



**PETROVIETNAM CA MAU FERTILIZER
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM SEPARATE
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2019



PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1

Ca Mau City, Ca Mau Province, S.R. Vietnam

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PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1
Ca Mau City, Ca Mau Province, S.R. Vietnam

STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of PetroVietnam Ca Mau Fertilizer Joint Stock Company (the "Company") presents this report together with the Company's interim separate financial statements for the 6-month period ended 30 June 2019.

THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

The members of the Board of Directors and Executive Board of the Company who held office during the period and to the date of this report are as follows:

Board of Directors

Mr. Tran Ngoc Nguyen	Chairman (appointed on 10 January 2019)
Mr. Bui Minh Tien	Chairman (resigned on 10 January 2019)
Mr. Van Tien Thanh	Member
Mr. Tran Chi Nguyen	Member
Mr. Tran My	Member
Ms. Nguyen Minh Phuong	Member (appointed on 24 April 2019)
Ms. Tran Thi Binh	Member (resigned on 18 January 2019)

Executive Board

Mr. Van Tien Thanh	Chief Executive Officer
Mr. Nguyen Duc Hanh	Executive Officer
Mr. Le Ngoc Minh Tri	Executive Officer
Mr. Nguyen Tuan Anh	Executive Officer
Mr. Pham Van Bac	Executive Officer
Ms. Nguyen Thi Hien	Executive Officer (appointed on 01 January 2019)

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Company is responsible for preparing the interim separate financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim separate financial statements, the Executive Board is required to:

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

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1
Ca Mau City, Ca Mau Province, S.R. Vietnam

STATEMENT OF THE EXECUTIVE BOARD (Continued)

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY (Continued)

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

The Executive Board confirms that the Company has complied with the above requirements in preparing these interim separate financial statements.

For and on behalf of the Executive Board,



Lê Ngọc Minh Tri
Executive Officer

*(As per Authorization Letter No. 34/UQ-PVCFC
dated 13 March 2019 of the Company's
Chief Executive Officer)*

23 August 2019

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No.: 0318/VN1A-HN-BC

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: Shareholders
The Board of Directors and Executive Board
PetroVietnam Ca Mau Fertilizer Joint Stock Company

We have reviewed the accompanying interim separate financial statements of PetroVietnam Fertilizer Company Limited (the "Company"), prepared on 23 August 2019, as set out from page 5 to page 40, which comprise the interim balance sheet as at 30 June 2019, the interim income statement and interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Executive Board' Responsibility for the Interim Separate Financial Statements

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the accompanying interim separate financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim separate financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2019, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

Emphasis of Matters

- As stated in Note 2 of the Notes to the interim separate financial statements, up to the date of the accompanying interim separate financial statements, the competent authorities have not approved the final accounts of the Company at the time of its equitization and official transformation into a joint stock company.
- As stated in Note 20 of the Notes to the interim separate financial statements, the Company has made provision of gas fee payable to Vietnam Oil and Gas Group based on estimated gas unit price equalling 46% of FO average price and transportation cost. This estimated gas unit price will be finalized with the Group upon approval of competent authority.

Our conclusion is not modified in respect of these matters.



Dang Chi Dung

Audit Partner

Audit Practising Registration Certificate

No. 0030-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

23 August 2019

Hanoi, S.R. Vietnam

INTERIM BALANCE SHEET

As at 30 June 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		4,674,698,969,181	4,299,205,893,052
I. Cash and cash equivalents	110	4	421,414,427,258	283,034,462,335
1. Cash	111		221,414,427,258	163,034,462,335
2. Cash equivalents	112		200,000,000,000	120,000,000,000
II. Short-term financial	120	5	1,932,000,000,000	2,502,000,000,000
1. Held-to-maturity investments	123		1,932,000,000,000	2,502,000,000,000
III. Short-term receivables	130		439,877,154,685	454,033,875,037
1. Short-term trade receivables	131	6	18,820,887,550	17,599,404,432
2. Short-term advances to suppliers	132	7	78,889,535,624	86,367,565,902
3. Other short-term receivables	136	8	342,166,731,511	350,066,904,703
IV. Inventories	140	9	1,804,413,960,835	966,014,219,866
1. Inventories	141		1,804,413,960,835	966,014,219,866
V. Other short-term assets	150		76,993,426,403	94,123,335,814
1. Short-term prepayments	151	10	27,448,162,802	57,928,662,587
2. Value added tax deductibles	152		48,911,424,260	35,648,407,632
3. Taxes and other receivables from the State budget	153	16	633,839,341	546,265,595
B. NON-CURRENT ASSETS	200		6,284,079,288,278	6,662,986,666,166
I. Fixed assets	220		5,628,268,981,847	6,267,392,464,636
1. Tangible fixed assets	221	11	5,593,499,603,459	6,228,761,237,427
- Cost	222		13,940,714,037,399	13,934,193,292,025
- Accumulated depreciation	223		(8,347,214,433,940)	(7,705,432,054,598)
2. Intangible assets	227	12	34,769,378,388	38,631,227,209
- Cost	228		105,509,604,017	105,509,604,017
- Accumulated amortisation	229		(70,740,225,629)	(66,878,376,808)
II. Long-term assets in progress	240		613,325,965,335	346,374,351,728
1. Construction in progress	242	13	613,325,965,335	346,374,351,728
III. Long-term financial investments	250	5	20,826,250,000	20,826,250,000
1. Investments in subsidiaries	251		20,826,250,000	20,826,250,000
IV. Other long-term assets	260		21,658,091,096	28,393,599,802
1. Long-term prepayments	261	10	21,658,091,096	27,507,858,979
2. Deferred tax assets	262		-	885,740,823
TOTAL ASSETS (270=100+200)	270		10,958,778,257,459	10,962,192,559,218

The accompanying notes are an integral part of these interim separate financial statements

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Plot D, Ward 1 Industrial Zone,
Ngo Quyen Street, Ward 1, Ca Mau City,
Ca Mau Province, S.R. Vietnam

FORM B 01a-DN

Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014
of the Ministry of Finance

INTERIM BALANCE SHEET (Continued)

As at 30 June 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		4,464,266,771,492	4,731,521,251,609
I. Current liabilities	310		3,200,688,150,655	3,080,481,086,312
1. Short-term trade payables	311	14	610,662,554,188	779,809,398,600
2. Short-term advances from customers	312	15	80,629,529,684	139,370,673,801
3. Taxes and amounts payable to the State budget	313	16	20,489,592,961	33,161,294,667
4. Payables to employees	314		26,497,876,790	16,471,703,739
5. Short-term accrued expenses	315	17	71,596,694,480	669,446,314,451
6. Other current payables	319	18	229,916,269,238	230,758,088,841
7. Short-term loans and obligations under finance leases	320	19	1,518,085,602,073	1,171,064,198,014
8. Short-term provisions	321	20	592,794,891,661	-
9. Bonus and welfare funds	322		50,015,139,580	40,399,414,199
II. Long-term liabilities	330		1,263,578,620,837	1,651,040,165,297
1. Long-term loans and obligations under finance leases	338	21	1,111,066,811,339	1,494,531,689,373
2. Scientific and technological development fund	343	22	152,511,809,498	156,508,475,924
D. EQUITY	400		6,494,511,485,967	6,230,671,307,609
I. Owners' equity	410	23	6,494,511,485,967	6,230,671,307,609
1. Owners' contributed capital	411		5,294,000,000,000	5,294,000,000,000
- Ordinary shares carrying voting rights	411a		5,294,000,000,000	5,294,000,000,000
2. Investment and development fund	418		338,018,108,476	314,320,492,607
3. Retained earnings	421		862,493,377,491	622,350,815,002
- Retained earnings accumulated to the prior year end	421a		622,239,545,002	116,077,779,514
- Retained earnings of the current period	421b		240,253,832,489	506,273,035,488
TOTAL RESOURCES (440=300+400)	440		10,958,778,257,459	10,962,192,559,218


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Ngoc Minh Tri
Executive Officer



23 August 2019

The accompanying notes are an integral part of these interim separate financial statements

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Plot D, Ward 1 Industrial Zone,
Ngo Quyen Street, Ward 1, Ca Mau City,
Ca Mau Province, S.R. Vietnam

FORM B 02a-DN

Issued under Circular No. 200/2014/TT-BTC
dated 22 December 2014
of the Ministry of Finance

INTERIM INCOME STATEMENT

For the 6-month period ended 30 June 2019

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	26	3,541,438,190,469	3,381,867,623,713
2. Deductions	02	26	97,788,282,342	128,409,150,142
3. Net revenue from goods sold and services rendered (10=01-02)	10		3,443,649,908,127	3,253,458,473,571
4. Cost of sales	11	27	2,920,783,704,316	2,439,613,423,122
5. Gross profit from goods sold and services rendered (20=10-11)	20		522,866,203,811	813,845,050,449
6. Financial income	21	29	68,827,327,861	90,667,204,816
7. Financial expenses	22	30	63,918,957,907	139,526,114,734
- In which: Interest expense	23		47,244,845,697	83,032,393,660
8. Selling expenses	25	31	154,576,257,869	189,313,090,909
9. General and administration expenses	26	31	91,976,738,227	147,222,149,006
10. Operating profit (30=20+(21-22)-(25+26))	30		281,221,577,669	428,450,900,616
11. Other income	31	32	39,264,208,409	8,598,281,002
12. Other expenses	32	32	303,785,357	3,237,509,195
13. Profit from other activities (40=31-32)	40	32	38,960,423,052	5,360,771,807
14. Accounting profit before tax (50=30+40)	50		320,182,000,721	433,811,672,423
15. Current corporate income tax expense	51	33	23,076,061,540	21,786,109,775
16. Deferred corporate tax expense	52		885,740,823	2,714,806,583
17. Net profit after corporate income tax (60=50-51-52)	60		296,220,198,358	409,310,756,065


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Minh Ngoc Tri
Executive Officer

23 August 2019



The accompanying notes are an integral part of these interim separate financial statements

INTERIM CASH FLOW STATEMENT
For the 6-month period ended 30 June 2019

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	320,182,000,721	433,811,672,423
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	643,688,522,694	641,904,600,092
Provisions	03	592,794,891,661	266,509,545,189
Foreign exchange losses arising from translating foreign currency items	04	6,840,153,422	36,015,167,509
Gain from investing activities	05	(64,021,669,932)	(89,733,438,846)
Interest expense	06	47,244,845,697	83,032,393,660
Other adjustments	07	-	41,066,103,396
3. Operating profit before movements in working capital	08	1,546,728,744,263	1,412,606,043,423
Increase in receivables	09	(3,890,941,249)	(123,104,359,479)
Increase in inventories	10	(838,399,740,969)	(177,846,578,172)
(Decrease)/increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(837,983,498,385)	326,726,745,433
Decrease in prepaid expenses	12	36,330,267,668	15,637,394,401
Interest paid	14	(46,230,619,253)	(76,077,443,660)
Corporate income tax paid	15	(31,350,315,461)	(23,264,988,852)
Other cash outflows	17	(24,845,905,576)	(48,539,124,979)
Net cash (used in)/generated by operating activities	20	(199,642,008,962)	1,306,137,688,115
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(257,363,587,877)	(158,153,541,410)
2. Cash outflow for lending, buying debt instruments of other entities	23	(1,550,000,000,000)	(3,170,000,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	2,120,000,000,000	2,100,000,000,000
4. Interest earned, dividends and profits received	27	68,718,741,159	70,500,024,843
Net cash generated by/(used in) investing activities	30	381,355,153,282	(1,157,653,516,567)

The accompanying notes are an integral part of these interim separate financial statements

INTERIM CASH FLOW STATEMENT (Continued)

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Current period	Prior period
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	869,127,673,489	-
2. Repayment of borrowings	34	(912,037,080,607)	(526,809,069,682)
3. Dividends and profits paid	36	(49,552,000)	(8,920,500)
Net cash used in financing activities	40	(42,958,959,118)	(526,817,990,182)
Net increase/(decrease) in cash (50=20+30+40)	50	138,754,185,202	(378,333,818,634)
Cash and cash equivalents at the beginning of the period	60	283,034,462,335	1,895,578,592,820
Effects of changes in foreign exchange rates	61	(374,220,279)	273,051,816
Cash and cash equivalents at the end of the period (70=50+60+61)	70	421,414,427,258	1,517,517,826,002


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Minh Ngoc Tri
Executive Officer

23 August 2019

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Ca Mau Fertilizer Joint Stock Company (the "Company"), formerly known as PetroVietnam Ca Mau Fertilizer Company Limited - a subsidiary of Vietnam Oil and Gas Group, was established in Vietnam under Business Registration Certificate No. 2001012298 first issued by Ca Mau Province's Department of Planning and Investment on 24 March 2011.

PetroVietnam Ca Mau Fertilizer Company Limited was officially transformed into a Joint Stock Company with the name of PetroVietnam Ca Mau Fertilizer Joint Stock Company under Business Registration Certificate for Joint Stock Company No. 2001012298 issued by Ca Mau Province's Department of Planning and Investment on 15 January 2015, with the charter capital of VND 5,294,000,000,000. The Company's stocks were listed on Ho Chi Minh City Stock Exchange on 31 March 2015 under the stock symbol "DCM".

The parent company of the Company is Vietnam Oil and Gas Group.

The number of the Company's employees as at 30 June 2019 was 983 (as at 31 December 2018: 887).

Operating industry and principal activities

The business activities of the Company include:

- Production of fertilizers, nitrogen compounds and basic chemicals;
- Wholesale of fertilizers, chemicals for industrial/agricultural uses;
- Retail of fertilizers, chemicals for industrial/agricultural uses;
- Architectural activities and technical consultancy relating to the use of fertilizers and chemicals;
- Warehousing, storage and loading/unloading services;
- Development of natural science and engineering research and experiment, technical testing and analysing;
- Machinery and equipment repair and maintenance.

The principal activity of the Company is fertilizer production and trading.

Normal production and business cycle

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

The Company's structure

The Company has 01 subsidiary, namely PetroVietnam Packaging Joint Stock Company. General information about the subsidiary is as below:

Subsidiary	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
PetroVietnam Packaging Joint Stock Company	Bac Lieu	51,03	51,03	Package and fertilizer manufacturing

The Company has 02 branches that are its dependent accounting units, both located in Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province, having their own seals for transaction and are 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 was established under Decision No. 1109/QD-PVCFC dated 01 June 2016 of the Board of Directors.
- Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company – Research and Development Unit was established under Decision No. 442/QD-PVCFC dated 27 March 2017 of the Board of Directors.

Disclosure of information comparability in the interim separate financial statements

The comparative figures of the interim balance sheet and corresponding notes are the figures of the Company's audited separate financial statements for the year ended 31 December 2018. The comparative figures of the interim income statement and interim cash flow statement are the figures of the reviewed interim separate financial statements for the 6-month period ended 30 June 2018.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

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

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

Equitization finalization

According to the Minutes of inspection and verification dated 30 July 2018 on the restructure of State-owned PetroVietnam Ca Mau Fertilizer Company Limited, the Government Inspectorate had inspected and verified the enterprise valuation, valuation of charter capital of joint-stock company, and finalization of State-owned capital value, as well as the divestment of shares to out-of-enterprise parties and search for strategic investors. The Company has noted the contents in the Minutes and has been working with Vietnam Oil and Gas Group to prepare the explanation for the above matters. Any necessary adjustments will be made by the Company when the official approval of the competent authorities on the equitization finalization is obtained.

At the date of the interim separate financial statements, the competent authorities have not approved the final accounts of the Company at the time of its equitization and official transformation into a joint stock company.

Accounting period

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

The interim separate financial statements are prepared for the 6-month period ended 30 June 2019.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accounting estimates

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

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

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

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Investments in subsidiaries

A subsidiary is an entity over which the Company has control. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Investments in subsidiaries are initially recognised at cost. The Company's share of the net profit of the investee after acquisition is recognised in the income statement. Dividends and profits used to re-evaluate the cost of the investment in the subsidiary after determination of the value of the parent company for equitization purposes, and other distributions received other than such profit shares are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries are carried in the interim balance sheet at cost less provision for impairment of such investments (if any). Provision for impairment of investments in subsidiaries is made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

Receivables

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

	Years
Buildings and structures	5 - 25
Machinery and equipment	5 - 12
Motor vehicles and transmission equipment	5 - 6
Office equipment	3 - 6
Others	3 - 6

The Company's tangible fixed assets were revalued when it uses equitized from a state-owned enterprise. Their cost and accumulated depreciation were adjusted based on the revaluation value approved by competent authorities as regulated. Adjusted depreciation was applied when the Company officially started operating as a joint stock company.

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

Intangible assets and amortisation

Intangible assets represent land use rights, copyrights, patents and computer software that are stated at cost less accumulated amortisation.

Increase in value of land use rights upon the revaluation and transfer to another form in which the State assigns land to the enterprise in exchange of land use fee, is allowed to be recorded as an increase in Tax and amounts payable to the State Budget when the Company is transformed into a joint stock company.

Intangible assets are amortised using the straight-line method over their estimated useful lives as follows:

	Years
Land use rights	20 - 50
Copyrights, patents	3
Computer software	3

The Company's intangible assets were revalued when it was equitized from state-owned enterprise. Their cost and accumulated amortisation are adjusted based on the revaluation value approved by competent authorities as regulated. Adjusted amortisation was applied when the Company officially started operating as a joint stock company.

Construction in progress

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

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

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise the prepaid expenses for Ca Mau Fertilizer Production Plant's asset insurance, NPK production cost, warranty extension, software copyrights, fixed asset repair and other types of long-term prepayments.

The prepaid expenses for Ca Mau Fertilizer Production Plant's asset insurance are charged to profit or loss over the insurance period.

Other types of prepayments comprise costs of small tools, supplies issued for consumption and other prepayments which are expected to provide future economic benefits to the Company. These expenditures have been capitalised as prepayments, and are allocated to the interim income statement using the straight-line method in compliance with applicable regulations.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Scientific and technological development fund

Scientific and technological development fund is appropriated at a rate of no more than 10% of taxable profit in order to invest for science and technology activities of the Company. This Fund was formed on the basis of the Company's development demand and technology innovation and is recognized in the operation results of the period.

Foreign currencies

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

Following the guidance in 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 08 June 2015 issued by Ministry of Finance on the exchange rate of foreign currencies, the Company applied the buying rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 30 June 2019. The above mentioned rate differs from that stated in Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200").

Revenue recognition

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

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

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

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

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

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

Borrowing costs

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

Taxation

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

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

According to Investment Certificate No. 61101000153 dated 04 December 2012 issued by the People's Committee of Ca Mau Province, the Company is entitled to tax incentives with regard to Ca Mau Fertilizer Plant as follows:

- Corporate income tax: The Company is entitled to preferential tax rates, tax exemption and reduction in accordance with provisions of the prevailing law on corporate income tax.
- Land tax: The Company is entitled to exemption/reduction of land use tax, land use fees, land and water surface rentals in accordance with provisions of the prevailing laws on land and taxation.
- Import duty: The Company is exempted from import duty with regard to equipment, materials, motor vehicles and other goods for the implementation of the project in accordance with the law on import/export duties.

For income from main business activities arising from Ca Mau Fertilizer Production Plant Project, the Company is in the period of corporate income tax incentives. The year 2019 is the fourth year the Company was entitled to a 50% reduction in tax payable. For operations other than those under Ca Mau Fertilizer Production Plant Project, the Company is obliged to pay corporate income tax at the prevailing normal tax rate based on taxable profit.

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

	Closing balance	Opening balance
	VND	VND
Cash on hand	2,992,862,551	926,113,744
Bank demand deposits	218,421,564,707	162,108,348,591
Cash equivalents (*)	200,000,000,000	120,000,000,000
	421,414,427,258	283,034,462,335

(*) Cash equivalents represent the deposits in VND at commercial banks with original terms not exceeding three months.

Bank demand deposits and cash equivalents are deposited at commercial banks in Vietnam. The Company's management regularly evaluates and believes that the above deposits expose to neither liquidity risk nor credit risk.



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5. FINANCIAL INVESTMENTS

Short-term financial investments

	Closing balance		Opening balance	
	VND	VND	VND	VND
	Cost	Carrying amount	Cost	Carrying amount
Short-term held-to-maturity investments	1,932,000,000,000	1,932,000,000,000	2,502,000,000,000	2,502,000,000,000
- Over 3-month term deposits	1,932,000,000,000	1,932,000,000,000	2,502,000,000,000	2,502,000,000,000

Deposits with term more than 3 months are deposited at commercial banks in Vietnam. The Company regularly evaluates and believes that the above deposits are exposed to neither liquidity risk nor credit risk.

At 30 June 2019, the Company has pledged two term deposits at Vietnam Joint Stock Commercial Bank for Foreign - Thu Thiem Branch with the amount of VND 200,000,000,000 to secure short-term loans from this bank.

Long-term financial investments

	Closing balance		Opening balance	
	VND	VND	VND	VND
	Cost	Provision	Fair value	Fair value
Investments in subsidiary	20,826,250,000	-	27,990,480,000	26,590,956,000
PetroVietnam Packaging Joint Stock Company	20,826,250,000	-	27,990,480,000	26,590,956,000

The fair value of investments in the subsidiary is measured at the closing price quoted on the stock market at the end of the period.

The operating status of the subsidiary and significant transactions between the Company and its subsidiary during the period are as follows:

	Current period			Prior period		
	Revenue	Expenses	Profit after tax	Revenue	Expenses	Profit after tax
	VND	VND	VND	VND	VND	VND
Operating status of the subsidiary during the period	112,831,210,318	110,282,253,251	2,548,957,067	115,032,372,920	110,924,694,706	4,107,678,214
	Sales	Goods purchases	Dividends and profits received	Sales	Goods purchases	Dividends and profits received
	VND	VND	VND	VND	VND	VND
The significant transactions between the Company and its subsidiary during the period	12,734,600,000	105,413,062,671	-	6,726,673,920	107,203,442,194	-

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
PetroVietnam Packaging Joint Stock Company	5,799,200,000	3,698,943,200
Do Van Hanh Manufacturing - Services - Trading One Member Company Limited	2,450,000,000	-
Minh Binh Gia Lai One Member Company Limited	2,200,000,000	-
Minh Dung Services and Commercial One Member Company Limited	1,987,500,000	-
Nguyen Khoa Commercial Company Limited	1,750,000,000	-
Tuong Dung An Giang One Member Limited Company	-	8,033,321,750
Phu My Chemical and Construction Company Limited	-	5,867,139,482
Other customers	4,634,187,550	-
	18,820,887,550	17,599,404,432
<i>In which:</i>		
Receivables from related parties (Details stated in Note 36)	5,799,200,000	3,698,943,200

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	VND	VND
Chemical Industry Engineering Joint Stock Company	21,077,734,114	39,435,760,601
PetroVietnam Packaging Joint Stock Company	16,085,965,309	-
Young-Inh Corporation	8,262,801,400	-
Tri Viet Trading Engineering Company Limited	5,472,806,179	10,382,581,768
Vietnam Travel and Marketing Transports Joint Stock Company - Vietravel	4,675,000,000	-
Raschig GmbH	2,503,710,250	-
Viet Engineering Joint Stock Company	2,468,181,818	2,468,181,818
Joint Venture between Petroleum Pipeline and Tank Construction JSC and Hanoi Water Project Construction Joint Stock Company	1,999,904,802	5,529,148,568
Atlas Copco (Thailand) Limited	1,943,054,198	1,943,054,198
Hai Anh Trading and Technologies Joint Stock Company	212,727,306	1,461,752,454
Energy Technical Services Joint Stock Company	153,390,313	1,499,236,960
Traco Joint Stock Company No. 1	-	3,440,023,800
Yokogawa Vietnam Company Limited	-	336,645,870
Other suppliers	14,034,259,935	19,871,179,865
	78,889,535,624	86,367,565,902
<i>In which:</i>		
Advances to related parties (Details stated in Note 36)	17,175,254,222	1,089,288,913

8. OTHER SHORT-TERM RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Receivable from Vietnam Oil and Gas Group	276,761,701,091	276,761,701,091
- Receivable related to the equitization phase (i)	276,761,701,091	276,761,701,091
Withholding tax on payments of foreign loan interest receivable from foreign banks (ii)	39,349,132,087	37,443,340,008
Accrued interest receivable from term deposits	18,382,082,195	23,079,153,422
Advances to employees	5,601,295,904	3,415,569,792
Deposits	335,000,000	335,000,000
Discounts on goods purchased in 2018 receivable from Dead Sea Works Co., Ltd.	-	7,636,315,200
Others	1,737,520,234	1,395,825,190
	342,166,731,511	350,066,904,703
<i>In which:</i>		
Other short-term receivables from related parties (Details stated in Note 36)	278,271,021,827	278,271,021,827

- (i) Represent profit of the period from 01 January 2014 to 14 January 2015, which had been excessively transferred to Vietnam Oil and Gas Group due to effects of gas price unit adjustments relating to gas volume purchased by the Company from Vietnam Oil and Gas Group during the above-mentioned period. This receivable will be recovered upon the finalization of the Company's State-owned capital portion with Vietnam Oil and Gas Group.
- (ii) Represent the foreign contractor withholding tax amounts paid by Company accumulated to 30 June 2019 which are receivable from foreign contractors relating to the loan interest under the ECA Loan Agreement between the lending group of BNP Paribas, Export-Import Bank of China and Credit Agricole Bank and Vietnam Oil and Gas Group. The Company paid this withholding tax to the State Budget pursuant to the Minutes dated 26 April 2018 between the Ministry of Finance Inspector, the Tax Department of Ca Mau Province and the Company (details presented in the Note 34).

9. INVENTORIES

	Closing balance		Opening balance	
	VND		VND	
	Cost	Provision	Cost	Provision
Raw materials	383,119,303,582	-	255,589,338,273	-
Tools and supplies	8,564,780,523	-	12,459,568,506	-
Work in progress	85,235,837,139	-	44,262,588,883	-
Finished goods	684,347,825,341	-	376,025,045,801	-
Merchandise	643,146,214,250	-	277,677,678,403	-
	1,804,413,960,835	-	966,014,219,866	-

10. PREPAYMENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Current		
Assets insurance for Camau Fertilizer Production Plant	8,173,231,400	32,653,645,574
Tools and supplies	7,577,225,009	8,903,485,779
NPK production cost	7,103,116,254	-
Warranty extension and software copyrights	4,268,814,591	8,029,236,645
Transportation and product handling	-	8,235,680,996
Other short-term prepaid expenses	325,775,548	106,613,593
	27,448,162,802	57,928,662,587
b. Non-current		
Asset repair	17,373,814,920	21,898,681,185
Tools and supplies	3,455,042,082	4,655,569,170
Other long-term prepaid expenses	829,234,094	953,608,624
	21,658,091,096	27,507,858,979

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

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11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures		Machinery and equipment		Office equipment		Motor vehicles and transmission equipment		Others		Total	
	VND		VND		VND		VND		VND		VND	
COST												
Opening balance	3,348,441,658,877	10,393,344,620,871		72,677,801,740	60,359,236,722		59,369,973,815		13,934,193,292,025			
Additions	-	5,510,923,900		1,009,821,474	-		-		6,520,745,374			
Closing balance	3,348,441,658,877	10,398,855,544,771		73,687,623,214	60,359,236,722		59,369,973,815		13,940,714,037,399			
ACCUMULATED DEPRECIATION												
Opening balance	1,934,615,695,067	5,660,565,847,819		46,465,094,662	46,211,448,071		17,573,968,979		7,705,432,054,598			
Charge for the period	148,052,119,439	488,399,903,648		3,028,891,857	1,939,518,670		361,945,728		641,782,379,342			
Closing balance	2,082,667,814,506	6,148,965,751,467		49,493,986,519	48,150,966,741		17,935,914,707		8,347,214,433,940			
NET BOOK VALUE												
Opening balance	1,413,825,963,810	4,732,778,773,052		26,212,707,078	14,147,788,651		41,796,004,836		6,228,761,237,427			
Closing balance	1,265,773,844,371	4,249,889,793,304		24,193,636,695	12,208,269,981		41,434,059,108		5,593,499,603,459			

The Company has pledged the entire fixed assets formed under Ca Mau Fertilizer Plant Project which have the carrying value of VND 5,312,936,056,464 as at 30 June 2019 (as at 31 December 2018: VND 5,914,066,351,565) to secure its bank loans.

The cost of the Company's tangible fixed assets as at 30 June 2019 includes VND 181,872,084,016 (as at 31 December 2018: VND 172,117,115,354) of tangible fixed assets which have been fully depreciated but are still in use.

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Copy rights, patent	Computer software	Total
	VND	VND	VND	VND
COST				
Opening balance	22,194,885,567	32,483,466,173	50,831,252,277	105,509,604,017
Reclassification	-	(18,403,466,173)	18,403,466,173	-
Closing balance	22,194,885,567	14,080,000,000	69,234,718,450	105,509,604,017
ACCUMULATED AMORTISATION				
Opening balance	5,000,593,896	25,909,077,166	35,968,705,746	66,878,376,808
Charge for the period	638,036,486	-	3,223,812,335	3,861,848,821
Reclassification	-	(11,829,077,166)	11,829,077,166	-
Closing balance	5,638,630,382	14,080,000,000	51,021,595,247	70,740,225,629
NET BOOK VALUE				
Opening balance	17,194,291,671	6,574,389,007	14,862,546,531	38,631,227,209
Closing balance	16,556,255,185	-	18,213,123,203	34,769,378,388

The cost of the Company's intangible assets as at 30 June 2019 includes VND 55,705,129,341 (as at 31 December 2018: VND 53,984,723,741) of intangible assets which have been fully amortised but are still in use.

13. CONSTRUCTION IN PROGRESS

	Closing balance	Opening balance
	VND	VND
Composite Fertilizer Production from melted Urea with the capacity of 300,000 ton/year	488,459,765,382	282,477,152,203
Material import port with the capacity of 500,000 ton/year of Ca Mau Fertilizer Production Plant	78,932,681,762	38,257,800,411
ERP Project phase 2	11,364,926,500	11,364,926,500
Repair of factory office	10,584,331,193	7,136,721,254
Permeate Gas Project	8,016,603,759	2,696,390,654
Maintenance management software	4,912,500,000	-
Alarm management of technology monitoring system of Ca Mau Fertilizer Production Plant	3,386,780,527	-
Other projects	7,668,376,212	4,441,360,706
	613,325,965,335	346,374,351,728

The Company has pledged the entire value of construction in progress of the Projects "Composite Fertilizer Production from melted Urea with the capacity of 300,000 ton/year" and "Material import port with the capacity of 500,000 ton/year of Ca Mau Fertilizer Plant" with the total amount of VND 567,392,447,144 as at 30 June 2019 (31 December 2018: VND 320,734,952,614) to secure its bank loans.

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14. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
Vietnam Oil and Gas Group (*)	414,863,409,532	414,863,409,532	341,388,689,557	341,388,689,557
PetroVietnam Power Corporation	42,770,653,051	42,770,653,051	41,414,975,677	41,414,975,677
PetroVietnam Fertilizer and Chemicals Corporation - PetroChemicals Trading Branch	31,929,555,544	31,929,555,544	-	-
Tri Viet Trading Engineering Company Limited	12,773,197,273	12,773,197,273	4,286,950,407	4,286,950,407
Saigon Service Transportation Packaging Company Limited	11,454,763,888	11,454,763,888	-	-
F.A Joint Stock Company	3,253,081,179	3,253,081,179	37,790,086,364	37,790,086,364
Vivablast Vietnam Company Limited	2,498,527,405	2,498,527,405	12,644,235,195	12,644,235,195
Yokogawa Vietnam Company Limited	1,018,456,440	1,018,456,440	15,405,131,340	15,405,131,340
PetroVietnam Packaging Joint Stock Company	-	-	38,545,117,166	38,545,117,166
Sun Life Vietnam Insurance Company Limited	-	-	17,118,366,591	17,118,366,591
Other suppliers	90,100,909,876	90,100,909,876	271,215,846,303	271,215,846,303
	610,662,554,188	610,662,554,188	779,809,398,600	779,809,398,600
Trade payables to related parties (Details stated in Note 36)	499,413,834,789	499,413,834,789	451,616,775,808	451,616,775,808

In which:

(*) Trade payables to Vietnam Oil and Gas Group mainly include the amount payable by the Company for the purchased volume of natural gas from Block PM3 CAA and Block 46-Cai Nuoc under Contract No. 3918/HD-DKVN dated 23 May 2012 and Contract Annex No.7 dated 13 December 2018 between the Company and Vietnam Oil and Gas Group.

According to Resolution No. 174/NQ-DKVN dated 08 January 2019 of the Board of Directors of Vietnam Oil and Gas Group on approval of the Company's 2019 business plan, in order for the Group to approve the Company's 2019 business plan, the gas unit price for the gas volume to be billed in this period is estimated based on the gas unit price that is submitted for the approval of the Ministry of Industry and Trade (under Official Letter No. 4576/DKVN-TMDV dated 31 July 2018) of USD 4.00/Million BTU (inclusive of transportation cost, exclusive of value added tax). The gas volume and gas unit price for the Company will be updated after the approval of competent authority. The trade payables to the Group for the purchased volume of natural gas are calculated and recorded at this gas price of USD 4.00/Million BTU and the corresponding value added tax.

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Hung Thanh Agricultural Materials Company Limited	14,501,487,390	9,725,990,573
Five Star International Fertilizer Cambodia Company Limited	14,170,300,000	545,051,102
Yetak Group Company Limited	8,208,800,373	12,241,530,986
Huy Chinh Services - Trading Company Limited	4,179,950,000	1,324,251,800
Ut Nu Company Limited	3,553,544,300	6,073,202,550
Minh Trung Company Limited	3,404,206,000	5,173,558,320
The Man One Member Limited Liability	3,342,258,900	5,447,757,700
Huu Thanh I Company Limited	2,975,384,736	5,209,370,200
Huu Nghi Company Limited	996,816,632	3,308,714,320
Tuong Nguyen Import & Export Trading and Services Company Limited	746,500,000	12,499,380,300
Dang Lan Service Trade Company Limited	730,000,000	3,334,385,200
Tuong Dung Private Enterprise	335,000,000	1,130,400,000
Viet Nga Private Enterprise	153,889,550	7,115,516,950
Nguyen Khoa Trading Company Limited	2,199,999	8,742,767,479
Thai Son Trading and Services Company Limited	-	2,719,364,465
Other customers	23,329,191,804	54,779,431,856
	80,629,529,684	139,370,673,801

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

	Opening balance VND	Payable during the period VND	Paid during the period VND	Closing balance VND
a. Receivables				
Value added tax	148,918,990	-	87,573,746	236,492,736
Land rentals	397,346,605	-	-	397,346,605
	546,265,595	-	87,573,746	633,839,341
b. Payables				
Value added tax	-	3,681,940,216	3,680,303,854	1,636,362
Import duty	-	9,091,530,202	9,091,530,202	-
Corporate income tax	27,597,120,572	23,076,061,540	31,350,315,461	19,322,866,651
Natural resources tax	202,345,130	1,284,037,822	1,303,525,152	182,857,800
Land rentals	-	80,190,225	80,190,225	-
Personal income tax	5,067,388,398	5,970,497,495	10,110,885,464	927,000,429
Other taxes	294,440,567	9,556,084,665	9,795,293,513	55,231,719
	33,161,294,667	52,740,342,165	65,412,043,871	20,489,592,961

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Interest expense payable	33,212,106,756	32,197,880,312
Non-deductible value added tax of gas for June 2019	11,112,645,591	-
Goods and services received but not billed	8,765,042,941	41,704,922,770
Management fees payable to the Group	6,697,984,927	-
Voluntary pension insurance	4,427,000,000	-
Logistic fee payable	4,052,308,310	2,235,143,454
Guarantee fees	1,256,437,782	1,585,937,056
Estimated payable amount regarding adjusted gas	-	575,040,481,001
Trade discount	-	15,180,288,515
Other accruals	2,073,168,173	1,501,661,343
	71,596,694,480	669,446,314,451

In which:

Advances from related parties (details presented in Note 36)	17,810,630,518	575,040,481,001
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18. OTHER SHORT-TERM PAYABLES

	Closing balance	Opening balance
	VND	VND
Camau Gas - Power - Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
- Input VAT for gas purchased in the construction period before official commercial operations	49,897,065,571	49,897,065,571
- Other payables	5,954,347,858	5,954,347,858
Vietnam Oil and Gas Group	152,884,237,958	152,884,237,958
- Receiving completed "Camau Fertilizer Production Plant" Project (i)	78,515,027,920	78,515,027,920
- Profit payable (ii)	40,732,029,647	40,732,029,647
- 2014 corporate income tax overpayment	32,375,616,667	32,375,616,667
- Corporate income tax payable in the period from 01 January 2015 to 14 January 2015	1,176,849,040	1,176,849,040
- Payable for equitization	247,500,000	247,500,000
- Other payables	(162,785,316)	(162,785,316)
Safety reward fund (iii)	10,940,490,438	3,110,068,346
Trade union fee	2,529,139,100	1,227,426,420
Short-term deposits received	821,632,000	1,377,313,800
Dividends payable	321,803,000	371,355,000
Social insurance	260,382,285	-
Health insurance	45,949,815	-
Unemployment insurance	23,577,360	-
Others	6,237,643,853	15,936,273,888
	229,916,269,238	230,758,088,841

In which:

Other short-term payables to related parties (details presented in Note 36)	208,735,651,387	208,735,651,387
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- (i) According to Decision No. 1989/QĐ-DKVN dated 25 March 2014 issued by the Members' Council of Vietnam Oil and Gas Group on approval of final accounts of the completed Ca Mau Fertilizer Production Plant project, the Company took over fixed assets and current assets of Ca Mau Fertilizer Plant with value as finalized. The Company temporarily recognized the difference between the value of assets received and the total amount of the Company's charter capital and received loans as a payable to Vietnam Oil and Gas Group. This payable amount will be adjusted upon finalization of the Company's State-owned capital portion with the Group.
- (ii) Represent carried-forward adjustments to the amount of profit payable to Vietnam Oil and Gas Group due to adjustments to the financial statements for the period from 01 January 2014 to 14 January 2015 following recommendations of the State Audit Office. Such profit payable amount will be adjusted upon the finalization of the Company's State-owned capital with Vietnam Oil and Gas Group.
- (iii) The Company made appropriation to safety reward fund under Official Letter No. 3514/LĐTBXH-LĐTL dated 16 September 2013 issued by the Ministry of Labour-Invalids and Social Affairs regarding safety reward payments to beneficiaries who are workers and staff of Ca Mau Fertilizer Plant.

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NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

19. SHORT TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	Decreases	Amount	VND Amount able to be paid off
Short-term loans (*)	145,486,361,405	145,486,361,405	672,401,459,672	529,047,817,606	288,840,003,471	288,840,003,471
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch	145,486,361,405	145,486,361,405	475,644,979,672	332,291,337,606	288,840,003,471	288,840,003,471
An Binh Commercial Joint Stock Bank - Saigon Branch	-	-	196,756,480,000	196,756,480,000	-	-
Current portion of long-term loans (see Note 21)	1,025,577,836,609	1,025,577,836,609	583,281,499,998	379,613,738,005	1,229,245,598,602	1,229,245,598,602
	1,171,064,198,014	1,171,064,198,014	1,255,682,959,670	908,661,555,611	1,518,085,602,073	1,518,085,602,073

(*)

Represent the short-term loans of the Holding Company from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch with a term of 2 months to supplement working capital. The loan balance as at 30 June 2019 represents the outstanding principal balance of two loans bearing interest at the rate of 5.7% p.a. The loans are secured by 02 (two) term deposits at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch with the amount of VND 200,000,000,000.

20. SHORT-TERM PAYABLE PROVISIONS

	Closing balance	Opening balance
	VND	VND
Provision for gas payable to Vietnam Oil and Gas Group (i)	425,399,613,922	-
Trade discounts (ii)	94,113,242,190	-
Accrual of periodical repair and maintenance expenses	47,771,593,877	-
Social security expenses and advertisement and communication expenses (iii)	25,510,441,672	-
	592,794,891,661	-
<i>In which:</i>		
Other short-term payable to related parties (details presented in Note 36)	425,399,613,922	-
(i)	Represents provision of gas fee payable to Vietnam Oil and Gas Group based on estimated gas unit price equalling 46% of FO average price and transportation cost. This estimated gas unit price will be finalized with the Group upon approval of competent authority.	
(ii)	Represent trade discounts estimated based on the sale policy approved by the Executive Board which mainly include those for Urea products at the rate of 3.22% of revenue. This trade discount amount will be adjusted upon finalization at the end of the financial year.	
(iii)	During the period, the Company accrued social security expenses and advertisement and communication expenses based on the business plan for the year 2019 approved under Resolution No. 174/NQ-DKVN dated 8 January 2019 of the Board of Directors of Vietnam Oil and Gas Group. The accrued advertisement and communication expenses and social security expenses will be adjusted upon finalization at the end of the financial year	

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

21. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the period		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Long-term loans	2,520,109,525,982	2,520,109,525,982	196,726,213,817	376,523,329,858	2,340,312,409,941	2,340,312,409,941
Group of BNP Paribas Bank, Credit Agricole Bank, Export - Import Bank of China	1,389,300,000,000	1,389,300,000,000	-	251,030,000,000	1,138,270,000,000	1,138,270,000,000
Joint Stock Commercial Bank for Industry and Trade of Vietnam	984,722,919,507	984,722,919,507	-	120,277,891,850	864,445,027,657	864,445,027,657
Saigon - Hanoi Commercial Joint Stock Bank	127,146,331,593	127,146,331,593	172,021,507,448	-	299,167,839,041	299,167,839,041
Ho Chi Minh City Development Joint Stock Commercial Bank - Ca Mau Branch	18,940,274,882	18,940,274,882	24,704,706,369	5,215,438,008	38,429,543,243	38,429,543,243
	2,520,109,525,982	2,520,109,525,982	196,726,213,817	376,523,329,858	2,340,312,409,941	2,340,312,409,941

In which:

- Amount due for settlement within 12 months	1,025,577,836,609	1,229,245,598,602
- Amount due for settlement after 12 months	1,494,531,689,373	1,111,066,811,339

Long-term loans of the Company are disbursed in USD and VND for the purpose of investment in fixed assets and construction of the Company. The loans are secured by assets formed from the loans. The applicable interest rate is floating and in accordance with the lenders' regulations. During the period, the interest rate ranged from 2.5% p.a to 5.4% p.a for loans in USD and from 7.5% p.a to 9.03% p.a for loans in VND.

Loans are categorized according to the disbursement currency as follows:

	Closing balance	Opening balance
	VND	VND
Loans in USD	2,002,715,027,657	2,374,022,919,507
Loans in VND	337,597,382,284	146,086,606,475
	2,340,312,409,941	2,520,109,525,982

Long-term loans are repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	1,229,245,598,602	1,025,577,836,609
In the second year	859,016,124,171	1,045,083,217,778
In the third to fifth year inclusive	252,050,687,168	449,448,471,595
	2,340,312,409,941	2,520,109,525,982
Less: Amount due for settlement within 12 months (<i>shown under short-term loans and obligations under financial leases</i>)	1,229,245,598,602	1,025,577,836,609
Amount due for settlement after 12 months	1,111,066,811,339	1,494,531,689,373

22. SCIENCE AND TECHNOLOGY DEVELOPMENT FUND

	Current period	Prior period
	VND	VND
Opening balance	156,508,475,924	103,437,517,291
- Appropriation in the period	-	41,066,103,396
- Utilization in the period	(3,996,666,426)	(3,560,083,431)
Closing balance	152,511,809,498	140,943,537,256

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY
NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

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23. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Prior period's opening balance	5,294,000,000,000	235,869,469,817	592,681,265,980	6,122,550,735,797
Profit for the period	-	-	409,310,756,065	409,310,756,065
Temporary appropriation to investment and development fund in the period	-	49,117,290,728	(49,117,290,728)	-
Temporary appropriation to bonus and welfare funds in the period	-	-	(32,195,586,250)	(32,195,586,250)
Additional appropriation to management bonus fund from 2017 profit after tax	-	-	(143,486,466)	(143,486,466)
Current period's closing balance	5,294,000,000,000	284,986,760,545	920,535,658,601	6,499,522,419,146
Current period's opening balance	5,294,000,000,000	314,320,492,607	622,350,815,002	6,230,671,307,609
Profit for the period	-	-	296,220,198,358	296,220,198,358
Temporary appropriation to investment and development fund in the period (i)	-	23,697,615,869	(23,697,615,869)	-
Temporary appropriation to bonus and welfare funds in the period (i)	-	-	(32,268,750,000)	(32,268,750,000)
Additional appropriation to bonus and welfare funds from 2018 profit (ii)	-	-	(111,270,000)	(111,270,000)
Current period's closing balance	5,294,000,000,000	338,018,108,476	862,493,377,491	6,494,511,485,967

(i) In the period, the Company made temporary appropriation to investment and development fund and bonus and welfare funds under Resolution No. 722/NQ-PVCFC dated 24 April 2019 passed at the Company's General Shareholders' Meeting.

(ii) Represents the additional appropriation to bonus and welfare funds from 2018 profit according to the Minutes dated 05 April 2019 between Vietnam Oil and Gas Group and the Company on determination of the Company's realized salary payroll for 2018.

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	529,400,000	529,400,000
<i>Ordinary shares</i>	<i>529,400,000</i>	<i>529,400,000</i>
Number of outstanding shares in circulation	529,400,000	529,400,000
<i>Ordinary shares</i>	<i>529,400,000</i>	<i>529,400,000</i>

Charter capital

The charter capital of the Company is VND 5,294,000,000,000. As at 30 June 2019, the charter capital has been fully contributed by shareholders, as follows:

	<u>Per Investment Certificate</u>		<u>Contributed capital</u>	
	<u>VND</u>	<u>%</u>	<u>Closing balance</u>	<u>Opening balance</u>
			<u>VND equivalent</u>	<u>VND equivalent</u>
Vietnam Oil and Gas Group	4,000,230,570,000	75.56%	4,000,230,570,000	4,000,230,570,000
Other shareholders	1,293,769,430,000	24.44%	1,293,769,430,000	1,293,769,430,000
	5,294,000,000,000	100%	5,294,000,000,000	5,294,000,000,000

Dividends

According to Resolution No. 722/NQ-PVCFC dated 24 April 2019, the Company's General Shareholders Meeting declared dividends from 2018 retained earnings at the rate of 9% of charter capital, equivalent to the amount of VND 476,460,000,000, to be paid in the future.

24. OFF-BALANCE SHEET ITEMS

	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies		
USD	2,835,775	810,189
EUR	1,280	1,280

25. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segment

The Company's principal activities are manufacturing and trading fertilizers used in agriculture. Accordingly, the financial information presented in the interim balance sheet as at 30 June 2019 and all revenue and expenses presented in the interim income statement for the 6-month period ended 30 June 2019 mainly relate to manufacturing and trading fertilizers. Therefore, no business segment report has been prepared. Revenue and cost of sales by goods item and business activity are presented in Note 26 and Note 27.

Geographical segment

The Company carries out the distribution of fertilizer products primarily in the Southwest, Southeast and Central Highlands markets. During the period, the Company exported Ca Mau Fertilizer Products and other fertilizers to Cambodia with revenue of about VND 268 billion (6-month period ended 30 June 2018: about VND 304 billion) - accounting for insignificant proportion (approximately 8%) of gross revenue from goods sold and services rendered of the Company. Thus, almost the entire production and business activities of the Company are carried out in the territory of Vietnam. Therefore, no geographical segment report has been prepared.

26. REVENUE

	Current period VND	Prior period VND
Sales of goods and services rendered		
Sales of Urea	2,666,963,017,204	2,661,029,619,764
- Domestic sales	2,493,288,211,254	2,396,787,660,000
- Export	173,674,805,950	264,241,959,764
Sales of Ammonia	38,074,579,385	10,358,950,505
Sales of fertilizer merchandises	706,211,418,400	645,795,520,956
- Domestic sales	618,204,694,150	605,622,638,254
- Export	88,006,724,250	40,172,882,702
Sales of production waste and other fertilizers	130,189,175,480	63,466,532,170
- Domestic sales	123,502,000,230	63,466,532,170
- Export	6,687,175,250	-
Revenue from services rendered	-	1,217,000,318
	3,541,438,190,469	3,381,867,623,713
Deductions		
Sales discount	97,788,282,342	128,409,150,142
	97,788,282,342	128,409,150,142
Sales in the period to related parties (details presented in Note 36)	12,755,450,000	6,726,673,920

27. COST OF SALES

	Current period VND	Prior period VND
Cost of Urea sold	2,130,878,430,838	1,786,805,240,584
Cost of Ammonia sold	48,754,893,520	4,936,805,114
Cost of fertilizers sold	664,201,175,215	617,557,398,804
Cost of other fertilizers	76,949,204,743	30,313,978,620
	2,920,783,704,316	2,439,613,423,122

28. PRODUCTION COST BY NATURE

	Current period VND	Prior period VND
Raw materials and consumables	1,764,203,343,651	1,006,568,401,287
Labour	177,901,411,195	186,909,066,366
Depreciation and amortisation	643,688,522,694	641,904,600,092
Out-sourced services	155,520,343,934	202,213,961,016
Other monetary expenses	141,376,317,091	213,252,153,265
	2,882,689,938,565	2,250,848,182,026

29. FINANCIAL INCOME

	Current period VND	Prior period VND
Bank interest	64,021,669,932	89,733,438,846
Foreign exchange gain	4,805,657,929	933,765,970
	68,827,327,861	90,667,204,816

30. FINANCIAL EXPENSES

	Current period VND	Prior period VND
Interest expense	47,244,845,697	83,032,393,660
Foreign exchange loss	14,010,013,299	50,415,709,354
Guarantee fee	2,634,348,911	5,261,958,581
Settlement discount	29,750,000	801,498,000
Other financial expenses	-	14,555,139
	63,918,957,907	139,526,114,734

31. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
Selling expenses for the period		
Transport, loading and storage expenses	66,620,127,521	59,543,566,771
Advertisement and communication expenses	33,325,951,134	41,322,112,241
Selling staff expenses	15,454,711,230	13,195,902,145
Selling expenses of merchandise	12,338,115,664	29,613,513,057
Social welfare security expenses	7,500,000,000	30,000,000,000
Outsourced services	4,876,273,650	8,357,822,711
Depreciation and amortization expenses	381,911,939	350,098,031
Other selling expenses	14,079,166,731	6,930,075,953
	154,576,257,869	189,313,090,909
General and administration expenses for the period		
Administrative staff expenses	40,890,757,400	39,519,184,766
Management fee payable to Vietnam Oil and Gas Group	13,525,187,983	13,425,253,356
Outsourced services	11,305,837,721	19,384,881,316
Depreciation and amortization expenses	6,291,861,127	12,187,353,923
Appropriation for scientific and technological development fund	-	41,066,103,396
Other general and administration expenses	19,963,093,996	21,639,372,249
	91,976,738,227	147,222,149,006

32. OTHER INCOME AND EXPENSES

	Current period VND	Prior period VND
Other income		
Insurance compensations	37,488,786,000	-
Penalty for breach of contract	491,211,075	2,187,651,808
Receipts under insurance policy due to termination of labour contracts	-	2,048,929,397
Disposal of obsolete tools and supplies	-	4,120,554,545
Other income	1,284,211,334	241,145,252
	39,264,208,409	8,598,281,002
Other expenses		
Tax penalties	-	2,827,018,150
Other expenses	303,785,357	410,491,045
	303,785,357	3,237,509,195
Profit from other activities	38,960,423,052	5,360,771,807

33. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current period	23,076,061,540	19,790,862,707
Adjustments for corporate income tax expense in previous years to the current period	-	1,995,247,068
Total current corporate income tax expense	23,076,061,540	21,786,109,775

Corporate income tax expense based on taxable profit in the current period is calculated as follows:

	Current period VND	Prior period VND
Profit before tax	320,182,000,721	433,811,672,423
Adjustments for taxable profit		
<i>Less: Prior year's sale discount billed in the current period</i>	<i>(11,970,466,567)</i>	<i>(45,183,361,802)</i>
<i>Added back: non-deductible expenses</i>	<i>-</i>	<i>410,491,045</i>
Taxable profit	308,211,534,154	389,038,801,666
<i>Taxable profit at normal tax rate of 20%</i>	<i>51,103,232,217</i>	<i>2,259,484,158</i>
<i>Taxable profit at incentive tax rate of 5%</i>	<i>257,108,301,937</i>	<i>386,779,317,508</i>
Corporate income tax expense based on taxable profit in the current period	23,076,061,540	19,790,862,707

According to Official Letter No. 4641/TCT-CS issued by the General Department of Taxation on 02 December 2008 in response to Vietnam Oil and Gas Group on tax incentives for Ca Mau Fertilizer Plant Project, the Company is entitled to tax incentives as follows: corporate income tax rate of 10% for 15 years since the beginning of production and business activities, corporate income tax exemption for 4 years from the year having taxable profit and 50% reduction in tax payable for the nine following years. 2019 is the fourth year the Company is entitled to 50% reduction in tax payable regarding profit generated by the main operating activities of Ca Mau Fertilizer Production Plant Project.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

For operations other than those under Ca Mau Fertilizer Production Plant Project, the Company is obliged to pay corporate income tax at the normal tax rate for taxable profit from other activities.

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.

34. CONTINGENT LIABILITIES

According to the Minutes dated 26 April 2018 between the Ministry of Finance Inspector, Tax Department of Ca Mau Province and the Company, the interest amounts payable to the lender group of BNP Paribas, Export-Import Bank of China and Credit Agricole Bank under the ECA Loan Agreement is not subject to value added tax but subject to corporate income tax for foreign contractors. The Company has paid on behalf of these banks the corporate income tax for the foreign contractors with the amount of VND 39,349,132,087 relating to the interest amounts that the Company paid to the banks accumulated to 30 June 2019. The tax amount was paid and recorded as other receivables from the aforementioned banks.

However, the Company and Vietnam Oil and Gas Group are still in the process of working with the General Department of Taxation, Ministry of Finance and the above lender group to determine the obligations of relevant parties relating to this tax amount for foreign contractors. Therefore, the Company has not completed all relevant procedures or reported any penalties for late tax payment which may incur until there is final decision from competent authorities.

35. OTHER COMMITMENTS

- According to Contract No. 3918/HD-DKVN dated 23 May 2012 and Contract Annex No. 07 dated 13 December 2018 between Vietnam Oil and Gas Group and PetroVietnam Ca Mau Fertilizer Company Limited (currently known as PetroVietnam Ca Mau Fertilizer Joint Stock Company), the Company will purchase natural gas of Block PM3 CAA and Block 46 - Cai Nuoc from the Group within 20 years from the official operation date with the output of 495 million m³ of standard gas per year. The price for the gas purchased under this contract from 01 January 2019 will be adjustable as agreed by the two parties in accordance with the regulations of competent authority.

According to Resolution No. 174/NQ-DKVN dated 08 January 2019 of the Board of Directors of Vietnam Oil and Gas Group on approval of the Company's 2019 business plan, in order for the Group to approve the Company's 2019 business plan, the gas unit price for the gas volume to be billed in this period is estimated based on the gas unit price that is submitted for the approval of the Ministry of Industry and Trade (under Official Letter No. 4576/DKVN-TMDV dated 31 July 2018) of USD 4.00/Million BTU (inclusive of transportation cost, exclusive of value added tax). The gas volume and gas unit price for the Company will be updated upon the approval of competent authority.

- According to Decision No. 615/QD-PVCFC dated 24 March 2016, the Board of Directors approved the Feasibility Study Report of the "Project for Composite Fertilizer Production from melted Urea" with the capacity of 300,000 ton/year with total investment costs including value added tax of VND 879,588,574,880. The expected implementation period of the project is 33 months with the structure of investment capital comprising 70% of the loan and 30% of the equity of the Company. As of 30 June 2019, the completed value of the project was about VND 488 billion.
- According to Decision No. 1718/QD-PVCFC dated 09 September 2016 of the Board of Directors on the approval of the Feasibility Study Report of the "Material import port with the capacity of 500,000 ton/year of Ca Mau Fertilizer Production Plant" and Decision No. 2376/QD-PVCFC dated 20 December 2017 of the Chief Executive Officer on the approval of construction design – construction budget of "Material import port with the capacity of 500,000 ton/year of Ca Mau Fertilizer Production Plant", total investment costs including value added tax is VND 117,944,069,265. The expected implementation period is from 2016 to 2019 with the structure of investment capital comprising 70% of the loan and 30% of the equity of the Company. As of 30 June 2019, the completed value of the project was about VND 79 billion.

36. RELATED PARTIES TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the period:

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Subsidiaries, joint ventures and associates of Vietnam Oil and Gas Group	Affiliates
PetroVietnam Packaging Joint Stock Company	Subsidiary

During the period, the Company entered into the following significant transactions with its related parties:

	Current period VND	Prior period VND
Sales		
PetroVietnam Packaging Joint Stock Company	12,734,600,000	6,726,673,920
PetroVietnam Transportation Vung Tau Joint Stock Company	20,850,000	-
	12,755,450,000	6,726,673,920
Purchases		
Vietnam Oil and Gas Group	1,388,717,301,949	571,150,664,609
PetroVietnam Power Corporation	140,522,850,986	147,211,393,957
PetroVietnam Packaging Joint Stock Company	105,413,062,671	107,203,442,194
Petrovietnam Fertilizer and Chemicals Corporation – Petrochemicals Branch	39,878,138,062	-
PetroVietnam Security Service Corporation	7,353,310,770	6,215,516,239
Branch of PetroVietnam Gas Joint Stock Company - PV Gas Ca Mau Company	7,261,131,656	-
PetroVietnam Maintenance and Repair Joint Stock Company	6,958,539,006	-
Saigon PetroVietnam Oil Joint Stock Company	3,968,283,754	5,585,344,060
South-West PetroVietnam Fertilizer and Chemical Joint Stock Company	2,283,375,417	1,149,585,055
PetroVietnam Transportation Vung Tau Joint Stock Company	1,140,909,000	3,296,513,360
Petroleum Pipeline and Tank Construction Joint Stock Company	927,338,503	3,085,079,525
Vietnam Petroleum Institute	901,918,000	2,723,660,159
PetroVietnam Infrastructure and Urban Investment Joint Stock Company	793,445,400	454,427,820
South-East PetroVietnam Fertilizer and Chemical Joint Stock Company	749,899,806	1,063,226,729
Indochina Petroleum Transportation Joint Stock Company	332,136,770	218,780,925
Petrovietnam Securities Joint Stock Company	220,000,000	-
Drilling Mud Corporation	138,567,000	-
PVOil Lubricants Joint Stock Company	129,951,205	-
Cuu Long Petro Gas Transportation Joint Stock Company - Con Son Branch	-	970,640,000
	1,707,690,159,955	850,328,274,632

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

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

	Closing balance	Opening balance
	VND	VND
Short-term trade receivables		
PetroVietnam Packaging Joint Stock Company	5,799,200,000	3,698,943,200
	5,799,200,000	3,698,943,200
Other short-term receivables		
Vietnam Oil and Gas Group	276,761,701,091	276,761,701,091
PetroVietnam Packaging Joint Stock Company	1,509,320,736	1,509,320,736
	278,271,021,827	278,271,021,827
Short-term advances to suppliers		
PetroVietnam Packaging Joint Stock Company	16,085,965,309	-
Vietnam Petroleum Institute	1,089,288,913	1,089,288,913
	17,175,254,222	1,089,288,913
Short-term trade payables		
Vietnam Oil and Gas Group	414,863,409,532	341,388,689,557
PetroVietnam Power Corporation	42,770,653,051	41,414,975,677
Petrovietnam Fertilizer and Chemicals Corporation – Petrochemicals Branch	31,929,555,544	-
PetroVietnam Security Service Corporation	4,263,095,670	3,178,989,510
Branch of PetroVietnam Gas Joint Stock Company - PV Gas Ca Mau Company	1,303,844,148	-
Drilling Mud Corporation	1,140,244,490	1,001,677,490
South-West PetroVietnam Fertilizer and Chemical Joint Stock Company	772,256,548	345,700,393
South-East PetroVietnam Fertilizer and Chemical Joint Stock Company	749,899,806	1,060,901,868
PetroVietnam Transportation Vung Tau Joint Stock Company	535,910,340	947,789,340
Indochina Petroleum Transportation Joint Stock Company	370,433,600	527,829,500
PVOil Sai Gon Joint Stock Company	317,058,864	453,661,830
Petrovietnam Securities Joint Stock Company	220,000,000	-
Vietnam Petroleum Institute	177,473,196	9,928,836,163
PetroVietnam Packaging Joint Stock Company	-	38,545,117,166
PetroVietnam Manpower Training College	-	9,064,071,456
PetroVietnam Maintenance and Repair Joint Stock Company	-	2,176,257,098
Petroleum Pipeline and Tank Construction Joint Stock Company	-	620,060,760
Branch of Petrovietnam Fertilizer and Chemicals Corporation – Phu My Urea Plant	-	543,462,000
PetroVietnam Technical Safety Registration Company Limited	-	418,756,000
	499,413,834,789	451,616,775,808

	Closing balance VND	Opening balance VND
Short-term accrued expenses		
Vietnam Oil and Gas Group	17,810,630,518	575,040,481,001
	17,810,630,518	575,040,481,001
Other current payables		
Camau Gas - Power - Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
Vietnam Oil and Gas Group	152,884,237,958	152,884,237,958
	208,735,651,387	208,735,651,387
Short-term payable provision		
Vietnam Oil and Gas Group	425,399,613,922	-
	425,399,613,922	-

Remuneration paid to the Board of Directors and Executive Board in the period were as follows:

	Current period VND	Prior period VND
Remuneration paid to the Board of Directors and Executive Board	7,641,673,591	9,034,907,619
	7,641,673,591	9,034,907,619



Huynh Thi Ngoc Ha
Preparer



Dinh Nhu Cuong
Chief Accountant





Le Ngoc Minh Tri
Executive Officer

23 August 2019