

**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK
COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2020



PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

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

Camau City, Camau Province, S.R. Vietnam

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PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

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

Camau City, Camau Province, S.R. Vietnam

STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of PetroVietnam Camau Fertilizer Joint Stock Company (the “Company”) presents this report together with the Company’s separate financial statements for the year ended 31 December 2020.

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 year and to the date of this report are as follows:

Board of Directors

Mr. Tran Ngoc Nguyen	Chairman
Mr. Nguyen Duc Hanh	Member (appointed on 25 June 2020)
Mr. Van Tien Thanh	Member
Mr. Tran My	Member
Ms. Nguyen Minh Phuong	Member
Mr. Le Duc Quang	Member (appointed on 25 June 2020)
Mr. Tran Chi Nguyen	Member (resigned on 25 June 2020)

Executive Board

Mr. Van Tien Thanh	Chief Executive Officer
Mr. Le Ngoc Minh Tri	Executive Officer
Mr. Nguyen Tuan Anh	Executive Officer
Mr. Pham Van Bac	Executive Officer (retired on 01 November 2020)
Ms. Nguyen Thi Hien	Executive Officer
Mr. Tran Chi Nguyen	Executive Officer (appointed on 25 June 2020)
Mr. Nguyen Thanh Tung	Executive Officer (appointed on 15 July 2020)
Mr. Nguyen Duc Hanh	Executive Officer (resigned on 25 June 2020)

EXECUTIVE BOARD’S STATEMENT OF RESPONSIBILITY

The Executive Board of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these 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 separate financial statements;
- Prepare the 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 separate financial statements so as to minimize errors and frauds.



PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

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

Camau City, Camau Province, S.R. Vietnam

STATEMENT OF THE EXECUTIVE BOARD (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 separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 separate financial statements.

For and on behalf of the Executive Board,



Le Ngọc Minh Tri
Executive Officer

*(As per Authorization Letter No. 151/UQ-PVCFC
dated 31 December 2020 of the Company's
Chief Executive Officer)*

12 March 2021



No.: 0653/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders
The Board of Directors and Executive Board
PetroVietnam Camau Fertilizer Joint Stock Company**

We have audited the accompanying separate financial statements of PetroVietnam Camau Fertilizer Joint Stock Company (the "Company"), prepared on 12 March 2021, as set out from page 05 to page 41, which comprise the balance sheet as at 31 December 2020, the income statement, the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Board's Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these separate 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 requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Board, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Emphasis of Matter

As stated in Note 2 of the Notes to the separate financial statements, up to the date of the accompanying 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. Our opinion is not modified in respect of this matter.



Dang Chi Dung

Deputy General Director

Audit Practising Registration Certificate
No. 0030-2018-001-1



Nguyen Cong Cuong

Auditor

Audit Practising Registration Certificate
No. 3992-2017-001-1

DELOITTE VIETNAM COMPANY LIMITED

12 March 2021

Hanoi, S.R. Vietnam



BALANCE SHEET

As at 31 December 2020

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		3,941,917,255,576	4,196,716,702,031
I. Cash and cash equivalents	110	4	507,850,887,756	464,482,357,354
1. Cash	111		287,850,887,756	364,482,357,354
2. Cash equivalents	112		220,000,000,000	100,000,000,000
II. Short-term financial investments	120	5	2,302,000,000,000	2,002,000,000,000
1. Held-to-maturity investments	123		2,302,000,000,000	2,002,000,000,000
III. Short-term receivables	130		217,107,169,494	402,606,894,510
1. Short-term trade receivables	131	6	43,110,222,120	2,168,871,000
2. Short-term advances to suppliers	132	7	15,210,624,232	55,224,799,967
3. Other short-term receivables	136	8	158,786,323,142	345,213,223,543
IV. Inventories	140	9	800,792,297,745	1,254,522,737,374
1. Inventories	141		800,792,297,745	1,263,237,002,374
2. Provision for devaluation of inventories	149		-	(8,714,265,000)
V. Other short-term assets	150		114,166,900,581	73,104,712,793
1. Short-term prepayments	151	10	39,204,171,453	47,806,946,873
2. Value added tax deductibles	152		74,460,526,799	24,728,755,816
3. Taxes and other receivables from the State budget	153	16	502,202,329	569,010,104
B. NON-CURRENT ASSETS	200		4,707,059,455,901	5,881,333,459,145
I. Fixed assets	220		3,906,562,911,213	5,128,788,379,617
1. Tangible fixed assets	221	11	3,850,765,339,017	5,075,660,813,367
- Cost	222		14,152,719,316,627	14,083,383,273,508
- Accumulated depreciation	223		(10,301,953,977,610)	(9,007,722,460,141)
2. Intangible assets	227	12	55,797,572,196	53,127,566,250
- Cost	228		146,331,262,372	129,075,664,501
- Accumulated amortisation	229		(90,533,690,176)	(75,948,098,251)
II. Long-term assets in progress	240		760,881,751,818	698,506,086,885
1. Construction in progress	242	13	760,881,751,818	698,506,086,885
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		18,788,542,870	33,212,742,643
1. Long-term prepayments	261	10	14,631,921,990	27,044,566,792
2. Deferred tax assets	262		4,156,620,880	6,168,175,851
TOTAL ASSETS (270=100+200)	270		8,648,976,711,477	10,078,050,161,176

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



BALANCE SHEET (Continued)


As at 31 December 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		2,356,487,909,540	4,007,600,002,218
I. Current liabilities	310		2,020,883,913,914	3,250,602,273,599
1. Short-term trade payables	311	14	694,934,477,367	859,018,733,732
2. Short-term advances from customers	312	15	118,179,756,704	44,732,968,638
3. Taxes and amounts payable to the State budget	313	16	28,199,211,582	20,696,725,278
4. Payables to employees	314		91,755,545,831	90,397,473,692
5. Short-term accrued expenses	315	17	125,061,571,535	792,948,107,818
6. Other current payables	319	18	126,707,675,137	202,428,447,646
7. Short-term loans and obligations under finance leases	320	19	681,411,884,361	1,137,286,519,882
8. Bonus and welfare funds	322		154,633,791,397	103,093,296,913
II. Long-term liabilities	330		335,603,995,626	756,997,728,619
1. Long-term loans and obligations under finance leases	338	20	131,784,980,811	619,200,574,573
2. Scientific and technological development fund	343	21	203,819,014,815	137,797,154,046
D. EQUITY	400		6,292,488,801,937	6,070,450,158,958
I. Owners' equity	410	22	6,292,488,801,937	6,070,450,158,958
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		414,542,823,262	348,386,378,931
3. Retained earnings	421		583,945,978,675	428,063,780,027
- Retained earnings accumulated to the prior year end	421a		110,739,024,355	145,779,545,002
- Retained earnings of the current year	421b		473,206,954,320	282,284,235,025
TOTAL RESOURCES (440=300+400)	440		8,648,976,711,477	10,078,050,161,176


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Ngoc Minh Tri
Executive Officer

12 March 2021




INCOME STATEMENT


For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	25	7,677,199,326,221	7,165,661,067,209
2. Deductions	02	25	154,314,891,063	133,608,551,433
3. Net revenue from goods sold and services rendered (10=01-02)	10		7,522,884,435,158	7,032,052,515,776
4. Cost of sales	11	26	6,233,089,177,076	6,097,549,387,736
5. Gross profit from goods sold and services rendered (20=10-11)	20		1,289,795,258,082	934,503,128,040
6. Financial income	21	28	130,240,695,027	128,629,786,142
7. Financial expenses	22	29	61,660,315,782	100,731,194,779
- In which: Interest expense	23		41,810,133,108	85,200,329,905
8. Selling expenses	25	30	359,624,875,890	356,304,701,722
9. General and administration expenses	26	30	292,324,343,524	190,734,254,581
10. Operating profit (30=20+(21-22)-(25+26))	30		706,426,417,913	415,362,763,100
11. Other income	31	31	10,735,344,253	48,480,136,648
12. Other expenses	32	31	2,333,025,958	3,472,166,901
13. Profit from other activities (40=31-32)	40	31	8,402,318,295	45,007,969,747
14. Accounting profit before tax (50=30+40)	50		714,828,736,208	460,370,732,847
15. Current corporate income tax expense	51	32	51,252,737,929	39,829,588,814
16. Deferred corporate tax expense/(income)	52		2,011,554,971	(5,282,435,028)
17. Net profit after corporate income tax (60=50-51-52)	60		661,564,443,308	425,823,579,061


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Minh Ngoc Tri
Executive Officer

12 March 2021



CASH FLOW STATEMENT

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
1. Profit before tax	01	714,828,736,208	460,370,732,847
2. Adjustments for:			
Depreciation and amortisation	02	1,307,733,122,077	1,307,892,729,978
Provisions	03	(8,714,265,000)	8,714,265,000
Foreign exchange gain arising from translating foreign currency items	04	(1,529,533,085)	(2,470,821,493)
Gain from investing activities	05	(113,886,918,345)	(119,321,575,124)
Interest expense	06	41,810,133,108	85,200,329,905
Other adjustments	07	79,425,415,134	-
3. Operating profit before movements in working capital	08	2,019,666,690,097	1,740,385,661,113
Decreases in receivables	09	136,376,789,203	57,240,559,072
Decreases/(increases) in inventories	10	462,444,704,629	(297,222,782,508)
(Decrease)/increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(701,956,333,912)	57,496,676,784
Decreases in prepaid expenses	12	21,015,420,222	10,585,007,901
Interest paid	14	(55,744,922,177)	(98,441,283,884)
Corporate income tax paid	15	(41,351,500,466)	(51,426,377,001)
Other cash outflows	17	(82,664,872,893)	(62,216,069,868)
Net cash generated by operating activities	20	1,757,785,974,703	1,356,401,391,609
I. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(266,572,144,053)	(413,644,997,323)
2. Cash outflow for lending, buying debt instruments of other entities	23	(3,290,000,000,000)	(3,220,000,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	2,990,000,000,000	3,720,000,000,000
4. Interest earned, dividends and profits received	27	113,344,890,950	124,404,903,886
Net cash (used in)/generated by investing activities	30	(453,227,253,103)	210,759,906,563



CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2020

Unit: VND

ITEMS	Codes	Current year	Prior year
II. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	1,690,158,567,850	1,623,831,009,297
2. Repayment of borrowings	34	(2,633,448,797,133)	(2,532,939,802,229)
3. Dividends and profits paid	36	(317,605,344,000)	(476,386,137,500)
Net cash used in financing activities	40	(1,260,895,573,283)	(1,385,494,930,432)
Net increases in cash (50=20+30+40)	50	43,663,148,317	181,666,367,740
Cash and cash equivalents at the beginning of the year	60	464,482,357,354	283,034,462,335
Effects of changes in foreign exchange rates	61	(294,617,915)	(218,472,721)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	507,850,887,756	464,482,357,354


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant




Le Minh Ngoc Tri
Executive Officer

12 March 2021



NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

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

PetroVietnam Camau Fertilizer Company Limited was officially transformed into a Joint Stock Company with the name of PetroVietnam Camau Fertilizer Joint Stock Company under Enterprise Registration Certificate for Joint Stock Company No. 2001012298 issued by Camau 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 have been listed on Ho Chi Minh City Stock Exchange since 31 March 2015 under the stock symbol of "DCM".

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

The number of employees of the Company's as at 31 December 2020 was 991 (as at 31 December 2019: 920).

Operating industry and principal activities

The business activities of the Company include:

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

The principal activities of the Company are fertilizer production and trading.

Normal production and business cycle

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



The Company's structure

The subsidiary of the Company is PetroVietnam Packaging Joint Stock Company. General information about the subsidiary is as follows:

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 being its dependent accounting units, located in Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province, have their own seal 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 Camau 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 Camau 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 separate financial statements

Comparative figures are the figures of the audited separate financial statements for the year ended 31 December 2019.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying 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 financial reporting.

The accompanying 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 Camau Fertilizer Company Limited, the Government Inspectorate had inspected and verified the enterprise valuation, valuation of charter capital of the new 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 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.

Financial year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 separate financial statements and the reported amounts of revenues and expenses during the financial year. 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, bank 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.

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 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 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. Issue 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. Inventories are accounted for under a perpetual system.

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 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:

	<u>Years</u>
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 upon equitization of the Company as a former 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 income statement.

Intangible assets and amortisation

Intangible assets represent land use rights, copyright, 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 payables to the State Budget when the Company is transformed into a joint stock company.

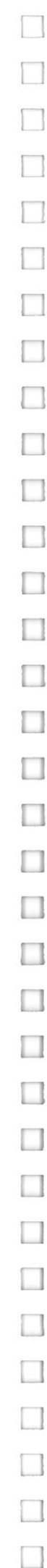
Intangible assets are amortised using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Land use rights	20 - 43
Copyright, patents	3
Computer software	3 - 6

The Company's intangible assets were revalued upon equitization of the Company as a former 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, 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.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise prepaid expenses for Camau Fertilizer Production Plant's asset insurance, warranty extension, fixed asset repair and other types of prepayments.

The cost of Camau Fertilizer Production Plant's asset insurance will be charged to profit or loss over insurance period.

Other prepayments including 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 income statement using the straight-line method in compliance with applicable regulations.

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 in science and technology activities of the Company. This Fund was formed on the basis of the Company's development and technology innovation demand and fund appropriations are charged to the operation results of the year.

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 income statement.

As guided by Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group and Official Letter No. 7526/BTC-TCND 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 31 December 2020. 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 years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. 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 a time 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 year 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 year. 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 years (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 Camau province, the Company is entitled to tax incentives with regard to Camau Fertilizer Production Plant project 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.

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 follow 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. 2020 is the fifth 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.

For operations other than those under CaMau Fertilizer Production Plant Project, the Company is obliged to pay corporate income tax at the prevailing normal tax rate based on taxable profit which is 20%.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the 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 year 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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	999,921,830	922,976,736
Bank demand deposits	286,850,965,926	363,559,380,618
Cash equivalents (*)	220,000,000,000	100,000,000,000
	<u>507,850,887,756</u>	<u>464,482,357,354</u>

(*) Cash equivalents represent deposits in VND at commercial banks with original terms of three months or less.





5. FINANCIAL INVESTMENTS

Short-term financial investments

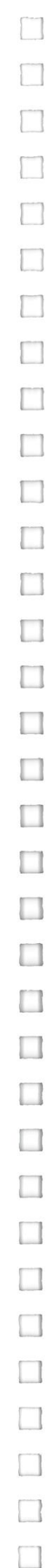
	Closing balance		Opening balance	
	VND	VND	VND	VND
	Cost	Carrying amount	Cost	Carrying amount
<i>Short-term held-to-maturity investments</i>				
- Over 3-month term deposits	2,302,000,000,000	2,302,000,000,000	2,002,000,000,000	2,002,000,000,000
	2,302,000,000,000	2,302,000,000,000	2,002,000,000,000	2,002,000,000,000

As at 31 December 2020, held-to-maturity investments represent deposits at commercial banks with the original term of more than 3 months and the remaining term of less than 12 months from the balance sheet date, earning interest rates from 3.6%/year to 5.35%/year (as at 31 December 2019 interest rates from 5.1%/year to 6.8%/year).

As presented in Note 19, as at 31 December 2020, the Company used two term deposits with the total amount of VND 150,000,000,000 at Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch to secure its short-term loan from this bank.

Long-term financial investments

	Closing balance		Opening balance	
	VND	VND	VND	VND
	Cost	Provision	Cost	Provision
<i>Investments in subsidiary</i>				
PetroVietnam Packaging	20,826,250,000	-	20,826,250,000	-
Joint Stock Company	20,826,250,000	-	20,826,250,000	-



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

	Current year			Prior year		
	Revenue	Expenses	Profit after tax	Revenue	Expenses	Profit after tax
	VND	VND	VND	VND	VND	VND
Operating status of the subsidiary during the year	278,402,349,619	272,834,112,916	5,568,236,703	223,759,883,297	218,416,539,694	5,343,343,603
	Sales	Goods purchases	Dividends and profits received	Sales	Goods purchases	Dividends and profits received
	VND	VND	VND	VND	VND	VND
Significant transactions between the Company and its subsidiary during the year	52,607,450,000	187,404,234,359	1,959,333,600	18,466,455,000	196,249,786,031	2,799,048,000



6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Nguyen Khoa Trading Company Limited	7,960,000,000	-
Baconco Company Limited	7,225,255,750	-
Tuong Dung An Giang Company Limited	6,393,500,000	-
Hiep Loan Import and Export Company Limited	5,974,450,000	-
Other customers	15,557,016,370	2,168,871,000
	43,110,222,120	2,168,871,000
<i>In which:</i>		
Trade receivables from related parties (Details stated in Note 35)	615,123,400	2,060,283,600

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
BATECO Vietnam Joint Stock Company	2,853,160,182	1,711,520,318
Vietnam Oil and Gas Group	-	30,597,955,738
Other suppliers	12,357,464,050	22,915,323,911
	15,210,624,232	55,224,799,967
<i>In which:</i>		
Advances to related parties (Details stated in Note 35)	384,346,575	32,407,080,788

8. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
Receivable from Vietnam Oil and Gas Group (i)	77,424,489,813	276,761,701,091
Withholding tax on payments of foreign loan interest receivable from foreign banks (ii)	42,851,089,549	40,992,205,704
Accrued interest receivable from term deposits	18,537,852,055	17,995,824,660
Discounts on goods purchased	13,439,746,830	6,059,216,678
Advances to employees	2,504,500,800	541,370,100
Deposits	335,000,000	335,000,000
Others	3,693,644,095	2,527,905,310
	158,786,323,142	345,213,223,543
<i>In which:</i>		
Other short-term receivables from related parties (Details stated in Note 35)	78,933,810,549	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 the Company accumulated the end of 2020 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 as initial borrower. The Company has 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 33).

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
Raw materials	497,523,457,924	-	393,965,924,970	-
Tools and supplies	22,005,575,983	-	7,466,257,116	-
Work in progress	43,606,805,449	-	62,395,111,664	-
Finished goods	125,226,307,290	-	524,534,932,807	-
Merchandise	112,430,151,099	-	274,874,775,817	(8,714,265,000)
	800,792,297,745	-	1,263,237,002,374	(8,714,265,000)

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
Asset insurance for Camau Fertilizer Production Plant	5,942,721,832	29,636,127,643
Warranty extension and software copyrights	5,411,686,281	10,233,477,516
Other short-term prepaid expenses	27,849,763,340	7,937,341,714
	39,204,171,453	47,806,946,873
b. Non-current		
Asset repair	10,970,158,182	23,487,222,345
Tools and supplies	3,388,091,173	3,398,658,496
Other long-term prepaid expenses	273,672,635	158,685,951
	14,631,921,990	27,044,566,792

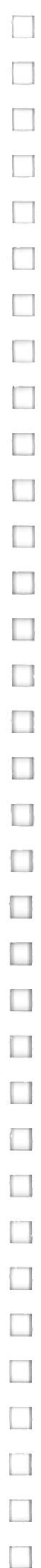


11. INCREASES, INCREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles and transmission equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
Opening balance	3,462,742,006,171	10,425,926,612,446	74,985,444,354	60,359,236,722	59,369,973,815	14,083,383,273,508
Additions	35,049,525,197	294,655,914	9,242,947,497	5,740,335,750	-	50,327,464,358
Transfer from construction in progress	2,729,674,678	15,805,904,083	473,000,000	-	-	19,008,578,761
Closing balance	3,500,521,206,046	10,442,027,172,443	84,701,391,851	66,099,572,472	59,369,973,815	14,152,719,316,627
ACCUMULATED DEPRECIATION						
Opening balance	2,235,426,000,411	6,651,536,991,533	52,448,193,255	50,040,806,813	18,270,468,129	9,007,722,460,141
Charge for the year	301,420,859,807	982,647,287,021	6,188,733,576	3,742,666,167	231,970,898	1,294,231,517,469
Closing balance	2,536,846,860,218	7,634,184,278,554	58,636,926,831	53,783,472,980	18,502,439,027	10,301,953,977,610
NET BOOK VALUE						
Opening balance	1,227,316,005,760	3,774,389,620,913	22,537,251,099	10,318,429,909	41,099,505,686	5,075,660,813,367
Closing balance	963,674,345,828	2,807,842,893,889	26,064,465,020	12,316,099,492	40,867,534,788	3,850,765,339,017

The Company has pledged the entire fixed assets formed from Camau Fertilizer Production Plant Project and the material import port project with a capacity of 500,000 tons per year of Ca Mau Fertilizer Plant which have total carrying value of VND 3,579,716,861,942 as at 31 December 2020 (as at 31 December 2019: VND 4,802,188,993,656) to secure its bank loans.

The cost of the Company's tangible fixed assets as at 31 December 2020 includes VND 312,619,446,774 (as at 31 December 2019: VND 203,946,823,074) of fixed assets which have been fully depreciated but are still in use.



12. INCREASES, INCREASES IN INTANGIBLE ASSETS

	Land use rights	Copy rights, patent	Computer software	Total
	VND	VND	VND	VND
COST				
Opening balance	22,194,885,567	14,080,000,000	92,800,778,934	129,075,664,501
Additions	-	-	16,145,597,871	16,145,597,871
Transfer from construction in progress	-	-	1,110,000,000	1,110,000,000
Closing balance	22,194,885,567	14,080,000,000	110,056,376,805	146,331,262,372
ACCUMULATED AMORTISATION				
Opening balance	6,287,242,058	14,080,000,000	55,580,856,193	75,948,098,251
Charge for the year	1,286,648,162	-	13,298,943,763	14,585,591,925
Closing balance	7,573,890,220	14,080,000,000	68,879,799,956	90,533,690,176
NET BOOK VALUE				
Opening balance	15,907,643,509	-	37,219,922,741	53,127,566,250
Closing balance	14,620,995,347	-	41,176,576,849	55,797,572,196

The cost of the Company's intangible assets as at 31 December 2020 includes VND 63,473,494,341 (as at 31 December 2019: VND 62,538,811,341) of intangible assets which have been fully amortised but are still in use.

13. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Composite Fertilizer Production from melted Urea	748,149,371,686	693,410,659,894
MP vent gas recovery system	3,953,884,558	97,490,058
Package storage - Product warehouse	3,871,758,521	-
CO2 filter system	2,745,101,039	2,172,861,028
Other projects	2,161,636,014	2,825,075,905
	760,881,751,818	698,506,086,885

The Company has pledged the entire value of construction in progress of the Project "Composite Fertilizer Production from melted Urea" valued at VND 748,149,371,686 as at 31 December 2020 (31 December 2019: VND 693,410,659,894) to secure its bank loans.



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	378,769,809,435	378,769,809,435	459,336,702,198	459,336,702,198
PetroVietnam Power Corporation	60,286,586,665	60,286,586,665	80,176,252,657	80,176,252,657
Sun Life Vietnam Company Limited	40,000,000,000	40,000,000,000	-	-
PetroVietnam Packaging Joint Stock Company	4,979,921,471	4,979,921,471	14,937,099,919	14,937,099,919
PetroVietnam Fertilizer and Chemicals	22,613,229,726	22,613,229,726	21,579,663,510	21,579,663,510
Corporation – Joint Stock Company - Chemical				
Business Petroleum Branch	188,284,930,070	188,284,930,070	282,989,015,448	282,989,015,448
Other suppliers	694,934,477,367	694,934,477,367	859,018,733,732	859,018,733,732
Trade payables to related parties	476,256,733,178	476,256,733,178	589,251,308,757	589,251,308,757
(Details stated in Note 35)				



15. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
Yetak Group Company Limited	27,676,624,079	-
Sayimex Ta Mchas Sre Company Limited	16,999,189,280	-
Hung Thanh Agricultural Materials Company Limited	16,138,922,240	740,460,140
Other customers	57,365,021,105	43,992,508,498
	118,179,756,704	44,732,968,638

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

	Opening balance VND	Payable during the year VND	Paid during the year VND	Closing balance VND
a. Receivables				
Value added tax	104,855,724	-	-	104,855,724
Land rentals	397,346,605	80,190,633	80,190,633	397,346,605
Import duty	66,807,775	3,417,368,182	3,484,175,957	-
	569,010,104	3,497,558,815	3,564,366,590	502,202,329
b. Payables				
Special consumption tax	-	3,460,988,340	3,460,988,340	-
Corporate income tax	16,000,332,385	51,252,737,929	41,351,500,466	25,901,569,848
Natural resources tax	229,003,200	2,632,834,950	2,632,834,950	229,003,200
Personal income tax	4,306,680,934	18,054,483,148	20,309,199,548	2,051,964,534
Other taxes	160,708,759	1,345,042,980	1,489,077,739	16,674,000
	20,696,725,278	76,746,087,347	69,243,601,043	28,199,211,582

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
a. Short-term accrued expenses		
Trade discounts payable	56,512,371,793	102,888,285,946
Purchase of goods and services	21,346,111,775	17,013,452,519
Non-deductible value added tax	14,374,223,655	13,919,985,689
Accrued interest expense	5,022,137,264	18,956,926,333
Guarantee fees	500,143,854	988,950,000
Accrued gas expenses	-	614,394,302,700
Other accruals	27,306,583,194	24,786,204,631
	125,061,571,535	792,948,107,818
<i>In which:</i>		
Accrued expenses payable to related parties (details presented in Note 35)	14,374,223,655	628,314,288,389



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	45,856,789,285	124,371,817,205
- Receiving completed "Camau Fertilizer Production Plant" Project	-	78,515,027,920
- Profit payable in the period from 01 January 2014 to 14 January 2015	12,219,608,894	12,219,608,894
- 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
- Payables relating to equitization	247,500,000	247,500,000
- Other payables	(162,785,316)	(162,785,316)
Safety reward fund	5,182,233,141	4,250,058,935
Trade union fee	2,379,986,323	1,400,357,040
Short-term deposits received	1,145,292,000	604,432,000
Other short-term payables	16,291,960,959	15,950,369,037
	126,707,675,137	202,428,447,646
Other short-term payables to related parties (details presented in Note 35)	101,708,202,714	180,223,230,634



PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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	VND Decreases	Amount	VND Amount able to be paid off
Short-term loans						
Joint Stock	-	-	1,631,004,926,949	1,475,246,863,949	155,758,063,000	155,758,063,000
Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch (i)	-	-	1,538,745,176,949	1,382,987,113,949	155,758,063,000	155,758,063,000
Ho Chi Minh City Housing Development Joint Stock Commercial Bank - Ca Mau Branch	-	-	92,259,750,000	92,259,750,000	-	-
Current portion of long-term loans	1,137,286,519,882	1,137,286,519,882	546,569,234,663	1,158,201,933,184	525,653,821,361	525,653,821,361
	1,137,286,519,882	1,137,286,519,882	2,177,574,161,612	2,633,448,797,133	681,411,884,361	681,411,884,361

(i) Represent short-term loans in USD from the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem Branch with a term of 2 months to finance business activities. Interest rate is 1.8%/year. As at 31 December 2020, the loan principal balance is USD 6,761,800, equivalent to VND 155,758,063,000. The collateral for the loan are two term deposits with the total amount of VND 150,000,000,000 at the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem branch.



PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

20. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
Long-term loans	1,756,487,094,455	1,756,487,094,455	59,153,640,901	1,158,201,933,184	657,438,802,172	657,438,802,172
Group of BNP Paribas	878,180,002,077	878,180,002,077	-	509,620,002,080	368,559,999,997	368,559,999,997
Bank, Credit Agricole						
Bank, Export - Import						
Bank of China						
Vietnam Joint Stock	491,490,582,540	491,490,582,540	-	491,490,582,540	-	-
Commercial Bank for						
Industry and Trade						
Saigon – Hanoi	336,191,468,685	336,191,468,685	59,153,640,901	131,778,828,000	263,566,281,586	263,566,281,586
Commercial Joint Stock						
Ho Chi Minh City	50,625,041,153	50,625,041,153	-	25,312,520,564	25,312,520,589	25,312,520,589
Development Joint						
Stock Commercial Bank						
- Ca Mau Branch						
	1,756,487,094,455	1,756,487,094,455	59,153,640,901	1,158,201,933,184	657,438,802,172	657,438,802,172
In which:						
- Amount due for	1,137,286,519,882				525,653,821,361	
settlement within 12						
- Amount due for	619,200,574,573				131,784,980,811	
settlement after 12						

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 rates are floating and in accordance with the lenders' regulations. During the year, the interest rates ranged from 2.5% pa to 4.8% pa for loans in USD and from 8.28% pa to 9.1% pa for loans in VND.



Loans are categorized according to the disbursement currency as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Loans in USD	368,559,999,997	1,369,670,584,617
Loans in VND	288,878,802,175	386,816,509,838
	<u>657,438,802,172</u>	<u>1,756,487,094,455</u>

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	525,653,821,361	1,137,286,519,882
In the second year	131,784,980,811	507,137,178,349
In the third to fifth year inclusive	-	112,063,396,224
	<u>657,438,802,172</u>	<u>1,756,487,094,455</u>
Less: Amount due for settlement within 12 months (shown under short-term loans and obligations under financial leases)	525,653,821,361	1,137,286,519,882
Amount due for settlement after 12 months	<u>131,784,980,811</u>	<u>619,200,574,573</u>

21. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	137,797,154,046	156,508,475,924
- Appropriation in the year	79,425,415,134	-
- Utilization in the year	(13,403,554,365)	(18,711,321,878)
Closing balance	<u>203,819,014,815</u>	<u>137,797,154,046</u>

Scientific and technological development fund is temporarily deducted during the year at the rate of 10% of the taxable profit of the Company under the Resolution No.169/NQ-PVCFC dated 28 January 2021 of the PetroVietnam Ca Mau Fertilizer Joint Stock Company's General Meeting of Shareholders.



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22. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Prior year's opening balance	5,294,000,000,000	314,320,492,607	622,350,815,002	6,230,671,307,609
Profit for the year	-	-	425,823,579,061	425,823,579,061
Appropriation to investment and development fund from 2019 retained earnings	-	34,065,886,324	(34,065,886,324)	-
Appropriation to bonus and welfare funds from 2019 retained earnings	-	-	(109,473,457,712)	(109,473,457,712)
Additional appropriation to bonus and welfare funds from 2018 retained earnings	-	-	(111,270,000)	(111,270,000)
Dividends declared for 2018	-	-	(476,460,000,000)	(476,460,000,000)
Current year's opening balance	5,294,000,000,000	348,386,378,931	428,063,780,027	6,070,450,158,958
Profit for the year	-	-	661,564,443,308	661,564,443,308
Appropriation to investment and development fund from 2020 retained earnings (i)	-	66,156,444,331	(66,156,444,331)	-
Appropriation to bonus and welfare funds from 2020 retained earnings (i)	-	-	(122,201,044,657)	(122,201,044,657)
Reversal of appropriation to Bonus and welfare funds from retained earnings in 2019 (ii)	-	-	315,244,328	315,244,328
Dividends declared for 2019	-	-	(317,640,000,000)	(317,640,000,000)
Current year's closing balance	5,294,000,000,000	414,542,823,262	583,945,978,675	6,292,488,801,937

(i) During the year, the Company temporarily distributed its 2020 retained earnings to the development and investment fund and bonus and welfare fund according to Resolution No.1161/NQ-PVCFC dated 25 June 2020 passed at the Company's General Shareholders' Meeting.

(ii) Represent the reduction of the appropriation amount to Bonus and welfare funds from retaining earnings in 2019 according to Official Letter No. 813/PVCFC-QTNL dated 15 July 2020 approving of the labor and salary plan for 2020.



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 31 December 2020, the charter capital has been fully contributed by shareholders, as follows:

	<u>Per Enterprise Registration</u>		<u>Contributed capital</u>	
	<u>VND</u>	<u>%</u>	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>		<u>VND</u>	<u>VND</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 the Resolution No.1161/NQ-ĐHCD dated 25 June 2020 of the Annual General Meeting of Shareholders, the General Meeting of Shareholders approved the payment of 2019 dividend in cash to existing shareholders at the payout rate of 6% of charter capital, equivalent to VND 317,640,000,000.

23. OFF-BALANCE SHEET ITEMS

	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies		
USD	5,996,442	10,118,415
EUR	1,280	1,280

24. 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 balance sheet as at 31 December 2020 and all revenue and expenses presented in the income statement for the year ended 31 December 2020 mainly relate to manufacturing and trading fertilizers. Therefore, no business segment report has been prepared. Revenue and cost of sales by business line are presented in Note 25 and Note 26.



Geographical segment

The Company distributes fertilizer products mainly in the Southwest, Southeast and Central Highlands markets of Vietnam. During the year, the Company exported Ca Mau Fertilizer and some other fertilizer products to foreign markets with a revenue of about VND 1,704 billion, accounting for about 22% (in 2019: about VND 1,268 billion, accounting for about 18%) of the Company's total revenue from sales of goods and services.

The segment report is prepared for corporate governance purposes. The Company does not separately monitor its assets and liabilities by segment. The Company's revenues, expenses and results of each segment are reported as follows:

Current year	Domestic	Export	Total
	VND	VND	VND
Net revenue from goods sold	5,875,480,552,333	1,647,403,882,825	7,522,884,435,158
Cost of sales	(4,731,491,716,815)	(1,501,597,460,261)	(6,233,089,177,076)
Gross profit by department	1,143,988,835,518	145,806,422,564	1,289,795,258,082
General operating expenses			(651,949,219,414)
Financial income			130,240,695,027
Financial expenses			(61,660,315,782)
Other income			10,735,344,253
Other expenses			(2,333,025,958)
Accounting profit before tax			714,828,736,208
Current corporate income tax expense			(51,252,737,929)
Deferred corporate tax expense			(2,011,554,971)
Net profit after corporate income tax			661,564,443,308
Prior year	Domestic	Export	Total
	VND	VND	VND
Net revenue from goods sold	5,779,872,123,584	1,252,180,392,192	7,032,052,515,776
Cost of sales	(4,957,062,253,904)	(1,140,487,133,832)	(6,097,549,387,736)
Gross profit by department	822,809,869,680	111,693,258,360	934,503,128,040
General operating expenses			(547,038,956,303)
Financial income			128,629,786,142
Financial expenses			(100,731,194,779)
Other income			48,480,136,648
Other expenses			(3,472,166,901)
Accounting profit before tax			460,370,732,847
Current corporate income tax expense			(39,829,588,814)
Deferred corporate tax income			5,282,435,028
Net profit after corporate income tax			425,823,579,061



25. REVENUE

	Current year VND	Prior year VND
Sales of goods and services rendered		
Sales of urea	6,073,425,382,360	5,589,781,832,504
- Domestic sales	4,394,765,571,328	4,482,391,632,254
- Export	1,678,659,811,032	1,107,390,200,250
Sales of ammonia	-	38,074,579,385
Sales of fertilizers	1,331,323,910,380	1,311,882,295,090
- Domestic sales	1,305,540,380,330	1,150,608,102,412
- Export	25,783,530,050	161,274,192,678
Sales of production waste and other fertilizers	271,960,960,390	225,852,230,230
Revenue from services rendered	489,073,091	70,130,000
	7,677,199,326,221	7,165,661,067,209
Deductions		
Sales discount	154,314,891,063	133,608,551,433
	154,314,891,063	133,608,551,433
Sales in the year to related parties (details presented in Note 35)	53,144,968,041	18,489,832,500

26. COST OF SALES

	Current year VND	Prior year VND
Cost of urea sold	4,918,020,776,818	4,747,004,895,217
Cost of ammonia sold	-	48,754,893,520
Cost of fertilizers sold	1,183,662,062,350	1,185,332,593,258
Cost of other fertilizers	131,406,337,908	116,457,005,741
	6,233,089,177,076	6,097,549,387,736

27. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	2,822,207,628,884	3,249,909,081,582
Labour	409,000,102,250	431,176,988,954
Depreciation and amortisation	1,307,733,122,077	1,307,892,729,978
Fund for scientific and technological research	79,425,415,134	-
Out-sourced services	395,328,366,138	354,145,982,418
Other monetary expenses	278,299,032,925	287,688,044,215
	5,291,993,667,408	5,630,812,827,147



28. FINANCIAL INCOME

	<u>Current year</u> VND	<u>Prior year</u> VND
Bank interest	111,927,584,745	117,688,797,124
Foreign exchange gain	16,353,776,682	9,308,211,018
Dividends and profits received	1,959,333,600	1,632,778,000
	<u>130,240,695,027</u>	<u>128,629,786,142</u>

29. FINANCIAL EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Interest expense	41,810,133,108	85,200,329,905
Foreign exchange loss	17,352,754,090	10,720,933,131
Guarantee fee	2,137,728,584	4,664,281,743
Settlement discount	244,250,000	29,750,000
Other financial expenses	115,450,000	115,900,000
	<u>61,660,315,782</u>	<u>100,731,194,779</u>

30. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	<u>Current year</u> VND	<u>Prior year</u> VND
Selling expenses for the year		
Selling staff expenses	34,077,176,447	40,522,456,273
Transport, loading and storage expenses	159,809,238,978	159,016,645,857
Advertisement and communication expenses	52,317,514,367	53,102,728,030
Social welfare security expenses	13,037,400,790	14,457,600,000
Selling expenses of merchandise	42,039,658,914	34,490,279,782
Depreciation and amortization expenses	3,333,140,066	846,635,261
Outsourced services	55,010,746,328	53,868,356,519
	<u>359,624,875,890</u>	<u>356,304,701,722</u>
General and administration expenses for the year		
Administrative staff expenses	91,774,342,128	97,090,992,194
Fund for scientific and technological research	79,425,415,134	-
Depreciation and amortization expenses	15,418,111,012	17,149,019,862
Outsourced services	44,156,052,866	30,702,670,132
Other general and administration expenses	61,550,422,384	45,791,572,393
	<u>292,324,343,524</u>	<u>190,734,254,581</u>



31. OTHER INCOME AND OTHER EXPENSES

	Current year VND	Prior year VND
Other income		
Insurance compensations received	7,924,957,313	42,365,539,558
Contract penalties	342,753,170	2,067,163,905
Other income	2,467,633,770	4,047,433,185
	10,735,344,253	48,480,136,648
Other expenses		
Tax penalties	161,519,670	956,497,839
Product handling expenses	2,127,838,077	2,081,729,336
Other expenses	43,668,211	433,939,726
	2,333,025,958	3,472,166,901
Profit from other activities	8,402,318,295	45,007,969,747

32. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	50,494,623,931	39,221,836,556
Adjustments for corporate income tax expense in previous years to the current year	758,113,998	607,752,258
Total current corporate income tax expense	51,252,737,929	39,829,588,814

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

	Current year VND	Prior year VND
Profit before tax	714,828,736,208	460,370,732,847
Less: non-taxable income	(1,959,333,600)	(1,632,778,000)
Less: Prior year's sale discount billed in the current year differences deducted in current year	(102,888,285,946)	(11,970,466,567)
Added back: non-deductible expenses	50,620,951,880	44,246,171,916
Added back: Sale discount not billed in the year	56,512,371,793	103,433,802,416
Taxable profit	717,114,440,335	594,447,462,612
Taxable profit at normal tax rate of 20%	97,592,679,426	63,329,756,169
Taxable profit at incentive tax rate of 10% and 50% reduction	619,521,760,909	531,117,706,442
Corporate income tax expense based on taxable profit in the current year	50,494,623,931	39,221,836,556



33. 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 42,851,089,549 relating to the interest amounts that the Company paid to the banks accumulated to 31 December 2020. 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 in the separate financial statements until there is final decision from competent authorities.

34. 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 Camau Fertilizer Company Limited (currently known as PetroVietnam Camau 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 new gas price is applied from 01 January 2019 to the end of 31 December 2031 as agreed in the Contract Appendix amended dated 27 May 2020 of the Gas purchase and sale contract No.3918/HD-DKVN dated 23 May 2012.

- 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% debt and 30% equity.

35. RELATED PARTIES TRANSACTIONS AND BALANCES

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

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



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

	Current year VND	Prior year VND
Sales		
PetroVietnam Packaging Joint Stock Company	52,607,450,000	18,466,455,000
Binh Son Refining and Petrochemical Joint Stock Company	489,073,091	-
PetroVietnam Transportation Vung Tau Joint Stock Company	48,444,950	23,377,500
	53,144,968,041	18,489,832,500
Purchases		
Vietnam Oil and Gas Group	1,890,701,731,577	2,343,954,609,017
PetroVietnam Power Corporation	283,885,575,273	269,904,986,249
PetroVietnam Packaging Joint Stock Company	187,404,234,359	196,249,786,031
PetroVietnam Fertilizer and Chemicals Corporation - JSC - Chemical Trading Branch	108,988,050,225	90,227,950,825
PetroVietnam Gas Joint Stock Company - Camau Branch	19,641,297,301	15,528,738,508
PetroVietnam Security Service Corporation	15,280,363,666	14,407,822,986
Saigon PetroVietnam Oil Joint Stock Company	5,201,505,433	6,356,363,742
PetroVietnam Transportation Vung Tau Joint Stock Company	6,630,329,307	4,140,410,000
Vietnam Petroleum Institute	4,592,970,461	3,834,943,685
South-East PetroVietnam Fertilizer and Chemical Joint Stock Company	3,380,362,775	2,707,844,193
Petroleum Pipeline and Tank Construction Joint Stock Company	3,130,272,074	843,035,003
PVD Trading and Technical Services Joint Stock Company	1,993,665,692	-
South-West PetroVietnam Fertilizer and Chemical Joint Stock Company	1,975,458,903	3,057,649,082
Petroleum Urban and Infrastructure Investment Joint Stock Company	1,600,005,600	1,442,628,000
Indochina Petroleum Transportation Joint Stock Company	642,930,496	2,282,294,258
PetroVietnam Technical Safety Registration Company Limited	458,060,500	-
Branch of Petrovietnam Fertilizer and Chemicals Corporation – Phu My Urea Plant	359,730,535	286,626,000
PetroVietnam Manpower Training College	222,100,000	633,260,000
Petrovietnam Securities Joint Stock Company	200,000,000	200,000,000
Petroleum Trading Joint Stock Company	-	8,324,114,120
Petroleum Construction Maintenance and Repair Corporation - JSC	-	2,541,392,393
Petroleum Maintenance Services Joint Stock Company	-	2,324,718,800
PVD Technical Training Joint Stock Company	-	1,089,500,000
Drilling Mud Joint Stock Corporation	-	125,970,000
PV Oil Lube Joint Stock Company	-	118,137,459
	2,536,288,644,176	2,970,582,780,351



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	Current year VND	Prior year VND
Dividends received		
PetroVietnam Packaging Joint Stock Company		
- In cash	1,959,333,600	1,632,778,000
- In shares	-	1,166,270,000
	1,959,333,600	2,799,048,000
Dividend paid		
Vietnam Oil and Gas Group	240,013,834,200	360,020,751,300
	240,013,834,200	360,020,751,300

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

	Closing balance VND	Opening balance VND
Short-term trade receivables		
Binh Son Refining and Petrochemical Joint Stock Company	537,980,400	-
PetroVietnam Packaging Joint Stock Company	77,143,000	2,037,253,600
PetroVietnam Transportation Vung Tau Joint Stock Company	-	23,030,000
	615,123,400	2,060,283,600
Other short-term receivables		
Vietnam Oil and Gas Group	77,424,489,813	276,761,701,091
PetroVietnam Packaging Joint Stock Company	1,509,320,736	1,509,320,736
	78,933,810,549	278,271,021,827
Short-term advances to suppliers		
Vietnam Petroleum Institute	161,825,875	1,139,217,950
PVOil Sai Gon Joint Stock Company	222,520,700	243,156,600
Vietnam Oil and Gas Group	-	30,597,955,738
Indochina Petroleum Transportation Joint Stock Company	-	260,700,000
PetroVietnam Transportation Vung Tau Joint Stock Company	-	166,050,500
	384,346,575	32,407,080,788



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	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Short-term trade payables		
Vietnam Oil and Gas Group	378,769,809,435	459,336,702,198
PetroVietnam Power Corporation	60,286,586,665	80,176,252,657
PetroVietnam Fertilizer and Chemicals Corporation - JSC - Chemical Trading Branch	22,613,229,726	21,579,663,510
PetroVietnam Packaging Joint Stock Company	4,979,921,471	14,937,099,919
PetroVietnam Infrastructure and Urban Investment Joint Stock Company	1,780,020,360	1,606,905,000
Vietnam Petroleum Institute	1,577,398,316	4,522,596,913
PetroVietnam Gas Joint Stock Company - Camau Branch	1,521,325,380	1,685,954,418
PetroVietnam Security Service Corporation	1,404,272,470	1,421,031,890
PetroVietnam Transportation Vung Tau Joint Stock Company	1,343,662,100	1,433,323,740
South-West PetroVietnam Fertilizer and Chemical Joint Stock Company	658,706,602	636,470,125
Saigon PetroVietnam Oil Joint Stock Company	519,869,390	596,932,091
South-East PetroVietnam Fertilizer and Chemical Joint Stock Company	332,277,754	656,021,196
Indochina Petroleum Transportation Joint Stock Company	73,949,920	201,666,100
Branch of Petrovietnam Fertilizer and Chemicals Corporation – Phu My Urea Plant	395,703,589	286,626,000
PetroVietnam Manpower Training College	-	110,500,000
Binh Son Refining and Petrochemical Joint Stock Company	-	63,563,000
	476,256,733,178	589,251,308,757
Short-term accrued expenses		
Vietnam Oil and Gas Group	14,374,223,655	628,314,288,389
	14,374,223,655	628,314,288,389
Other current payables		
Ca Mau Gas - Power - Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
Vietnam Oil and Gas Group	45,856,789,285	124,371,817,205
	101,708,202,714	180,223,230,634



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

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Remuneration paid to the Board of Directors and Executive Board		
Tran Ngoc Nguyen	1,601,181,892	1,096,020,000
Van Tien Thanh	1,568,027,574	1,441,954,594
Tran My	1,290,253,393	1,283,897,208
Nguyen Duc Hanh	1,290,253,393	1,283,897,208
Le Duc Quang	434,038,246	-
Nguyen Minh Phuong	280,000,000	117,272,727
Tran Chi Nguyen	1,354,407,239	1,283,897,208
Le Ngoc Minh Tri	1,290,253,393	1,283,897,208
Nguyen Tuan Anh	1,242,212,998	1,192,532,769
Nguyen Thi Hien	1,206,270,443	934,560,000
Nguyen Thanh Tung	1,246,542,176	1,157,824,262
Dinh Nhu Cuong	1,211,884,781	1,161,790,497
	14,015,325,528	12,237,543,681

Huynh Thi Ngoc Ha
Preparer

Dinh Nhu Cuong
Chief Accountant



Le Ngoc Minh Tri
Executive Officer

12 March 2021

