farmers on television. Organize training sessions for farmers on methods of fertilizer application. Connect and recognize performances of farmers through meaningful programs such as promotion programs (gift-giving, material gifts or products), giving gifts such as coats, helmets, fertilizer bowl, etc. for farmers nationwide and foreign markets. Establish toll-free number to receive direct information and feedback from farmers. 	<ul style="list-style-type: none"> Consider customer trust and satisfaction as a measure of product quality and value, brand prestige in the market. Ensure supply of high-quality product, international advanced and environmentally friendly technologies with reasonable price suitable for various types of soil and plants to help farmers save costs and increase product-use efficiency
Customers - Distributors, agents	<ul style="list-style-type: none"> Continuously improve service quality and sales process Increase customer interactions and engage in active listening. 	<ul style="list-style-type: none"> Exchange, negotiate and sign agency contracts, sales contracts with customers including distributors, agents, stores, domestic and foreign commercial customers to strengthen product consumption. Interact, exchange and collect customer data to meet their needs and desires through locally-based employees. Implement periodic customer service programs including visiting, giving gifts to customers on special events and occasions. Organize customer connection programs through tours and tourism activities. Organize exchanging activities for distribution agents. Receive and respond to customer complaints through telephone customer service. 	<ul style="list-style-type: none"> Continuously apply advanced technologies in new products to improve farming productivity with reasonable price Proactively protect customers from fake and poor-quality fertilizers, strengthen communications activities to help farmers identify original product from counterfeit one.

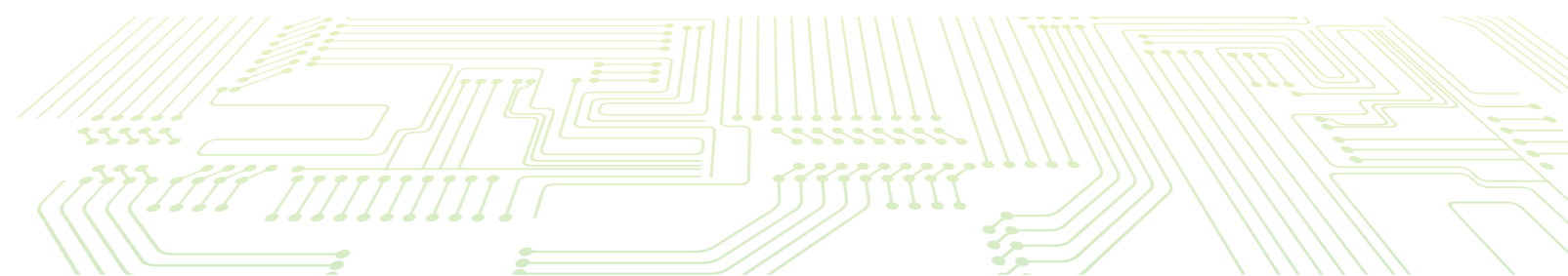


SUSTAINABLE RELATIONS WITH STAKEHOLDERS

(continued)

Stakeholders	Concerns	Approaches	PVCFC's actions
Suppliers	<ul style="list-style-type: none"> Pursue fair treatment between suppliers Co-operate for mutual development Promote sustainable growth; 	<ul style="list-style-type: none"> Strengthen direct meetings and exchanges with suppliers through information channels (email, tel...). Through mechanisms and regulations related to procurement, product and service consumption. Through bidding activities and criteria for supplier evaluation. Build interactive communication channels to improve product and service quality. 	<ul style="list-style-type: none"> Abandon on any abusive actions against the Company's brand reputation to create unreasonable claims against suppliers, determine not to cooperate with units for enticing or paying commissions, gratuity or in-kind gifts to PVCFC's employees. Supplier selection process is based on equality quality, technical capacity and working experience of suppliers in the past, etc.
Community, society	<ul style="list-style-type: none"> Implement environmental regulations to ensure fire safety and environmental health at fertilizer production plants; Promote economic growth, support to develop health and education facilities for localities Environmentally friendly products with advanced quality; Contribute to the local community where PVCFC is operating. 	<ul style="list-style-type: none"> Co-ordinate with local authorities; Disseminate and raise awareness of environmental safety; Promote bilateral exchanges through events. 	<ul style="list-style-type: none"> Promote business and production activities closely attached with environmental protection and social security. Implement social security programs annually in accordance with the Company's plans such as building house of gratitude, schools, bridge, providing scholarship, standing in solidarity with farmers, etc. Organize activities to share and support the people with difficult circumstances caused by natural disaster, epidemics, etc. Maintain annual scholarships "For the Golden Harvests" to support poor and gifted students with high academic results. Provide funding for events and activities of related to agriculture, rural development, farmers, fertilizers, etc.

Stakeholders	Concerns	Approaches	PVCFC's actions
Government, State agencies	<ul style="list-style-type: none"> Make contributions to the State Budget; Implement corporate social responsibilities; Implement and support the State's policies; Strictly abide by the laws; Promote local economic development and fertilizer industry 	<ul style="list-style-type: none"> Make reports in accordance with provisions of the laws in the whole business and production process such as: environmental protection, firefighting and prevention, announcement, declaration of selling price, fertilizer market stability, promotion, etc. Contribute opinions on documents, decisions, laws issued by State agencies. Co-ordinate with inspection teams of Ministries, Departments to solve related issues, overcome shortcomings and limitations (if any) upon request and recommendations of inspection teams. Co-ordinate with State management agencies to prevent counterfeit products and poor-quality products. Participate in organizations and associations such as Vietnam Fertilizer Association, Association of Oil and Gas young business Attend conferences, specialized seminars organized by Ministries, Departments. 	<ul style="list-style-type: none"> Strictly abide by regulations of the Laws on tax, environmental protection, labor safety, etc. Proactively co-ordinate with local authorities to in constructing workshops and construction stages on schedule, contributing to the State budget and creating jobs for local laborers. Propose appropriate adjustments on shortcomings of policies, regulations, support the Government and authorities at all levels to better perform management activities.

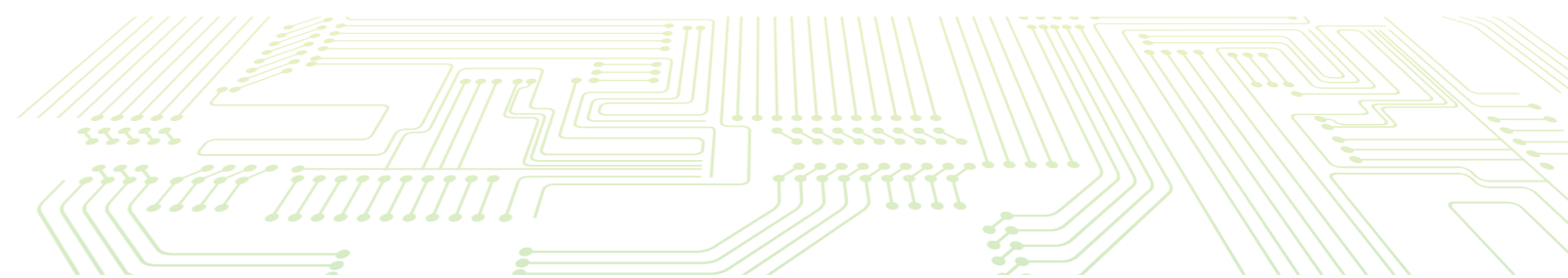


SUSTAINABLE RELATIONS WITH STAKEHOLDERS (continued)

Stakeholders	Concerns	Approaches	PVCFC's actions
Media, communications	<ul style="list-style-type: none"> Provide promptly, accurate and transparent information; 	<ul style="list-style-type: none"> Ensure transparency and publicity in information disclosure to mass media. Make contact and answer questions in media interviews (directly or indirectly). Prepare press releases, arrange press conferences to announce important updates. Keep important news and events up to date on the Company's website; Create English-version content on the Company's website to expand target audience, foreign customers who are interested in studying the Company's operation, business and production strategies to expand investment opportunities. 	<ul style="list-style-type: none"> Build good relationships with media agencies and press in a legal and transparent manner. Messages and information provided to press in an accurate, complete, reliable and objective manner, make sure accurate information reaches media agencies. Provide information and recommendations of counterfeit/poor-quality fertilizers to the media for to timely inform farmers.



Stakeholders	Concerns	Approaches	PVCFC's actions
Laborers	<ul style="list-style-type: none"> Ensure stable income, remuneration policy and occupational safety; Ensure a civilized and fair working environment; Provide training courses to improve capacity and professional skills, promote self-development; Dedication and contributions to be recognized. 	<ul style="list-style-type: none"> Conduct annual surveys on working environment; Organize annual staff conference; Organize year-end meeting review; Organize training courses; Promote effective internal communications; Strengthen mechanisms for complaint handling; Issue and implement policies; Promote two-way information and consultation. 	<ul style="list-style-type: none"> Through collective labor agreements signed between the Company and laborers' representatives. Establish trade unions, veterans' association, youth unions, clubs for the development of women, etc. Collect opinions via email, survey reports, etc. Organize programs for selecting typical individuals and groups. Organize propagation activities on Safety-Health-Environment for employees, especially factory workers. The project of "Reinventing PVCFC Culture" reaches the maturity stage. Organize talks with participation of professional speakers to share experience and skills to employees. Design training plans, organize knowledge improvement programs for employees. Organize internal activities including culture, art, sports, tourism, etc. Propagate, motivate employees to participate in fund raising programs to support areas vulnerable to natural disasters, floods, poor people, families under preferential treatment policies, poor children, build house of gratitude, etc.

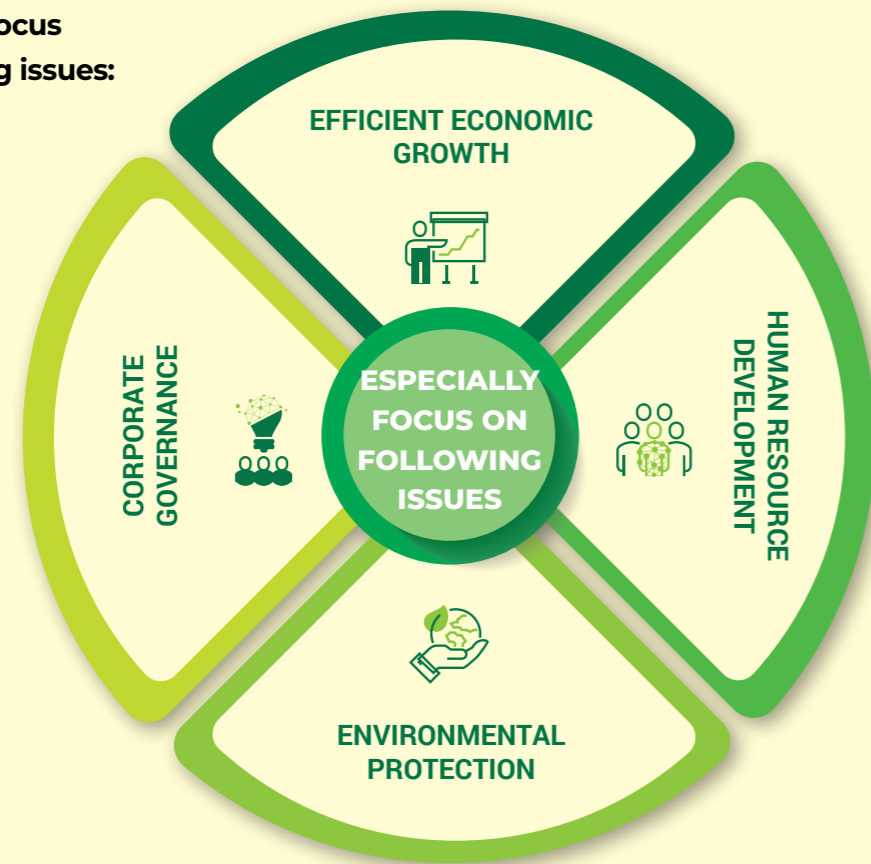


MATERIAL ISSUES



PVCFC APPROACHES STAKEHOLDERS THROUGH VARIOUS INTERACTION CHANNELS AND WAYS. WE ALWAYS STUDY STAKEHOLDERS' ASPIRATION AND INTEREST TO BETTER PROMOTE OPERATIONAL EFFECTIVENESS.

Especially focus on following issues:



STEPS TO IDENTIFY MATERIAL ISSUES

Step 1: Identify issues that can have big impacts on PVCFC's business and production activities as well as on stakeholders' concerns.

- Conduct market analysis and analysis on fertilizer industry
- Consult customers, partners and shareholders, investors to conduct analysis
- Consult experts, consulting firms in specific strategic projects

Step 2: Make a short list of material issues causing impacts on PVCFC and stakeholders' concerns.

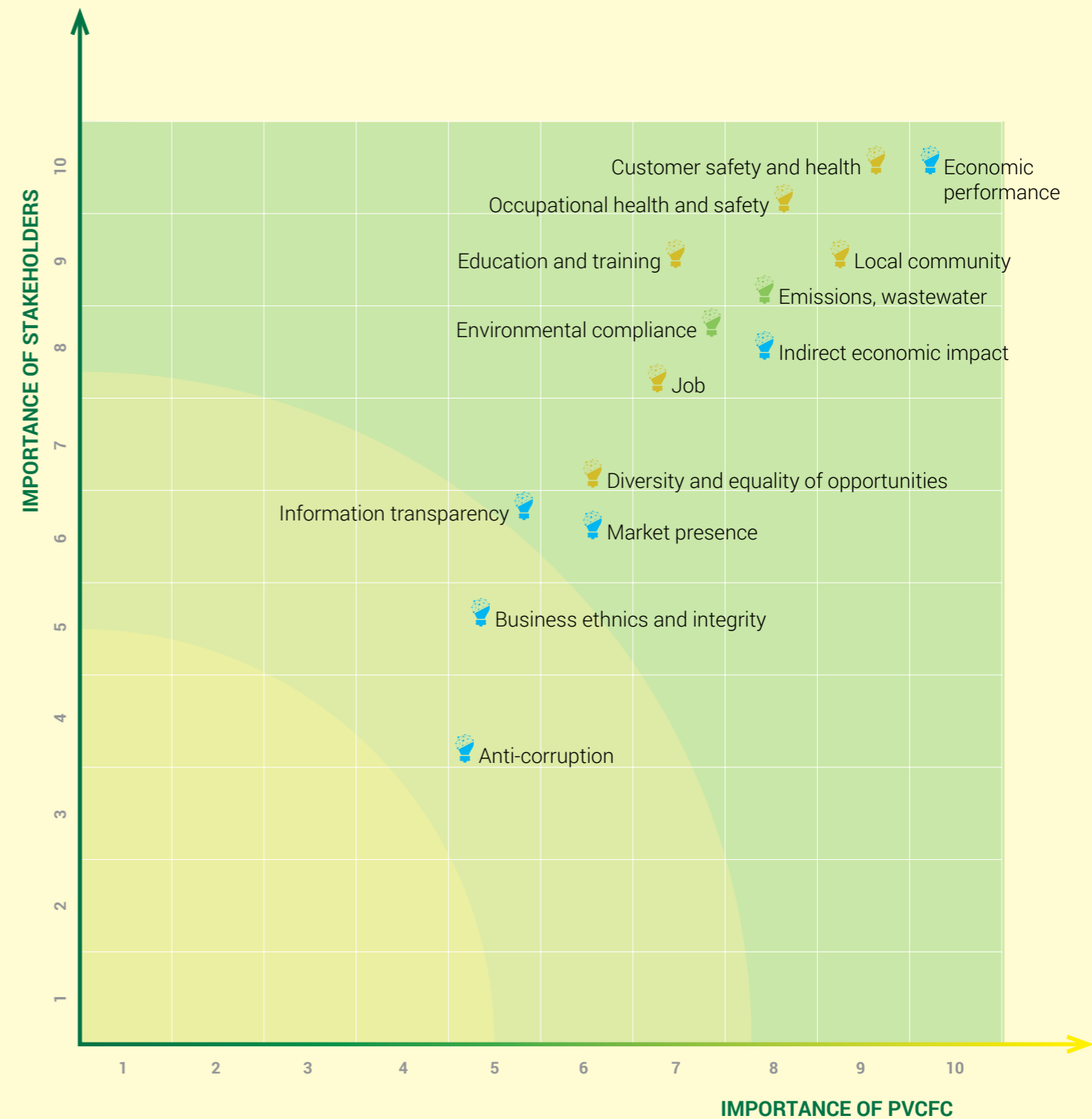
- Select material issues concerned by stakeholders and collect opinions of PVCFC's leaders.

- Make short list of material issues based on reasonable and priority levels.

Step 3: Select and analyze material issues, create materiality matrix.

Step 4: Review, evaluate and approve material issues, collect opinions of stakeholders on material issues included in reports.

MATERIALITY MATRIX

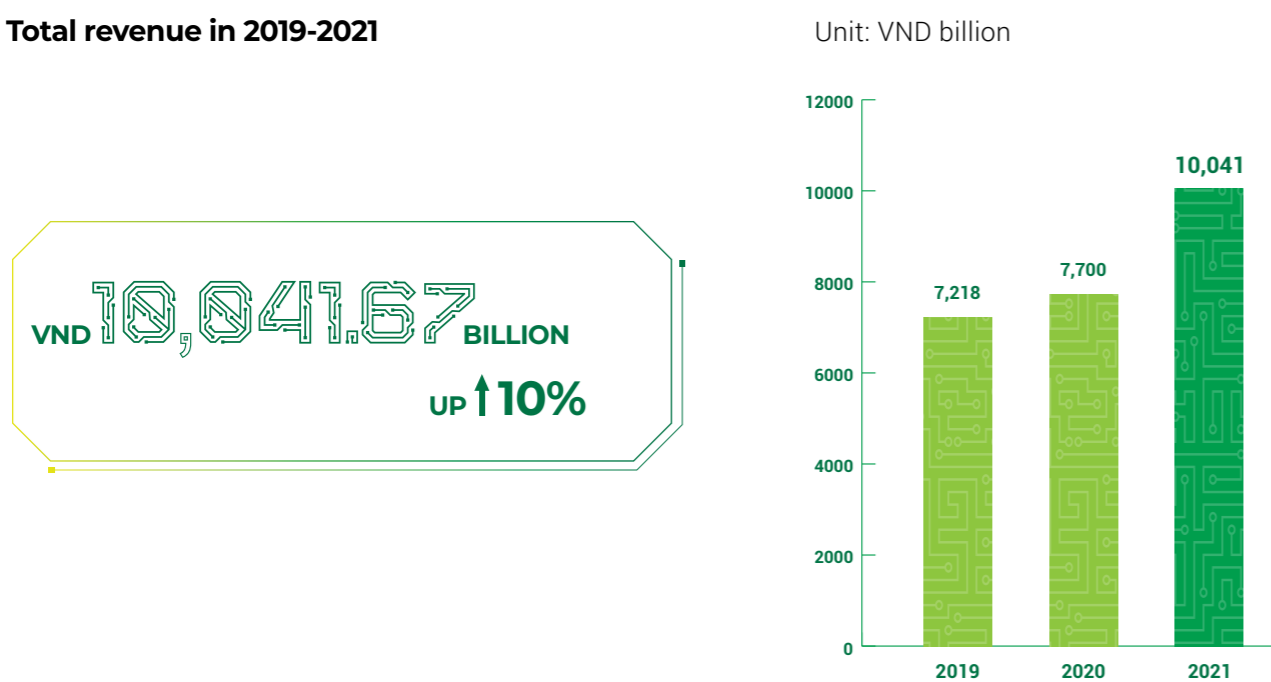


ECONOMIC PERFORMANCE

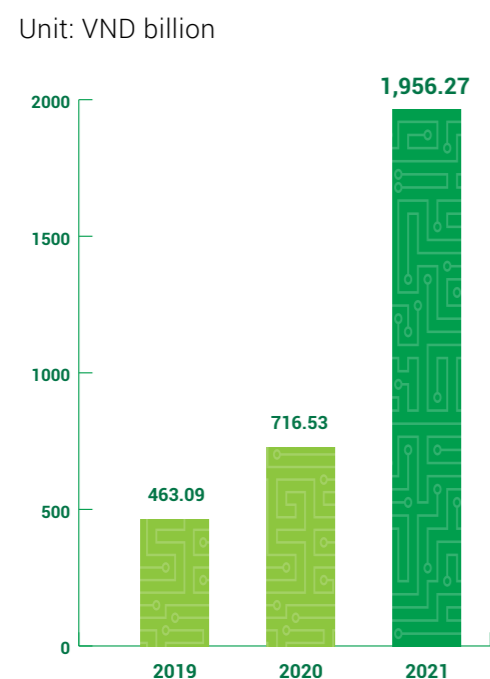
ECONOMIC PERFORMANCE

PVCFC has overcome disadvantaged factors of Covid-19 pandemic and achieved good business results thanks to proactive, drastic and effective implementation of business measures plus cooperation, determination and continuous innovation and creativity of employees, decisiveness of Board of Management including total revenue of VND 10,041.67 billion, up 10% of the plan; profit before tax of VND 1,956.27 billion, up 12% of the plan; profit after tax of VND 1,826.12 billion, up 11% of the plan. This is the highest profit ever of the Company which creates growth pressure in 2022.

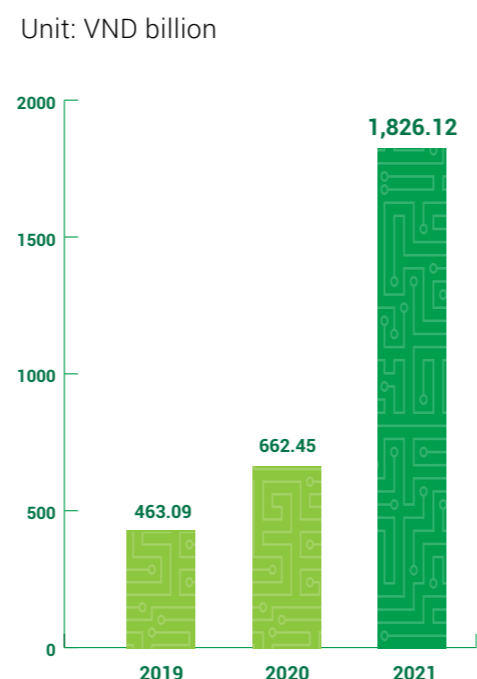
Total revenue in 2019-2021



Profit before tax



Profit after tax



Business performance in 2021

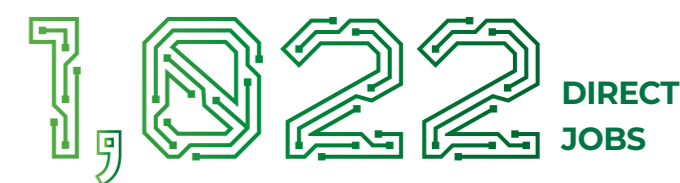
No.	Items	Unit	Implemented 2020	2021		Ratio	
				Planned	Implemented	Comparison (%)	
A	B	C	1	2	3	4=3/2	5=3/1
II Consolidated financial indicators							
1	Total revenue	VND billion	7,700.33	9,168.32	10,041.67	110%	130%
2	Profit before tax	VND billion	716.53	924.45	1,956.27	212%	273%
3	Profit after tax	VND billion	662.45	867.50	1,826.12	211%	276%
4	Obligations to State budgets	VND billion	87.09	98.85	222.41	225%	255%
III Parent Company's financial indicators							
1	Total revenue	VND billion	7,663.86	9,132.59	10,056.63	110%	131%
2	Profit before tax	VND billion	714.83	920.66	1,950.55	212%	273%
3	Profit after tax	VND billion	661.56	864.57	1,821.83	211%	275%
4	Obligations to State budgets	VND billion	80.24	91.87	196.77	214%	245%
5	Pre-tax ROE	%	14%	17%	37%	212%	273%
6	Investment value	VND billion	112.89	96.84	72.58	75%	64%

INDIRECT ECONOMIC IMPACT

OBLIGATIONS TO STATE BUDGETS



CREATE



Apart from maintaining business and production efficiency, PVCFC always complies with regulations on contribution to the State. In 2021, PVCFC has paid a total of VND 222.41 billion to the State budget, up 255.35% as of 2020.

By directly employing local laborers in Ca Mau province and neighboring areas, PVCFC has made a great contribution to the provincial budget through paying tax, using services of companies doing business in Ca Mau, increasing demands of daily living services where the company is located, promoting local economic development.

PVCFC together with other companies doing business in Ca Mau Gas - Power - Fertilizer Complex under Vietnam National Oil and Gas Group have contributed more than 40% of the provincial budget, created 30% of jobs for local laborers. Ca Mau Gas - Power - Fertilizer Complex is an important economic driving force for Ca Mau to "shine" in Southernmost point of Vietnam.

Besides Ca Mau Gas - Power - Fertilizer Complex, other items such as industrial infrastructure, traffic road system, electronic, water supply and drainage, airports have been established to help Ca Mau exploit eco-tourism, aquaculture as well as connect with other cities and provinces nationwide



ENVIRONMENTAL PROTECTION

ENVIRONMENTAL MANAGEMENT IN PVCFC



PVCFC ALWAYS STRICTLY COMPLIES WITH CURRENT REGULATIONS OF THE LAWS AND APPLIES ISO 14001:2015 (QUALITY POLICY, SAFETY, ENVIRONMENT, INSPECTION AND TESTING OF PVCFC) TO MONITOR ENVIRONMENTAL PROTECTION. THE PLANT'S WASTE RESOURCES ARE STRICTLY CONTROLLED TOWARD MINIMIZATION OF QUANTITY AND QUALITY CONTROL IN ACCORDANCE WITH DISCHARGE STANDARDS



Ca Mau Fertilizer Plant

Quality control of wastewater and emission

- Total river water exploitation: **14,497,300** m³
- Total water supply: **1,120,230** m³
- Total wastewater production: **13,292,179** m³
- Total emission production: **9,409,967,121** m³

Periodic environmental monitoring

Ensure quality of waste output causing no impact on surrounding environment, PVCFC has performed environmental monitoring periodically 4 times/year in accordance with environmental impact assessment commitments approved by Ministry of Natural Resources and Environment under Decision No. 1378/QĐ-BTNMT dated 5 August 2010, specific locations and environmental parameters as follows:

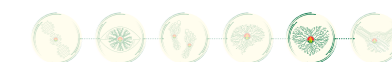
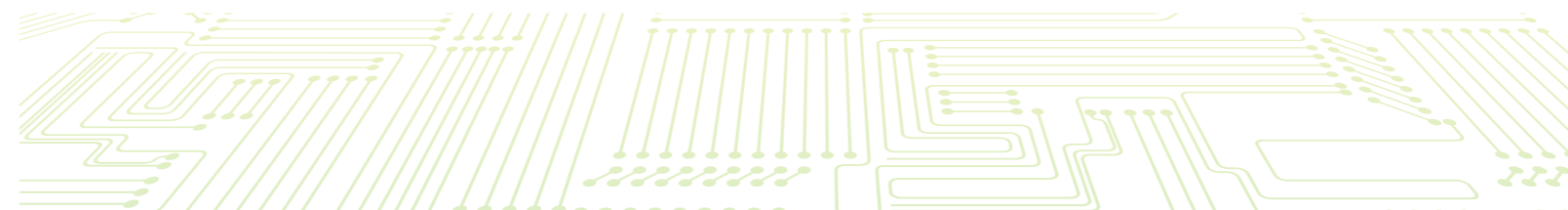
Location	Parameters	Vietnam Standards
<ul style="list-style-type: none"> • Primary reformers • Auxiliary boiler room chimney • Spout fluid bed granulator 	Dust, CO, NO _x , SO ₂ , NH ₃ , noise, vibration	19/2009/BTNMT 21/2009/BTNMT
Domestic wastewater	pH, BOD ₅ , TSS, TDS, surfactants, animal fat, vegetable oil, sulfide, Ammonia, total Phosphorus, total nitrogen, Coliform	14/2008/BTNMT
<ul style="list-style-type: none"> • Output of oil contaminated wastewater treatment system • Output of Ammonia contaminated wastewater treatment system 	pH capacity, colors, BOD ₅ , COD, suspended solids, Arsenic, mercury, lead, iron, copper, total mineral oil and grease content, sulfide, Ammonia, total nitrogen, total phosphorus, Ammonium, residual Chlorine, Coliform, wastewater capacity.	40:2011/BTNMT
<ul style="list-style-type: none"> • Common output of 3 domestics, oil ad Ammonia contaminated wastewater treatment systems • On common drainage channel 	Temperature, color, pH, BOD ₅ , COD, TSS, total dissolved solids (TDS), Arsenic, Mercury, Lead, Cadmium, Cooper, Iron, total mineral oil and grease content, total surfactants, animal fat and vegetable oil, sulfide, Ammonium (as Nitrogen), total nitrogen, total phosphorus, residual Chlorine, Coliform.	40:2011/BTNMT
Output of waste heat driven refrigeration system	pH, temperature, Cl ₂ , TSS	40:2011/BTNMT

All periodic environmental monitoring results in 2021 at all locations have been implemented with parameters in accordance with regulations and within acceptable limits.

Apart from conducting periodic environmental monitoring, PVCFC has also installed continuous automatic emission and wastewater monitoring systems in some locations with parameters as follows:

- River water for cooling and waste heat: temperature, pH, residual Chlorine;
- Output wastewater: capacity, temperature, pH, COD, TSS, NH₄⁺;
- Emissions at Spout fluid bed granulator: capacity, temperature and NH₃

Continuous automatic monitoring data is collected every 5 minutes/data and directly transmitted to Ca Mau Department of Natural Resource and Environment. In 2021, 100% of data was transmitted to Ca Mau Department of Natural Resources and Environment (except for time for plant maintenance) without any parameter exceeding allowable limits.



ENVIRONMENTAL PROTECTION (continued)

ENVIRONMENTAL MANAGEMENT IN PVCFC (continued)

Control of solid waste

Domestic waste generated from offices, cafeteria, canteen, toilets, etc. with an amount of 121,581 kg has been collected and transferred to Ca Mau Urban Environment JSC.

Ordinary industrial solid waste: wood chips, damage pallets, plastic, scrap iron, etc. generated with an amount of 115,116 kg has been collected and transferred to competent units for treatment in accordance with regulations.

Hazardous waste: PVCFC has registered hazardous waste source owner, Code QLCTNH: 96.000016.T issued by Ca Mau Department of Natural Resources and Environment dated 23 December 2014. This was the 4th time PVCFC granted this owner. In 2021, hazardous waste generated with an amount of 167,666 kg has been classified, collected, stored at hazardous waste storage of the plant and transmitted to competent units for treatment in accordance with regulations.

Periodic planning and reporting

The Company, on an annual basis, works out periodic environmental monitoring plan and report on environmental protection in accordance with Decree No. 40/2019/NĐ-CP dated 13 May 2019, Circular No. 25/2019/TT-BTNMT dated 31 December 2019. These plans and reports have been submitted to Ministry of Natural Resources and Environment as well as Ca Mau Department of Natural Resources and Environment.




Besides, the Company has also conducted identification and evaluation of significant environmental aspects to set up appropriate environmental control programs for every unit of the Company.

Wastewater rate schedule

PVCFC always declares and fully pays environmental protection fees for industrial wastewater in accordance with Decree No.53/2020/NĐ-CP dated 05 May 2020 of the Government on environmental protection fees for wastewater.



Climate change mitigation measures

-  Project for recovery of permeate as from Ca Mau Gas Processing Plant has saved 1,350 GJ/day for PVCFC
-  Optimize the primary reformer to reduce energy consumption and save 165GJ/day for PVCFC
-  Optimize Advanced Process Control (APC) to save approximately 446GJ/day

SAFETY - HEALTH - ENVIRONMENT IN THE PLANT

Safety

- No workplace theft nor disorder found in the Plant
- No plant fire, explosion, chemical spill nor food poison causing impacts on production activities
- Procure and repair emergency response equipment is always in place to ensure prompt and effective response in case of emergency.
- Conduct effective emergency response drills/ ensure effective response in case of emergency.

Health

- No occupational injuries requiring hospitalization for over 2 days.
- No employee suffering from occupation diseases.
- PVCFC has not arranged periodic health check for employees due to Covid-19 pandemic .

Environment

- Classify and transfer land in accordance to regulations.
- Conduct periodic on-site measurements and tastings of wastewater resources and emissions level in every work shift.
- Monitor the factory's discharge points in every work shift, ensure discharge standards in accordance to regulations.
- No incident of environmental violation found in 2021



COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

To ensure compliance with current environmental regulations, PVCFC has periodically updated the latest legal documents and worked out plans on implementation of compulsory contents, if any.

In 2021, PVCFC has not been informed any notice related to environmental violation, no penalty related to environmental violation was recorded in auditor's report.

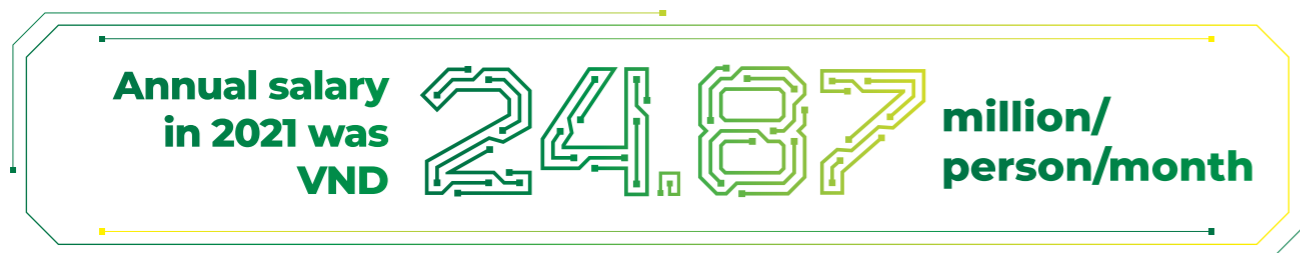


SOCIAL ISSUES

EMPLOYEE POLICIES AND PROCEDURES

Number of employees, average salary for laborers

As at 31 December 2021, PVCFC has been employing a total of 1,022 employees (including 16 people from Board of Management) with average salary of VND 24.87 million/person/month.



Labor policy ensures health, safety and welfare for employees

The Company always creates favorable, safe working environment, well implement labor policy, salary, bonus, social insurance, health insurance, unemployment insurance and other policies in accordance with regulations of the Laws, the Group and of PVCFC:

- The Company fully implement salary pay, bonus, overtime pay and other allowances in accordance with salary, bonus and remuneration regulations; fully and timely implement social insurance, health insurance and unemployment insurance policies for employees in accordance with provisions of Labor Code and the Law on Social Insurance. In 2021, PVCFC did not owe social, health and unemployment coverages
- The Company strictly carried out occupational safety training activities as well as provided full labor insurance coverage for all employees; providing hazard duty pay or benefits in kind to employees working under hazardous and dangerous environment in accordance with the State's regulations, give allowances to those who have been isolated to work under "03 on the spot" plan during Covid-19 pandemic outbreak.
- Provide expanded personal insurance coverage (PVI Care) to all employees and other types of insurance such as voluntary pension insurance, life insurance "postpaid benefits" to attract and stabilize employees' living situations; transfer life insurance policy "postpaid benefits" (Sun Life) for employees eligible for regulations of the Company's employee policy.
- Apart from ensuring salary, welfare and remuneration policies for employees, PVCFC has also focused on taking care of spiritual life of employees through giving gifts, supporting employees with difficult circumstances, organizing cultural exchange programs, sports events as a spiritual playground and building spirit of internal solidarity.

Social, Health and Unemployment Insurance

Social insurance coverage in 2019

- Social insurance: VND 49,307,217,226
- Health insurance: VND 8,797,339,927
- Unemployment insurance: VND 4,108,970,818

Social insurance coverage in 2020

- Social insurance: VND 50,940,330,264
- Health insurance: VND 9,021,022,719
- Unemployment insurance: VND 4,214,046,825

Social insurance coverage in 2021

- Social insurance: VND 53,532,779,655
- Health insurance: VND 9,547,281,420
- Unemployment insurance: VND 3,910,995,569

Maternity leave in 2021

- Total number of employees entitled to maternity leave: 12 employees with total maternity pay of VND 1,016,113,600
- Total number of employees entitled to maternity leave: 12
- Total number of employees returning to work after maternity leave: 12
- Total number of employees retained 12 months after returning to work: 12
- Return to work and retention rate after maternity leave is 100%

Labor-Management Relations

The Company's collective labor agreement was signed in 2021 in employee conference and valid for 3 years (adjusted in accordance with regulations) between employer and chairman of trade union. The company is committed to fully implementing remuneration, salary policies, creating safe, comfortable and beneficial working environment for employees, specifically:

- Create favorable conditions for employees to contribute opinions on employee's rights, obligations and responsibilities.
- Ensure democratic rights for employees, organize dialogues with employees
- Improve responsibility and obligations of employer, create favorable conditions for political and social organizations (Party, Trade Union, Young Union, Veteran Association) to operate in accordance with regulations of the Law.
- Organize monthly meetings to promote business and production activities, ensure implementation of plans to ensure benefits and interests for laborers.
- General Director is responsible for reporting business and production situation, implementing collective labor agreements, salary and bonus policies, responding recommendations and requests of laborers.
- PVCFC enters in to employment contracts with all employees in accordance with regulations of the Law.
- Provide conditions of rest breaks, health assurance and bonuses that are more favorable for employees, special policies for female employees are higher than regulations of the Law.
- Issue mandated hazard pay regulations for production workers

Education and Training

Training

PVCFC always pays a special attention to human resource training and development. The Company always create favorable conditions for employees to participate in training courses to improve professional skills, knowledge to ensure business and production stability, specifically:

Annual average training hours: 23.6 hour/person.

Hours of training per employee:

- Senior leaders (Board of Management, Division Head, Deputy Head and equivalent): 225 hours/year.
- Mid-level leaders (Manager, Deputy Manager and equivalent, workshop leader, team leader): 1,020 hours/year.
- Employees: 23,157 hours/year.

Programs for continuous learning and skill development

In 2021, PVCFC has organized a variety of training courses including intensive training, management, skill, regular training courses to update professional knowledge, internal training courses to reinforce and improve professional skills for employees of production division to ensure stable, safe and effective operation of the plant. To improve competitiveness and governance capacity in all business and production activities and adapt to economic changes post Covid-19 pandemic, PVCFC has strengthened organization of training programs seminars, Vietnam-Singapore senior governance forum, energy transition, digital transformation, corporate governance in accordance with the best practices, business legal issues, corporate risk management, R&D governance, intellectual property and local documents.

Training activities has helped PVCFC's employees much improve their professional skills, maintain stable operation of the plant with high capacity of 110%, production plan was 14 days ahead of schedule. Moreover, employees have taken initiative in improving plant maintenance activities without hiring outside experts while business turnover and profit were much improved.



SOCIAL ISSUES (continued)

SOCIAL RESPONSIBILITY

For over 10 years of establishment and development imbued with its set of core values “Pioneering - Responsible - Considerate - Compatible”, PVCFC always maintains its missions as a “Nurturer” to “share happiness with communities” by practical sponsorships, charitable and social activities. It is clearly defined that sustainable development must be accompanied community responsibility. This is always an operational principle closely attached with other strategic goals.

PVCFC has allocated a total of **VND 40 billion** for social security and community-based activities

Since Covid-19 pandemic outbreak occurred early 2020 in Vietnam, PVCFC has been one of pioneers in joining hands with Government and localities in disease control and prevention activities. In 2021, apart from giving support to repel the Covid-19 pandemic, PVCFC has accompanied the country to implement urgent and meaningful activities based on the spirit of together overcoming challenges and stabilizing social security.

In 2021, PVCFC has allocated VND 40 billion for social security and community-based activities.

Donate ambulances to provinces/cities seriously impacted by Covid-19 pandemic

On 12 November 2021, being authorized by PetroVietnam, PVCFC has awarded 02 ambulances to support Ca Mau in a fight against Covid-19 pandemic. Attendants of the awarding ceremony included leaders of Ca Mau province and representatives of PVCFC.

In the context of Covid-19 pandemic complicated developments. PVCFC’s donation of specialized ambulances has supported Ca Mau health sector to effectively implement disease control and prevention measures, timely supported local health sector to transport Covid-19 patients to health facilities conveniently and rapidly.

Ambulances awarded to Ca Mau province is 16 seat Hyundai Solati van which is manufactured and distributed in Vietnam. Solati ambulance version is a big van with wide and flexible interior space. This version is equipped with ultra-rigid frame made of high-grade alloy, closed-loop structure enhancing hardness, stability and safety. This is a multi-purpose van can be well-performed in different situations.



Deputy General Director - Mr. Tran Chi Nguyen donated 02 ambulances to support Ca Mau in a fight against Covid-19 pandemic

Donate VND 3 billion to Ca Mau to purchase Covid-19 test kits

On 12 November 2021, PVCFC has donated VND 3 billion to support Ca Mau Department of Health to purchase Covid-19 test kits. In the context of rapidly increasing number of confirmed cases, PVCFC’s financial support has added more energy to Covid-19 rapid testing efforts, effectively implement disease control and prevention measures of Ca Mau province.

The awarding ceremony attracted participation of Mr. Tran Van Hien, Head of Provincial Commission for Mass Mobilization, Chairman of Vietnam Fatherland Front Committee of Ca Mau Province; Mr. Nguyen Minh Luan, Deputy Chairman of People’s Committee of Ca Mau Province.

PVCFC, through these contributions, hopes to quickly restart business and production activities, supply chains and daily lives of people in the new normal at soonest possible time.



Deputy General Director - Mr. Tran Chi Nguyen donated VND 3 billion to support Ca Mau province to repel Covid-19 pandemic

Support Covid-19 patients in isolation areas in Ca Mau province

To timely support people to return Ca Mau province and those in concentrated isolation areas in Ca Mau province, PVCFC’s unions have raised the “spirit of solidarity and kindness”, make contribution according to their ability.

As a result, PVCFC has mobilized a total amount of VND 264 million from employees from 13 October 2021 to 14 October 2021. PVCFC’s representatives and Executive Committee of PVCFC’s Communist Youth Union have coordinated with mass organizations in Ca Mau City to give small gifts full of love of PVCFC’s leadership and employees to local people. This move represents the faith and the right directions of Board of Directors following 4 core values: Pioneering - Responsible - Considerate - Compatible. The value of responsibility is embraced in PVCFC’s proactive cooperation with leaders of Ca Mau province in the fight against Covid-19 pandemic, maintain production stability, make timely contributions to support vulnerable people with the hope that they are safely isolated and comply with epidemic prevention regulations to return to a new normal.

Every small contribution of each employee makes PVCFC’s brand shine in both production activities and hearts full of love.



SOCIAL ISSUES (continued)

SOCIAL RESPONSIBILITY (continued)

Project inauguration in Hai Duong Province

With economic development, increase of social welfare and security, leaving no one behind as a consistent and cross-cutting goal, PVCFC has strengthened solutions to improve quality of life of people, contribute to sustainable community development. On 22 November 2021, PVCFC has cooperated with People's Committee of Thang Long Commune, Kinh Mon Township, Hai Duong province to organize inauguration ceremony of Trung Hoa Community Education Center. This is a part of PVCFC's social security programs in 2021 to improve quality of life of local people as well as promote local economic development.



Community Education Center Project in Trung Hoa Village funded by PVCFC with a total investment capital of VND 3 billion.

Donate VND 1 billion to support Ca Mau in combating Covid-19

In response to launching ceremony of peak donation campaign to support prevention of Covid-19 pandemic (Phase 2) of Vietnam Fatherland Front Committee of Ca Mau Province, PVCFC has made a total contribution of VND 1 billion to support Ca Mau in combating Covid-19. On this occasion, Mr. Nguyen Thanh Tung - Deputy General Director of PVCFC expressed his concerns about hardships, shortage of medical equipment and supplies at grassroots facilities and even human resource on the frontline in remote areas like Ca Mau. He also expressed PVCFC's commitments to accompany and fulfil its responsibilities for Covid-19 pandemic control and prevention activities.



General Director of PetroVietnam Le Manh Hung granted aids to Vietnam Vaccine Fund to Ministry of Health Nguyen Thanh Long

Donate VND 5 billion to Vietnam Vaccine Fund

During tough times of Covid-19 pandemic, as Vietnam's leading fertilizer trading and production company, it is very urgent and necessary for PVCFC to join hands with the Government to overcome difficulties and challenges.

In response to call of the Party and authorities to establish Vaccine Fund to effectively prevent the pandemic and ensure health, safety for people, PVCFC has given VND 5 billion to Vietnam Vaccine Fund. Although it is a modest sum but it presents the whole-hearted love of PVCFC's employees for people, reflecting community responsibilities of PVCFC, spreading and upholding the good tradition of "Solidarity and kindness" of Vietnamese people.

Give support to farmers in the Mekong Delta region facing difficulties during pandemic and the fall of agricultural prices.



PVCFC gave fertilizers and gifts to farmers impacted by Covid-19 pandemic in Tran Van Thoi District.

The Covid-19 pandemic has caused serious damages to rice consumption activities in the Mekong Delta region. Rice price continued to drop and deter buyers. With a mission for the future of farmers, rural area and Vietnamese agriculture, PVCFC has implemented a program of "unanimously support and overcome challenges with farmers" to share difficulties with farmers during such a tough time. The program has been implemented in 23 provinces and cities, giving 26,000 Ca Mau branded high quality fertilizer bags to farmers nationwide. In addition, the company has given 500 gifts of essential goods such as rice, sugar, cooking oil, medical equipment, etc. to farmers.



PVCFC gave fertilizers and gifts to farmers impacted by Covid-19 pandemic in Thoi Binh and U Minh Districts.



SOCIAL ISSUES (continued)

SOCIAL RESPONSIBILITY (continued)

Fund construction of 3 rural bridges worth VND 1.5 billion for Thoi Binh District, Ca Mau Province

In order to create favorable conditions for road traffic and provide safe route for students to schools, especially in rainy season, PVCFC has funded construction of 3 rural traffic bridges worth VND 1.5 billion in Thoi Binh District. This is a very meaningful gift presenting responsibilities of the Leadership and employees of PVCFC for local communities, promptly responding to desires of safe roads and travel of local people and authorities of Thoi Binh District.

Fund light installation in U Minh District



On 28 February 2022, Standing Committee of Ca Mau Provincial Youth Union organized an emulation movement to welcome youth union congress at all levels in 2022-2027 term and launched "Youth Month 2022", on this occasion, PVCFC has handed over 6 projects of "lighting up country roads" to U Minh District. Each project installed light system with total length of 8km in 6 districts including Khanh An, Nguyen Phich, Khanh Thuan, Khanh Tien, Khanh Lam, Khanh Hoa with total investment capital of VND 300 million. These projects not only created favorable conditions for local people to travel but also create more stronger and prosperous communities, contribute to new rural development.

Scholarships awarded to poor students in Ca Mau province

The Covid-19 pandemic complicated developments have made it more difficult for poor students in Ca Mau province. Despite many challenges in business and production activities, PVCFC continued to maintain business and production efficiency and give more scholarships to students in remote areas.

On 13 September 2021, PVCFC has supported "For Golden Harvest" Fund at 10 first opening ceremonies of new school years in districts and city of Ca Mau. On this occasion, PVCFC has awarded a total of 900 scholarships to gifted students in many districts and city of Ca Mau as a message of encouragement for students in the new school year.

Scholarships of VND 420 million awarded to students of Can Tho University

Continue to follow up the journey of sowing seeds of love, empower and bring hope to students nationwide, PVCFC, as a "Nurturer", has awarded 60 scholarships worth VND 420 million to students of Faculty of Agriculture of Can Tho University

These scholarships proved as good motivation for students to fulfill their desires of conquering the peak of knowledge, turn their dreams into reality, take firm steps into the future and contribute to the local agricultural development.



PVCFC's youth union awarded scholarships at opening ceremonies of new school year in districts and City of Ca Mau.

Scholarships of over VND 210 million awarded to students of PetroVietnam University

At the online opening ceremony of 2021-2022 school year of Petro Vietnam University (PVU) taken place on 28 October 2021, PVCFC has awarded 30 scholarships worth VND 210 million for gifted students.

The scholarship award program entitled "The Golden Harvests" has been launched for more than 10 years with over VND 2 billion/year to support pupils and students nationwide. The journey of sowing seeds of love of PVCFC is always for the next generation, therefore, PVCFC has been accompanying Ca Mau education sector in particular and of the whole country in general to support examples of overcoming obstacles to fulfill their dreams.



The background features a complex network of yellow and green circuit-like lines. A central circular emblem contains a stylized plant. A dotted green line curves across the top, with a bar chart icon at its peak and a red dot. A dotted red line curves across the bottom, with a circular icon containing a stylized symbol at its end.

COMPATIBILITY BUILDS LONG-TERM VALUES

FINANCIAL STATEMENTS

2021 Financial Highlights	202
Corporate information	205
Statement of the Board of Management	206
Independent auditor's report to the shareholders of PetroVietnam Ca Mau Fertilizer Joint Stock Company	207
Consolidated balance sheet (Form B 01 – DN/HN)	209
Consolidated income statement (Form B 02 – DN/HN)	211
Consolidated cash flow statement (Form B 03 – DN/HN)	212
Notes to the consolidated financial statements (Form B 09 – DN/HN)	214



ACCORDING TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

TOTAL ASSETS AS AT 31 DECEMBER 2021

VND **11,072** BILLION

AN INCREASE OF **↑ VND 2,355 BILLION** compared to the same period in 2020

in which:

CURRENT ASSETS

AN INCREASE OF **↑ VND 3,298** BILLION

LONG-TERM ASSETS

A DECREASE OF **↓ VND 943** BILLION



TOTAL LIABILITIES AS AT 31 DECEMBER 2021

VND **3,594** BILLION

In which:

CURRENT LIABILITIES

VND **3,187** BILLION

LONG-TERM LIABILITIES

VND **407** BILLION

SHORT-TERM DEBT-TO-ASSETS RATIO

28.8 %

LONG-TERM DEBT-TO-ASSETS RATIO

3.7 %

TOTAL-DEBT-TO-TOTAL-ASSETS

32.5 %



SHORT-TERM RECEIVABLES AS AT 31 DECEMBER 2021

VND **187** BILLION

in which:



PAY IN ADVANCE FOR SUPPLIERS

VND **86** BILLION



COLLECTION FROM CUSTOMERS

VND **44** BILLION

OWNER'S EQUITY

AS AT 31 DECEMBER 2021

VND **7,478** BILLION

AN INCREASE OF **↑ VND 1,152 BILLION** compared to the same period in 2020

PROFIT AFTER TAX

IN 2021

VND **1,826** BILLION

AN INCREASE OF **↑ VND 1,164 BILLION** compared to the same period in 2020

RETURN ON ASSETS (ROA)

18.46 %

RETURN ON EQUITY (ROE)

26.46 %



PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

TABLE OF CONTENTS	PAGE
Corporate information	205
Statement of the Board of Management	206
Independent auditor's report to the shareholders of PetroVietnam Ca Mau Fertilizer Joint Stock Company	207
Consolidated balance sheet (Form B 01 – DN/HN)	209
Consolidated income statement (Form B 02 – DN/HN)	211
Consolidated cash flow statement (Form B 03 – DN/HN)	212
Notes to the consolidated financial statements (Form B 09 – DN/HN)	214

CORPORATE INFORMATION

Enterprise registration certificate	No. 2001012298 dated 24 March 2011 which was initially issued by the Department of Planning and Investment of Ca Mau Province with the latest 6th amendment dated 14 June 2018.	
Board of Directors	Mr. Tran Ngoc Nguyen	Chairman
	Mr. Nguyen Duc Hanh	Member
	Mr. Van Tien Thanh	Member
	Mr. Tran My	Member
	Mr. Truong Hong	Member (Appointed on 28 April 2021)
	Ms. Do Thi Hoa	Member (Appointed on 28 April 2021)
	Mr. Le Duc Quang	Member (Appointed on 28 April 2021)
	Ms. Nguyen Minh Phuong	Member (Resigned on 28 April 2021)
Board of Supervision	Ms. Phan Thi Cam Huong	Head
	Mr. Do Minh Duong	Member (Appointed on 28 April 2021)
	Mr. Tran Van Binh	Member (Appointed on 28 April 2021)
	Mr. Nguyen Quoc Huy	Member (Resigned on 7 April 2021)
Board of Management	Mr. Van Tien Thanh	General Director
	Mr. Le Ngoc Minh Tri	Deputy General Director
	Mr. Nguyen Tuan Anh	Deputy General Director
	Ms. Nguyen Thi Hien	Deputy General Director
	Mr. Tran Chi Nguyen	Deputy General Director
	Mr. Nguyen Thanh Tung	Deputy General Director
Legal representative	Mr. Van Tien Thanh	General Director
Registered office	Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province, Vietnam.	
Auditor	PwC (Vietnam) Limited	



STATEMENT OF THE BOARD OF MANAGEMENT

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of PetroVietnam Ca Mau Fertilizer Joint Stock Company (“the Company”) is responsible for preparing consolidated financial statements of the Company and its subsidiary (together, “the Group”) which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

- ◇ select suitable accounting policies and then apply them consistently;
- ◇ make judgments and estimates that are reasonable and prudent; and
- ◇ prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and which enable consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

The legal representative has authorized Mr. Le Ngoc Minh Tri – Deputy General Director of the Company to sign the consolidated financial statements for the year ended 31 December 2021 as per Power of Attorney No.106/UQ-PVCFC dated 29 December 2021.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 209 to 258 which give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



Le Ngoc Minh Tri
Deputy General Director
Authorised signatory

Ca Mau Province, SR of Vietnam
15 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

We have audited the accompanying consolidated financial statements of PetroVietnam Ca Mau Fertilizer Joint Stock Company (“the Company”) and its subsidiaries (together, “the Group”) which were prepared on 31 December 2021 and approved by the Board of Management on 15 March 2022. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 209 to 258.

THE BOARD OF MANAGEMENT'S RESPONSIBILITY

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to 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 auditor's judgement, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and true 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of 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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY (continued)

AUDITOR'S OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2021, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

EMPHASIS OF MATTER

As presented in Note 41 of Note to the consolidated financial statements, as at the approval date of these consolidated financial statements, the Government Inspectorate has not issued the final conclusion for the equitization finalisation. Our opinion is not modified in respect of this matter.

OTHER MATTERS

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 12 March 2021.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

FOR AND ON BEHALF OF PWC (VIETNAM) LIMITED



Mai Viet Hung Tran
Audit Practising Licence No.
0048-2018-006-1
Authorised signatory

Report reference number: HCM11556
Ho Chi Minh City, 15 March 2022

Tram Tu Mai Anh
Audit Practising Licence No.
3546-2021-006-1

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET

As at 31 December

Code	ASSETS	Note	2021 VND	2020 VND
100	CURRENT ASSETS		7,276,291,649,429	3,978,192,126,939
110	Cash and cash equivalents	3	427,652,730,904	509,995,350,873
111	Cash		427,652,730,904	289,995,350,873
112	Cash equivalents		-	220,000,000,000
120	Short-term investment		4,362,000,000,000	2,302,000,000,000
123	Investments held to maturity	4	4,362,000,000,000	2,302,000,000,000
130	Short-term receivables		187,458,077,176	217,396,300,223
131	Short-term trade accounts receivable	5	44,653,507,005	44,753,555,075
132	Short-term prepayments to suppliers	6	86,006,714,411	15,505,616,232
136	Other short-term receivables	7	94,287,650,528	157,278,122,406
137	Provision for doubtful debts - short-term		(37,489,794,768)	(140,993,490)
140	Inventories	8	2,204,077,707,734	834,134,886,038
141	Inventories		2,204,077,707,734	834,430,472,995
149	Provision for decline in value of inventories		-	(295,586,957)
150	Other current assets		95,103,133,615	114,665,589,805
151	Short-term prepaid expenses	9(a)	41,798,660,110	39,702,860,677
152	Value added tax ("VAT") to be reclaimed	14(a)	52,802,271,176	74,460,526,799
153	Tax and other receivables from the State	14(a)	502,202,329	502,202,329
200	LONG-TERM ASSETS		3,795,829,685,496	4,739,288,564,672
210	Long-term receivable		3,000,000	3,000,000
216	Other long-term receivables		3,000,000	3,000,000
220	Fixed assets		3,405,623,289,945	3,955,428,596,723
221	Tangible fixed assets	10(a)	3,366,688,086,806	3,899,631,024,527
222	Historical cost		15,104,050,606,596	14,272,460,795,228
223	Accumulated depreciation		(11,737,362,519,790)	(10,372,829,770,701)
227	Intangible fixed assets	10(b)	38,935,203,139	55,797,572,196
228	Historical cost		153,100,963,527	146,711,262,372
229	Accumulated amortisation		(114,165,760,388)	(90,913,690,176)
240	Long-term asset in progress		66,117,926,735	760,955,297,273
242	Construction in progress	11	66,117,926,735	760,955,297,273
260	Other long-term assets		324,085,468,816	22,901,670,676
261	Long-term prepaid expenses	9(b)	310,558,758,401	17,258,713,922
262	Deferred income tax assets	18	13,526,710,415	5,642,956,754
270	TOTAL ASSETS		11,072,121,334,925	8,717,480,691,611

The notes on pages 214 to 258 are an integral part of these consolidated financial statements.



CONSOLIDATED BALANCE SHEET (continued)

Form B 01 – DN/HN

As at 31 December

Code	RESOURCES	Note	2021 VND	2020 VND
300	LIABILITIES		3,594,024,059,539	2,391,033,021,663
310	Short-term liabilities		3,186,610,542,693	2,050,151,784,755
311	Short-term trade accounts payable	12	794,797,289,361	709,126,800,176
312	Short-term advances from customers	13	285,547,357,483	118,183,078,862
313	Tax and other payables to the State	14(b)	94,738,342,896	31,066,794,231
314	Payable to employees		187,588,949,913	98,041,055,868
315	Short-term accrued expenses	15	553,156,963,463	126,023,426,538
319	Other short-term payables	16	386,497,523,838	127,381,799,366
320	Short-term borrowings	17(a)	689,162,951,336	685,406,563,747
322	Bonus and welfare fund	19	195,121,164,403	154,922,265,967
330	Long-term liabilities		407,413,516,846	340,881,236,908
338	Long-term borrowings	17(b)	2,676,343,532	137,062,222,093
343	Fund for scientific and technological development	20	404,737,173,314	203,819,014,815
400	OWNERS' EQUITY		7,478,097,275,386	6,326,447,669,948
410	Capital and reserves		7,478,097,275,386	6,326,447,669,948
411	Owners' capital	21, 22	5,294,000,000,000	5,294,000,000,000
411a	- Ordinary shares with voting rights		5,294,000,000,000	5,294,000,000,000
414	Owners' other capital	22	3,665,420,000	3,665,420,000
418	Investment and development fund	22	965,858,273,232	418,967,418,595
421	Undistributed earnings	22	1,187,985,397,644	583,467,405,249
421a	- Undistributed post-tax profits of previous years		106,429,344,547	110,778,820,045
421b	- Post-tax profits of current year		1,081,556,053,097	472,688,585,204
429	Non-controlling interests	23	26,588,184,510	26,347,426,104
440	TOTAL RESOURCES		11,072,121,334,925	8,717,480,691,611

Huynh Thi Ngoc Ha
Preparer

Dinh Nhu Cuong
Chief Accountant



Le Ngoc Minh Tri
Deputy General Director
Authorised signatory
15 March 2022

Form B 02 – DN/HN

CONSOLIDATED INCOME STATEMENT

Year ended 31 December

Code	Note	2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	10,088,157,082,401	7,716,890,477,631
02	Less deductions	(218,394,177,764)	(155,615,377,213)
10	Net revenue from sales of goods and rendering of services	9,869,762,904,637	7,561,275,100,418
11	Cost of goods sold and services rendered	(7,088,825,980,325)	(6,244,427,300,529)
20	Gross profit from sales of goods and rendering of services	2,780,936,924,312	1,316,847,799,889
21	Financial income	167,531,907,804	128,316,681,426
22	Financial expenses	(45,072,929,624)	(63,234,525,222)
23	- Including: Interest expense	(18,580,201,013)	(43,301,059,166)
25	Selling expenses	(420,401,252,844)	(369,000,315,151)
26	General and administration expenses	(528,491,737,615)	(304,406,663,012)
30	Net operating profit	1,954,502,912,033	708,522,977,930
31	Other income	4,371,195,381	10,735,344,253
32	Other expenses	(2,604,118,573)	(2,724,517,878)
40	Net other income	1,767,076,808	8,010,826,375
50	Net accounting profit before tax	1,956,269,988,841	716,533,804,305
51	Business income tax ("BIT") - current	(138,029,455,566)	(52,561,609,356)
52	BIT - deferred	7,883,753,661	(1,525,860,678)
60	Net profit after tax	1,826,124,286,936	662,446,334,271
Attributable to:			
61	Owners of the parent company	1,823,459,057,715	661,046,074,192
62	Non-controlling interests	2,665,229,221	1,400,260,079
70	Basic earnings per share	3,073	1,017
71	Diluted earnings per share	3,073	1,017

Huynh Thi Ngoc Ha
Preparer

Dinh Nhu Cuong
Chief Accountant



Le Ngoc Minh Tri
Deputy General Director
Authorised signatory
15 March 2022



CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December (Indirect method)

Form B 03 – DN/HN

Code	Note	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	1,956,269,988,841	716,533,804,305
Adjustments for:			
02	Depreciation and amortisation	1,385,810,943,875	1,318,152,452,706
03	Provisions/(reversal of provisions)	37,053,214,321	(8,481,678,247)
04	Unrealised foreign exchange gains	(7,009,326,758)	(1,535,037,700)
05	Profits from investing activities	(130,835,723,223)	(111,927,584,745)
06	Interest expense	18,580,201,013	43,301,059,166
07	Other adjustments	216,728,275,492	79,425,415,134
08	Operating profit before changes in working capital	3,476,597,573,561	2,035,468,430,619
09	Decrease in receivables	30,360,921,226	135,339,605,619
10	(Increase)/decrease in inventories	(1,369,647,234,739)	475,406,863,546
11	Increase/(decrease) in payables	988,217,378,299	(702,525,303,443)
12	(Increase)/decrease in prepaid expenses	(283,790,994,898)	20,815,133,774
14	Interest paid	(22,321,007,371)	(57,259,768,947)
15	BIT paid	(78,860,458,512)	(42,053,571,588)
17	Other payments on operating activities	(171,728,350,922)	(84,561,387,710)
20	Net cash inflows from operating activities	2,568,827,826,644	1,780,630,001,870
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(156,948,169,088)	(272,862,033,943)
23	Term deposits placed	(6,530,000,000,000)	(3,290,000,000,000)
24	Collection of term deposits	4,470,000,000,000	2,990,000,000,000
27	Interest received	114,722,479,389	111,385,557,350
30	Net cash outflows from investing activities	(2,102,225,689,699)	(461,476,476,593)

The notes on pages 214 to 258 are an integral part of these consolidated financial statements.

Form B 03 – DN/HN

CONSOLIDATED CASH FLOW STATEMENT (continued)

Year ended 31 December (Indirect method)

Code	Note	2021 VND	2020 VND
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	1,381,261,865,566	1,722,884,692,677
34	Repayments of borrowings	(1,504,930,606,538)	(2,683,435,949,507)
36	Dividends distributed to shareholders	(425,324,592,700)	(319,485,623,200)
40	Net cash outflows from financing activities	(548,993,333,672)	(1,280,036,880,030)
50	Net (decrease)/increase in cash and cash equivalents	(82,391,196,727)	39,116,645,247
60	Cash and cash equivalents at beginning of year	3	509,995,350,873
61	Effect of foreign exchange differences	48,576,758	(294,617,915)
70	Cash and cash equivalents at end of year	3	427,652,730,904

Additional information relating to the consolidated cash flow statement is presented in Note 37.



Huynh Thi Ngoc Ha
Preparer




Dinh Nhu Cuong
Chief Accountant

Le Ngoc Minh Tri
Deputy General Director
Authorised signatory
15 March 2022

The notes on pages 214 to 258 are an integral part of these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021

1 GENERAL INFORMATION

PetroVietnam Ca Mau Fertilizer Joint Stock Company (the “Company”), formerly known as PetroVietnam Camau Fertilizer One Member Limited Liability Company - a subsidiary of Vietnam Oil and Gas Group (“PVN”), was established in SR Vietnam pursuant to Enterprise registration certificate No. 2001012298 which was initially issued by the Department of Planning and Investment of Ca Mau Province on 24 March 2011.

On 4 December 2012, the Company received Investment registration certificate No. 61101000153 which was issued by the People’s Committee of Ca Mau Province to construct “Ca Mau Fertilizer factory” project at An Khanh Commune, U Minh District, Ca Mau Province, for a period of 20 years from the date of this Investment registration certificate. The total charter capital of this project is VND19,658.46 billion. As at 13 November 2018, the Department of Planning and Investment of Ca Mau Province issued Investment registration certificate No. 8568610502 as a replacement of Investment registration certificate No. 61101000153 issued by the People’s Committee of Ca Mau Province.

PetroVietnam Camau Fertilizer One Member Limited Liability Company was officially transformed into a joint stock company, named PetroVietnam Camau Fertilizer Joint Stock Company pursuant to the sixth amended Enterprise registration certificate No. 2001012298 issued by the Department of Planning and Investment of Ca Mau Province on 14 June 2018. The Company’s charter capital is VND5,294 billion, equivalent to 529,400,000 shares with par value of VND10,000 per share.

The Company’s shares were listed on the Ho Chi Minh City Stock Exchange on 31 March 2015 with the stock code “DCM” according to Notice No. 342/TB-SGDHCM dated 20 March 2015 of the Ho Chi Minh Stock Exchange.

The principal activities of the Company include:

- ◇ Production of fertilizers, nitrogen compounds and basic chemicals;
- ◇ Wholesale of fertilizers, chemicals used in industry – agriculture;
- ◇ Retail of fertilizers, chemicals used in industry – agriculture;
- ◇ Architectural activities and consultancy on techniques using fertilizers and chemicals;
- ◇ Warehousing, storage and handling cargo;
- ◇ Research and experiment of development of natural science and engineering technical testing and analysing;
- ◇ Machinery and equipment repair and maintenance;
- ◇ Website establishment, process data, rental and other related activities;
- ◇ Trade of agriculture products and materials; and
- ◇ Trade of real estate, land use right belong to owners, users or renters.

As at 31 December 2021 and 31 December 2020, the Company had 1 subsidiary - PetroVietnam Packaging Joint Stock Company (“subsidiary”). General information of the subsidiary is as below:

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

1 GENERAL INFORMATION (continued)

Subsidiary	Principal activities	Place of incorporation and operation	% of ownership	% of voting rights
PetroVietnam Packaging Joint Stock	Package manufacturing	Bac Lieu	51.03	51.03

As at 31 December 2021 and 31 December 2020, the Company had 2 branches that are dependent accounting units, located in plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province, Vietnam. The two branches are granted with branch stamps for transaction and allowed to open accounts at banks in accordance with Vietnamese laws. Details of the Company’s branches are as follows:

- ◇ Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company - Project Management Unit established under Decision No. 1109/QD-PVCFC dated 1 June 2016 of the Board of Management: is responsible for managing the Company’s construction projects.
- ◇ Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company – Research and Development Center established under Decision No. 442/QD-PVCFC dated 27 March 2017 of the Board of Management: is responsible for researching and developing new products.

The normal business cycle of the Company and its subsidiary (together, “the Group”) is 12 months.

As at 31 December 2021, the Group had 1,241 employees (as at 31 December 2020: 1,203 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Company. The consolidated financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Group’s fiscal year is from 1 January to 31 December.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency**

The consolidated financial statements are measured and presented in Vietnamese Dong (“VND” or “Dong”), which is the Group’s accounting currency. The Group determines their accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used to list selling prices and receive payments; which are mainly used in purchases of goods or services, which have a significant impact on costs of labor, materials and other production or operating costs and which is normally used as payments for those costs.

In addition, the Group also uses these currencies to raise financial resources and regularly collect these currencies from business operations and savings.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

According to Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group and Official Letter No. 7526/BTC-TCDN dated 8 June 2015 issued by the Ministry of Finance on the exchange rates of foreign currencies (“Official Letter 4360 and Official Letter 7526”), the Group applies the buying rates announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies when preparing consolidated financial statements. These exchange rates differ from those stipulated in the Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding the accounting regime for enterprises. The Board of Management assesses that exchange differences arising from using the different exchange rates are not material.

The exchange differences arising from using the exchange rates stipulated in the Official Letter 4360 and Official Letter 7526 are recognized as income or expense in the consolidated income statement.

2.5 Basis of consolidation*Subsidiary*

Subsidiary is entity over which the Group has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is de-consolidated from the date that control ceases.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)***Subsidiary (continued)*

The purchase method of accounting is used to account for the acquisition of subsidiary by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests (“NCI”) as transactions with external parties to the Group.

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at date of acquisition.

A divestment of the Group’s interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group’s share of net assets of the subsidiary and any consideration paid or received from divestment of the Group’s interest in the subsidiary is recorded directly in the undistributed earnings under equity.

In a divestment of the Group’s interest in a subsidiary that results in a loss of control, the difference between the Group’s share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in another entity or investment to be equity accounted for since the divestment date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into long-term and short-term receivables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the perpetual system for inventories.

Provision is made, when necessary, for obsoleted, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

2.9 Investments held to maturity

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investment held to maturity include term deposits and bonds held to maturity for interest earning. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in the value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure which is incurred subsequently and has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

The Company's tangible and intangible fixed assets were revalued when the state-owned enterprise was equitized. Historical cost and accumulated depreciation are adjusted according to the valuation results which were approved by the competent authority in accordance with regulations, adjusted depreciation commenced when the Company officially becomes a joint stock company.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful. The estimated useful lives of each asset class are as follows:

Land use rights	20 - 43 years
Plant, buildings and structures	5 - 25 years
Machinery and equipment	5 - 12 years
Motor vehicles and transmission equipment	5 - 6 years
Office equipment	3 - 6 years
Patents	3 years
Computer software	3 - 6 years
Others	3 - 6 years

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the consolidated income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction or production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs; costs of tools and equipment in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Leased assets**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

- ◇ Trade accounts payable are trade payables arising from purchase of goods and services; and
- ◇ Other payables are non-trade payables, not relating to purchases of goods and services.

Payables are classified into long-term and short-term payables on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

2.14 Borrowings

Borrowings include borrowings from banks.

Borrowings are classified into long-term and short-term borrowings on the consolidated balance sheet based on the remaining period from the consolidated balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings a portion of which is used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the level of the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

2.17 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Undistributed earnings record the Group's results after BIT at the reporting date.

2.18 Appropriation of profit

The Group's results after BIT is appropriated in accordance with the Resolution of the General Meeting of shareholders, including: dividend distribution and fund appropriation according to the Company's charter and Vietnamese regulations.

According to the Company's charter, dividend is recognised as a liability in the consolidated financial statements of the accounting period based on the closing date of shareholder list following the Resolution of the Board of Directors after the dividend distribution plan is approved at the General Meeting of shareholders.

The Group's fund is as below:

(a) Investment and development fund

Investment and development fund is appropriated at a rate of no more than 30% of profit after BIT of the Group and approved at the General Meeting of shareholders. This fund is used for expanding the production scale, business or in-depth investment.

(b) Science and Technology Development Fund

The science and technology development fund is appropriated at a rate of no more than 10% of taxable profit of the Group and approved at the General Meeting of shareholders, in order to build investment fund for science and technology activities of the Group. This fund is developed upon on the Group's development and technology innovation demand and recognised to the consolidated operation results of the year. This fund is presented as a liability on the consolidated balance sheet.

(c) Bonus and welfare fund

Bonus and welfare fund is appropriated of profit after BIT of the Group and approved at the General Meeting of shareholders, and used for bonus and welfare payment for employees. This fund is presented as a liability on the consolidated balance sheet.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition***(a) Revenue from sales of goods*

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

- ◇ The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- ◇ The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- ◇ The amount of revenue can be measured reliably;
- ◇ It is probable that the economic benefits associated with the transaction will flow to the Group; and
- ◇ The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the “substance over form” principle and allocated to each sales obligation.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue from rendering of services is only recognised when all four (4) of the following conditions are satisfied:

- ◇ The amount of revenue can be measured reliably;
- ◇ It is probable that the economic benefits associated with the transaction will flow to the Group;
- ◇ The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- ◇ The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

2.20 Sales deductions

Sales deductions include trade discounts. Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that period.

Sales deductions for sales of products, goods or rendering of services which are sold or rendered in the period but are incurred after the consolidated balance sheet date but before the issuance of the consolidated financial statements are recorded as a deduction from the revenue of the period.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are the cost of finished goods, merchandise, materials sold or services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis.

2.22 Financial expenses

Financial expenses are expenses incurred in the year for financial activities mainly including interest expenses, losses from foreign exchange rate, guarantee fees and payment discounts.

2.23 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, merchandises, and providing services.

2.24 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes of the Group.

2.25 Current and deferred income tax

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits and the current year tax rates. Current and deferred tax are recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.26 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiary and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors, the Board of Management of the Group, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering a related party relationship, the Group considers the substance of the relationship but not merely the legal form.

2.27 Segment reporting

A segment is a component which can be separated by the Group engaged in providing products or services ("business segment"), or providing products or services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

2.28 Critical accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management 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 year.

The areas involving significant estimates and assumptions are as follows:

- ◇ Estimated useful lives of fixed assets; and
- ◇ Estimated short-term provision (Note 7).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are assessed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	2021 VND	2020 VND
Cash on hand	1,440,926,639	1,012,932,449
Cash at bank	426,211,804,265	288,982,418,424
Cash equivalents (*)	-	220,000,000,000
	427,652,730,904	509,995,350,873

(*) Cash equivalents represent the bank term deposits in VND with original maturities of three months or less and earn interest at the interest rate from 2.9% per annum to 3.3% per annum (as at 31 December 2020: 3.65% per annum).

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

4 INVESTMENTS HELD TO MATURITY

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits over 3 months	4,362,000,000,000	4,362,000,000,000	2,302,000,000,000	2,302,000,000,000

(*) As at 31 December 2021, short-term investment held to maturity represents the bank deposits in VND with original maturities of more than three months and the remaining period of less than 12 months, and earns interest at the interest rate of 3.5% per annum to 5.35% per annum (as at 31 December 2020: 3.6% per annum to 5.35% per annum).

As at 31 December 2021, a deposit with amount of VND200 billion at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thu Thiem Branch was used as a collateral asset for the loan at this bank (Note 17).

As at 31 December 2021, the Company had a deposit of VND332 billion at Ocean Commercial Joint Stock Bank – Ca Mau Branch ("OceanBank"). According to Official Letter No. 17/2015/CV-GDCNCM dated 14 May 2015 of OceanBank, under the instruction of the State Bank of Vietnam ("SBV"), OceanBank has been temporarily suspending payment to institutional customers who had deposits at OceanBank from 11 February 2015. On 23 February 2021, the Company sent its Official Letter No. 233/PVCFC-TCKT to the SBV and OceanBank on the payment of this deposit and has not received the response yet. This deposit is currently applied the interest rate of 4% per annum and periodic interest is transferred to the Company's account opened at OceanBank. Because the SBV has taken over OceanBank and transformed the operational model of OceanBank into Ocean Commercial One Member Limited Liability Bank owned by the State since 8 May 2015, the Board of Management assesses that the mentioned above deposit is still collectible and there is no risk of loss, and therefore no provision for loss of asset has been recognised.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2021 VND	2020 VND
Third parties		
Truong Hai Agriculture Joint Stock Company	26,494,200,000	-
Phu My Chemical and Construction Co.,Ltd	13,485,171,197	-
Nguyen Khoa Trading Co., Ltd	-	7,960,000,000
Baconco Co., Ltd	-	7,225,255,750
Tuong Dung An Giang One Member Company Limited	-	6,393,500,000
Hiep Loan Import and Export Company Limited	-	5,974,450,000
Others	4,674,135,808	16,662,368,925
Related parties (Note 38(b))	-	537,980,400
	44,653,507,005	44,753,555,075

As at 31 December 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due, amounted to VND40,717,380 and VND281,986,980, respectively.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2021 VND	2020 VND
Third parties		
Hung Thanh Agricultural Equipments Co.,Ltd	41,220,000,000	-
Hong Van Trading Service Transportation Company Limited	6,675,000,000	-
Viet Farm Trading Company Limited	5,000,000,000	-
PVD Technical Training and Certification Joint Stock Company	3,625,959,690	-
Tuong Nguyen Import-Export Trading Service Company Limited	3,195,137,850	-
Bateco Vietnam Joint Stock Company	2,838,903,210	2,853,160,182
Others	23,057,445,961	11,843,790,147
Related parties (Note 38(b))	394,267,700	808,665,903
	86,006,714,411	15,505,616,232

7 OTHER SHORT-TERM RECEIVABLES

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Third parties				
Withholding tax on payment of foreign loan interest (i)	43,228,523,461	(37,461,292,602)	42,851,089,549	-
Interest receivables from term deposits	34,651,095,889	-	18,537,852,055	-
Discounts on goods purchased	13,048,564,000	-	13,439,746,830	-
Advances from employee	1,637,232,000	-	2,505,620,800	-
Deposits	115,000,000	-	335,000,000	-
Others	1,607,235,178	-	2,184,323,359	-
Related parties (Note 38(b))	-	-	-	-
Receivables from PVN (ii)	-	-	77,424,489,813	-
	94,287,650,528	(37,461,292,602)	157,278,122,406	-

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

7 OTHER SHORT-TERM RECEIVABLES (continued)

(i) The balance as at 31 December 2021 represents the withholding tax paid by the Company following the working minutes dated 26 April 2018 of the Department of Finance Inspectorate, the Department of Tax of Ca Mau Province and Company. The Company is working with the Department of Tax to claim the refund for this withholding tax.

(ii) The balance at 31 December 2020 represents profits of the period from 1 January 2014 to 14 January 2015, which was overpaid to PVN due to gas price adjustments that the Company purchased from PVN during that period.

In 2021, according to the Examination Minutes No. 4287/BB-DKVN dated 29 July 2021 on the equitization settlement of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company and Decision No. 4825 /QD-DKVN dated 28 August 2021 on determination of enterprise value and approval of the equitization finalisation of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company by the time that the Company officially became a joint stock company on 15 January 2015 issued by PVN, the Company offset these receivables with other payables to PVN (Notes 16 and 41).

8 INVENTORIES

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	257,175,000,000	-	-	-
Raw materials	552,533,261,985	-	514,156,735,209	-
Tools and supplies	27,062,487,559	-	22,005,575,983	-
Work in progress	160,079,078,793	-	46,951,110,161	-
Finished goods	745,954,663,375	-	138,886,900,543	(295,586,957)
Merchandise	461,273,216,022	-	112,430,151,099	-
	2,204,077,707,734	-	834,430,472,995	(295,586,957)

Movements in the provision for decline in value of inventories during the year are as follows:

	2021 VND	2020 VND
Beginning of year	295,586,957	-
Increase	-	295,586,957
Reversal	(295,586,957)	-
End of year	-	295,586,957



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

9 PREPAID EXPENSES**(a) Short-term**

	2021 VND	2020 VND
Insurance	13,324,792,803	5,942,721,832
Software warranty costs	10,537,220,024	5,411,686,281
Others	17,936,647,283	28,348,452,564
	41,798,660,110	39,702,860,677

(b) Long-term

	2021 VND	2020 VND
Potential development value (i)	261,059,472,455	-
Repair and maintenance	2,591,739,928	10,970,158,182
Tools and supplies	45,048,667,541	4,368,403,878
Others	1,858,878,477	1,920,151,862
	310,558,758,401	17,258,713,922

Movement in long-term prepaid expenses during the year are as follows:

	2021 VND	2020 VND
Beginning of year	56,961,574,599	77,776,708,373
Increase from equitization finalisation (i)	261,059,472,455	-
Increase	126,223,093,631	98,134,748,084
Allocation	(91,886,722,174)	(118,949,881,858)
End of year	352,357,418,511	56,961,574,599

- (i) This is the difference between the business advantage of Petrovietnam Ca Mau Fertiliser One Member Limited Company as of 1 January 2014 in the Inspection minutes No. 379/QD-TTCP – Restructuring state-owned enterprise dated 30 July 2018 at Petrovietnam Ca Mau Fertiliser One Member Limited Company issued by the Government inspection team and the valuation certificate of Ban Viet Securities Joint Stock Company signed on 9 July 2014.

According to the Examination Minutes No. 4287/BB-DKVN dated 29 July 2021 on the equitization settlement of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company and Decision No. 4825 /QD-DKVN dated 28 August 2021 on determination of enterprise value and approval of the equitization finalisation of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company by the time that the Company officially became a joint stock company on 15 January 2015 issued by PVN, the Company has temporarily recognised an increase in assets (goodwill) and other payables; and neither recognised the increase in State capital nor submitted this amount to the Enterprise support and arrangement fund. This matter will be resolved (including accounting treatment) when the Government Inspectorate issues the final conclusion (Note 16 and Note 41).

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

10 FIXED ASSETS**(a) Tangible fixed assets**

	Plant, buildings and structures VND	Machinery and equipment VND	Motor vehicles and transmission equipment VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2021	3,553,580,528,138	10,501,077,536,795	73,539,495,539	84,893,260,941	59,369,973,815	14,272,460,795,228
New purchases	688,889,850	25,310,354,585	6,788,788,139	14,090,455,726	-	46,878,488,300
Transfers from construction in progress (Note 11)	316,714,497,628	473,786,856,811	-	-	-	790,501,354,439
Others	-	-	-	(5,790,031,371)	-	(5,790,031,371)
As at 31 December 2021	3,870,983,915,616	11,000,174,748,191	80,328,283,678	93,193,685,296	59,369,973,815	15,104,050,606,596
Accumulated depreciation						
As at 1 January 2021	2,558,205,899,076	7,677,936,193,359	58,390,810,688	59,794,428,551	18,502,439,027	10,372,829,770,701
Charge for the year	336,014,941,671	1,018,707,983,074	4,220,016,788	5,400,900,452	188,907,104	1,364,532,749,089
As at 31 December 2021	2,894,220,840,747	8,696,644,176,433	62,610,827,476	65,195,329,003	18,691,346,131	11,737,362,519,790
Net book value						
As at 1 January 2021	995,374,629,062	2,823,141,343,436	15,148,684,851	25,098,832,390	40,867,534,788	3,899,631,024,527
As at 31 December 2021	976,763,074,869	2,303,530,571,758	17,717,456,202	27,998,356,293	40,678,627,684	3,366,688,086,806



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

10 FIXED ASSETS (continued)**(a) Tangible fixed assets (continued)**

The Company has pledged the fixed assets built from projects including Camau Fertilizer Production Factory, Material import port with capacity of 500,000 tons/year of Ca Mau Fertilizer Production Factory and Factory producing Complex Fertilizer from Molten Urea as collaterals for the Company's bank loans. The carrying value of these assets at 31 December 2021 was VND3,269,371,536,727 (as at 31 December 2020: VND3,579,716,861,942) (Note 17).

PetroVietnam Packaging Joint Stock Company ("the subsidiary") has pledged the fixed assets built from Bac Lieu Petroleum Packaging Factory Project and assets formed from loans at Vietnam Joint Stock Commercial Bank for Industry and Trade – Bac Lieu Branch with carrying value of VND20,335,241,414 as at 31 December 2021 (as at 31 December 2020: VND23,319,884,656) as collaterals for the Group's bank loans (Note 17).

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2021 was VND378,418,409,808 (as at 31 December 2020: VND317,917,027,708).

(b) Intangible fixed assets

	Land use rights VND	Patents VND	Computer software VND	Total VND
Historical cost				
As at 1 January 2021	22,194,885,567	14,080,000,000	110,436,376,805	146,711,262,372
New purchases	-	-	6,389,701,155	6,389,701,155
As at 31 December 2021	22,194,885,567	14,080,000,000	116,826,077,960	153,100,963,527
Accumulated amortisation				
As at 1 January 2021	7,573,890,220	14,080,000,000	69,259,799,956	90,913,690,176
Charge for the year	1,286,648,162	-	21,965,422,050	23,252,070,212
As at 31 December 2021	8,860,538,382	14,080,000,000	91,225,222,006	114,165,760,388
Net book value				
As at 1 January 2021	14,620,995,347	-	41,176,576,849	55,797,572,196
As at 31 December 2021	13,334,347,185	-	25,600,855,954	38,935,203,139

The historical cost of fully amortized intangible fixed assets but still in use as at 31 December 2021 was VND74,003,851,676 (as at 31 December 2020: VND63,853,494,341).

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

11 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	2021 VND	2020 VND
Factory producing Complex Fertilizer from Molten Urea (*)	13,369,078,535	748,149,371,686
CO ₂ filter System	35,991,722,935	2,745,101,039
MB vent gas recovery system	4,515,487,702	3,953,884,558
Packaging warehouse - Production	-	3,871,758,521
Others	12,241,637,563	2,235,181,469
	66,117,926,735	760,955,297,273

(*) The Company has pledged the assets built from Factory producing Complex Fertilizer from Molten Urea Project with carrying value of VND13,369,078,535 as at 31 December 2021 (as at 31 December 2020: VND748,149,371,686) as collaterals for the Company's bank loans (Note 17).

Movement in construction in progress during the year are as follows:

	2021 VND	2020 VND
Beginning of year	760,955,297,273	698,579,632,340
Purchase	101,478,801,544	81,384,243,694
Transfers to fixed assets (Note (10a))	(790,501,354,439)	(19,008,578,761)
Transfers to prepaid expenses	(5,814,817,643)	-
End of year	66,117,926,735	760,955,297,273



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2021		2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Tri Viet Trading and Engineering Co., Ltd	12,536,986,000	12,536,986,000	1,262,501,900	1,262,501,900
Dandelion Saigon Company Limited	9,129,793,000	9,129,793,000	-	-
Thuan Phat Logistic Joint Stock Company	8,506,084,068	8,506,084,068	7,133,603,065	7,133,603,065
Thanh An Development And Investment Services Trading Co., Ltd	-	-	7,815,959,250	7,815,959,250
Sun Life Vietnam Company Limited	4,859,500,000	4,859,500,000	40,000,000,000	40,000,000,000
Others	244,258,705,698	244,258,705,698	178,497,586,258	178,497,586,258
Related parties (Note 38(b))	515,506,220,595	515,506,220,595	474,417,149,703	474,417,149,703
	794,797,289,361	794,797,289,361	709,126,800,176	709,126,800,176

13 SHORT-TERM ADVANCES FROM CUSTOMERS

	2021 VND	2020 VND
Yetak Group Co., Ltd	-	27,676,624,079
Sayimex Ta Mchas Sre Co., Ltd	-	16,999,189,280
Hung Thanh Co., Ltd	161,449,115,240	16,138,922,240
Nguyen Khoa Trading Co., Ltd	29,706,589,514	5,158,729,999
Hour Sarin Aphivath Kasekem Co., Ltd	10,946,234,396	-
Huu Thanh I Co., Ltd	8,976,989,100	6,013,629,100
Others	74,468,429,233	46,195,984,164
	285,547,357,483	118,183,078,862

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

14 TAX AND PAYABLES TO/RECEIVABLES FROM THE STATE

Movements in taxes and payables to/receivables from the State are as follows:

	As at 1.1.2021 VND	Receivable/payable during the year VND	Net-off VND	Payment/refund during the year VND	As at 31.12.2021 VND
(a) Receivables					
VAT to be reclaimed	74,460,526,799	106,821,371,518	(25,344,667,283)	(103,134,959,858)	52,802,271,176
VAT overpaid	104,855,724	-	-	-	104,855,724
Land rental	397,346,605	80,190,633	-	(80,190,633)	397,346,605
Import tax	-	1,186,326,724	-	(1,186,326,724)	-
	74,962,729,128	108,087,888,875	(25,344,667,283)	(104,401,477,215)	53,304,473,505
(b) Payables					
BIT	26,953,732,461	138,029,455,566	-	(78,860,458,512)	86,122,729,515
Personal income tax	2,072,002,963	44,728,091,793	-	(38,798,596,955)	8,001,497,801
VAT payable	1,795,381,607	29,446,851,841	(25,344,667,283)	(5,503,861,035)	393,705,130
VAT import tax	-	5,493,158,143	-	(5,493,158,143)	-
Natural resource taxes	229,003,200	2,533,187,850	-	(2,545,884,600)	216,306,450
Other taxes	16,674,000	915,313,922	-	(927,883,922)	4,104,000
	31,066,794,231	221,146,059,115	(25,344,667,283)	(132,129,843,167)	94,738,342,896



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

15 SHORT-TERM ACCRUED EXPENSES

	2021 VND	2020 VND
Third parties		
Cost of purchasing goods and services	295,317,116,756	21,346,111,775
Trade discount payable	199,515,410,195	56,512,371,793
Sales promotion expense	26,693,725,725	16,479,670,013
Interest expense	1,287,604,929	5,035,488,008
Guarantee fees	-	500,143,854
Others	11,323,449,583	11,775,417,440
Related party (Note 38(b))		
Non-deductible VAT payable	19,019,656,275	14,374,223,655
	553,156,963,463	126,023,426,538

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

16 OTHER SHORT-TERM PAYABLES

	2021 VND	2020 VND
Third parties		
Equitization payable - Potential development value (Note 9)	261,059,472,455	-
Social security expenses	15,000,000,000	-
Sales commission	13,241,390,131	5,993,809,535
Safety bonus fund	6,572,097,546	5,182,233,141
Short-term deposits	1,773,807,531	1,145,292,000
Union fund	1,084,145,917	2,620,361,383
Dividend payables	555,560,000	479,873,500
Others	18,075,962,917	10,252,027,093
Related parties (Note 38(b))		
Payable to Camau Gas-Power-Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
- Input VAT on gas purchased in the period before officially commercial operation	49,897,065,571	49,897,065,571
- Others	5,954,347,858	5,954,347,858
Payable to PVN (i)	13,283,673,912	45,856,789,285
- Equitization payable	12,219,608,894	46,019,574,601
+ Profit payable for the period from 1 January 2014 to 14 January 2015	12,219,608,894	12,219,608,894
+ Overpaid the CIT in 2014	-	32,375,616,667
+ CIT payable for the period from 1 January 2015 to 14 January 2015	-	1,176,849,040
+ Others	-	247,500,000
- Other payables	1,064,065,018	(162,785,316)
	386,497,523,838	127,381,799,366

(i) According to the Examination Minutes No. 4287/BB-DKVN dated 29 July 2021 about the equitization settlement of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company and Decision No. 4825 /QD-DKVN dated 28 August 2021 about determination of enterprise value and approval of the equitization finalisation of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company by the time that the Company officially became a joint stock company on 15 January 2015 issued by PVN, the Company has temporarily recognised an increase in assets (goodwill) and other payables; and neither recognised the increase in State capital nor submitted this amount to the Enterprise support and arrangement fund. This matter will be resolved (including accounting treatment) when the Government Inspectorate issues the final conclusion (Notes 7 and 41).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

Form B 09 – DN/HN

17 (a)	BORROWINGS	Short-term	As at 1.1.2021		Increase VND	Decrease VND	Revaluation VND	As at 31.12.2021	
			VND	VND				VND	VND
	Borrowing from banks (i)		155,758,063,000	1,380,601,265,566	(975,284,578,566)	(6,960,750,000)	554,114,000,000		
	Current portion of long-term borrowings		529,648,500,747	135,046,478,561	(529,646,027,972)	-	135,048,951,336		
			685,406,563,747	1,515,647,744,127	(1,504,930,606,538)	(6,960,750,000)	689,162,951,336		

(i) Details of short-term borrowings are as follows:

	31.12.2021	31.12.2020
	VND	VND
Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Thu Thiem Branch	554,114,000,000	155,758,063,000

Including short-term loan in United States Dollar ("USD") from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem branch with the term of 2 months to support the Company's working capital, bearing interest rate of 1.3% per annum. As at 31 December 2021, the outstanding principal balance is USD24,475,000, equivalent to VND554,114,000,000. The security of this loan is term deposit of VND200 billion at this bank (Note 4).

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

17 (b)	BORROWINGS (continued)	Long-term	As at 1.1.2021		Increase VND	Decrease VND	Revaluation VND	As at 31.12.2021	
			VND	VND				VND	VND
	Borrowing from banks (ii)		666,710,722,840	660,600,000	(529,646,027,972)	-	137,725,294,868		
	Current portion of long-term borrowings		(529,648,500,747)	(135,046,478,561)	529,646,027,972	-	(135,048,951,336)		
			137,062,222,093	(134,385,878,561)	-	-	2,676,343,532		

(ii) Details of the borrowings are as follows:

	31.12.2021	31.12.2020
	VND	VND
Saigon Hanoi Commercial Joint Stock Bank (*)	25/11/2022	131,787,453,586
Group of banks BNP, Paribas, Credit Agricole and Chinese Export Import Bank (*)	21/07/2021	-
Ho Chi Minh City Development Joint Stock Commercial Bank - Ca Mau branch (*)	30/08/2021	-
Vietnam Joint Stock Commercial Bank For Industry And Trade - Bac Lieu Branch (**)	06/09/2024	5,937,841,282
		137,725,294,868



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

17 BORROWINGS (continued)**(b) Long-term (continued)**

(*) These are long-term loans in USD and VND to finance purchases and constructions of fixed assets of the Company. These loans are secured by assets formed from the loans. Floating interest rate is applied in accordance with the lender's regulations, interest rates range from 1.8% to 4% per annum for loans in USD and from 7.84% to 9.1% per annum for loans in VND.

(**) This is a long-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Lieu Branch of the subsidiary under credit facility contracts of 3 to 7 years to finance purchases and constructions of fixed assets of the subsidiary. The loan is secured by assets built from Bac Lieu Petroleum Packaging Factory Project and other assets formed from the loan. The loan is applied floating interest rate.

18 DEFERRED TAX ASSET

The gross movement in deferred income tax is as follows:

	2021 VND	2020 VND
Beginning of year	5,642,956,754	7,168,817,432
Income statement credit/(charge) (Note 34)	7,883,753,661	(1,525,860,678)
End of year	13,526,710,415	5,642,956,754

Details of deferred tax assets:

	2021 VND	2020 VND
Trade discount not yet invoiced	11,736,144,678	4,156,620,880
Unrealized profit	1,790,565,737	1,486,335,874
	13,526,710,415	5,642,956,754

19 BONUS AND WELFARE FUND

	2021 VND	2020 VND
Beginning of year	154,922,265,967	104,358,451,427
Fund appropriation during the year (Note 22)	197,335,805,505	123,120,879,530
Adjusted appropriation to bonus and welfare fund from 2020 profit (Note 22)	(528,642,500)	(315,244,328)
Utilisation during the year	(156,608,264,569)	(72,241,820,662)
End of year	195,121,164,403	154,922,265,967

Bonus and welfare fund was appropriated in the financial year ended 31 December 2021 according to Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the Company's General Meeting of Shareholders and to Resolution No. 01/NQ-PVCFC dated 22 April 2021 of the subsidiary's General Meeting of Shareholders.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

20 SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

	2021 VND	2020 VND
Beginning of year	203,819,014,815	137,797,154,046
Fund appropriation during the year	216,728,275,492	79,425,415,134
Utilisation during the year	(15,810,116,993)	(13,403,554,365)
End of year	404,737,173,314	203,819,014,815

The scientific and technological development fund was appropriated in the year ended 31 December 2021 at the rate of 10% of the Company's taxable profit according to the Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the Company's General Meeting of Shareholders.

21 OWNERS' CAPITAL**(a) Number of shares**

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	529,400,000	-	529,400,000	-
Number of shares issued	529,400,000	-	529,400,000	-
Number of existing shares in circulation	529,400,000	-	529,400,000	-

(b) Details of owners' shareholding

	2021		2020	
	Ordinary shares	%	Ordinary shares	%
Vietnam Oil and Gas Group	400,023,057	75.56	400,023,057	75.56
Other shareholders	129,376,943	24.44	129,376,943	24.44
Number of shares	529,400,000	100	529,400,000	100

(c) Movement of share capital

As at the years ended 31 December 2021 and 31 December 2020, the Company had no changes in the total share value.

Par value per share: VND10,000.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Investment and development fund VND	Owners' other capital VND	Post-tax undistributed earnings VND	Minority interests VND	Total VND
As at 1 January 2020	5,294,000,000,000	352,538,306,337	3,665,420,000	428,845,630,394	27,277,893,348	6,106,327,250,079
Net profit for the year	-	-	-	661,046,074,192	1,400,260,079	662,446,334,271
Appropriation to investment and development fund from 2020 profit	-	66,429,112,258	-	(66,429,112,258)	-	-
Appropriation to bonus and welfare fund from 2020 profit	-	-	-	(122,670,431,407)	(450,448,123)	(123,120,879,530)
Adjusted appropriation to bonus and welfare fund from 2019 profit	-	-	-	315,244,328	-	315,244,328
Dividend distribution from 2019 profit (Note 24)	-	-	-	(317,640,000,000)	(1,880,279,200)	(319,520,279,200)
As at 31 December 2020	5,294,000,000,000	418,967,418,595	3,665,420,000	583,467,405,249	26,347,426,104	6,326,447,669,948
Adjustment related to equitization (i)	-	-	-	(52,267,239,293)	-	(52,267,239,293)
Net profit for the year	-	-	-	1,823,459,057,715	2,665,229,221	1,826,124,286,936
Appropriation to investment and development fund from 2021 profit (ii)	-	546,890,854,637	-	(546,890,854,637)	-	-
Appropriation to bonus and welfare fund from 2021 profit (ii)	-	-	-	(196,791,613,890)	(544,191,615)	(197,335,805,505)
Adjustment of bonus and welfare fund from profit in 2020	-	-	-	528,642,500	-	528,642,500
Dividend distribution from 2020 profit (Note 24)	-	-	-	(423,520,000,000)	(1,880,279,200)	(425,400,279,200)
As at 31 December 2021	5,294,000,000,000	965,858,273,232	3,665,420,000	1,187,985,397,644	26,588,184,510	7,478,097,275,386

(i) This is the adjustment profit of the Company's undistributed profit according to the Examination Minutes No. 4287/BB-DKVN dated 29 July 2021 on the equitization settlement of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company and Decision No. 4825 /QD-DKVN dated 28 August 2021 on determination of enterprise value and approval of the equitization finalisation of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company by the time that the Company officially became a joint stock company on 15 January 2015 issued by PVN (Note 41).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

22 MOVEMENTS IN OWNERS' EQUITY (continued)

- (ii) During the year, the Company appropriated the investment and development fund and bonus and welfare fund from the 2021 profit in accordance with the Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the General Meeting of Shareholders of the Company and the Resolution No. 01/NQ-PVCFC dated 22 April 2021 of the subsidiary's General Meeting of Shareholders.

23 NON-CONTROLLING INTEREST

	2021 VND	2020 VND
Share capital	23,503,490,000	23,503,490,000
Other funds	4,573,285,409	4,246,073,548
Undistributed earnings	(1,488,590,899)	(1,402,137,444)
	26,588,184,510	26,347,426,104

Movements in non-controlling interests during the year are as follows:

	2021 VND	2020 VND
Beginning of year	26,347,426,104	27,277,893,348
Net profit for the year	2,665,229,221	1,400,260,079
Appropriation to bonus and welfare fund	(544,191,615)	(450,448,123)
Dividends paid	(1,880,279,200)	(1,880,279,200)
Ending of year	26,588,184,510	26,347,426,104

24 DIVIDENDS

	2021 VND	2020 VND
Beginning of year	479,873,500	445,217,500
Dividends payable during the year	425,400,279,200	319,520,279,200
Dividends paid by cash	(425,324,592,700)	(319,485,623,200)
End of year	555,560,000	479,873,500

- (*) According to the Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the Company's General Meeting of Shareholders, the payment of the 2020 dividends in cash to existing shareholders at the rate of 8% charter capital, equivalent to VND423,520,000,000, was approved.

At PetroVietnam Packaging Joint Stock Company, according to the Resolution No. 01/NQ-DHCD dated 22 April 2021 of the subsidiary's General Meeting of Shareholders, the payment of the 2020 dividends in cash to existing shareholders at the rate of 8% charter capital, equivalent to VND3,839,612,800, was approved.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

25 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding treasury shares. Details are as follows:

	For the year ended	
	31.12.2021	31.12.2020
Net profit attributable to shareholders (VND)	1,823,459,057,715	661,046,074,192
Less amount allocated to bonus and welfare fund (VND) (*)	(196,791,613,890)	(122,670,431,407)
	1,626,667,443,825	538,375,642,785
Weighted average number of ordinary shares in issue (shares)	529,400,000	529,400,000
Basic earnings per share (VND)	3,073	1,017

- (*) The bonus and welfare fund appropriation for the year ended 31 December 2021 is based on the Group's 2021 profit distribution plan according to the Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the Annual General Meeting of Shareholders of the Company, and Resolution of the Board of Directors No. 02/NQ-PPC-HD dated 21 January 2021 and Resolution No. 01/NQ-DHCD dated 22 April 2021 of the General Meeting of Shareholders of the subsidiary.

The bonus and welfare fund appropriation for the year ended 30 December 2020 was based on the Group's 2020 profit distribution plan according to the Resolution No. 1161/NQ-PVCFC dated 25 June 2020 of the Annual General Meeting of Shareholders of the Company and Resolution No. 01/NQ-DHCD dated 24 June 2020 of the General Meeting of Shareholders of subsidiary.

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted during the year and up to the date of this consolidated financial statements. Therefore, the diluted earnings per share is equal to the basic earnings per share.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

26 OFF BALANCE SHEET ITEMS**(a) Asset held under trust**

As at 31 December 2021, third parties' materials are held under trust by the Group as follows:

Name of materials	Name of third parties	Amount Kg
N.Humate+Te 28-5 (50kg)	Be Tu Agriculture Company Limited	53,700
N.Humate+Te 28-5 (50kg)	Nguyen Khoa Trading Co., Ltd	10,000
N.Humate+Te 28-5 (50kg)	Hung Thanh Agricultural Van Load Co., Ltd	67,200
N.Humate+Te 28-5 (50kg)	Trong Tin Co., Ltd	16,000
N.Humate+Te 28-5 (25kg)	Trong Tin Co., Ltd	3,000

(b) Foreign currencies

As at 31 December 2021 and 31 December 2020, included in cash and cash equivalents were balances held in foreign currencies of USD and EUR as follows:

Foreign currencies	2021	2020
USD	489,747	5,996,442
EUR	1,280	1,280

(c) Operating Leases

The future minimum lease payments under non-cancellable operating leases are presented in Note 39.

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

27 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2021 VND	2020 VND
Revenue from sales of goods and rendering of services		
Revenue from sales of finished goods - Urea	7,280,394,927,590	6,073,425,382,360
-Domestic	5,378,953,779,000	4,394,765,571,328
-Export	1,901,441,148,590	1,678,659,811,032
Revenue from sales of finished goods Amoniac	24,014,972,941	-
Revenue from sales of finished goods NPK	391,249,025,000	-
Revenue from sales of merchandises - Fertilizer	1,638,158,931,515	1,331,323,910,380
-Domestic	1,514,083,655,476	1,305,540,380,330
-Export	124,075,276,039	25,783,530,050
Revenue from sales of substandard products and other finished goods	752,683,326,938	311,306,671,150
Revenue from rendering of services	1,655,898,417	834,513,741
	10,088,157,082,401	7,716,890,477,631
Sales deductions		
Trade discounts	(218,382,350,196)	(155,400,777,213)
Sales allowances	(11,827,568)	-
Sales returns	-	(214,600,000)
	(218,394,177,764)	(155,615,377,213)
Net revenue from sales of goods and rendering of services		
Net revenue from sales of finished goods	8,251,712,550,823	6,229,116,676,297
Net revenue from sales of merchandises	1,616,394,455,397	1,331,323,910,380
Net revenue from rendering of services	1,655,898,417	834,513,741
	9,869,762,904,637	7,561,275,100,418

28 COST OF GOODS SOLD AND SERVICES RENDERED

	2021 VND	2020 VND
Cost of finished goods Urea	4,786,064,054,966	4,868,626,033,251
Cost of merchandises sold - Fertilizer	1,483,980,402,380	1,232,744,382,350
Cost of finished goods NPK	392,883,682,341	-
Cost of finished goods Amoniac	13,466,273,668	-
Cost of substandard products and other finished goods	412,431,566,970	143,056,884,928
	7,088,825,980,325	6,244,427,300,529



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

29 FINANCIAL INCOME

	2021 VND	2020 VND
Interest income from deposits	130,835,723,223	111,939,246,447
Realised foreign exchange gains	29,686,857,823	16,377,434,979
Net gain from foreign currency translation at year-end	7,009,326,758	-
	167,531,907,804	128,316,681,426

30 FINANCIAL EXPENSES

	2021 VND	2020 VND
Interest expense	18,580,201,013	43,301,059,166
Payment discounts	2,319,050,000	244,250,000
Guarantee fee	197,673,181	2,137,728,584
Realised foreign exchange losses	23,976,005,430	17,436,037,472
Others	-	115,450,000
	45,072,929,624	63,234,525,222

31 SELLING EXPENSES

	2021 VND	2020 VND
Marketing fees	106,443,848,845	52,317,514,367
Transportation and warehouse fees	86,281,217,917	159,809,238,978
Social security expenses	57,412,538,334	13,037,400,790
Staff costs	53,627,510,921	37,148,455,458
Self-employed sales expenses	18,826,047,196	42,039,658,914
Depreciation and amortisation	5,713,708,158	3,536,378,703
Others	92,096,381,473	61,111,667,941
	420,401,252,844	369,000,315,151

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

32 GENERAL AND ADMINISTRATION EXPENSES

	2021 VND	2020 VND
Science and technology fund appropriation	216,728,275,492	79,425,415,134
Staff costs	143,105,770,233	97,257,123,787
Provision for receivable from withholding tax on interest of foreign borrowings (Note 7)	37,461,292,602	-
Outsource services expenses	46,432,261,142	46,238,682,293
Depreciation and amortisation	18,451,388,503	16,560,992,525
Others	66,312,749,643	64,924,449,273
	528,491,737,615	304,406,663,012

33 OTHER INCOME AND EXPENSES

	2021 VND	2020 VND
Other income		
Penalty for breach of contract terms	-	342,753,170
Disposal of tools and supplies	552,260,727	-
Compensation and bonus	101,323,309	7,924,957,313
Others	3,717,611,345	2,467,633,770
	4,371,195,381	10,735,344,253
Other expenses		
Tax penalties	-	(315,143,150)
Product handling expenses	-	(2,071,393,187)
Others	(2,604,118,573)	(337,981,541)
	(2,604,118,573)	(2,724,517,878)
	1,767,076,808	8,010,826,375



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

34 BIT

The BIT on the Group's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20%, as follows:

	2021 VND	2020 VND
Net accounting profit before tax	1,956,269,988,841	716,533,804,305
Tax calculated at a rate of 20%	34,468,105,814	21,530,183,387
Tax calculated at a rate of 17%	-	532,283,607
Tax calculated at a rate of 5%	87,950,804,059	30,334,402,555
Effect of:		
Expenses not deductible for tax purposes	6,361,738,708	2,749,861,482
Tax losses for which no deferred income tax asset was recognised	-	(1,648,774,800)
Under-provision in previous years	1,646,691,782	828,429,759
Others	(281,638,458)	(238,915,956)
BIT charge (*)	130,145,701,905	54,087,470,034
Charged/(credited) to consolidated income statement:		
BIT – current	138,029,455,566	52,561,609,356
BIT – deferred (Note 18)	(7,883,753,661)	1,525,860,678
	130,145,701,905	54,087,470,034

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

34 BIT (continued)**(i) BIT rate of the Company**

According to Investment Certificate No. 61101000153 dated 4 December 2012 issued by the People's Committee of Camau province, the Company is entitled to tax incentives with regard to Camau Fertilizer Production Plant project as follows:

- ◇ BIT: the Company is entitled to preferential tax rates, tax exemption and reduction in accordance with provisions of the prevailing law on BIT.
- ◇ Land: exempted, reduced land use tax, land use fees, land rental and water rental comply with the current land law and tax law.
- ◇ Import tax: exempt from import tax on equipment, supplies, means of transport and other goods to carry out the Project in accordance with the Law on Import Tax and Export Tax.

According to Official Letter No. 4641/TCT-CS issued by the General Department of Taxation on 2 December 2018 responding to PVN on tax incentives for Camau Fertilizer Factory Project, the Company is entitled to BIT incentives at the rate of 10% for 15 years since the commencement of production and business activities, BIT exemption for 4 years from year of having taxable profit and 50% reduction in tax payable for 9 consecutive years thereafter. The year 2017 is the second year the Company is entitled to 50% reduction in tax payable regarding profit generated by the main operating activities of Camau Fertilizer Factory Project.

For business activities other than Camau Fertilizer Factory Project, the Company is obliged to pay BIT at the normal tax rate for taxable profit from other activities.

(i) BIT rate of the subsidiary

- ◇ For packaging production and trading activities: According to Decision No. 22/2010/QĐ-UBND dated 1 September 2010 from the People's Committee of Bac Lieu Province and Investment Certificate No. 60221000003 issued by the Industrial Park Authority of Bac Lieu Province on 23 June 2013 and the current regulations, the subsidiary is entitled to BIT incentives as follows: The preferential tax rate of 20% for a period of 10 years and the preferential tax rate of 17% from 1 January 2016; BIT exemption for 2 years from year of having taxable profit (2012) and 50% reduction in BIT payable for 4 consecutive years thereafter applicable to enterprises newly established in areas having difficult social-economic conditions.
- ◇ For fertilizer production and trading activities: According to Official Letter No. 380/CT-TTHT dated 2 April 2018 of the Department of Tax of Bac Lieu province, the project of Bac Lieu Petroleum Fertilizer Factory has been identified as a new investment project. Therefore the subsidiary is entitled to BIT incentives as follows: The preferential tax rate of 17% for a period of 10 years; BIT exemption for 2 years from year of having taxable profit and 50% reduction in tax payable for the 4 consecutive years thereafter applicable to enterprises newly established in areas having difficult social-economic conditions.

(*) 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

35 COSTS OF OPERATIONS BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Group's operating activities, excluding cost of merchandises for trading activities. Details are as follows:

	2021 VND	2020 VND
Raw materials	4,548,981,056,080	2,729,909,573,228
Depreciation and amortisation	1,385,810,943,875	1,318,152,452,706
Staff costs	581,277,166,109	438,270,715,626
Outside service expenses	363,746,182,692	408,220,209,653
Science and technology fund appropriation	216,728,275,492	79,425,415,134
Provision for receivable from withholding tax on interest of foreign borrowings (Note 7)	37,461,292,602	-
Others	489,661,474,441	284,919,995,750
	7,623,666,391,291	5,258,898,362,097

36 SEGMENT REPORTING

The Board of Management of the Company determines that the decisions of the Group are based primarily on the geographic areas in which the Group supplies products and services. As a result, the primary segment reporting of the Group is presented in respect of the Group's geographical segments.

	Year ended 31 December 2021		
	Domestic VND	Export VND	Total VND
Net revenue from sales of goods and rendering services	8,222,359,021,812	1,647,403,882,825	9,869,762,904,637
Cost of goods sold and services rendered	(5,587,228,520,064)	(1,501,597,460,261)	(7,088,825,980,325)
Net operating profit by division	2,635,130,501,748	145,806,422,564	2,780,936,924,312
General operating expenses			(948,892,990,459)
Financial incomes			167,531,907,804
Financial expenses			(45,072,929,624)
Other incomes			4,371,195,381
Other expenses			(2,604,118,573)
Profit before tax			1,956,269,988,841
BIT – current			(138,029,455,566)
BIT – deferred			7,883,753,661
Net profit after tax			1,826,124,286,936

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

36 SEGMENT REPORTING (continued)

	Year ended 31 December 2020		
	Domestic VND	Export VND	Total VND
Net revenue from sales of goods and rendering services	5,911,587,327,593	1,649,687,772,825	7,561,275,100,418
Cost of goods sold and services rendered	(4,728,796,474,668)	(1,515,630,825,861)	(6,244,427,300,529)
Net operating profit by division	1,182,790,852,925	134,056,946,964	1,316,847,799,889
General operating expenses			(673,406,978,163)
Financial incomes			128,316,681,426
Financial expenses			(63,234,525,222)
Other incomes			10,735,344,253
Other expenses			(2,724,517,878)
Profit before tax			716,533,804,305
BIT – current			(52,561,609,356)
BIT – deferred			(1,525,860,678)
Net profit after tax			662,446,334,271

37 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) Non-cash transactions affect the consolidated statement of cash flows**

	Year ended 31 December	
	2021 VND	2020 VND
Purchase assets under form of receiving debts directly	5,571,626,452	8,656,285,691

(b) Amount of loan actually withdrawn during the year

	Year ended 31 December	
	2021 VND	2020 VND
Proceeds from borrowings following normal borrowing contracts	1,381,261,865,566	1,722,884,692,677



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

37 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)**(c) Amount of loan principal actually paid during the year**

	Year ended 31 December	
	2021 VND	2020 VND
Repayments for borrowings following normal borrowing contracts	1,504,930,606,538	2,683,435,949,507

38 RELATED PARTY DISCLOSURES

During the year, the Group has transactions and balances with related parties as below:

Related parties	Relationship
PVN	Parent Company
PetroVietnam Packaging Joint Stock Company	Subsidiary
Binh Son Refining and Petrochemical Joint Stock Company	Associates of PVN
Petrovietnam Transportation Vung Tau Joint Stock Company	Associates of PVN
PetroVietnam Power Corporation	Associates of PVN
PetroVietnam Fertilizer and Chemicals Corporation - Petrochemicals Trading Branch	Associates of PVN
Vietnam PVI insurance Co.,Ltd	Associates of PVN
Ca Mau PVI insurance Co.,Ltd	Associates of PVN
PV Gas - Ca Mau	Associates of PVN
PV Security Corp	Associates of PVN
Saigon Petro Vietnam Oil Joint Stock Company	Associates of PVN
South-East Petrovietnam Fertilizer And Chemicals JSC	Associates of PVN
Petroleum Pipeline and Tank Construction Joint Stock Company	Associates of PVN
PVD Trading and Technical Services Joint Stock Company	Associates of PVN
Vietnam Petroleum Institute – VPI	Associates of PVN
Petroleum Urban and Infrastructure Investment Joint Stock Company	Associates of PVN
South-West PetroVietnam Fertilizer and Chemicals JSC	Associates of PVN
Indochina Petroleum Transportation Joint Stock Company	Associates of PVN
PetroVietnam Technical Safety Registration Company Limited	Associates of PVN

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

38 RELATED PARTY DISCLOSURES (continued)

Related parties	Relationship
Branch of Petrovietnam Fertilizer and Chemicals Corporation - Phu My Urea Plant	Associates of PVN
PetroVietnam Manpower Training College	Associates of PVN
Middle Petroleum Chemicals Joint Stock Company	Associates of PVN
Petroleum Transport Investment Joint Stock Company	Associates of PVN
Petrovietnam Manpower Training College (PVMTTC)	Associates of PVN
Petroleum Trading Joint Stock Company	Associates of PVN
PVD Technical Training And Certification Joint Stock Company	Associates of PVN
CaMau Gas Power Fertilizer Project Management Board	Economic Unit of PVN

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2021 VND	2020 VND
<i>Sales of goods and services</i>		
Binh Son Refining and Petrochemical Joint Stock Company	-	489,073,091
Petrovietnam Transportation Vung Tau Joint Stock Company	-	48,444,950
	-	537,518,041



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

38 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	2021 VND	2020 VND
<i>ii) Purchases of goods and services</i>		
PVN	2,718,010,730,255	1,890,701,731,577
PetroVietnam Power Corporation	370,284,960,714	283,885,575,273
PetroVietnam Fertilizer and Chemicals Corporation - Petrochemicals Trading Branch	130,304,620,974	108,988,050,225
PVI South Company	37,401,876,454	17,875,376,006
PetroVietnam Security Service Corporation	20,404,796,326	15,280,363,666
PV Gas - Ca Mau	11,513,116,586	19,641,297,301
Ca Mau PVI Insurance Co.,Ltd	8,829,391,660	10,036,023,178
PVD Trading and Technical Services Joint Stock Company	8,260,968,008	1,993,665,692
PetroVietnam Manpower Training College	6,233,484,210	222,100,000
Saigon Petro Vietnam Oil Joint Stock Company	5,892,294,542	5,201,505,433
Vietnam Petroleum Institute	2,930,614,400	4,592,970,461
Mekong Petroleum Joint Stock Company	2,402,560,908	1,464,480,000
Petrovietnam Infrastructure and Urban Investment Joint Stock Company	1,652,464,800	1,600,005,600
PetroVietnam Technical Safety Registration Company Limited	624,479,140	458,060,500
Petrovietnam Transportation Vung Tau Joint Stock Company	-	6,630,329,307
South-East Petrovietnam Fertilizer and Chemicals Joint Stock Company	-	3,380,362,775
Petroleum Pipeline and Tank Construction Joint Stock Company	-	3,130,272,074
South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company	-	1,975,458,903
Indochina Petroleum Transportation Joint Stock Company	-	642,930,496
Branch of Petrovietnam Fertilizer and Chemicals Corporation - Phu My Urea Plant	-	359,730,535
Mekong Petroleum Joint Stock Company - Bac Lieu Branch - Petrol Station No. 17	-	254,563,150
Petrovietnam Securities Joint Stock Company	-	200,000,000
	3,324,746,358,977	2,378,514,852,152

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

38 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions (continued)**

	2021 VND	2020 VND		
<i>iii) Divident paid</i>				
PVN	320,018,445,600	240,013,834,200		
<i>iv) Compensation of key management</i>				
	Name	Position		
	Tran Ngoc Nguyen	Chairman of the Board of Director ("BOD")	2,071,625,452	1,601,181,892
	Van Tien Thanh	Member of the BOD - General Director	2,080,269,308	1,568,027,574
	Le Duc Quang	Member of the BOD	1,528,064,086	434,038,246
	Tran My	Member of the BOD	1,727,709,646	1,290,253,393
	Nguyen Duc Hanh	Member of the BOD	1,727,709,646	1,290,253,393
	Nguyen Minh Phuong	Independent member of the BOD	152,727,273	280,000,000
	Truong Hong	Independent member of the BOD	327,272,727	-
	Do Thi Hoa	Independent member of the BOD	327,272,727	-
	Tran Chi Nguyen	Deputy General Director	1,727,709,646	1,354,407,239
	Le Ngoc Minh Tri	Deputy General Director	1,727,709,646	1,290,253,393
	Nguyen Tuan Anh	Deputy General Director	1,708,688,882	1,242,212,998
	Nguyen Thi Hien	Deputy General Director	1,689,473,346	1,206,270,443
	Nguyen Thanh Tung	Deputy General Director	1,463,257,287	1,246,542,176
	Dinh Nhu Cuong	Chief Accountant	1,606,409,553	1,211,884,781
	Phan Thi Cam Huong	Head of the Board of Supervision	1,609,762,844	1,226,428,846
	Do Minh Duong	Member of the Board of Supervision	1,297,319,751	939,469,952
	Tran Van Binh	Member of the Board of Supervision	525,079,260	-
			23,298,061,080	16,181,224,326



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

38 RELATED PARTY DISCLOSURES (continued)**(b) Year-end balances with related parties**

	2021 VND	2020 VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
Binh Son Refining and Petrochemical Joint Stock Company	-	537,980,400
<i>ii) Prepayments to suppliers (Note 6)</i>		
Vietnam Petroleum Institute	-	161,825,875
Saigon Petro Vietnam Oil Joint Stock Company	-	222,520,700
Ca Mau PVI Insurance Co.,Ltd	200,000,000	230,000,000
PetroVietnam Manpower Training College	194,267,700	-
Petroleum Trading Joint Stock Company	-	194,319,328
	394,267,700	808,665,903
<i>iii) Other short-term receivables (Note 7)</i>		
PVN	-	77,424,489,813
<i>iv) Short-term trade accounts payable (Note 12)</i>		
PVN	423,982,939,595	378,769,809,435
PetroVietnam Power Corporation	55,878,041,576	60,286,586,665
PetroVietnam Fertilizer and Chemicals Corporation - Petrochemicals Trading Branch	19,494,639,698	22,613,229,726
PetroVietnam Manpower Training College	4,887,397,469	-
Vietnam Petroleum Institute	2,334,727,086	1,577,398,316
Petrovietnam Infrastructure and Urban Investment Joint Stock Company	1,780,020,360	1,780,020,360
PetroVietnam Security Service Corporation	2,198,578,740	1,404,272,470
PVD Technical Training and Certification Joint Stock Company	2,064,372,418	1,807,487,581
Petroleum Trading Joint Stock Company	826,927,766	745,860,994
PV Gas - Ca Mau	745,907,105	1,521,325,380
Saigon Petro Vietnam Oil Joint Stock Company	646,391,590	519,869,390
PetroVietnam Technical Safety Registration Company Limited	476,953,452	381,019,328
Ca Mau PVI Insurance Co.,Ltd	189,323,740	205,970,093
Petrovietnam Transportation Vung Tau Joint Stock Company	-	1,343,662,100
South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company	-	658,706,602
Branch Of Petrovietnam Fertilizer And Chemicals Corporation - Phu My Urea Plant	-	395,703,589
South-East Petrovietnam Fertilizer and Chemicals Joint Stock Company	-	332,277,754
Indochina Petroleum Transportation Joint Stock Company	-	73,949,920
	515,506,220,595	474,417,149,703

Form B 09 – DN/HN

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021 (continued)

38 RELATED PARTY DISCLOSURES (continued)**(b) Year-end balances with related parties (continued)**

	2021 VND	2020 VND
<i>v) Short-term accrued expense (Note 15)</i>		
PVN	19,019,656,275	14,374,223,655
<i>vi) Other short-term payables (Note 16)</i>		
PVN	13,283,673,912	45,856,789,285
Camau Gas-Power-Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
	69,135,087,341	101,708,202,714

39 OTHER COMMITMENTS**(a) Operating commitment**

- (i) According to Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012 between PVN and the Company and the 7th amendment dated 13 December 2018, the Company shall purchase natural gas of Block PM3 CAA and Block 46 - Cai Nuoc from PVN in 20 years from the official operation date at the standard gas volume of 495 million m3 per annum.

New natural gas price is applied from 1 January 2019 to 31 December 2031 according to the Appendix dated 27 May 2020 of the Gas Sales Agreement No.3918/HDD-DKVN dated 23 May 2012.

- (ii) Under non-cancellable operating leases, the Group is required to pay the future minimum as follows:

	2021 VND	2020 VND
Within one year	816,137,176	356,400,000
Between one and five years	3,048,548,703	534,600,000
Over five years	13,930,309,704	15,756,126,995
Total minimum payments	17,794,995,583	16,647,126,995

(b) Capital commitment

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	2021 VND	2020 VND
Property, plant and equipment	96,336,814,617	67,710,338,185



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Form B 09 – DN/HN

For the year ended 31 December 2021 (continued)

40 CONTINGENT LIABILITIES

Currently, the Group has land lease contracts to support the Group's production and business activities. As at the date of these consolidated financial statements, the lessors and the Group have not yet determined how to treat the assets built on the leased land upon the termination of the leases due to long lease terms (which is up to 50 years) and therefore, the Group cannot determine the dismantling and restoring costs that will incur when the lease term ends. Therefore, the Group has not recognised the provision for dismantling and restoring costs related to these leases in the consolidated financial statements.

41 OTHER MATTER

According to the Inspection minutes – Restructuring state-owned enterprise dated 30 July 2018 at Petrovietnam Ca Mau Fertiliser One Member Limited Company issued by the Government inspection team, the Government inspection team reviewed and verified valuation report, charter capital of the joint stock company, finalisation of the State capital and divestment, and exploring strategic investors. Accordingly, PVN issued Examination Minutes No. 4287/BB-DKVN on 29 July 2021 about the equitization settlement of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company and Decision No. 4825 /QD-DKVN on 28 August 2021 about determination of enterprise value and approval of the equitization finalisation of PetroVietnam Ca Mau Fertiliser One Member Limited Liability Company by the time that the Company officially became a joint stock company on 15 January 2015; the Company has taken in to account the recommendations to the consolidated financial statements for the year ended 31 December 2021 by recording the undistributed profit which shall be distributed to the PVN, offsetting receivables and other payables relating to equitization with the PVN and temporarily recording an increase in assets (goodwill) and other payables (Notes 7, 9, 16 and 22).

At the date of these consolidated financial statements, prepaid expenses, fixed assets, other receivables and other payables related to equitization were approved by PVN, but have not yet been received the final conclusion for the equitization finalisation from the Government Inspectorate.

The consolidated financial statements were approved by the Board of Management on 15 March 2022.



Huynh Thi Ngoc Ha
Preparer



Dinh Nhu Cuong
Chief Accountant



Le Ngoc Minh Tri
Deputy General Director
Authorised signatory
15 March 2022



PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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